CHAPTER I

INTRODUCTION

I.1 Infrastructure is an important tool of growth and development of an economy. Studies (Eichengreen 1995, Rastogy 2004, World Bank 1994) have shown that the deficiency in infrastructure can act as a bottleneck to restrict the expansion of economic activities. In a country like India, there is also a large disparity in the levels of development of infrastructure between rural areas and urban areas and the relative backwardness and greater concentration of poverty in rural areas can be at least in part attributed to this disparity. The present study intends to examine the present status of the basic rural infrastructure facilities and the inter-relations between the states of infrastructure and the levels of development in rural areas of Assam, one of India’s relatively more rural and economically less developed provinces.

The study assumes significance from the change in rural governance pattern through empowerment of the Panchayati Raj institutions (PRI) as per the 73rd Amendment of the Constitution of India. The PRIs are expected to provide the institutional setting for rural development process to accelerate. Whether this change has had any significant impact on the improvement of rural infrastructure services and rural development process in Assam is of special interest to this study.

While the macro component of the study relates to rural areas of the entire state, the study of the role of PRIs in the uplift of rural infrastructure and rural development has been limited to the areas of the state where the provisions of the 73rd
Amendment of the Constitution of India is applicable. However, the study also incorporates discussion on the structure and nature of grass-roots level institutions in the 6th schedule areas which are outside the purview of the 73rd Amendment of the Constitution of India and looks into the correspondence between institutional strength, infrastructure and development attainment there. The study gives an opportunity to make a comparative analysis of the roles played by the PRIs in enhancement of infrastructure facilities and acceleration of the development process in the rural areas of Assam where such institutions are put in place with the roles played by the grass-roots level institutions in the areas of the state where PRIs are not applicable.

The term infrastructure can encompass a large number of things. The present study primarily concentrates on such basic physical infrastructure as roads, power supply and telecommunication that are basically not sector-specific but general in characteristic.

I.2 Objectives and Research Question

The specific objectives of the study are the following:

i. To make an assessment of the status of rural infrastructure in Assam.

ii. To examine the relationship between availability of infrastructure services and development attainments in the rural areas.

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1 ‘The 6th Schedule offered a fair degree of self-government to the tribal people by providing for autonomous districts and the creation of district and regional councils which would exercise some of the legislative and judicial functions within the overall jurisdiction of the Assam legislature and the parliament’ (Chandra et al 2000).

2 The broad connotation of infrastructure has been given in chapter II.
iii. To examine the extent to which implementation of Panchayati Raj has led to improvement in the provision of infrastructure facility and fillip to the development process in rural areas.

Besides the above objectives, the study pursues the research question whether the supply of rural infrastructure services comes up because of demand pressure arising from rural development achievements or level of rural development improves as a result of availability of infrastructure services in the rural areas. Alternatively it examines whether it is necessary for rural infrastructure improvement and rural development to take place more or less concomitantly for the process to be sustained (in line with what was theorised way back by Rosenstein-Rodan (1943) and Hirschman (1958) and reemphasised more recently by Ray (2004)).

I.3 Materials and Methods

I.3.1 Sources of Data

The study is based on both primary and secondary data. Basic secondary data on quantity and quality of present infrastructure services in rural areas of Assam has been collected from the Directorate of Economics and Statistics, Government of Assam. Data on status of infrastructure in different parts of the State and level of rural development has also been explored from Statistical Handbook, Assam, Economic Survey, Assam, telecom authorities, electricity companies, State P.W.D.s, Directorate of Agriculture, Government of Assam, available reports, past researchers and NABARD. Data on all India level has been collected from Infrastructure Report, Economic Survey of India. The secondary data, however, are
not sufficient to fulfil all the objectives. Hence, primary data have also been collected.

In order to collect primary data, three plain districts and one hill district have been selected such that they can represent institutions, development and infrastructure in both the plain and hill districts of Assam. Care has been taken while selecting the three plain districts so that they can represent districts with different development levels. Data have been collected from each of the selected districts at three different stages. First, two Gaon Panchayats (GPs) from each of the plain districts and two Village Development Councils (VDCs) from the hill district have been selected at random and information on them have been collected from informed sources. In the second stage, two villages under each gaon panchayat/village development council have been randomly taken to gather information on them from gaon burhas or village headmen. Finally, 5 - 10% households from the villages in the plain districts and 30 - 40% households from the villages in the hill district have been randomly surveyed depending on the numbers of households in the sample villages. In this way, total of 6 gaon panchayats, 2 village development councils, 8 villages and 165 households have been interviewed. The detail discussion on primary data collection procedure has been made in chapter VI.

1.3.2 Methodology

With regard to the first objective, the present status of rural infrastructure in Assam has been documented. The quantity and quality of rural road infrastructure have been captured in rural roads per lakh of rural population and rural roads per
hundred square kilometre of rural geographical area. Percentage of villages electrified and percentage of villages having connected with public telephones have been considered to examine rural electricity provision and rural tele-connections across districts. This status of rural infrastructure has been compared with the all India and other advanced States' infrastructure level. Regional disparities of rural infrastructure within the State have also been analysed. The district-wise analysis of rural infrastructure status and their comparison have been made in terms of rural infrastructure indices and various ratios. The index construction process has been discussed in relevant chapters.

The literature review in chapter II reveals that the relationship between rural infrastructure and rural development is not straightforward. Therefore, the relationship between the two has been examined in two phases. First, using district level secondary data, indices of rural infrastructure and rural development at two different time points have been constructed. Then a non-linear simultaneous equation model has been formulated and the coefficients of the variables have been estimated results of which help ascertain the nature of rural infrastructure-rural development inter-relationship (details of model construction and estimation have been given in chapter IV). Secondly, using household and village level primary data, the relationship between the two has been further examined in terms of scatter and radar diagrams in chapter VII and VIII.

To examine the role of panchayati raj institutions specifically gaon panchayats and other grass-roots level institutions in accelerating infrastructure and development
across rural areas, indicators of effectiveness of village level institutions have been designed (details have been given in chapter VII). Then the relevant analysis has been done with the help of scatter and radar diagrams.

To check whether better rural infrastructure leads to improvement in rural development process or rural infrastructure improves because of higher rural development achievements, comparison between rural development index with rural infrastructure improvement index and rural infrastructure index with rural development improvement index have been made. The broad analytical structure of the study has been summarised in table 1.1.

Table 1.1: Analytical Structure

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I.4 Layout of the Thesis

The study has been organised in nine chapters. The relevant theoretical and empirical literature on the topic under study has been discussed in chapter II. The broad connotation of ‘infrastructure’, its relationship with economic development, nature of investments in infrastructure projects, importance of improving rural
infrastructure facilities for overall rural development, a brief history of rural development in Indian economy and recent initiatives for improving the rural delivery mechanism undertaken in the Indian economy have been discussed in this chapter. Chapter III has been designed to provide a brief description of the economy of Assam, district-wise status and comparison of rural infrastructure facilities under study and a brief discussion on the initiatives for rural infrastructure development by the Government of India and the Government of Assam as well. The inter-relationship between rural infrastructure and rural development along with an analysis of convergence in rural infrastructure provision and rural development process across districts of Assam are the main contents of chapter IV. Chapter V highlights the history of evolution of panchayat institutions in India, its changing pattern after the enactment of the 73rd Amendment of the Constitution of India, structure of the panchayat institutions along with the various provisions to empower such institutions at the grass-roots and pattern of local governance in the Sixth Schedule areas. Status of rural infrastructure, rural development and strength of village institutions in the plain sub-samples have been discussed in chapter VI while the following chapter analyses the institution-infrastructure-development inter-connection in the rural areas of the sample plain districts of Assam. The same exercise has been done for the sample hill district in chapter VIII. The concluding chapter summarises the findings and inferences of the study and discusses the policy implications of the findings and inferences.