CHAPTER I

INTRODUCTION

India is a big country having a population of 547 millions\(^1\) and an area of 12,59,797 square miles. Of the total population 33.54 percent are workers; 52.53 percent among men and 13.18 percent among women. As a matter of fact India represents the rural population living in more than five and a half lakhs of village. According to the census of 1971, the total urban population of India is 108.8 million out of the total population of 547 million. With the growth of population the number of cultivators and agricultural labourers has also witnessed an increase. Agricultural labourers account for 25.76 percent of the working forces, and cultivators account for 42.87 percent, which confirms the predominant agricultural character of the economy. As land is more or less a fixed factor of production, the increase in the number of agricultural workers is bound to create undue pressure on land. Thus there always remains the problem of the adjustment between the variable phenomenon,

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\(^1\) The Hindustan Times, (New Delhi), August 19, 1971.
i.e. constant rise in population and static phenomenon, i.e. land. The former is increasing in geometrical progress while the latter is more or less fixed. Under the circumstances the majority of the farmers have reduced the size of their holdings. As a consequence of it the rural population is feeling the pinch of the problem, which has aggravated day by day due to decay of handicrafts and rural industries, which were the subsidiary source of earning. The breakup of the Joint family system also added to the sufferings of rural masses. In fact the British Plan of exploitation of Indian economy which provided vast market for their manufactured goods in India and a source of food and raw materials for the West, was directed to develop India in a manner which would make it complementary to their own economy and help to maintain political control. There was, certainly, no clear policy of developing Indian resources so as to ameliorate the economic condition of the people.\(^1\) A few attempts were made during British rule to strengthen the rural economy. The first was the official inauguration of Cooperative movement in 1904. However, later on it was realised that

this movement has been used as a tool to increase and control production of certain crops necessary to feed the British Industries. Therefore it has been a government controlled programme without mass participation. Consequently it failed to arouse the masses from stagnation till 1912. With the passing of the Cooperative Societies Act 1912, a new life was given to the movement. But this too could not revolutionise the agricultural economy and proved ineffective in increasing productivity. Later on fiscal measures were adopted and industries were provided protection from foreign goods. The policy of discriminating protection, no doubt, enabled India to develop some industries and save others from destruction. What this protection has achieved in India can stand no comparison with what protection has done in Russia and Japan in a short period.¹ The local self institutions were not cared about during British period but still they survived through the ages as has been discussed in the next Chapter.

In the absence of any initiative the agricultural and non-agricultural income stood at a low level.

Nature has been very generous to India, almost

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lavish in some respects but in spite of it, poverty stalks the land. It is nothing short of a paradox that India is a poor country although it possesses rich resources.

Indian economy is heavily biased in favour of agriculture. According to the 1951 census about 70 percent of the people are dependent on it for their livelihood as compared to 66% in 1931. However the 1961 census shows that 73% of India's population was engaged in agriculture, while the census of 1971 reveals as follows -

**Table No. 5**

<table>
<thead>
<tr>
<th>Items</th>
<th>Census 1971</th>
<th>Census 1961</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total working Population (millions)</td>
<td>183.61</td>
<td>188.57</td>
</tr>
<tr>
<td>(a) Males</td>
<td>148.79</td>
<td>129.11</td>
</tr>
<tr>
<td>(b) Females</td>
<td>34.82</td>
<td>59.46</td>
</tr>
<tr>
<td>2. No. of workers as % to total population</td>
<td>33.54</td>
<td>42.98</td>
</tr>
<tr>
<td>(a) No. of male workers as % to total population</td>
<td>27.18</td>
<td>29.41</td>
</tr>
<tr>
<td>(b) No. of female workers as % to total population</td>
<td>6.36</td>
<td>13.57</td>
</tr>
<tr>
<td>3. % of male workers to male population</td>
<td>52.53</td>
<td>57.11</td>
</tr>
<tr>
<td>4. % of female workers to female population</td>
<td>13.18</td>
<td>27.95</td>
</tr>
<tr>
<td>5. Cultivators as % of total workers</td>
<td>42.87</td>
<td>52.78</td>
</tr>
<tr>
<td>6. Agricultural labourer as % of total workers</td>
<td>25.76</td>
<td>16.71</td>
</tr>
<tr>
<td>7. Other workers as % of total workers</td>
<td>31.37</td>
<td>30.51</td>
</tr>
</tbody>
</table>

Source: *The Economic Times* (Bombay) September 17, 1971
This table proves that even in 1971 agriculture predominates. Moreover, it is an inefficient venture as shown by the fact that in India 706 persons out of every 1000 were engaged in producing food for themselves till recently, but they were not producing enough to feed the country's population. In U.S.A. 128 persons produce food not only sufficient for domestic consumption but leaving a margin for export also.¹

In comparison with some of the neighbouring countries in Asia, our production per hectare has been very low, compared to countries in Europe, it is lower still. The figures in table 2 indicate comparative average yields per hectare of some important crops.²

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1. Dr. Samiuddin - Cooperative Farming and its impact on Rural Industries, AMU Aligarh.
### TABLE NO. 2
Comparative Productivity to Selected Crops

<table>
<thead>
<tr>
<th>Country</th>
<th>Wheat I Yield per hectre (in 100 kg)</th>
<th>I (A hectre-2.47 acres)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>West Germany</td>
<td></td>
<td>34.8</td>
</tr>
<tr>
<td>U.S.S.R</td>
<td></td>
<td>10.5</td>
</tr>
<tr>
<td>U.K.</td>
<td></td>
<td>43.5</td>
</tr>
<tr>
<td>U.S.A.</td>
<td></td>
<td>16.9</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>8.9</td>
</tr>
<tr>
<td>U.A.R.</td>
<td></td>
<td>26.1</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>25.4</td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td>20.9</td>
</tr>
<tr>
<td>WORLD AVERAGE</td>
<td></td>
<td>12.6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td></td>
<td>54.9</td>
</tr>
<tr>
<td>U.S.S.R</td>
<td></td>
<td>21.9</td>
</tr>
<tr>
<td>U.S.A.</td>
<td></td>
<td>41.8</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>13.8</td>
</tr>
<tr>
<td>Japan</td>
<td></td>
<td>52.6</td>
</tr>
<tr>
<td>U.A.R.</td>
<td></td>
<td>56.4</td>
</tr>
<tr>
<td>Australia</td>
<td></td>
<td>60.3</td>
</tr>
<tr>
<td>Burma</td>
<td></td>
<td>15.9</td>
</tr>
<tr>
<td>WORLD AVERAGE</td>
<td></td>
<td>19.9</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>U.S.S.R</td>
<td></td>
<td>6.2</td>
</tr>
<tr>
<td>U.S.A.</td>
<td></td>
<td>5.1</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>1.2</td>
</tr>
<tr>
<td>U.A.R.</td>
<td></td>
<td>6.6</td>
</tr>
<tr>
<td>Sudan</td>
<td></td>
<td>3.5</td>
</tr>
<tr>
<td>Turkey</td>
<td></td>
<td>3.7</td>
</tr>
<tr>
<td>Peru</td>
<td></td>
<td>6.1</td>
</tr>
<tr>
<td>Mexico</td>
<td></td>
<td>6.4</td>
</tr>
<tr>
<td>WORLD AVERAGE</td>
<td></td>
<td>3.3</td>
</tr>
</tbody>
</table>

Although India has 14.6 percent of the world's population it accounts for only 9 per cent of the world's foodgrain and internal production of foodgrains has to be supplemented by imports to feed the population. In a developing economy the investment activity both in the public and private sectors of the economy enhances employment and money incomes. Consequently, the demand for food increases quantitatively and qualitatively. In addition to this, in India population has also been rising at a faster rate and substantial shifts in population from the rural to urban sector have occurred. Consequently the production of foodgrains had failed by the large margin to match the demand.¹

This poor performance of agriculture in the past can be subscribed to the following factors:

During British period half-hearted attempts were made for improving agriculture. Throughout this period agriculture was starved of capital. In addition to it the oppressive tenancy laws, high rents on account of excessive population pressure, high interest rate, lack of marketing facilities and warehouses, sub-division and fragmentation of holdings etc., also complicated the problem. As a matter of fact agriculture was hopelessly depressed and neglected and the British rulers never tried to put it on modern footing.²

2. J.A. Voelcker in his Report on the Improvement of Indian Agriculture (London, 1893, p.11) remarked thus: "At his best the Indian raiyat or cultivator is quite as good as, and, in certain respects, the superior of the average British farmer, whilst at his worst by an absence of facilities (contd.)
The measures taken after independence have proved that India can achieve self-sufficiency in food production. Because an increasing percentage of agricultural sector in the economy of the country was bound to result in an imbalanced development of the country, therefore measures like development of agro-industries, strengthening of cooperative sector and development of big industries in new regions have been taken.

In the post independence period it was realised that the crux of development in rural India is not clearly perceived if one equates it with agro-techno-industrial revolution and leave it at that. Fundamentally speaking the problem of development in India's rural context is one of incalculations of aspirations, building up of attitudes and the development of a forward looking, self-helping and

... for improvement which is probably unequalled in any other country ..... Certain it is that, I, at least, have never seen a more perfect picture of careful cultivation, combined with hard labour, perseverance, and fertility of resources than I have seen at many of my halting places in my tour."
action oriented bent of mind which cumulatively constitutes what may be called the developmental conscience. In India, such a developmental consciousness is to be developed within the confines of democracy and thus decentralisation in India's rural context should be treated as an instrument of economic growth.

It was also realised that the success of a political structure is finally determined by the social change. Unless the social change takes place in the desired direction, all efforts to derive benefits from the progress of science and modern techniques and bring happiness to the people of a swiftly expanding democracy will be merely superficial.

Keeping all this in view efforts have been made after independence to strengthen the country in the light of the basic objectives determined by the constitution of a free nation, which announced the birth of a new Republic on January 26, 1950. The acceptance of the ideal of a welfare state finds expression in the IV chapter of the constitution dealing with the Directive principles of State Policy. It provides one of the most novel and striking features of modern constitutional government. The articles of the constitution from 36-51 deal with these directive principles. They cover a wide range of State activity embracing economic, social and other problems.
For example:

1. To secure and protect a social order which stands for the welfare of the people (Art.38).

2. In particular, the State shall direct its policy towards securing: (a) adequate means of livelihood to all citizens; (b) a proper distribution of the material resources of the community for the common good; (c) the prevention of concentration of wealth to the common detriment; (d) equal pay for equal work for both men and women; (e) the protection of the strength and health of workers and avoiding circumstances which force citizens to enter vocations unsuited to their age or strength; and (f) the protection of childhood and youth against exploitation or moral and material abandonment (Art.39).

3. To organise village panchayats as units of self Government (Art.40.)
4. To secure the right to work, education (Art.40) and public assistance in cases of undeserved want, such as unemployment, old age, sickness, etc. (Art.41).

5. To secure just and human conditions of work and maternity relief (Art.42)

6. To secure work, a living wage, a decent standard of life, leisure and social and cultural opportunities for people, and in particular to promote cottage industries (Art.43).

7. To provide, within ten years from the commencement of the Constitution, free and compulsory education to all children upto the age of fourteen years (art.45).

8. To promote with special care the education and economic interests of the weaker sections of the people, especially the Scheduled Castes and Tribes (Art.46).
9. To organise agricultural and animal husbandry on scientific lines and preserve and improve the breeds and prohibit the slaughter of cows, calves and other milch and draught cattle (Art.48)

The efforts of the State to translate the Directive Principles into reality are concentrated primarily in the national Five Year Plans; the first of which was initiated soon after the inauguration of the Constitution. The central objective of public policy and national endeavour as enunciated through these plans, has been the rapid and balanced economic development of the country which should help raising living standards and provide to the people new opportunities for a richer and more varied life. Such development is intended to expand the community's productive power and to provide the environment in which there is scope for the expression and application of diverse faculties and urges. It follows, therefore, that the pattern of development must be related to the basic objectives
which the Constitution has kept in view. These objectives are defined and explained from time to time in order that they may guide the States in planning as well as ensuring their conformity with the Directive Principles.

The first five year plan initiated development activities on a national level, and the Planning Commission attempted a fairly comprehensive review of resources and needs in the light of circumstances then existing. The programme of development incorporated in the plan was calculated to strengthen the economy at the base and to initiate institutional changes which would facilitate more rapid advance in the future. It is also aimed at meeting certain urgent problems that had arisen out of the war and partition. In both respects, the first plan registered significant advance. It evoked public cooperation and enthusiasm and gave a new dimension to current thinking and policy.¹

As a result of it, the national income rose from Rs. 9110 crores in 1950-51 to Rs. 10800 crores during 1955-56. The following table shows the level of national income, investment and consumption for 1950-51 and 1955-56.

**Table No. 3**

Showing National Income & Investment etc. in the beginning of I & II Plans

<table>
<thead>
<tr>
<th>Item</th>
<th>(Rs. in crores)</th>
<th>1950-51</th>
<th>1955-56</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. National Income</td>
<td></td>
<td>9,1100</td>
<td>10,800</td>
</tr>
<tr>
<td>2. Investment</td>
<td></td>
<td>450</td>
<td>790</td>
</tr>
<tr>
<td>3. Investment as percentage (Index)</td>
<td></td>
<td>4.5</td>
<td>7.3</td>
</tr>
<tr>
<td>4. National Income (Index)</td>
<td></td>
<td>100</td>
<td>118</td>
</tr>
<tr>
<td>5. Per capita National Income (Index)</td>
<td></td>
<td>100</td>
<td>111</td>
</tr>
<tr>
<td>6. Per capita Consumer Expenditure (Index)</td>
<td></td>
<td>100</td>
<td>109</td>
</tr>
</tbody>
</table>

Source: Planning Commission, Second Five Year Plan, Govt. of India, Page No.3.

The above table gives an encouraging picture. The most significant is the fact that during First Plan the rate of investment was significantly higher than before the plan commenced.
In Uttar Pradesh the Expenditure on Five Years Plans and Annual Plans has been as follows. (Table No.4 Page 17).

This table reveals that the expenditure has increased from 15339 lakhs during the First Five Year to Rs. 56056 lakhs during the Third Five Year Plan. The expenditure during 1969-70 was likely to be 17919 lakh rupees. During the entire period of planned economic development agricultural development has been the main concern both the Union and State Governments. The physical achievements of First Five Year Plan brought into limelight the central objective of our planned development. The establishment of the socialist pattern of society which has been explained by the Second Five Year Plan as follows:

"Essentially this means that the basic criterion for determining the lines of advance must not be private profit but social gain and that the pattern of development and the structure of socio-economic relations should be so planned that they result, not only in appreciable increase in national income and employment but also in greater equality
| Expenditure on Five Year Plans and Annual Plans of Uttar Pradesh (1960-61) |
|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues        | Actual          | Actual          | Likely          | Anticipated     | Actual          | Forecast       |
| Agriculture and allied programs | 22,53            | 30,78            | 1,07,37         | 40,53           | 40,93           | 52,35          | 35,97           | 36,39           | 1,83,80          |
| Co-op. and Community Development | 9,52             | 65,70            | 56,22           | 2,55            | 8,65            | 5,03            | 3,23            | 3,50            | 22,15            |
| Irrigation and Power | 66,22            | 62,10            | 7,73,70         | 75,32           | 76,16           | 75,35           | 22,19           | 97,18           | 4,74,00          |
| Industry and Mining | 6,97             | 12,93            | 20,23           | 5,36            | 6,82            | 6,62            | 7,22            | 7,22            | 54,37            |
| Transport and Communications | 6,29             | 15,37            | 23,15           | 5,38            | 4,85            | 5,32            | 7,10            | 7,36            | 37,75            |
| Social Services | 44,71            | 15,14            | 1,02,73         | 12,69           | 12,33           | 12,83           | 22,58           | 20,31           | 1,44,37          |
| Miscellaneous   | 6,97             | 25,07            | 5,45            | 4,79            | 5,25            | 5,32            | 6,53            | 23,36            |
| Total           | 1,55,33          | 2,53,34          | 5,63,53         | 1,50,99         | 1,42,35         | 1,65,23         | 1,58,39         | 1,75,19         | 9,65,60          |

in incomes and wealth. Major decisions regarding production, consumption and investment - in fact all significant socio-economic relationship - must be made by agencies formed for social purpose. The benefits of economic development must accrue more and more to the relatively less privileged classes of society, and there should be a progressive reduction of the concentration of incomes, wealth and economic power. The problem is to create a milieu in which the small man who has so far had little opportunity of perceiving and participating in the immense possibilities of growth through organised effort is enabled to put in his best in the interest of a higher standard of life for himself and increased prosperity for the country. For creating the appropriate conditions, the State has to take up heavy responsibilities as the principal agency speaking for and acting on behalf of the community as a whole.

The Third Five Year Plan spells out even more explicitly the meaning and implications of the Indian concept of socialist pattern. In the first
chapter of this document entitled the Objectives of Planned Development, it is stated:

"Progress towards socialism lies along a number of directions, each enhancing the value of others. Above all, a socialist economy must be efficient, progressive in its approach towards science and technology, and capable of growing steadily to a level at which the well-being of the mass of the population can be secured. In the second place a socialist economy should ensure equality of opportunity to every citizen. In the third place, through the public policies it pursues, a socialist economy must not only reduce economic and social disparities which already exist, but must also ensure that rapid expansion of the economy is achieved without concentration of economic power and growth of monopoly. Finally, a society developing on the basis of democracy and socialism is bound to place the greatest stress on social values and incentives and developing a sense of common interest and obligations among all sections of the community."

It is natural that in the earlier stages of development a country has to depend heavily upon agriculture for any marked increase in national income. Industrial development requires heavy capital outlay, especially of foreign exchange for equipment, and has to overcome obstacles posed by the shortage of technicians and administrators and even basic information, such as adequate mineralogical surveys. Agriculture, in some form, is the easy way of life for a large part of the population. Simple improvements in the method of cultivation can guarantee large returns. In India the agriculturist is under-employed; some of the capital investments required, and much of the infrastructure capital investment necessary, can be provided by self-help projects if individuals and communities can only be roused to see their needs and the ways to satisfy them.

In our country there is a great potential in agriculture which can be utilised to assist local development. Moreover, increased industrial production can be obtained by the promotion of rural, cottage or
village industries. India, amongst other countries, has made considerable advance in this field, and sees this as one way to harness the labour of the rural unemployed and the under-employed. At the same time there is urgent need for industrial products like steel, cement, power machinery, fertilisers and road building equipment. The list is endless if agriculture is to be enlarged, and the needs of the society, community and individual demands, are to be met.

Increase in agricultural productivity is necessary for the economic and social development of India to meet the increasing demands placed upon it by the non-agricultural sectors for food. Experience has shown that without increase of food supply to accompany industrialization a disruptive inflation of food price is apt to occur.¹

¹. But past experience also indicates that agricultural development is not possible without simultaneous industrial development. Moreover, development in its widest connotation stands for the development in agriculture as well as industrial sector, social and cultural development and any of them can not be regarded as independent one; because development in one direction needs an equally developed counter part or rests upon development activities in the other sphere.
No doubt the rural institutions as they had developed before independence lacked the capacity to shoulder the responsibility of socio-economic tasks before the community. In the context of Indian conditions any economic, social and political development is inconceivable without attacking the problem of rural stagnation from different angles. Grow More Food Campaign was launched to increase agricultural production. However, soon it was realized that agricultural prosperity cannot be attained without creating developmental conscience which can be attained only by popular participation of the masses in their socio-economic development programmes. Thus a new programme was launched on October 2, 1952 to cover different aspects of rural life known as Community Development Programme.

The First Five Year Plan has described it as the method and rural Extension as the agency through which the process of transformation of social and economic life of the villages was to be initiated. This is to

1. First Five Year Plan, p.223.
process the development of the area through people's own democratic and cooperative organisations; while the Government helps with funds, technical assistance and trained personnel. The programme is designed to promote better living for the whole community, with its active participation and, if possible at the initiative of the community, but if this initiative is not forthcoming spontaneously, then it has to be roused and stimulated by Government agencies.¹

To accelerate the economy of the country the Community Development Programme emphasises that the rural people should regard all aspects of development as their own concern and develop their capacity and reliance as their own cooperative efforts for the solution of their local problems in a democratic manner. The programme not only requires the consent of the rural community but also their active support. It is, therefore, necessary that the people should chalk out the programme of development and initiate its execution with their own participation and financial resources. The government help should be

¹. Community Development was so defined by the Cambridge Conference on African Administration in 1948. This definition was further examined by the Arshire Conference of Social Development in 1954 and considered valid and comprehensive. However, a shorter definition was preferred: Community Development is a movement designed to promote better living for the whole community with the active participation and on the initiative of the community". Rajeshwar Dyal Community Development Programme in India, (Allahabad, 1960) p.4.)
considered of primary importance in carrying out the programme. No doubt the government is committed to finance the programme to accelerate the economy. In a democratic country such financial and technical help is a must to break the stagnation. Operating through the people's local organisations, community development is expected to strengthen the foundations of democracy. In this way democracy and Community Development progress simultaneously.

In relation to the people Community Development is essentially both an educational and organisational process. It is educational, because it is concerned with changing the attitudes and practices which are obstacles to progress and development, by engendering such attitudes as are conducive to these improvements and more generally by promoting a greater receptivity to change. The method of Community Development is extension and the real objective of village extension work is to inspire people to want to live better and to want to learn how to make a better living. The problems of village life can be solved if and when the villager is encouraged to assert himself and to know that
he can help himself. Its main function is to make the villagers understand what change or innovation will benefit them, why it will be beneficial and how it can be introduced? It is in this sense that community development is an ideology. Extension in our programme has a much wider connotation than it has in the foreign countries from where we have borrowed the concept because we have combined it with Community Development. Community Development is organisational not because of the joint action of people, but also because it requires the "adoption of consistent policies, specific administrative arrangements, recruitment and training of personnel, mobilisation of local and national resources and organisation of research, experimentation and evaluation. A programme of community development is most successful when it becomes an integral part of, or is closely related to, the existing administrative organisation at the local, intermediate and national levels."¹

The broad objectives of the Community Development Programme are: firstly, employment, increased production including horticulture, animal husbandry, fisheries etc. and the establishment of cottage and subsidiary industries; secondly, self-help and self-reliance and the largest possible

¹. For details see Social Progress through Community Development, New York, 1955, p.12.
extension of cooperation; and thirdly the need for providing a portion of the vast unutilised time and energy in the country side for the benefit of the community. The first Five Year Plan had specific provisions for government support in helping the masses to carry out the programme.

Serious thought was given to the question of linking the Panchayats with the programme of economic development. The Report on the Organisation of Local self Institutions (Rural and Urban) in relation to planned social and Economic Development in India emphasised in 1951 that a democratic government at the centre can not function satisfactorily, unless it is supported by democratic organisations of local administrations.

The First Five Year Plan pointed out, "The constitution has provided for democratic institutions at the centre and in the states, but so long as local self governing institutions are not conceived as parts of the same organic institutional and administrative framework, the structure of democratic government will remain incomplete. Local self governing bodies have to play a vital role in the field of development. It may also be necessary to work out suitable arrangements for linking local-self governing bodies at different levels with one another, for instance village panchayats with district or sub-division local bodies."

1. First Five Year Plan, P:139.
The second Plan also emphasised the role of village Panchayats in the process of planning of rural India and implementation, but they were too weak to be effective. Although there were 207 district boards in India in 1957, their performance was not encouraging. As a result of the poor performance of these boards the people were indifferent towards the Community Development Programmes. Block was an innovation of the Community Development Programme but no representative institution existed at this level. A Block Advisory Committee (later known as Block Development Committee), was set up at each block. It was purely an advisory body and possessed no executive functions. Its aim were two fold (1) to advise in the planning and execution of the C.D. Programme, and (2) to help in enlisting popular support and participation. This Committee consisted of officials and non-officials, both ex-officio and nominated. The composition and size of Block Advisory Committee varied from State to State - sometimes it was as large as 160 in U.P. However, attendance of members was discouraging and their performance was not up to the mark. These adhoc bodies did not evince any sign of strength and convincing leadership and hence lacked power of persuasion.
It was recommended by the Second Five Year Plan that village Panchayats should be organically linked with popular organisations at a higher level and that, by stages determined in advance, democratic bodies should take over the entire general administration and development of the district or the subdivision perhaps other than such functions as law and order, administration of justice and certain functions pertaining to revenue administration. The subject requires careful and objective study in the light of conditions prevailing in different parts of the country and experience during the First Five Year Plan. We, therefore, recommend a special investigation under the auspices of the National Development Council.¹

Thus the Committee on plan project appointed a team for the study of Community Projects and National Extension Service. The team consisted of Shri Balwantray Mehta, M.P. as leader and three other members - Dr. S. D. Sharma, Minister Madhya Pradesh, Thakur Phool Singh, Deputy Minister U.P. and Shri B. G. Rao, formerly Chief Secretary, Government of terms of Madhya Bharat. The team's reference were very wide and comprehensive. It was asked to study and report on the C.P. and N.E.S. with a view to "economy and efficiency" with reference to certain aspects, which inter-alia included the assessment of the extent to which the movement has

¹ Second Five Year Plan P. 160
succeeded in utilizing local initiative and in creating institutions to ensure continuity in the process of 'improving' economic and social conditions in rural areas. The team was free to make 'any other recommendations, in order to ensure economy and efficiency. The terms of reference of the study team were as under:

1. The content of the Programme and the priorities assigned to different fields of activity within it.

(ii) The arrangement for the execution of the programme with special reference to:

(a) Intensification of activities in the sphere of agricultural production;
(b) Co-ordination between-

(1) the different Ministries/Departments at the centre;
(2) the Centre and the States; and
(3) the difference agencies within the community projects administration and other State Government Organisations and departments; and

c) The organisational Structure and methods of work with a view to securing speed in the despatch of business.

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(iii) The assessment of the requirements of personnel for community projects and national extension service and examination of existing training facilities in order to meet the growing requirements of personnel for extending the coverage of the programme.

(iv) The assessment of the extent to which the movement has succeeded in utilising local initiative and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas.

(v) The method adopted for reporting upon the results attained by the community projects and National Extension Service;

(vi) Other recommendation that the Team may like to make in order to ensure economy and efficiency in the working of the community projects and National Extension Service.

The team immediately set to work. Between 21st February and 4th August, 1957, it visited 58 selected blocks in 13 states and also availed of the opportunity of discussions with persons belonging to different categories, directly or indirectly connected with the Community Development work. The recommendations and conclusions based on observations and studies of the team were sent to the State Governments and later in September and first half of October, 1957, the team held discussion with the State Governments. The report was then finalised and signed on November 24, 1957, with a short note of dissent by Shri B.C. Rao.
The Study Team made several recommendations but its revolutionary recommendation of a three-tier system of democratic decentralisation for development administration was significant. The Team did not try to conceal the bitter truth and admitted, "One of the least successful aspects of the Community Development and National Extension work is its attempt to evoke popular initiative". The team came to the inevitable conclusion that lack of popular initiative and participation in the Community Development Programme was due to absence of democratic institutions at lower levels. The adhoc bodies failed to deliver the goods. The team pointed out: few local bodies at a level higher than the village panchayats have shown any enthusiasm or interest in Community Development or National Extension Service work and even village Panchayats have failed to come into the field to any appreciable extent. "So long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and care needed to ensure that the expenditure of money upon local objects conforms with the need and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we shall never be able to evoke local interest and excite
local initiative in the field of development. As mentioned earlier the need for creating within the district a well-organised democratic structure or administration in which the Panchayats will be linked with popular organisations at a higher level, was stressed by the Second Five Year Plan. For the higher level the Mehta Committee found that the existing district boards had out-lived their usefulness and their unwise size made them less effective for new tasks. "The district boards might have served the purpose for which they were created, i.e., educating the people in self-government; but they have neither the tradition nor resources to take up the present work. They have also been handicapped by having too large a charge to receive their detailed attention." It then considered the possibility of a single representative and vigorous democratic institution to take charge of all aspects of development work in the rural areas and concluded that Decentralisation was the only possible response to the challenge of Community Development.

1. Report of the Study Team, Vol 1, p.5
2. Second Five Year Plan p.160
DECENTRALIZATION - Defined

It is impossible to standardize the usage of the word 'decentralization' by seeking to give it meanings that would be acceptable universally. The English language took the word from Latin; it shares it with the Roman languages. The word, therefore, is used under many different constitutional systems and in it different social environments. In fact, it is a word of innumerable applications. Through all of them, however, runs a common idea which is inherent in the word's Latin roots, meaning "away from the centre".

A number of other terms (also of Latin origin in the English and Roman languages) have related meanings. They may be helpful in differentiating the type of decentralization. These words include devolution, "deconcentration", and delegation. However, none of them has a fixed meaning in the literature of political science. Here it is necessary to explain the difference between delegation and decentralization. The terms are usually identical conveying similar sense. But it is not so. Delegation of power can not be equated with decentralization. In delegation the lower level executive

machinery is in every way subordinate to the higher
level machinery, which is responsible for the actions
of the authority to whom power is delegated. The higher
body does not divest itself of certain functions.
Decentralisation is a process whereby the government
divest itself completely of certain duties and
responsibilities and devolves them to some other
authority. For the purpose of this work decentralization
implies delegation of a large amount of discretionarily
authority to the field officers to create a feeling in
them that the Central Office has confidence in their
competence and ability. Such a feeling makes them more
responsible and dutiful. They do their best to show that
they deserve the confidence which has been reposed in
them by the headquarters. Flexibility, adaptability,
maximum popular participation in administrations, proper
use of local talents are some of the advantages of
decentralized system of administration. However there
are certain drawbacks of it like parochialism, local
narrow-mindedness and absence of a uniform national policy.

DEMOCRATIC DECENTRALIZATION

In a developing country the problem of
the development of agriculture and industry are inter-
locked with the problems of improved health, transport
facilities, supply of agricultural wherewithals, industrial
raw material, education, training etc. In addition the problem of new inventions and discoveries and to evolve a new machinery for mass communication is also necessary. In the presence of so many complex and multi-natured problems of development the government is alone in meeting the challenge. In the early stages of development, and later unless deliberate steps are taken to spread the responsibility, the burden of meeting the challenge rests upon the government. Being new in undertaking the developmental activities after independence India faces the problem of seeking support of the people having traditions of disobedience and defiance of authority. Moreover to meet the varied demands on government without enlisting the cooperation and enthusiastic support of persons at all levels will impose a heavy burden on civil service both the general administrator and the technical expert. Particularly any change for rural development involves considerable social changes and where improvements in agriculture are sought, farmers and peasants need to be approached individually, as amongst illiterate people, methods of mass communication are limited and often ineffective. To meet this situation the government has to create the administrative and institutional situation in which the village folk may participate to express
their priorities and dedication to work for them. No plan can have any chance of success unless the millions of small farmers in the country accept its objectives, share in its making, regard it as their own, and are prepared to make the sacrifices necessary for implementing it. There must be decentralization of administration in suitably geared system to bring new ideas and new methods to the farmers. Decentralisation is also required to awaken communities living in the remote corners of the country.

"Independence ushered in a new urge in people for a massive move forward, for improvement in the level of living, on the one hand, and for a sovereign democratic society, on the other. Community Development was the first effort to bring about order in a chaotic system of sovereignties where departments were varied with each other horizontally rather than vertically. It was also a programme for direct involvement of the people in the administration of their own affairs nearer and dearer to them."

The approach led with its natural logic to the growth of Panchayati Raj as grassroots democracy which promised to create an interlocked link from the Gram Sabha to the Lok Sabha.\(^4\)

Therefore, the Balwant Rai Mehta Committee suggested the democratic decentralisation for the country; decentralisation both of power and of the sources of income. "Democracy has to function through certain executive machinery but the democratic government operating over large areas through its executive machinery can not adequately appreciate local needs and circumstances. It is, therefore, necessary that there should be a devolution of power and a decentralisation of machinery and that such power be exercised and such machinery controlled and directed by popular representatives of the local area". The Committee itself considered the arguments against such a move but after the analysis of the pros and cons of the problem, it observed that "inefficiency and corruption in democratic institutions at local level were only short-term problems. Once these bodies have real autonomy and "power to make mistakes and learn by making mistakes" under the guidance and supervision of the higher bodies, these difficulties disappear.\(^2\)

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1. S.K.Dey, "From local govt. to the Centre", The Indian Journal of Public Administration, Vol.XVI.No.3 July-September, 1970
2. See Report of the Study Team.
So what the team suggested was the creation of a three tier system of decentralisation—village Panchayat, Panchayat Samiti and the Zilla Parishad; entrusted with entire developmental administration.

Block was recommended as the unit of Planning and organisation on the basis of the Aristotelian principle of being neither too large to defeat the very purpose of creation, nor so small to militate against efficiency and economy. The traditional units taluka and tehsil—were considered unsuitable for the development activities. Panchayat Samiti—the middle tier—was the innovation. At the district level, a new body—Zila Parishad was to replace the district boards. The Committee also described the organisation, various functions and sources of revenue to be assigned to these bodies. Following are the details of organisation, functions, resources and relationship between different tiers.

Firstly, we should have village panchayat purely on an elective basis, with a provision for the co-option of two women members and one member each from the scheduled castes and scheduled tribes. To this body the maximum powers should be delegated for the implementation of the community development programme.
falling within territorial jurisdiction of the village. The main sources of income of the panchayats will be property or house tax, tax on market and vehicles, octroi or terminal tax, conservancy tax, water and lighting rate, income from cattle ponds, grants from the panchayat samiti and fees charged from the registration of animals sold etc. In addition, the panchayats should be entitled to receive from the panchayat samiti a share up to 3/4th of the net land revenue assigned to the later. The compulsory duties of the panchayats should include among others provision of water supply, sanitation, lighting, maintenance of roads, land management, collection and maintenance of records and other statistics and the welfare of backward classes. It will also act as an agent of the panchayat samiti in executing any scheme entrusted to it.

Secondly, panchayat samiti should be formed for an area included in a block at present to be constituted by indirect election from the village. Panchayats within the block area can be grouped together in convenient units and the panchayats in each of these units shall elect from amongst themselves person or persons to be members of panchayat samiti; about 20 in number. These elected representatives will again co-opt two women who are interested in the
women and children. A representative from the scheduled castes and another from the scheduled tribes have also been provided for, if they are not otherwise represented. The panchayat samiti may co-opt two local residents who have shown special aptitude in rural development work. An elected chairman for this body was recommended. Vast powers have been entrusted to this body which should be the main agency for development work in that area with sufficient resources, both central as well as provincial at its disposal. The functions of the panchayat samiti should cover the development of agriculture in all its aspects, improvement of cattle, promotion of local industries, public health, welfare work, administration of primary schools and collection and maintenance of Statistics. It should also act as an agent of the State Government in executing special schemes of development entrusted to it. Other functions should be transferred to this body only when they have started functioning as efficient democratic institutions. The finances of the panchayat samiti should comprise of (i) percentage of land revenue collected within the block which should not be less than 40 percent of the State's net revenue; (ii) cess on land revenue; (iii) tax on professions; (iv) surcharge or duty on transfer of immoveable property; (v) rent and profit accruing from
property; (vi) net proceeds of tolls and leases; (vii) pilgrim tax, tax on entertainment, primary education cess, proceeds from fairs and markets; (viii) share of motor vehicle tax; (ix) voluntary public contribution; (x) and grants made by the government. The State Government should give adequate grants-in-aid to them conditionally or unconditionally or on a matching basis with due regard to economically backward areas. All central and state funds in a block area should invariably be assigned to the panchayat samiti to be spent by it directly or indirectly excepting when the samiti recommends direct grant to an institution. This was to be the chief body for the formulation of plans for the whole block.

The Team observed that the block should, as far as possible, be treated as the administrative unit of all development departments so that there is one unified set up without duplication in numbers, over-lapping of jurisdiction or blurring of responsibilities. The expenditure under the block schemes can and should be correlated with the normal development expenditure in the block. This implies that the budgets of the development departments within the district should be split-up block-wise and inter-related with the block budget wherever there are blocks.
Then there should be Zila Parishad at the district level, mainly with a view to achieving the necessary co-ordination between the panchayat samitis within the district. The Zila Parishad was to consist of the Presidents of Panchayat Samitis, members of Parliament and State Legislatures and District level Officers of the Development Department. The Parishad was to be an advisory-cum-supervisory body. It was not to have any executive functions, because such powers might kill local initiative. The functions of the parishad may also include examination and approval of the budgets of the Panchayat Samitis, where funds are allotted by the Government for the district as a whole, their distribution between the various blocks; co-ordination and consolidation of the block plans, supervision of the activities of the Panchayat Samitis etc.

The Team further pointed out that if this experiment of democratic decentralisation was to yield maximum results, it was necessary that all the three tiers of the scheme, viz, village panchayat, panchayat samiti and Zila Parishad should be started at the same time and operated simultaneously in the whole district.¹

¹ Report of the Study Team, p.128.
The recommendations of the study team were considered and endorsed by the National Development Council, in January, 1958. However the action to be taken, to chalk out the detailed structure best suited to the individual conditions was left to the state governments. This point was further affirmed when the Central Council of Local-self Government suggested that the evolution of this genuine transfer of power to the people may be left to the State Governments. It was in the middle of 1958 that the National Development Council communicated to the states for the implementation of the scheme of democratic decentralisation. The council did not insist on uniformity. Every state was free to have its own legislation to set up Panchayati Raj institutions of its own choice suited to the local requirements, but of course, keeping certain fundamental and basic principles of Panchayati Raj, intact.

Following are these principles:

1. There should be a three tier structure of local-self governing bodies from the village level to the district level, the bodies being organically linked up;

2. There should be a genuine transfer of power and responsibility to them;

3. Adequate resources should be transferred to these bodies to enable them to discharge these responsibilities.
4. All welfare and development schemes and programmes at these levels should be channelled through these bodies alone;

5. These bodies being charged with various duties and functions, no higher body should have an opportunity to do what a lower body can do itself;

6. The three tier system should be such that it facilitates further devolution and dispersal of power and responsibility in the future.¹

The basic principles of the scheme were accepted by the Central Council of Local-self Government at its fifth meeting at Hyderabad in 1959. The council recommended that "while the broad pattern and fundamentals may be uniform; there should not be any rigidity in the pattern.²

Accordingly all the states took necessary steps to pass legislation, Rajasthan was the first state to implement on October 2, 1959 the scheme of Panchayati Raj, to be followed by rest of the country.


Thus a new organisational frame work was provided for efficient and economical development administration. To some extent the Panchayat Samiti was an improvement over the Block Advisory Committee and the Zila Parishad was a better and more useful form of the old district board. However, it can be pointed out that what the team recommended was not a change of emphasis here or there, but a new order of priorities along with a new type of organisation. It was, indeed, a revolutionary departure from the old outlook. The proposals created a stir at first, and much scepticism was expressed about the efficacy of the new set up. But soon after it was appreciated that the experiment had potentialities of success if sincere attempts were made.

For a better understanding of the recent developments in the political and socio-economic order of rural India the next chapter deals with the development of the idea of village institutions in India with special reference to Uttar Pradesh.