CHAPTER 1
INTRODUCTION

Economic factors determining growth are shaped and affected by formal social, political organisations as well as by customs, values, modes of thought, attitudes motivations and power dynamics. Realisation of this led development economists to emphasize that key economic functions used in analyzing advanced economies may take quite different forms in less-developed countries. This is for reasons that are largely political, social and institutional. Equally it has led to the recognition that the 'unity of social life' and its inseparable connection between its elements rules out any dissection of concrete reality into political, cultural, social, ethical and economic parts. Moreover, as the whole is something greater than the sum of its parts, any attempt to reality by atomism would be misleading and even dangerous.

There is a tendency on the part of economists to take these institutions and values as unchanging given and, as such, theories formulated on the basis of such assumption cannot lay claim to universality of application. This is why classical and other Western economic theories are utterly inadequate to explain problems facing contemporary underdeveloped countries where institutions and values are markedly different from those found in Western societies.

With regard to the stand of the classical economists, it may be pointed out, with Hicks, that since policy is a reconciliation between political, social, cultural, sociological and economic considerations, any attempt to recom-
mend policy without due consideration of 'non-economic' factors will be singularly misleading. As for modern economists, it will suffice to say that the relevance of economic is, after all, with social and cultural reality.

Working on the assumptions that human motivations and the social and cultural environment of economic activity are relatively rigid, they attempted to relate purely economic variables to one another to the complete disregard of the political and social changes that were the concomitants of the process of economic development. They do not seem to recognise that there is a need to relate economic development to cultural change. And because of the magnitude of the problem and the number of variables involved, very few attempts have been made to treat changes in these institutional and attitudinal aspects of a society as dynamic independent variables in the growth process. This has led an economist like Boulding to express his disenchantment with the efficacy of applied economics in dealing with concrete problems. He said,

'I have been gradually coming under the conviction disturbing for a professional theorist, that there is no such thing as economics - there is only social science applied to economic problems.'

Confronted with the problem, modern economists have, asserted that economic development is surely not equivalent to the total development of a society, but only a part of it.
They conceive social development to be much broader than more economic development. Kindleberger, notes that socio-cultural and economic factors interact on an ongoing process in which it is unlikely that one always dominates the other.\(^7\)

Since Marx's time, the importance of social structure in influencing the pattern of economic change has been underlined by economic historians over and over again. Sombart's analysis of the 'spirit of capitalism' as a moving force in the rise of Western industry, Tawney's study of the impact upon economic growth of the Protestant ethic, and recent investigations into the role of social structure in explaining differences in rates of economic growth in the nineteenth century furnish examples of the concern of social scientists with social factors in the growth process.\(^8\)

**IDENTIFICATION OF NON-ECONOMIC FACTORS**

The relationship of the individual to society has been stressed by Parson,\(^9\) and Levy\(^10\) as critical in the transformation process, for, in their opinion, economic development presupposes the existence of rationality in cognition universalism in membership and specificity in relationship.

While emphasizing the relevance of social and institutional factors, we must remember that economic growth is influenced indirectly, on the whole, rather than directly by a society's social structure and its apparatus of state.\(^11\)

Though in his analysis Spengler distinguishes the influence of the state on the social structure, he emphasizes that
the two influences overlap. He argues that many of the elements composing the social structure are included also among the elements giving shape to the apparatus of state. So he considers the state apparatus as a part of the social structure. That is why the nature and the capacity of the state undergo modification when other components of the social system change.

He rightly points out that the state, being a variable collectivity of variable elements and constituting a major component of the all-inclusive societal system, may be looked upon as an association which performs a variety of functions assigned to it and in the possession of which is an apparatus of widely varying capacity to affect the course of events. As such, he holds (i) that the role of the state varies directly with the nature of the reigning society; (ii) that the goal-accomplishing power of the state is a function of factors that reflect the stage of the society's and the economy's advancement as embodied in the quality of the bureaucracy and the technical apparatus employed by the state; and (iii) that the degree of compatibility of goals set by the state before itself with those subscribed to by the population or its most powerful subgroups determines the state's capacity to accomplish these goals.
Economic policy generally refers to the principles of Economics that govern action directed towards given ends. It is a conscious intervention to later the existing condition of society. The study of Economic Policy therefore should concern with three things, what we want (the ends), how we get it (the means) and who are 'we' that is, what is the nature of the organisation or group concerned.  

Economic Policy does not function in a vacuum. It operated in a definite social system. It influences the structure and function of society. At the same time the social structural - functional factors influence the functioning of economic policy. Regarding the close connection between economics and other social sciences Boulding says "I have been coming under the conviction disturbing for a professional theorist that there is no such thing as economics - there is only social science applied to economic problems". How economics to depending on other social sciences is obvious from Hicks' view that "since policy is a reconciliation between political, social, cultural, sociological and economic considerations, and attempt to recommend policy without due consideration of non-economic factors will be singularly misleading. As far modern economists, it will suffice to say that the relevance of economic is, after all, with social and cultural reality."
Economics by its quantitative approach can answer the question "who" gets "what". But it fails to answer the query "How" and "Why" one gets and the other doesn't. The answers to How and Why fall in the domain of sociology. Hence the relevance and rationale of sociology of economic policy.

POVERTY IN INDIA:

Poverty in India is basically a rural problem. And in rural areas, it is landless agricultural labourers and rural artisans, in general, and the Scheduled Castes and the Scheduled Tribes, in particular, who constitute the hard core of the poor. Any strategy for the alleviation of poverty should, therefore, be examined with particular reference to these sections. The main components of the strategy adopted so far have been the rate of growth and the generation of additional employment opportunities, distributions of assets to the rural poor, investment in human capital through education and training, area specific schemes and target group oriented programmes such as the SFDA, NREP, RLEGP, assistance for handlooms, handicrafts, khadi and village industries (through education and training), programmes for the Scheduled Castes and the Scheduled Tribes and the Minimum Needs Programmes.

The earlier five year plans had generally proceeded on the assumption that the normal programmes of development particularly those undertaken in rural areas, like those in
agriculture, irrigation, industries, electrification, transport and communications, would produce a multiplier effect and thereby generate employment and raise the living conditions of the poor. The Community Development programmes (CDP-1952), the intensive Agricultural District programme (IADP-1960-61), the Intensive Agricultural Area Programme (IAAP - 1964) and high yielding varieties programmes (HYVP - 1966-67) belong to this category. Hence not much direct attention came to be focussed on the problems of poverty and unemployment. There were, no doubt, some programmes like expansion of Khadi and village industries, on the one hand, and education, training and job reservations for the Scheduled Castes and the Scheduled Tribes, on the other.

Thus we see that the poverty alleviation and employment generation programmes have matured from their general character to a more specific target group and area based programmes with the main thrust being on the eradication of poverty and unemployment in rural areas on a national scale. Inspite of many multi-faceted poverty alleviation programmes, progress in this regard, has not been upto the mark.

What has been the impact of nearly three decades of "planned development" on rural poverty? Throughout the period, the average growth rate has been around 3.5 per cent per annum, and the per capita income has increased
at an average of 1.5 per cent per annum. The studies on poverty trends indicate two related phenomena: an intensification of inequality, with the higher income groups obtaining an increase in the percentage share of income distribution while the percentage share of the poverty groups shows a decline; and an increase in overall incidence of poverty computed on the basis of income levels for basic caloric requirements. The highest 5 per cent income-earners receive 22 per cent of the national income, while the bottom 40 per cent receive less than 16 per cent. The Gini index has shown a rise indicating a deepening of inequalities; the index for households incomes, for example, went up from 4.8 in 1955-56 to 5.13 in 1968-69. The implications of such findings are often played down or underestimated on grounds of being too aggregative, ignoring public works and infrastructural development, and not accounting for general progress and welfare. Typical is the comment of Milton Friedman that money income differences cannot be emphasized "just when broad social changes are greatly enhancing the importance of differences not directly measurable in money."
Several studies on the incidence of poverty in India have been made during the past decade. Most of the estimates are based on the National Sample Survey data on consumption expenditure. The findings vary considerably, depending on the norms adopted for measuring the minimum level such as the amount of caloric intake, the price indices used to estimate the cost of minimum consumption at constant prices, the types of sampling procedures, and so on. The studies by Ojha and by Dandekar and Rath are based on an average caloric intake of 2,250 per capita per day. By computing the cost of the necessary foodgrains, Ojha estimates an increase from 184.2 million people (51.8 per cent) below the poverty line in 1960-61, to a staggering 289 million, or 70 per cent of the population in 1967-68. Dandekar and Rath also conclude that poverty has increased during this period, but their estimate of the minimum income leads to a much lower increase. Using Rs. 18 as the minimum of 225 calories, Bardhan suggest a very large increase from 38 per cent of the population in 1960-61 to 54 per cent in 1968-69, indicating that additional 100 million people slipped below the poverty line in the brief space of eight years. The price index used in Bardhan's study has led to an overestimation of the rise of cost of living and hence the inflated figure of people below the poverty line in the latter years.

Even the Sixth Plan, relatively more prone towards highlighting the achievements of planning, has admitted a
"limited success in redistributing assets", a lower pace of generation of employment opportunities and inability of large segments of the population to share the benefits of progress or participate in the process of development. It admits that the poor have "by and large remained untouched by development programmes so far".\(^\text{23}\)

Overall, there seems to be a consensus on two aspects: one, the percentage of population below the poverty line has not decreased despite three decades of planning on the principles of social justice, and two, the absolute number of people below the poverty line has certainly increased by large number during this period. This has been summarized by the Planning Commission in the Sixth Plan 1978-83.

"Attempts have been made to measure the extent of poverty in India, and depending on the norms used, 40-60 percent of the population fall below the minimum acceptable standard. ACCORDING to a recent estimate using norms of caloric consumption, the percentage of population below the poverty line in 1977-78 may be projected at 48 per cent in rural areas and 41 per cent in urban areas. The total number of the poor, so defined, would be about 290 million....Though these estimates are debatable;:::it cannot of living for the large number of the poor and the destitute....The prevalence of poverty and inequality has remained virtually unchanged over the years.....Tends in the distribution of income and wealth are difficult to discern, but the evidence of persistence of gross inequalities in clear.......The Distribution
of assets......for rural households shows that 20 per cent of the households, each having less than Rs. 1,000 of assets, account for less than 1 per cent of all rural of assets, while 4 per cent with asset value of Rs. 50,000 or more own over 30 per cent. 24

This raises a basic question: where have we gone wrong in our efforts? Have we gone wrong in the diagnosis of rural poverty, in policy formulation or in implementation? The present study attempts to answer these questions by examining the performance of one major rural development strategy namely, Integrated Rural Development Programmes strategy. The main reason for selecting this strategy is that it is a major strategy of our planners aiming at eradication of rural poverty.

DIAGNOSIS OF RURAL POVERTY AND THE EMERGENCE OF THE INTEGRATED RURAL DEVELOPMENT STRATEGY.

A large number of studies in the developing economies during late sixties and early seventies revealed that economic growth in these did not have any significant impact on reducing poverty of the population.

The economic growth had a selective impact which benefitted relatively developed areas and relatively better off people, but which left out backward areas and the poorer sectors of the economy almost completely.

The question that bothered economists was what had gone wrong with the development strategies that created such a mess. Mehbub-Ul-Haq answered these questions extremely
well when he talked about the seven sins of development planners. The seven sins were their fascination with numbers which created empty economic boxes with little policy and project content, their too much faith in economic controls, in high rates of investment (irrespective of their contents) and in development fashions, the divorce between planning and implementation, and the neglect of human resources. The other studies also pointed out many of these weaknesses of the planning efforts of the developing economies. Gradually, new perspectives in development were evolved and a number of new ideas came to be established as a part of new development thinking. These could be described as follows:

(1) An increase in GNP or in per capita income is not likely to reach the poor. A direct attack on poverty is needed to eradicate poverty. A micro-level approach would be effective in this respect.

(2) Basic human needs should be identified and production strategies should take them into account. Instead of following the existing pattern of market-demand, the planning strategies should emphasize the production of minimum needs partly by public expenditure, but largely by influencing the income distribution and the pattern of market demand.

(3) Investment in human resources should be emphasized, and not just the rate and amount of investment. Efforts should be made to improve the productivity of the poor.
(4) Full employment of the poor should get a high priority in planning strategies. Income distribution and employment policies must be integral parts of production plans.

(5) All this may need a drastic restructuring of political and economic power relationship if development has to spread to the vast majority of population.

Indian development planners also seem to have accepted these ideas in principle. A number of studies on the green revolution in India showed that the agricultural growth in rural areas was selective in the sense that it affected mainly selected areas and selected classes of farmers. Other studies showed that new technology of growth opportunities could not reach the poor because the institutions and structures built up in the past would not let it percolate to the poor.

An important feature of our anti-poverty strategy was therefore a direct attack on poverty at the micro level. This emphasized efforts to create special facilities for the poor in the area of minimum needs and in the area of income/employment generation. The former was covered systematically in the minimum needs programme of the Five Year Plans, and the latter was incorporated in the special programmes for the target groups and for backward areas. It was assumed that if special efforts are made to provide the necessary inputs/technology/credit etc. to the poor, it will enable them to enter the mainstream of the economy. The Venkatapillai Committee
which recommended the setting up of Small Farmers Development Agency, proposed a set of institutions which could provide these facilities to the poor.\(^{27}\) Thus, in the words of Raj Krishna, the economic philosophy behind the special programmes was simply that special preferential treatment was necessary to enable the poor to participate in the economic development.\(^{28}\) Such a treatment attacked poverty directly and helped in increasing employment/incomes of the poor by creating special employment opportunities for them and by increasing their productivity.\(^{29}\)

The policy mechanism of the special programmes strategy, which translated the philosophy into practice, can be described as follows:

1. **Identification of the weaker sections of the target groups on the basis of assets (land), income and caste (for the scheduled castes/tribes) in a precise manner.**

2. **Investigation of their economic problems and formulation of programmes to raise their income and employment in the present as well as in new occupations. It is necessary that the programmes are suitable and acceptable to the target groups.**

3. **Provision of special extension facilities so that the poor are not only informed about the existence of the programmes, but are also helped in participating in them. The extension services should also provide for proper followup to help the poor in running the schemes.**

4. **Providing credit (if it is not a public works programme), for undertaking the scheme in such a way that it is**
easily available, B it meets all the types of credit needs of the scheme, C it is available at a lower than the market rate of interest, D and is to be repaid in easy instalments. The loan also will be subsidised so as to reduce the burden of the debt of of the beneficiary.

(5) Providing a complete package of infrastructural facilities to the poor to run the scheme successfully. Over and above credit, the other facilities would be regular supplies of inputs, marketing of output, training facilities, technical help whenever needed, insurance to cover the risk of failure etc. etc.. This should be done by evolving adequate financial and administrative arrangements for implementing the programmes and by promoting common facilities for production, processing, storage and marketing.

(6) Evaluation of the programmes from time to time and monitoring them effectively so as to assure efficient performance of the programmes.

It was expected that all these special arrangements will enable the poor to participate successfully in the process of economic development. Once a poor person takes up an asset based income/employment generating scheme, he would be working at a higher level of technology which will generate additional income not only for the repayment of the loan that he has taken, but it will also provide him a surplus which will be an incentive to run the scheme.
After the repayment of the loan, he will be the owner of the asset which will enable him to widen his asset-base gradually. And after a few years (the number of years will depend on the scheme that he has taken up and on his initial level of income) the beneficiary will reach an income level which will assure him a minimum living standard.

**PERFORMANCE OF THE IRDP:**

One would expect that these special programmes would have raised the consumption levels of the lowest 40% of rural population substantially. Unfortunately, the evaluation studies of these programmes do not show such results. Contrarily, the clearly show that the participation rate of the poor in asset-based income/employment generating programmes has been very low, and that those who have been benefitted by these programmes are mostly better off among the poor, which many times included the non-poor. In other words, the evaluation studies suggest that the special programmes have proved selective in their impact which has once again left the real needy poor outside the purview of development efforts. The studies have also shown that the beneficiaries have not benefitted enough in terms of increase of income, employment, asset formation etc. in a significant way. This would imply that the programmes have not helped the beneficiaries substantially in terms of the eradication of their poverty.

This once again raises the same fundamental question which was raised in the early seventies: What has gone wrong with our new development strategy that it has still not contributed substantially in terms of eradication of poverty? Why
has the IRD Programmes strategy, which is based on direct attack on poverty not been successfully? Where have we gone wrong?

The evaluation studies of the target group special programmes have attempted to provide answers to the questions raised above. According to these studies the major factors responsible for the limited success of the special programmes are related to the performance of the implementation machinery of the development programmes.

A. DEVELOPMENT ADMINISTRATION: The evaluation studies point out that the performance of the development administration, which had the major responsibility of implementing the programmes, was not satisfactory. First of all, the efficiency of the staff was low as (a) it was indifferent to the problems of the poor and it lacked understanding as well as involvement with the sufferings of the poor. (b) many times the staff fell in line with the rural rich and ignored the poor.
Secondly, the procedural requirements in terms of presenting documents, getting signature of certain officials on them the clearance of the application by a number of authorities before the final sanction is granted etc. were not simple operation for the rural poor. Even the identification procedure was found too complicated for the illiterate poor. Consequently, many of the poor could not apply for the programmes. Those who applied also had to wait for long period for the final sanction.

Thirdly, according to the plan, the administrative staff was to be appointed at various levels to coordinate and supervise the functioning of the IRD programmes. However, such a monitoring machinery was either non-existing or did not function properly. Moreover, there was also a lack of coordination among the agencies working for the programmes at the lower level.

Lastly, the beneficiaries of the programmes did not get proper follow-up attention while running the schemes. The lapses in timely technical, financial and managerial help resulted in the poor functioning of the programmes.
Implementation is a serious problem. The slip between ambition and accomplishment, legislation and execution, promise and performance, is plain for all to see. This becomes a more important issue, when, without changing the power structure, a programme is introduced for the least powerful groups of the society for promoting equity. As Gonzalez and Ingle point out, "once a project is begun, it tends to acquire a life of its own and this life is largely guided by the organizational influences in its environment. This poses a problem - Stronger organization can co-opt and redirect the project. Similarly John Woodward Thomas called the co-optation and redirection process "programme mutation". Thomas pointed out, "There are several important decisions at which pressure for mutation can be applied; the choice of project, the choice of technology, the choice of project implementation agent, the establishment of wage rates, or the selection of employees. Over some period of time, these pressures may succeed in altering programmes since the rural poor usually provide an inadequate political counterforce in defence of their own interest."

The existing studies on equity-oriented TRDP have mainly focussed either on the administrative aspect, or the clientele aspect. However, for a fuller understanding of the implementation of the equity-oriented integrated rural development programme, it is desirable that one takes into consideration the clientele and the administrative aspects together. This will also help in answering 'how' and 'why' benefits from poverty alleviation programmes have been distributed in a particular way.
The fact that many social factors play a role in determining benefit distribution has not been considered in the existing studies. A more adequate knowledge of how benefits have been distributed can be had, if the role of various social and economic factors in influencing the nature of benefit distribution is examined. A comparative analysis of the socio-economic characteristics of the beneficiaries and eligible non-beneficiaries will not only provide a more exact knowledge of 'who' have been benefitted by the anti-poverty-programme, it will also help in understanding 'how' and 'why' they have benefitted from them.

THE NATURE OF ADMINISTRATIVE FUNCTIONING:

In a parliamentary democracy policies are taken by legislature which are then carried out by the executive. Here the question arises, what is the nature of administrative functioning.

Karl Marx and Frederick Engels said that the representative government provides no more than a vehicle for the reinforcement of the powers of the bourgeoisie. Their view has been summarised in the following form in the Communist Manifesto: "The executive of the modern state is but a Committee for managing the common affairs of the whole bourgeoisie." In their, 'Origin of Family, Private Property and State' Marx and Engle wrote, "State is an organisation of the possessing class. The highest form of the state, the democratic republic, officially knows nothing any more of property distribution. It is wealth that exercises its power indirectly, but all the more surely."
Max Weber, who had very little in common with Marx and Engels has this to say about the role of bureaucracy:

"The consequences of bureaucracy depend upon the direction which the power using apparatus give to it. And very often a cryptoputcratic distribution of power has been a result".

R. Milliband in his "State in Capitalist Society" argues that "........Civil servants tend to have value lying within an ideologically 'safe' spectrum, that civil service neutrality must involve an implicit commitment to the status quo and that as the operators of the bureaucratic machine, civil servants will become intrinsically suspicious of innovation." Thus, their neutral role sustains status quo. Hence, in a society characterised by poverty & inequality the executive functions in such a manner as to maintain the status quo.

Bottomore argues that recruits to the higher branches of civil services are largely drawn from the upper middle classes and educational background that suggests that they will identify themselves closely with bourgeoisie interest. Such a trend is evident in the Indian Administrative Service.

According to the findings of Lipset and Selznick, "A progressive programme is modified in the course of implementation by goal displacement."

A study by Cohan and Edger on poverty programmes suggests that the condition of bureaucracy itself can inhibit social change and contribute to the defect of reform programme.
R. Michele in his study "Political Parties" argues that "radical and socialist politicians tend to become conservative compromised by the bourgeoisie comfort of their own positions. They enjoy a situation in which they are at least partially accepted by the established order which they elected to challenge and inevitably many of them identify with one time "class enemies" rather than with their own mass supporters. In such cases, they are ill equipped to offer an effective challenge to civil servants who do not share their political commitments." Michele calls this the 'iron law of oligarchy'. The oligarchy here refers to a group in power.

On the basis of these studies, one can conclude that when equity oriented poverty alleviation is adopted in 'class societies' there is a tendency in the bureaucracy to misimplement it to the advantage of the better off sections of the society. From these experiences the following two generalisations can be made.

(1) In class societies, the policies or the programmes of the government are executed in such a fashion as not to alter the existing unequal & poverty-ridden structure of the society.

(2) Even when a government adopts a policy or programme which specifically aims at reducing the existing inequality and poverty of the society, in general those policies or programmes are implemented in favour of the comparatively better off sections.
B. **Supporting Institutions:** The studies also pointed out that the performance of the supporting institutions that provided facilities like credit, marketing, and other infrastructural facilities also was far from satisfactory.

As cooperative credit societies cared more for the non-poor (they are not meant exclusively for the poor) and as Land Development Bank was mainly involved in long term credit in a limited way, commercial banks were expected to provide liberal credit for the various bankable schemes formulated under the special programmes. A number of studies however, revealed that the banks were not providing enough credit to the poor for various reasons. Marketing of finished goods at reasonable prices as well as providing input regularly were almost always the weak points of the implementation. This also upset the working of many programmes.

C. **Planning Deficiencies:** The evaluation studies consider planning deficiencies also as an important factor responsible for the poor performance of special programmes. First of all, as it was pointed out, the definition of the poor who were entitled for the benefits of various programmes included a wide range of households all of whom were not equally poor.
The limited funds of the programmes were snatched away by the relatively better off poor and the real needy were left with almost nothing. Even in the case of Antyodaya which was meant for the poorest of the poor, the identification of relatively better off families as the poorest was not found uncommon. The definition of the poor was also loose in the sense that it could not keep away the non-poor taking advantage of the programmes. Secondly, most of these special programmes were formulated at the macro or at the centre. They were not always suitable in the same form when implemented at the micro level. Consequently, many times the schemes performed miserably at the micro level. For example, the amount of loan fixed up for purchasing a particular asset was not always enough. Or the schemes, (for example, the milch animal scheme) which were emphasised at the macro level were not suitable in many micro situations. The types of small and cottage industries to be set up at micro level many times did not take local factors into account. The net result was that the type of the schemes and the designs of the schemes were not always workable when implemented.

To sum up, therefore, the evaluation studies suggest that the major causes for the limited success of the special programme strategy are relating to the deficiencies in their planning and implementation. Administrative and organisational problems seem to be crucial in their judgment. In
other words, the studies seem to suggest that there is nothing basically wrong either with our diagnosis of rural poverty or with the formulation of the rural development strategy underlying the I D Programmes.

**A NEED FOR RE THINKING:**

However, we think that the above explanations do not answer some basic questions regarding the performance of the special programmes: (a) Why have a large number of poor—specially the real needy ones—remained almost outside the purview of the special programmes in spite of the special efforts made to cover them? and (b) Why are not the beneficiaries benefitted enough? Why are not the schemes working properly— even when complete infrastructural facilities are made available to them?

We think that the answers to these questions cannot be given in terms of administrative/organizational problems alone. We think so because the selective impact of the special programmes clearly suggests that the strategy has failed to reach the real poor. It has failed to identify and attack the constraints of the poor that come in the way of their participation and in their way of running the schemes successfully. In other words something seems to be wrong with the diagnosis of rural poverty and the policy formulation underlying the target group-oriented special programmes. There is definitely a need to take a fresh look at the problems:
we think that the major limitations of the strategy are likely to be in three areas: (1) The strategy has not identified and attacked the real problems of the poor. That is, it lacks a proper understanding of the nature of poverty. (2) The strategy shows a lack of proper understanding of the role of the exploitative structure of our rural economy in influencing the functioning of rural development programmes. (3) The policy frame of the strategy is partial in the sense that it attempts to eradicate poverty only by attacking a part of the problems. That is, it does not realise that the rural poverty is a consequence of the overall functioning of the rural economy and it can be eradicated only by a total approach that modifies the functioning of the economy. Let us elaborate.

(1) **THE NATURE OF POVERTY:** Development planner's perception of rural poverty assumes a number of things. (1) The planners assume that the poor always have positive aspirations and that they always have a desire to come up, (2) the horizon of the poor is long in the sense that the poor are used to thinking of long term future, and (3) income/employment generating activities have the highest priorities in the eyes of the poor. The special programmes strategy therefore, expects that the poor are eager to take up income/employment generating schemes as they want to increase their living standards. It also assumes that what the poor need is special arrangements that provide **them** the required inputs.
Once these arrangements are made the poor will participate in a big way.

Is this perception of poverty correct? Do the poor really think in this way? We think that the planners' perception of rural poverty is likely to be biased or limited for a number of reasons. First of all, the rural studies on which the perception is based, are likely to have a number of biases as they are normally of near-urban villages or of the villages on highways and rarely of remote villages. The studies also generally reveal the views of the rural elite as the real poor are the last to come up and the last to speak up. And as the researchers are always in a hurry, they hardly have enough time to get the right response from the poor. It is possible, therefore, that some of the assumptions of the planners regarding the perception of poverty are not correct. We do not have enough evidence to check on this as limited work has been done in this area. But the limited work that has been done suggests that perhaps the poor do not always have positive aspirations or that they do not think in terms of long time horizons. Galbraith, for example, argues that the assumption of positive aspirations of the poor is an unrealistic assumption. According to him, the mass poverty of the developing economies is basically due to the lack of aspirations of the poor.
The assumption of long time horizons and of the highest priority of the poor to income/employment generating activities also could be unrealistic. The poor who are suffering from formidable problems of survival and from their helpless dependence on the non-poor, may not think of long term future or long term plans.

In short, the nature of poverty as understood by planners needs some better understanding. Studies in this area are therefore necessary.

(2) THE EXPLOITATIVE STRUCTURE OF THE RURAL ECONOMY: A number of studies in rural India have shown that there is a concentration of economic, social and political power in a few hands. The rural rich enjoy large powers which they use in strengthening their position further. The rural elite, therefore, are not likely to encourage any policy measure that improves the conditions of the poor. In fact, one would expect that they will try their best to see that the poor do not take advantage of such policy measures.

In other words, it is necessary to examine the strength of the special programmes strategy in the context of the exploitative power structure of our rural society in order to understand the causes of the limited success of this target group oriented strategy.
(3) **PARTIAL APPROACH**: The third major limitation of the special programme strategy seems to be its partial approach.

The strategy attacks only a part of the problems of the poor when it provides them credit to buy an income generating asset along with other institutional and organizational help. Though such a measure attempts to increase the incomes of the poor and widen their asset-base, it leaves out certain basic problems of rural poverty. This may frustrate the functioning of the special programmes.

The poor need credit for consumption specially in the slack season. They also need money to celebrate social functions. Both these needs are urgent but no institutional credit is available for them. The special programme strategy pays no attention to these needs. Consequently, it is possible that the incomes of the assets of the special programme are used in meeting these needs rather than in repaying the loans. The poor might even sell off the assets to meet these needs. This may upset the working of the programme and ultimately may land the poor in a pool of debts. It would be useful to investigate the impact of this partial approach on eradication of poverty. That is, it will be useful to examine the functioning of the special programme strategy in the light of its partial approach.
HYPOTHESES:

1. Economic Policy for poverty alleviation under IRDP has not been effective in raising the target groups above the poverty line because of organisation, institutional and structural factors.

2. There is differential distribution of development benefits among the agrarian classes.

3. Stratification factors i.e. caste, class & power influence the distribution of development benefits. i.e.
   3 (i) CASTE is positively correlated with the percolation of development benefits.
   3 (ii) CLASS is positively correlated with the percolation of development benefits.
   3 (iii) POWER is positively correlated with the percolation of development benefits.

4. Class is the most significant stratification factor influencing the percolation of development benefits.

5. There is positive correlation among caste, class and power hierarchies.

MATHEMATICAL TECHNIQUES:

1. Mean, Median, Percentage, Index Numbers.
2. Chi-Square Test.
3. Analysis of Variance i.e. 'F' Test, 'T' Test, 'Z' Test
4. Gamma
5. Partial and Multiple Correlation.
7. Sen's Poverty Index.
OBJECTIVES OF STUDY:

1. To study the nature of agrarian social structures of Study Villages.
2. To study the inequalities of land, income and assets distribution. (Gini Coefficient)
3. To study the mode of implementation of Integrated Rural Development Programmes.
4. To study the pattern of participation.
5. To study the nature and quantum of leakages.
6. To study the reasons of non-participation of the poor in the Integrated Rural Development Programmes.
7. To study the levels of living of agrarian classes.
8. To study the poverty Line (Sen's Poverty Index)
9. To study the socio-economic characteristics of participant & non-participant households.
10. To study the process & progress of IRD Programmes in the study villages.
11. To study the percolation of development benefits among various agrarian classes in the study villages.
12. To study the correlation among stratificational factors i.e. caste, class & power.
13. To study the influence of stratificational factors, individual as well as cumulative, on the percolation of development benefits.
14. To draw policy implications for an egalitarian agrarian social structure.
PLAN OF CHAPTERIZATION:

As it is obvious, it is an inter-regional, inter-disciplinary and a PERIOD-OF-TIME STUDY. It has been presented in nine chapters. In the first chapter, we have discussed the nature of administrative functioning, the assumptions underlying the poverty alleviation programmes and then formulated the PROBLEM OF STUDY.

In Chapter 2, we have dealt with the measurement of poverty, the magnitude and trend in the incidence of poverty and the data base of the available studies on rural poverty in India. This is done with a clear purpose of providing a ready reference and the nature of the research conducted so far as well as help provide direction for our empirical enquiry.

In Chapter 3, we have described research methodology giving detailed account of this study, its time dimension, tools and techniques used, operationalisation of the concepts of caste, class, power, composite and supplementary development benefits; estimation of consumption pattern and poverty line, the scores of levels of living of the agrarian classes in the study villages.

In Chapter 4, we have provided a profile of the study villages which serve as a context for grasping the findings of the study. In this chapter, we have discussed the social,
economic and political aspects of agrarian social structures of study villages the nature and magnitude of rural poverty (Sen's Poverty Index) and inequalities of land, income and assets (Gini Coefficient), the technological development of agriculture, cropping pattern and the intensity of cropping in the study villages.

In Chapter 5, we have discussed the consumption pattern and levels of living of agrarian classes.

In Chapter 6, we have analysed the evolution of economic policy for poverty alleviation, the principal objectives of policy planning under the Five Year Plans, and the change in thinking from growth with social justice to distributive justice from raising minimum level of living to minimum needs package. We have presented the IRDP in India, particularly in the study villages of the Districts of Aligarh and Karnal which provides a broader framework of the rural development programmes. This helps us in understanding the findings of this study.

In Chapter 7, we have expounded how social stratification factors i.e. Caste, Class and Power exercise influence on the process of percolation of development benefits, the correlation between caste, class and power hierarchies and development benefits, the share of below-the-poverty-line households in development gains. Here we have made an attempt to examine whether the three stratification factors influence the percolation process, independent of each other, and whether
these factors, if combined, explained greater variations in the distribution of development benefits, the perception of the respondents about the differential distribution of development benefits.

Chapter 8 is in continuation with Chapter 7. In this Chapter, we have examined the mode of implementation of development programmes, the character of rural development administration, the rural bureaucracy, the role of middleman, pattern of participation, factors promoting participation and causing non-participation, the process of percolation of development benefits, socio-economic characteristics of participating and non-participating households and the nature and quantum of leakage.

In the last Chapter, findings are summarized, conclusions are drawn and their policy implications discussed. Here we have exposed the structural - functional theory of poverty.
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31. It must be pointed out, however, that the Government of India could not incorporate one important point in the development strategy, namely drastic restructuring of economic and political power relationshops.
32. A large number of evaluation studies have been carried out by official and non-official agencies. To list the major studies: Programme Evaluation Organisation, Planning Commission, New Delhi and its state offices have carried out evaluation studies of SFDA, MFAL, Antyodaya Programme, Food for Work, Special Employment Programmes, CSRE, EGS, etc. Agro Economic Centres and various Universities Departments have studied SFDA and IRD programmes in various districts all over India. Apart from this other studies are: B.M. Desai (ed.) Intervention for Rural Development, Indian Institute of Management, Ahmedabad, 1977, ISAE "Rural Development and Weaker Sections"- ISAE Conference No. 1980 includes a number of studies on special programme strategies. V.R. Gaikwad, Small Farmers State Policy and Programme Implementation, NICD, Hyderabad, 1971.

33. IBID

34. PEO's study of SFDA and SFDA studies of Agro-Economic Research Centre, Delhi, Madras and Anand show this very clearly. The studies on the administrators also show the same. Refer to foot not 17.


36. PEO, O.P.CIT., p.84


40. IBID

41. Though Khan's study is the only one which includes both the 'Change agent's and 'Change targets' his study does not focus on the international situation between the 'clientel' and 'administration' of the SFUA.

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**BETELLE ANDRE** Studies in the Agrarian Social Structure Oxford University Press, 1974