CHAPTER VI
THE STRATEGY AND MEASURES FOR PROMOTING EMPLOYMENT OPPORTUNITIES IN UNDER-DEVELOPED COUNTRIES IN REFERENCE TO INDIA

Introduction:

The essential problem in underdeveloped countries is to expand agricultural employment. In these countries the employment problem is tied up with the problem of modernising and transforming the whole structure of the economy. In advanced countries the employment problem is how to adopt the labour force to changes in economic structure but in under-developed countries the problem is how to use the labour force to bring about the changes in economic structure that are needed.

Employment targets are inadequate to meet the demand for jobs. The development plans of these countries envisage an increase in employment which absorbs net additions to the labour force during the plan periods, but not large enough to reduce substantially existing unemployment and underemployment. Therefore, the employment situation is deteriorating in these countries. The urgency of rapidly increasing employment opportunities is not only due to prevailing high levels of unemployment and underemployment but also due to rapid growth
of population in these countries. In view of the complexity of this problem in these countries, due emphasis is given on employment as a major objective of development planning.

In these countries, the problem is not so much finding full time jobs for people who are not doing anything at all, but rather finding more useful work for persons whose net contributions to output are very small even though they may be quite busy. The population explosion and the shortage of capital combine to make it imperative to pursue policies that will convert surplus labour from a liability into an asset.

The rapid economic development is the only long term remedy for this, but the benefits of economic development must be widely shared, and one of the best ways, if not the only way, of ensuring this is to choose a path of development that will provide many new jobs quickly without compromising the rate of economic growth. While many measures have in fact been put into practice already in these countries for combating agricultural unemployment and underemployment; the approach followed has been a fragmented one and the net result has not been significant. What is necessary to deal with the gravity of the problem of agricultural unemployment and underemployment is an intensive and concerted approach, using a variety of measures and manysided integrated endeavours specifically aimed at promotion of full, productive and freely chosen employment. It is also important to stress here that
measures in this field should not be taken in isolation but their indirect effects and ramifications must be taken into account when followed in actual practice.

(1) Measures for Employment Promotion in Urban Areas:

Of course, the recent thinking gives emphasis to the expansion of employment in rural areas and in these countries measures have been implemented into action to promote agricultural employment. The reasons which are obvious are dealt explicitly later on for this change in policy. But the significance for increasing employment opportunities in urban sector is of no less importance. Firstly, in view of the serious overcrowding that already characterizes these country's agriculture and their limited capacity for further absorption of manpower, regardless of changes in production techniques, this is clear that much of the future manpower growth will have to be absorbed by non-agricultural employment and secondly in the foreseeable future as general economic development proceeds in these countries, the transfer of a part of the labour force will tend to the industrial sector. Therefore in the long run, employment for the new additions in the labour force must be sought in the urban sector and the main solution lies in industrialization of these countries. As it is clear from the facts mentioned in a previous chapter that the problem of employment in these countries is basically a problem of the reorganisation of these country's occupational
pattern which is almost static since the last half century. For the solution of unemployment and underemployment problems it is essential that the rate of industrialization should be such that it becomes possible to divert an increasing proportion of the annual increase of population to non-agricultural occupations.

**Industrialization:**

In order that the average size of farms is considerably enlarged it is essential that an enormous amount of agricultural population must be transferred from the land to the industrial employment. The working population in these countries increases each year and for each additional member of the labour force new employment opportunities will have to be provided. It is therefore only through industrialization that the objective of full, productive and freely chosen employment can be achieved.

The speed of industrialization is governed mainly by the supply of entrepreneur, capital-equipment and industrial skill. Therefore, the basic aim of the economic policy in these countries is to bring about the most rapid increase, in the supply of these factors of production. In all these countries there is general deficiency in entrepreneurship; therefore emphasis is given to promote the

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healthy growth of both private and public enterprises. But public sector has been given increasingly importance in the development of the national economies and measures have been taken to encourage private enterprise so that it can also take part in industrialising the country's economies. All these countries have given the greatest importance to the development of socio-economic overheads as a basic condition for the economic development from the very start of their development programmes. The small scale industrial enterprises which from the backbone of these countries have been given place of importance in these countries and means have been adopted to foster these enterprises.

The second factor which imposes a severe limit on the speed of industrialization is the availability of insufficient magnitude of capital. Therefore vigorous action is taken in these countries to accelerate the rate of capital formation mainly in two directions i.e. the fullest and most effective use of internal resources and the promotion of the inflow of external resources through specific measures of to fill up the deficiency of domestic resources. The cause of this capital deficiency is the shortage of savings and this aggravates the situation that much of the savings tend to go into prodigal consumption or short-term speculative investment rather than productive investment. Therefore a low rate of savings does not allow much investment in new industrial enterprise and hence can not provide a initial big stimulus
for economic development "to cross the chasm of take off into self-sustaining growth between the stage of preparation for 'take off' and a condition of cumulative self-sustained growth." In the initial stage of development "tightening the belt" or restraining the growth of consumption is most essential to increase the rate of savings for a high level of investment. It is a fact that these countries require higher rates of investment than did the now advanced industrial countries in the early stages of their development. Therefore, to fill the gap of the desired rate of investment and shortfall of the domestic resources, external assistance is required in these countries as a complementary to internal resources and catalytic agent of rapid economic growth. All forms of capital investment are necessary to accelerate the pace of industrialization, but in most of these countries public investment is now playing a predominant role in their development plans. Private domestic investment also has a role to play in these countries within limits set for functioning in their economies. The governments of these countries are creating favourable conditions for the flow of private foreign capital. With the help of external assistance these countries can develop their economies and consequently the rate of investment. In such countries where a lack of employment opportunities is associated with a shortage of capital, all appropriate measures should be taken to expand domestic saving, and to encourage the inflow of financial resources from other
countries, with a view to increasing productive investment. The measures are as follows:

(i) To utilise available labour with a minimum complement of scarce resources to increase the rate of capital formation; through

(ii) measures to guide savings and investment from unproductive uses to uses designed to promote economic development and employment;

(iii) measures to expand savings:

(a) through the curtailment of non-essential consumption with due regard to the need for maintaining adequate incentives, and (b) through savings schemes;

(iv) measures to develop local capital markets to facilitate the transformation of saving into productive investment;

(v) measures to encourage the reinvestment in the country of a reasonable part of the profit from foreign investments, as well as to recover and to prevent the outflow of national capital with a view to directing it to productive investment.

The third condition upon which the speed of industrialisation in these countries depends is the industrial skill.
The shortage of skilled labour and technical personnel impede industrialization process in these countries. If large scale industrialization programme is to proceed rapidly the technical know-how must be available sufficiently. Considering the importance of industrial skill these countries are taking energetic steps to make good their deficiency in technical knowledge and skill with the aid of the facilities provided by international agencies and advanced countries. Under the process of industrialization the following lines of policy should be taken to promote employment in industrial sector.

Promotion of Industrial Employment:

(i) The paramount need is to establish such industries in these countries as are based on available raw materials and power and also correspond to the changing pattern of demand in domestic and export markets and use modern techniques and appropriate research, in order to create on a permanent and long term basis additional employment opportunities. Measures should also be taken to promote efficient and low cost production; diversification of the economy and balanced regional economic development etc.

(ii) the possibilities of expanding employment by (a) producing or promoting the production of more goods or
services requiring much labour (b) promoting more labour-intensive techniques;

(iii) Labour-intensive construction works, such as multi-purpose river valley development projects; the building of railways and highways;

In addition to measures promoting employment through industrialization programmes, the following measures should be taken in the industrial sector to expand employment opportunities;

(iv) to promote fuller utilization of existing industrial capacity to the extent compatible with the possibility of absorption of domestic and export markets;

(v) to create handicrafts and small scale industries and to assist them to adopt themselves to technical advances and changes in market conditions so that they will be able to provide increasing employment without becoming dependent on such protective measures or special privileges as would impede economic development. The development of co-operatives in small industries and handicrafts should be encouraged and possibilities should be explored of more extensive working of multiple shifts in the industrial sector. Efforts should be made to establish a complementary relationship between small scale and large scale industries, and to develop
new outlets for the products of industry.

(vi) to develop industrial techniques suitable to the proportions in which capital and labour are available in underdeveloped countries.

The Strategy Of Employment In Rural Areas:—

In underdeveloped countries the employment targets are small in relation to employment needs, mainly because of the limited size of planned investment. Moreover the large allocations of investment are made to capital intensive industries which further limits the immediate employment potential of these investments. The basic lines of policy which constitute an appropriate strategy of employment promotion under the circumstances of these countries, are the following:—

(a) raising the level of investment,
(b) raising the employment effects of investments,
(c) raising employment with little or no investment,
(d) adequate emphasis on the promotion of agricultural employment and,
(e) agro-industries.
(i) **Raising the Level of Investment:**

In underdeveloped countries, the main factor limiting the size of employment targets is the total amount of capital investment. Different estimates are put for making new employment considerably more productive than existing employment on the average and thus the total investment to meet the employment needs of these countries reaches in such magnitude which is beyond the capacity of these country's economies at their present stages of development. The capital resources are limited in these countries, therefore, efforts are made to use available resources efficiently, and measures adopted to step up the rate of productive investment. There is considerable scope in these countries to diversify investment from unproductive uses to uses which promote development and also increase the rate of domestic savings through curtailment of luxury and non-essential consumption by high-income groups.

In most of these countries there is also scope for obtaining more output from existing scarce resources - land and capital in both the traditional and the modern sector by relatively simple, known methods of productivity improvement. This additional output can do much to raise the level of investment and to support more workers in productive employment.

(ii) **Raising The Employment Effects Of Investment:**

Along with efforts to raise the level of investment, it is
also necessary to explore all opportunities for raising employment through more labour-intensive types of investment both with respect to the products to be made and the techniques of making them, so long as such investments are consistent with the growth objectives. One of the two broad areas which are generally considered as offering good prospects for more labour intensive investment is capital construction and the other is small scale industry. The role of labour intensive construction in employment policy and in policy to raise investment is significant and this approach be carried on an extensive enough scale to make a impact on employment. The small scale industry which is both labour intensive and capital saving but the net output per worker is very small due to inefficient production methods, can not be much significant in view of creating employment. The small enterprises which use advanced equipment and techniques than those not used in traditional household enterprises and also simple and cheaper than those not used in large enterprises, create more industrial employment.

(iii) Raising Employment With Little Or No Investment:-

There are possibilities providing fuller and more productive employment in enterprises already in existence without incurring much additional investment. In these countries where the employment problem is largely under-employment rather than whole-time unemployment, policies in this direction are of
great importance. If the employment content and income content of present jobs and enterprises of underemployed are raised substantially with little or no investment, there will no need to create for them additional jobs. The implementation of this line of employment policy and formulation of measures require the closest examination of different sectors of the economy, mainly agriculture and small household enterprises. To the extent that implementation of organisational measures could raise employment in the traditional sector, it would be capital saving operation. There is much scope for raising output from resources already employed in the existing enterprises by simple methods of productive improvement. In agriculture there are more possibilities of increasing output by making productive use of the underemployed labour.

(iv) **Adequate Emphasis on Promotion of Rural Employment:**

In underdeveloped countries the largest proportion of the underemployed resides in rural areas and their continuous migration to urban areas in search of productive jobs has greatly aggravated the urban employment problem. The prospect in these countries even at a high rate of industrial development for many years to come is that agriculture will have to absorb a sizeable proportion of the annual additions to the labour force. For all these compelling reasons the strategy of employment policy suited to the conditions of these countries should place special emphasis on the promotion of
productive employment in agriculture.

The achievement of this requires many sided efforts. As the capital resources for the development of agriculture are limited great stress is placed on the more efficient use of such resources as are available and on measures which increase the economic potential of agricultural economies in these countries without a large draft on scarce resources. This suggests a more intensive use of the available labour and natural resources.

(v) Agro-Industries:

In underdeveloped countries like India, much emphasis is now given to promote and expand these industries to provide non-agricultural employment in rural areas. In India, the rural industries projects having the objective of bringing about a cooperative agro-industrial economy involving all round development are launched on some pilot projects to expand employment opportunities in rural areas during the Third Five Year Plan. Rural industrialization will get a new impetus with the starting of these projects. The projects are likely to have a wholesome effect on the employment situation.

(2) Promotion Of Employment In Rural Areas:

The Need for Rural Employment Promotion -

The consequence of agricultural underemployment in countries
like India is the large number of rural workers constantly on the more in search of better employment in urban sector. The limited employment opportunities in the urban areas do not prevent rural people from drifting to towns, the result being a growing urbanization which is rarely synonymous with industrial expansion but rather more often than not the transfer of unemployment and poverty from rural areas to the urban areas. Therefore, the agricultural congestion constitutes a major impediment to raising agricultural production and productivity. While in the long run general economic development will tend to lead to a transfer of part of the labour force to the industrial sector, in the foreseeable future a major part of the remedy for agricultural unemployment and underemployment must be sought in the agricultural sector itself. The size of the traditional agricultural sector and the initially slow progress of employment creation in the modern industrial sector have made it difficult to absorb the new entrants to the labour force and at the same time to reduce the large amount of unemployment and underemployment in the rural areas. Therefore, considerable efforts are being made in these countries to speed up economic development and to expand and diversify employment opportunities in general. The reduced emigration from rural areas will help to check the evils of excessive urbanisation and industrial concentration, to narrow the economic and social gaps between town and
countryside and to promote a more balanced development of the employment structure. Much emphasis is therefore placed on absorbing large numbers in productive employment within the rural sector itself.

The emphasis in thinking has also shifted from urban employment to rural employment in recent years. Now the solution to employment problem in these countries at the present stage of development is sought largely in expansion of agricultural employment in rural areas. This is largely due to impossibility of absorbing large additions to the labour force into the non agricultural sectors and the alarming drift of rural labour into overcrowded urban areas. Therefore all the underdeveloped countries are giving more attention to develop all possible sources of employment in the rural sector, in addition and complementary to the necessarily long term process of employment creation in the urban and industrial sectors.

The objectives of promotion of agricultural employment in rural areas are to achieve a more rapid and diversified growth of economic activities, to bring about a more balanced development of the employment structure throughout the whole country, to enable the agricultural population to take its full part in and to make its own contribution to economic development and thus to ensure that agricultural and rural stagnation does not act as a brake on general economic and social
advance. Therefore, the provision of supplementary employment to the vast numbers of underemployed persons in the agricultural sector during the slack periods is not only an important element of promotion of employment in the rural sector but also its provision as one of the twofold objectives of promotion of employment in rural areas is also due to creation of new employment for those who are currently unemployed and underemployed and for the future growth of the labour force in the agricultural sector.

In India, the rapid rate of increase of population, particularly since 1921, added to the burden of agriculture. Agriculture absorbed a total addition of 25 million to the working force between 1901 to 1951. Accounting percentage the working force within agriculture rose from 62.5% in 1901 to 69.8% in 1951. The two five year plans could not arrest further rise in the proportion of people working in agriculture. The percentage of population in 1961 within agriculture did not fall below as it was in 1951. When population grows at a faster rate than industrialization, agriculture absorbs the bulk of the increase in population. Of the total increase in labour force of 48.9 million as between 1951 and 1961; 33.7 millions are absorbed by agriculture and only 15.2 million by non-agricultural sectors.¹ Agriculture thus had absorbed more people in the single decade as it did during the preceding

five decades 1901 - 1951. This is undoubtedly a great burden on agriculture in India. There is no prospect of easing this burden within foreseeable future. The percentage of people occupied in agriculture as per the present perspective plan, could be reduced only to 60 percent even after a decade and a half commencing with the beginning of the Third Five Year Plan. But the present trends in India show that the proportion of population within agriculture is not likely to fall in the years to come, even at a high rate of industrial development. It is not denying this fact that urban developments have no contribution to make in promoting employment and combating agricultural unemployment and underemployment. The reasons are obvious which emphasize on the promotion of productive employment in the agricultural sector not only as a solution for the problem of urbanization but also for the creation of an affluent rural society.

The achievement of promotion of agricultural employment require efforts. The potentialities of this sector for making a significant impact on the employment situation have not been fully considered and examined till now. If these countries have to achieve any adequate level of employment in the foreseeable future, much emphasis must be placed on the possibilities of expanding employment opportunities in the agricultural sector and tapping the full potentialities of the rural economy which have remained largely dormant.
In these countries much emphasis is placed on the promotion of productive employment in agriculture by a combination of measures, institutional and technical which should be relied as fully as possible on the efforts of the people of the country-side.

The agrarian reform and promotion of community development programmes are the institutional measures, taken in these countries to promote productive employment in agriculture. Technical measures include: land development and land settlement, introduction of more labour-intensive and more diversified agriculture; development of viable rural industries, local capital construction projects; and expansion of other productive rural activities. The technical measures are discussed first in some detail and after these measures, institutional measures are dealt with some more detail.

1. Expanding Employment Opportunities in Agriculture:

(i) Increasing the Agricultural Area:

The first measure for providing additional agricultural employment as well as increasing agricultural production is to bring additional land under cultivation in these countries. The development of new land through large scale programmes of land reclamation, irrigation and drainage and its development; and subsequent settlement holds the prospect of creating
additional and extensive new employment opportunities in underdeveloped countries. Possibilities also exist in these countries of increasing employment by expanding the agricultural area through the provision of irrigation facilities for multiple cropping and by bringing new land under cultivation.

In countries like India employment opportunities in agriculture are expanding through bringing new land under cultivation, providing more productive work on land already under cultivation through alternative patterns of land use, and by placing emphasis on the promotion of labour intensive methods of cultivation. Considerable expansion in the cultivable areas has already been achieved over the past decade, 1950-51 - 1960-61. However the programme of these countries bring only a small proportion of the potentially available lands under cultivation, while the population is increasing rapidly. In India, the progress in the direction of bringing more land under cultivation is slow, the potentiality of this programme is still high. The scope for land development and land settlement depends primarily on the availability of suitable land, but the costs involved are an equally important factor. The very high cost of land development, the building of roads and other facilities, and other expenses incurred in settlement makes this beyond the resources of these countries if carried on a scale sufficient to have a lasting impact on the overall employment structure.
In India, substantial amount of potentially productive land is available which could be brought under cultivation or used for the other purposes which can increase employment in this sector. The irrigated areas has increased from 51.5 million acres in 1950-51 to 70 million acres in 1960-61 and will go up by another 20 million acres by the end of the Third Five Year Plan. The overall irrigation potential from major, medium and minor irrigation projects is estimated about 175 million acres at present. In these countries there are now limited possibilities of increasing the agricultural area by bringing new land under cultivation but considerable possibilities exist for intensive cultivation.

Land development and settlement has severe limitations and offer only limited possibilities as a long term solution to the problem of underemployment. In these countries the uncultivated land that would be worth putting into cultivation is limited and so small that even if it is fully utilized there is not likely to be any substantial increase in the amount of cultivated land per head of the total agricultural population. Secondly, successive shifts of excess agricultural labour to new lands are likely to entail successive increases in capital costs per worker transferred. Thirdly, beyond a certain limit, despite increases in capital costs, the output per unit of land may also rapidly diminish, as less and less fertile lands are brought into cultivation. Lastly, to ensure rapid economic
progress in these countries, there is a basic need to encourage the development of the mentality and attitudes appropriate to an industrial society, and land settlement can hardly be expected to contribute to such a change in mentality. For all these reasons land settlement can only provide a partial solution to the problem of underemployment, its relative effectiveness depending mainly upon the resources of these countries.

(ii) Raising the Productivity Of Land And Reducing Under-employment In the Agricultural Sector:

For the promotion of agricultural employment in the shorter run the importance of bringing the new land under cultivation in these countries is not so much as to increase the productive capacity of land already under cultivation which is a potent means of greater employment in rural areas. The productivity of land in agriculture is low, and farming methods and practices in these countries are so outdated that even very modest improvements could considerably enhance agricultural production and labour productivity. There are, however, many simple improvements in farming techniques and practices that are already available and can be made with little or no use of scarce resources but which can be of crucial importance in yielding a quick and substantial increase in agricultural output and labour productivity without
calling for any substantial reorganisation of the agrarian structure. In India, the yield per acre of various crops is comparatively very low and unfavourable with those in advanced countries of the world. There appears to be no reasons why what can be achieved in other countries can not be achieved in India. The task of increasing productivity is not insuperable in India and yield per acre can be multiplied manifold by changing methods of cultivation.

By means of well-chosen propaganda and incentives it has been possible to arouse a spirit of experimentation and endeavour amongst the peasants so that they have been able to introduce simple improvements and new devices out of their own accumulated experience, and thus raise farm output. "The popularisation of the well known labour intensive practices such as better and deeper ploughing, better preparation of seed-beds, proper weeding, using of improved seeds, wider use of available manures, extensive use of silt from the beds of rivers; canals; and ponds, soil conservation, efficient utilization of the available irrigation facilities by the proper preparation of field channels, proper drainage and more labour on seed-bed preparation etc., require little capital investment and can be largely accomplished by a more intensive application of the labour in these countries."² In view of the very heavy pressure of

population on land and the small size of farms in under-developed countries the very labour intensive measures not only raise farm output but also require more man-hours per acre, that is, provide more work to underemployed persons in rural areas. A large scale introduction of these improved agricultural practices could go long way in reducing underemployment and creating new employment opportunities in the process in these countries during seasons of agricultural activity.

The productive capacity of land under cultivation can be increased through the provision of adequate supplies of water. Therefore highest priority is accorded to the construction of irrigation facilities in these countries. The employment creating effects of irrigation is obvious and it is known that agricultural underemployment is most serious and it is known that agricultural underemployment is most serious in areas without irrigation. In countries like India a large proportion of the total cultivated land area still awaits irrigation and full use has yet to be made of this powerful instrument of agricultural employment promotion. The speed of irrigation extension and the realisation of its maximum production and employment effects are to a certain extent conditional upon agrarian reform and community development programmes. In India field observations indicate that the number of man-days worked per acre increased in those cases where agricultural development programmes have been in existence for a number of years,
especially where irrigation facilities were available and properly used. In view of the fact that in these countries the existing resources are limited, attempts are being made to achieve a break through in agricultural productivity by the concentration of agricultural programmes in certain selected areas on a more intensive scale that is generally feasible. In order to achieve substantial and rapid results which could have a great impact on raising agricultural productivity in India, the Package Programmes in 7 selected districts of India have been started in 1961-62.¹

The findings of the expert committee set up to report on the progress made by the package programme in two years, which were released in November 1963, have highlighted the fact that "agricultural development is a complicated and slow process. The Committee found that during the first two years the programme covered only 30 percent of the 117 blocks in the districts. The districts comprise 140 blocks and thus taken as a whole, the programme covered only 25 percent of their cultivated area. The Committee listed limited coverage of the districts by the programme, weakness of co-operatives in handling a programme involving outlay of large resources, lack of co-ordination between the departments dealing with planning and finances, unpreparedness of the extension agencies, and delays in the creation of basic facilities, among the difficulties in the way of the success of the programme. In spite of these

¹ R.N. Poddavai: "Agricultural Planning in India", Agricultural Situation in India, October 1962, p.746; See also "Development of Agriculture", Federation of Indian Chambers of Commerce & Industry, New Delhi, 1963, p.18.
difficulties, however, the report felt that the programme has made substantial impact on the agricultural economy of the districts, and that it would meet with further success in the years to come."

Another outstanding method of raising agricultural production is the setting up of large scale mechanised farms. A beginning in this direction was made by setting up a farm in Suratgarh, Rajasthan. It is proposed to set up one or two such farms during the Third Plan.

(iii) Diversification of Farming And Development Of Activities Closely Allied to Agriculture:

Another approach to increased use of labour in agriculture is to introduce more diversified farming. For reasons of inertia and lack of knowledge, peasants do not always utilize their land fully throughout the year. During the longer intervals between the harvesting and sowing of the main crops there may be possibilities for introducing supplementary crops which can do much to raise the employment and income of the population. The grain from such supplementary crops are particularly great in areas where farm activity has so far been limited to one or two crops and where production period is relatively short. The possibilities of introducing additional crops are limited by the climatic and soil conditions, irrigation, marketing, transport facilities. The diversification of

crop production may be most effective measure to reduce or eliminate seasonal underemployment if Government assistance is provided not only in the form of expert advice as to the right kind of supplementary crops for cultivation, but also introducing the complementary processing industries in rural areas.

Diversified farming is, of course, not confined to increasing the variety of crops to be grown. The development of activities which can be carried throughout the year which would provide additional income to persons engaged in rural areas especially during the slack seasons are significant elements of employment promotion in agricultural sector. The extension of mixed farming along with part of the several traditional activities devoted to livestock and poultry raising bee-keeping, sericulture and so on could increase, considerably both the volume and the profitability of agricultural employment provided markets, transport, credit and other facilities are available. There is considerable scope for the promotion of livestock and poultry farming as a subsidiary occupation in rural areas. The development of this type of mixed farming would not only increase the employment and income of agricultural population in slack seasons but would also augment the supply of farmyard manure for improving the productivity of land. The methods of livestock and poultry
breeding now in practice are inefficient and the profits
earned from such activities are low and raising livestock
requires substantial amounts of capital. Therefore
Governments of these countries should take steps to make a
substantial contribution in improving the situation by
popularising of modern methods of husbandry, provision of
technical services and credit facilities. Although most of
the activities of this kind are prevalent in these countries
what is required is their further expansion as supplementary
activities to farming in rural areas by suitable assistance
feeding and guidance, the establishment of demonstration farms
and centres in rural areas for the propagation of these
activities.

Agricultural activities are largely seasonal and
harvests are substantially affected by the vagaries of monsoons
and weather conditions. The development of mixed farming
could add substantially to farm incomes and also provide
farmers with stable work all the year round. Besides farming,
a number of other labour-intensive rural activities can be
developed, the products of which do not compete and are, in some
cases, complementary to, the products of modern industries.
In these countries forestry and fishing are such industries
which not only often provide sources of supplementary
employment and incomes to the farming population but can be
developed into industries of national importance.
A major proportion of the total land area of these countries is covered by forests. In India, the total forested area as compared to the total area is about 16 percent. The forest wealth is vast in countries like India but the contribution of forestry in terms of employment and national income has so far been rather low due to their unscientific exploitation and low productivity.

The productivity of the forests can be increased several times by proper replanting and scientific exploitation. The forest of these countries contain a number of valuable species of trees and other useful forest products. These products have considerable commercial value and can become important sources of earning foreign exchange. A fuller and more scientific utilisation of these forest resources holds the possibilities of opening and expanding large employment opportunities in forestry and forest-based industries, such as the management of forests, timber felling, sawing, lumbering, replanting of trees, building of forest roads, transport of timber, collection of forest products, furniture manufacture, paper, rayon etc.

The current programmes in India in the field of forestry aim at the gradual utilization of forests and raising their productivity progressively by undertaking the replanting
of better varieties and quicker growing species. In India special emphasis has been placed on the improvement of communications, establishment of new plantations, application of modern systems of intensive forest management, better utilization of inferior varieties of timber by seasoning and preservation processes and introduction of modern logging techniques. In India emphasis is given not only on protective and productive roles of forests but also large scale afforestation programmes as a measure of soil conservation are undertaken at the village and the national level. Tree planting and replanting in the villages are essential for local soil conservation and land improvement. Therefore, high priority in local works projects is given to reafforestation and forms a necessary part of national soil conservation programmes. Due to shortage of fuel wood in these countries, the practices of using animal waste for burning purposes is widely prevalent, depriving the farms of an excellent natural manure. The need for planting suitable species in rural areas in order to provide rural populations with the much needed fuel wood has been felt in the countries like India. An extensive programme for planting trees in India is undertaken in order to save the animal waste for manuring purposes and rural population are encouraged to take up tree planting on an extensive scale on a voluntary basis on village common lands, along village roads, contour bunds and irrigation tanks. Efforts in this direction would add substantially to the rural supply of firewood and wood for tools
and implements and would provide employment for under-employed workers.

In countries with plentiful water resources, development of the fishing industry can provide much employment, both as subsidiary and full-time occupations. Fishing is a traditional rural occupation in these countries. In countries like India big-water reservoirs are being built for the purpose of irrigation. Therefore, new opportunities arise not only for fishing due to these irrigation projects but also climatic and natural conditions are favourable for the further development of the fishing industry. From the point of view of employment the importance of inland fishing is obvious. In addition to the introduction of 'rice-fishing', fishing activities in rural areas could be greatly expanded by granting fishing rights in the neighbouring waters to rural people, arrangements for scientific stocking of these waters, supply of fishing equipment at reasonable cost and the provision of basic knowledge and encouragement to rural populations for carrying on fishing as a supplementary occupation on an extensive scale. To promote fishing as a profitable source of agricultural employment and income would call for a variety of organisations and technical measures including setting up of cooperative, provision of credit and marketing facilities and introduction of new and improved methods of fishing. There are several allied activities which could further expand the employment potential of the fishing
industry in these countries, such as collection of seaweeds and other seafoods such as prawns, shrimps, crabs, lobsters, manufacture of modern fishing equipment and small fishing crafts, drying smoking, curing and canning of fish, extraction of fish oil etc. The modernisation and further expansion of these activities which are already in existence can increase the employment in fishing industry both as subsidiary and full time occupations.

(iv) **Works Programme For Utilising Rural Man Power:**

The manpower resources available in rural areas of these countries are not effectively harnessed for development under the prevailing conditions. It is also recognised that over large parts of the country, on account of dependence on rainfall and the small and scattered character of holdings, the agricultural economy by itself is not remunerative and does not provide adequate opportunities for continuous work throughout the year and the problem is further accentuated on account of the rapid growth of population. For a fuller utilization of the available labour resources and for reducing underemployment especially during the slack agricultural seasons, the extensive rural work programmes of a labour intensive type have been started in these countries. It is also obviously useful to utilise unemployed and underemployed labour to create local productive capital assets, especially in rural
areas, with a minimum complement of scarce materials and equipment. These programmes are envisaged for the areas where unemployment and underemployment are acute and are conceived as a means of providing additional wage employment to agricultural population. The types of works that could be included under these programmes are small scale irrigation and flood control projects, land reclamation schemes, water control and drainage, afforestation and soil conservation, improvement of road communications, construction and maintenance of embankments and field-channels for irrigation works, contour-bunding and terracing, land levelling, construction and repair of wells and tanks, arrangements for drinking water supply, building of schools and village community.

In India, 32 pilot projects for initiating programmes for utilising rural manpower were launched as a first series in the 1960-61 slack season. The primary object of the first series of Pilot projects was to gain experience at State, district and block levels in the organisation and direction of works programmes which could make a real impact on the problem of unemployment and underemployment. These pilot projects provided for certain supplementary works to be undertaken during slack agricultural seasons, in addition to the normal development programmes included in the State plans and community development programmes. The actual wages paid to workers employed on these projects vary in different areas. In some areas they exceed the slack season rates, in others
they are lower and yet in other the same.

The rural works programme is conceived as supplementing the effort under development programmes in the Plan and has become an important part of the Block Plan in India. The distinctive feature of the rural works programme is that it is employment oriented. Expenditure under this programme generates more than proportionate employment both in itself and by bringing into play resources which are not fully utilised through other development programmes. Its real object can only be achieved if the entire development programme is carried out so as to ensure that each area gets the fullest possible benefit by way of employment opportunities. The aim is to create opportunities for continued employment for all able bodied and willing persons in each area and with the rural works programme serving as a catalyst, to harness the unutilised rural manpower to the fullest extent possible. In part, these employment opportunities arise directly from the various works which are undertaken, but the more important aspect is the indirect and continuing employment resulting from increased production and improvement in economic conditions brought about by various development programmes. The works such that they create a permanent addition to the productive capacity and to the employment potential of the areas. The works programme is intended primarily for areas which have a high incidence of unemployment and underemployment which is the guiding consideration in selecting the areas in which pilot
projects are undertaken.

This is too short a period to assess the effectiveness of a new approach in this field. But the evaluation which has been done so far has brought out the organisational deficiencies in carrying out the programme. The significance of the pilot projects has not been sufficiently appreciated and not much attention has been given to the selection and the planning of works both at the State level and in the blocks and to securing their effective execution with the maximum cooperation at the local level. The evaluation of the programme does not throw enough light on the nature of the problem of unemployment in each area, the character of the surplus labour which is available, the extent to which additional works opportunities are created on a full time and seasonal basis and the possibilities in the selected areas of expanding both agricultural and non-agricultural employment. In other words, it is essential for the successful execution of works programme to obtain a close understanding of the employment needs of the selected areas, the employment potential of the community development, agriculture and other programmes, the lines along which supplementary programmes are best integrated with the general development programmes and with the agricultural economy of each area, and the different directions in which continuing employment are assured both within and outside agriculture. There is agreement on the point that the rural works programme should be
approached as a supplementary programme aimed at strengthening the economy of each area exposed to a high degree of unemployment and underemployment. It is a traditional measure forming part of a comprehensive attempt over a period to create a viable economy for the areas under the programme.

On the basis of experience gained in the working of the first series of Pilot Projects, the Third Five Year Plan envisages extending these programmes on a large scale to other areas, especially to those with a heavy pressure of population and severe underemployment. It is expected that employment should be found through these works programmes for about 100 days in a year for 100,000 persons in the first year 1961-62 about 4002,000 to 500,000 persons in the second year 1962-63 about a million in the Third year = 1963-64 and about 2.5 million in the final year of the plan. The total outlay under the rural works programme for the entire Third Plan is estimated at Rs. 150 crores, amounting to about 1.4 percent of the total investment of the Plan. The core of the works programme which are included and taken up are soil conservation, contour bunding, anti-water logging, minor irrigation, afforestation, drainage and land reclamation. All these schemes have in view to step up agricultural productivity. The rural works programme are not executed in isolation but integrated as a supplementary programme with all other development programmes undertaken in the areas so that together they could make a
noticeable dent in the unemployment and underemployment problem in the area.

At the end of 1964, the rural works programme was in operation in 778 blocks and it was being expanded to some more blocks in 1965. The total number of blocks allotted up to March, 1965 was 995. A review of the programme shows that during the Third Plan the actual expenditure was expected to be Rs. 19 crores as against the target of Rs. 150 crores and employment secured for 3.5 lakh persons as against the Third Plan target of providing employment to 125 lakh persons for 100 days a year.¹ In the light of the experience gained, the Ministry of C.D. & Cooperation has formulated suitable guidelines to boost the programme during the fourth plan. It has stressed the need for ensuring adequate concentration of rural works in areas where there is considerable unemployment and underemployment among agricultural workers.

The Fourth Plan memorandum had made a token provision of Rs. 25 crores for the rural works programme. Subsequently, it has been proposed that a programme should be worked out to give employment for 100 days a year in slack season to 2.5 million people by the third year of the Fourth Plan. Now it has suggested that Rs. 100 crores would be required to achieve the target of providing employment by the third year of the Fourth Plan and to achieve the objectives of 5 million jobs in the

Fourth Plan, it is estimated that Rs. 250 crores would be the minimum required. The desirability of limiting the programme to about 1500 blocks (including existing 1000 blocks) for the first three year phase of the Fourth Plan has also been emphasised. The schemes to be undertaken under this programme during the Fourth Plan period should be those which are of immediate and demonstrable benefit to the villages community and which have the added advantages of creating community assets. The schemes to be given high priority under the programme should be minor irrigation works, drainage and anti-water logging measures, soil conservation, afforestation, land reclamation construction of market roads, village orchards, village pisiculture etc. Experimentation, on a limited scale, for payment of part of the wages in food grains in certain selected areas under the programme has also been suggested. A special scheme of payment of wages partly in food grains, by way of gaining experience, is being undertaken in ten blocks of Madhya Pradesh.

An Inter-State Conference on rural manpower programme, which was convened jointly by the Planning Commission and the Ministry of C.D. & Cooperation, was held in the month of April 1965 to make a critical appraisal of the working of the programme during the Third Plan and to propose guidelines for the formulation and implementation of the programmes to be included in the Fourth Plan.

The Conference has proposed that the programme which now provided work for about 350000 persons on a norm of 100 days a year, should be enlarged to provide for 750,000 in the 1st year of the fourth plan to 1.5 million in the second year and 2.5 million
in the third year, it should be possible to work up to about 5 million jobs by the last year of the Fourth Plan. The Conference also has proposed that the programmes should be taken up in 1500 to 2000 development blocks during the first three years of the Fourth Plan and the area selected should be those, which suffered from chronic unemployment and under-employment and that every effort should be made to make the economy of these areas stable and viable. The programme should provide not only for the generation of additional employment but also strengthen human resources in the selected areas through special attention to rural youth, imparting of new skills, provision of the literacy and participation in cooperative effort.

Results Achieved and Assessment:

The rural works programmes were started in India for creating not only additional employment opportunities but also as an important means for harnessing the large manpower resources available in rural areas.

The delay in starting work on these projects was due to several factors: (i) delay in the preparation of plan and estimates and securing administrative and technical clearance, (ii) difficulty in getting free surrender of lands in some states, (iii) delay in release of funds to the block-authority, (iv) delay in putting in position, technical and supervisory staff, specially sanctioned for the programme, (v) revision of
proposals in the light of suggestions and recommendation made at the three regional conferences, and (vi) difficulty experienced in realising contributions from beneficiaries. The preoccupation of the countryside with the third general election also added to the delay.

It had decided by the National Development Council that the rural works programme should be continued, with emphasis on short term agricultural schemes yielding large additions to agricultural production in areas which are markedly backward in economic development. The Council also felt that instead of dispersing the effort too thinly over a wide area, the programme should concentrate on pockets with high incidence of unemployment and steps should be taken to increase the tempo of work.

While the programme is expected to get into full swing, there has been "some positive gains on the qualitative side of the programme. In a number of States employment surveys have been initiated by the State Governments as well as the Director General of Employment and Training in some of the blocks selected under the first and second series. These surveys will be of great help in obtaining a clear picture of the employment requirements at the block level and the impact of the development programmes. A second significant gain is that the programme is tending to benefit those sections of the rural community for whom it is specially designed. The
labourers who are coming forward to take advantage of the programme belong to the various backward landless classes.... A third gain ......... is that in a number of States the schemes have proved to be more labour intensive than had been originally envisaged. A fourth gain is that in almost all the States Panchayats are being increasingly involved in the execution of the schemes included under the rural works programme. The experience gained regarding the period in which works are executed will also make it possible to have a clear idea of what the agricultural slack season means. While the slack seasons for the different states are known in a general way, there are considerable variations from area to area within the States, and it is essential for good planning to know their precise nature." ¹ In the Third Report relating to employment survey of 27 selected C.D. Blocks covered by the second series of rural works projects the Director General of Employment and Training have pointed out that (i) the slack season in these blocks varied between 2 to 8 months; (ii) of the total working force available in the blocks as a whole during the slack season, less than 30% was available for work in rural works programme-villages in a majority of the blocks at normal wage ratio; (iii) the wage rates were either equal to/or slightly lower than the PWD rates in most of the areas; (iv) the rural works programme was twice as labour intensive as the normal development programmes; and (v) a few blocks

reported shortage of construction workers such as masons, bricklayers, stone-cutters and carpenters.

The rural people work in agriculture and allied activities, traditionally, at somewhat low rates of wages but the rural workers are reluctant to come forward in sufficient numbers on normal wage rates. It seems that it is difficult to mobilise rural workers for development programmes in adequate numbers at the prevailing wage rates. The slow response may be partly due to the wage rates offered being below the workers' expectations. Another season may be the workers' unwillingness to improve their low living standards to which they have been traditionally accustomed. These facts seem to suggest that some fresh criteria should be introduced in the selection of villages for rural works programme for attracting a large percentage of the available workers. As regards the shortage of skilled labour, it is a general condition throughout the country and more so in the rural areas. Therefore it is suggested that training programmes may be arranged at the work site for a short duration to train construction workers.

Rural works programme has helped in relieving under-employment to some extent but it should not be taken as providing full-time additional employment as the employment for rural workers through the Rural Works Programme is seasonal and it would be unrealistic to assume that any sizeable stable employment would have been created in the recent past or can be
created now in the present frame of this programme. Therefore it is stated now that these programme should be developed in such a way that they can provide whole time employment also in addition to the seasonal employment offered by them. This programme should not be regarded as a relief measure as stated now and it is said that unless this programme aimed at creating continuous and sustained employment opportunities for the rural population, it would not lead to any permanent benefit.

Till now the programme has had no impact on the employment situation in India as revealed by the mid-plan appraisal which is the main object of the programme i.e. to provide work and employment during slack agricultural season. The expectation that the gap between the jobs needed which has been widening over the years, would be closed, at least partially in the rural areas during the Third Plan, appears to be bleak. The performance of the programme has been low as compared to targets, both in terms of employment and actual expenditure. It has been admitted that its implementation had been slow because of the delay in the formulation of plans, their scrutiny and approval personal shortages, irregular flow of funds, rigid application of the principle of voluntary contribution especially in the less prosperous areas lack of local leadership and cooperative spirit and also its delayed start.¹

The direct approach to mobilise underemployed rural labour implied in works programme is inconclusive about implications for their best utilisation in integrated agricultural employment promotion. It has been pointed out recently that the stage has come when it is necessary to test quickly various alternatives so that there may be a proper basis for the formulation of countrywise programmes for generating additional employment, especially in the rural areas.¹

**Development of Rural Industries: As a Measure to Increase Non-Agricultural Employment Opportunities:**

In countries like India where population pressure on the land is great, possibilities are likely for insufficient opportunities within agriculture and related occupations; even after the implementation of programmes regarding raising of agricultural production and productivity and the development of activities closely allied to agriculture, to absorb all unemployed and underemployed population and the natural increase in the agricultural labour force and to allow for the need to increase agricultural productivity. The additions to the labour force are naturally likely to be more in rural areas than in urban areas. It has been seen in the implementation of the first two plans in India that the capacity of urban industries to absorb new entrants to the labour market is rather limited. Therefore these countries are giving high priority to

the creation of suitable non-agricultural employment opportunities for the agricultural population in rural areas. The increased opportunities of employment outside agriculture in rural areas not only maintain a large proportion of those people who need supplementary and alternative employment in other occupations than agriculture in their habitual environment, being spared the hardships which often accompany abrupt transfer to an unaccustomed urban life but also reduced emigration from rural areas which helps to check the evils of excessive urbanisation and industrial centralization and narrow the economic and social gaps between urban and rural and also promote a more balanced developed of the employment structure. When agricultural underemployed population moves into industries in urban areas, it creates problems of housing and other amenities and of a social nature (e.g. temporary separation from the family, adjustment to urban life etc.) could be reduced to the extent that the job could be brought to the underemployed person instead of labour moving to the job. In addition to this, the developments related to considerable expansion in agricultural production (availability of larger supplies of raw materials, local markets and savings for investment) help in providing the necessary impetus for the increase of non-agricultural employment opportunities through the development of rural industries in these countries.

In India, after the start of planned economic development
since independence considerable stress on the development of
traditional sources of non-agricultural employment in rural
areas particularly handicrafts and village industries has been
given. The reasons for this is that in India neither agriculture
and related activities can provide adequate employment to the
whole population, nor large scale industries are developing
fast enough to provide employment on the scale needed. These
industries also fit into the economic and social conditions
of India and employ much labour which is abundant.

It is said that large scale production naturally tends
to be carried on in urban areas which offer the entrepreneur
advantages of existing basic facilities. But the development
of rural industries economies of the over-head capital
expenditure for the building up of houses, streets; requirement
of water and power facilities which are required by urbanised
industry and its labour force. The capital thus saved due to
development and promotion of these industries can be used for
productive purposes which otherwise would have had to wait until
more capital had become available. In this way production can
be expanded further and additional employment opportunities can
be created.

In India the large number of persons depend heavily
upon non-agricultural employment during the slack intervals
to make up for the deficiency of income derived from the land.

Social Research, 18 September, 1951, pp. 296-7.
During harvest and sowing times a large number of agricultural population are occupied fully and earn income which is not adequate for supporting them all the year round. A certain proportion of agricultural population remain unemployed in most part of the year. For these persons the problem of creating additional employment is more serious than to part-time agricultural labour in these countries. Rural industries have been a traditional avenue of such employment, but the income earned from such employment is generally very small relative to the amount of labour expended. It has been recognised that unless and until a substantial portion of the existing agricultural population is shifted away from the land into other full-time occupations, rural industries will continue to play a vital part in maintaining the level of living of the agricultural population.

The development of rural industries for the promotion of employment can broadly take these forms: those concerned with the processing of food and other agricultural raw materials, handicrafts and small scale industries, ancillary and feeder industries, and manufacturing industries.

In India, attention has so far been devoted mainly towards the development of the traditional village industries and crafts. It is only in the Third Five Year Plan that specific reference has been made to the importance of evolving a programme of rural industrialization.
The Planning Commission set up in April 1962, a high level body, the Rural Industries Planning Committee with the object of reviewing the progress of industries in rural areas, advising on problems of policy and planning relating to them and recommending programmes for the intensive development of village and small industries in rural areas, including co-ordinated area and regional plans of development. The committee worked out a scheme for projects for the intensive development of village and small industries in rural areas. It was felt that experience in the intensive development of rural industries should be gained under different sets of conditions. A total of 45 areas were selected for the first series of projects in different States. It was decided at the Conference on Rural Industries Projects which was held in July 1962 that before a detailed programme for a project area was drawn up, it would be essential to assess the resources and the availability of skill and development potentials in the selected areas through quick and preliminary surveys.

Survey reports of 31 Projects reveals that different projects areas have varying characteristics, in respect of rainfall, the proportion of areas under cultivation and irrigated, area, density of population etc. One common feature in all the areas is the heavy pressure of population on land. This has resulted in the continued backward nature of agriculture and low per capita income from land. The means of communication and transport in most of the areas are generally poor. Both
enterprise and initiative are generally absent. The levels of existing skills are absolute and primitive in rural areas. The level of literacy is low and technical education has not touched even the fringe of population. This is due to absence of technical training institutions. Institutional financing agencies are non-existent and there is absence of sound organisational structure.

The project areas have surpluses in the form of certain food crops and cash crops, fruits, vegetables and plantation products, which are exported, milk yielding cattle which are also sources for leather and bone meal industries etc., sheep and goats which can provide the base for wool industries, fish, milbery and castor plantations for organising fisheries, sericulture and ericulture. Ceramic type of clays, slates, marble, silica, felspar exist in different areas, while apart from timber, medicinal herbs, resin, katha and other products are to be found in hilly places.

The reports of these projects reveals further that three types of industries which can be developed in rural areas are: those which can utilise local raw materials; the industries which may be included are processing of paddy by hand pounding, crushing of oilseeds through ghanis, manufacture of gur with manually operated crushers etc. It would be necessary to improve the present equipment and techniques. Cash crops exported from different areas may be processed locally. Preservation of fruits,
vegetable and fish; utilization of surplus milk for the manufacture of butter, cheese and milk-powder; carcass recovery, tanning of raw hides and manufacture of bone-meal, glue and poultry feed; exploitation of minerals and forest products; bee-keeping; fish-canning; utilisation of waste products; particularly fibres, husks, bran, bagasse, stalks — these and similar industries can be started in rural areas with local raw materials. The second type of industries for whose products there is local market, can also be developed in rural areas. These are of two types: first, soap, furniture, building materials such as bricks, tiles etc., cloth, ceramics, stationary, footwear, ropes and twines, ready-made garments etc. It is necessary to provide basic facilities in order to develop these industries. Secondly, agricultural implements, sheet-metal products such as buckets and steel trunks and containers, domestic utensils, mechanical engineering products such as bicycle parts, sewing-machine parts, pumps and industries dependent on scarce chemicals. For developing these industries, it will be essential to ensure supply of adequate raw materials in addition to the provision of basic facilities. In the third category, such industries come which can not be developed with local skills for want of scarce raw materials. To promote these industries, it will be necessary to introduce improved equipments with necessary training facilities, regular supply of raw materials, arrangement for meeting adequate credit requirements and provision of marketing facilities.
The views of the International Perspective Planning Team in connection with the location of industries in rural areas are worth quoting. The team has pointed out that artificial measures to encourage the growth of industrial units, of whatever size, at uneconomic locations puts additional strain on financial, transport, educational and other resources without commensurate benefits. A careful economic analysis should be made before making location decision. It is also accepted universally that rural industrialization as a means of promoting employment opportunities does not necessarily mean the establishment of much industries in rural areas themselves, but only in a situation where they can serve the rural areas.

(i) Activities closely Related to Agriculture: Processing of Agriculture Products:

Processing of food and agricultural raw materials in underdeveloped countries is usually undertaken in the producing areas, and the employment opportunities they provide for the local population are rather significant. Their relative importance is generally high in countries at a low stage of economic development. Local processing of rice, oil-extraction, cotton-ginning, jute-refining and baling, making of butter, cheese and other milk products, extraction of sugar, etc., provide full-time work to large numbers in rural areas, in addition to providing part-time employment to farmers and their families. Lumber processing, usually done near the places of
timber extraction provides substantial employment in these countries. Similarly canning and preserving fruits, vegetables, fish and other marine products are also important sources of employment in these countries.

Measures designed to raise agricultural products enlarge the scope of activities in this field and thus enhance employment in this sector. Now these activities to a large extent are carried on in the urban areas but locating new processing plants in rural areas are quite possible. The packing, canning and preservation of fruits, vegetables, fish and the preparation of jams, jellies, 'achar' and other food products, is an important source of employment in fruit and vegetable growing areas. A considerable proportion of fruits and vegetables perish before reaching marketing centres. The processing plants of these products are located in urban areas, therefore possibilities must be sought to establish these plants on modern lines in the producing areas. There are several fruits including wild fruits which are available in great abundance during the season but their perishable nature results in much wastage. There can be fuller utilization of these products by the development of methods for the preservation and processing of these fruits. These countries have taken measures to encourage these activities and many of them have grown up in rural areas in response to domestic and foreign market demands. In these countries the absolute importance of these products for domestic markets at the present
stage of economic development is still limited due to the low levels of living. The major difficulty of exporting these products to foreign countries has been the volatility of world markets for primary products.

In these countries the potentialities of using agricultural by-products have not been fully exploited. In the past this was due to the fact that modern commercial uses of these by-products were not developed. In recent years considerable progress has been made in this field. In sugar-cane milling, besides, sugar, which is the main product, two by-products, namely molasses and bagasses, are obtained. The use of molasses for making alcohol and of bagasses as fuel has been known for a long time. In some countries yeast plant were established for using molasses as the raw material and wall-board plants were built for better utilization of bagasses. New processes have been developed recently for extracting wax from bagasse. All these new developments in certain underdeveloped countries have enhanced the value of sugar-cane as a crop. Similarly the use of rice bran (left over from rice milling) for feeding hogs, rice husks for serving as fuel, broken rice for wine-making and rice straw for feeding cattle, planting and for making straw bags and paper has been intensified and considerable progress has also been made in developing industrial uses of agricultural by-products. Similar uses of agricultural and animal by-products could not only enhance the value of these
products but also hold the possibility of providing more work to agricultural population. The recent advances made in this field in some countries could be of considerable help in developing similar activities in other countries. The traditional and rather rudimentary processing of food for village households, such as jaggery-making and oilseed-crushing are significant mainly because of the employment-creating capacity of such process. In addition to other activities using agricultural by-products, India has been making efforts in parts of the country to popularise the use of better equipment in the villages, such as an improved type of wooden press for oilseed crushing. In some parts of India where agriculture is of subsistence type and communications are poor, these traditional activities provide some, but meagre, sources of additional income and employment. But the indigenous oil-seed-crushing industry is facing competition due to establishment of oil-seed crushing machines in urban areas mainly because of the lower oil extraction ratio and the higher cost involved in the traditional processing methods. Where favourable conditions for processing industries exist their local or even regional significance as a source of additional employment is quite appreciable. As economic development proceeds and levels of living rise, their significance is likely to become greater and to extend into other areas where commercial farming is developing. Possibilities exist to encourage these activities through coordinated measures to promote power and means of transport, to develop agriculture and forestry and to
set up processing industries in accordance with a growing demand for their products and an expanding output of raw materials.

In India there is considerable scope for developing processing industries based on agricultural products. The first condition for their development is that the raw materials and skills should be available locally. As the Third Five Year Plan of India states: "With the increase in the production of cereals, pulses and a number of cash crops like sugar-cane and oilseeds visualised in the Third Plan, there will be considerable scope for the expansion of processing industries in rural areas. With a view to providing fuller employment strengthening and diversifying the rural economy it will be desirable to develop these industries to the maximum extent in the decentralised and small-scale sector and on a cooperative basis. The availability of basic facilities like power, trained labour and organised arrangements for the storage of raw materials and finished products will facilitate economic working of these industries."

Handicrafts and Village Industries:

Handicrafts and village industries play an important part in the diversification of rural economy. The number of persons employed in "Household Industry" according to the 1961 Census was about 12 million as against about 8 million in manufacturing industries. And since most of these handicrafts
industries are located in small towns and villages, their contribution towards the solution of unemployment problem in rural areas is important.

Among the important handicrafts and village industries of the traditional type in India are: spinning and handloom weaving, sericulture, carpentry, pottery, brick works, tile making, basketry, smithy works, bamboo works, leather tanning, leather works, carpets and mat-making, jewellery, art and metalware, hand-printing of cloth, irony work, wood-work, toy making, etc. Most of these activities are carried on by craftsmen and their family members, occasionally employing additional workers. Quite often they are part-time occupations undertaken during slack agricultural seasons. Thus these crafts provide extensive employment opportunities on a part-time and full-time basis to the rural population, in addition to providing a considerable proportion of the consumer goods required in the rural areas.

In spite of the progress made by these industries during the last decade they suffer from the twin handicaps of higher costs and low productivity. The traditional craftsmen are not conversant with modern processes and they are still far from being able to compete with mill products. Much of the progress achieved in these industries is due to Government grants, subsidies, rebates, and the provision of sheltered markets. It has been pointed out that industries which are making good profits i.e. are able to provide surplus and also these industries
which are just able to pay their wages should be given aid and encouragement and industries that are struggling and carrying on for want of any other openings for inheritors of family skills - old and traditional should be allowed to die their natural death as there is no prospect of earning surplus in them either now and in future.

It is sometimes argued whether the continued encouragement and financial support given to these industries is not something which will retard the industrialization of the country at a quicker pace. But it is agreed that India is a vast country and there is still room for these industries if only for providing full-time and part-time employment to large numbers, and their contribution to the output of consumer/goods. Further the sustenance of these traditional crafts and skills in the entrepreneurship connected with these can play an important role in the industrialization of rural areas and in opening and expanding employment opportunities in the rural sector.

The intensification of the programmes of handicrafts and rural industries should lead to greater employment and to the absorption of new entrants in the labour market to some extent. But with the expansion of educational and transport facilities, it would be difficult to make the village young men stay on in villages unless these industries are organised on modern lines and yield higher earnings. In order to achieve this, there is need to provide greater financial and technical assistance and guidance,
training facilities, help in organising industrial cooperatives and marketing assistance.

(iii) Development of Ancillary and Feeder and Small-scale Industries:

There are possibilities in these countries to make a significant impact on employment by development of modern small scale enterprises using equipment and techniques more advanced than those used in traditional house-hold enterprises and also cheaper than those used in large scale industries. In some countries small scale industries are largely located in the small urban centres and rural areas and are maintaining and enhancing their position over the past decades by developing ancillary works and services required by these large firms. This process is not only assisting large scale industry but also helping in the survival of the small-scale industry. The availability of cheap electric power, a good transport network and the availability of labour for part-time work in the rural areas also greatly is assisting in this process. In Japan these small enterprises are linked to large scale industries as suppliers of various parts and components required by these firms and large enterprises supply the raw materials, designs, technical advice, and also the credits. The subcontracting firms are assured of the needed assistance and markets while the large firms benefit by the lower price of the components and parts thus made available. These sub-contracting industries in Japan were mainly developed during the inter-war period. This process not

only assisted large scale industry but also helped in the survival of the small scale industry. This process also thus helped a lot in bringing industry to the rural areas in Japan and reducing underemployment in the agricultural sector. Though other underdeveloped countries are still far from the Japan's stage of industrial development but her experience in this field is of considerable value. In countries where substantial degree of industrialization has been achieved, the development of these industries as ancillary to large industries could help in bringing modern industry and industrial techniques to rural areas and putting into motion the process of rural industrialization.

In India, between the production of handicrafts in humble cottages and the manufacture of goods in factories with up-to-date machinery, there is a great scope for a long time to come for setting up industrial units under the category of small-scale industries, which use modern techniques and equipment and act as the ancillaries of bigger industrial undertakings. India can, in this sphere, learn a good deal from the experience of Japan. In India, some small-scale firms in the engineering industries sector have been engaged in sub-contracting. However, this type of enterprises have not grown up on an organised basis, and there is great scope for developing them. Some efforts were made during the First and Second Plans to promote the development of small scale industries as ancillaries to large scales industries and such industries also grew up spontaneously to some extent.

The points in favour of small industries generally are: They are suited to a surplus labour economy because they provide more employment per unit of investment; they can be developed in pockets where it is not possible to locate large scale units; they help in the wider distribution of the country's wealth and against its concentration, in fewer hands, they can help to reduce rapid disparities in employment and income; they can turn out goods in lesser time and supply in local market according to changing needs and tastes; they can lap up savings of small men which might otherwise go into unproductive consumption. However, except when they play the role of ancillaries, their 'life' in a developing economy can only be short. For, generally speaking, they can not competes with the products of large scale units in the long run. Since their requirement of capital per unit is also higher relatively as compared to large scale units. They can only play a limited role in the short run till the country is in a position to afford industrialization on a mass scale.

Prof. Dhar and Lydall on the "Role of Small Enterprises in Indian Economic Development": They have examined the very fundamental assumptions behind the establishment of small industries particularly modern industries in their book. According to them small manufacturing enterprises fall into two main groups: traditional cottage industries: which are largely rural, serve local markets, use traditional techniques and are essentially labour using and capital saving; and secondly modern small

enterprises which are largely urban, non-household, serve wider markets and use modern techniques which are basically the same as those used by modern large factories.

They further studied the arguments which are put forward in favour of small enterprises. They accepted that these enterprises "give employment" is true but the problem facing India is how to save capital and other scarce resources, not how to use abundant resources. The available evidence suggests that small factories use more capital and more labour per unit of output than large factories. The difference in the output capital ratios is particularly marked when account is taken of the fact that large factories can more easily be organised on a multi-shift basis than small factories. From the point of view of saving-capital medium or large multishift factories give the best results, and small factories usually the worst. The second argument for giving special assistance to small enterprises is that they are a means of decentralising industry. But it is due to confusion between village industries which are in their nature decentralised, and small modern factories which require an urban environment in order to flourish. The revival of village industries of course would encourage decentralisation. Small modern factories can not be forced out into rural areas, where the necessary facilities of trade, communications and finance are lacking, and where enterprise and skilled labour are scarce. Another group of arguments for promoting small
enterprises derives from social and political considerations. Some of these appear, on analysis, to be based on misconceptions, others are value judgements. The last and the most important argument for promoting small firms is that there is a shortage of entrepreneurial talent for running medium or large-scale enterprises and that this can be offset by increasing the number of small sized factories. But this is hardly an argument for increasing the share of small firms in manufacturing which is already larger in India than in several other countries - but rather for helping existing small firms to improve their methods so as to grow into larger and more efficient organisations. Thus there is no general case for promoting small modern factories on the grounds of saving capital and providing employment. It would be mistake to follow a policy of promoting small enterprises for purely political reasons, if the economic arguments are against this course clearly. They, therefore suggest that the development of the modern sector of manufacturing industry "as a measure of agricultural employment promotion should be proceeded with the greatest care and on a highly selective basis. These industries should not be given special privileges in conditions in which large scale industry is more efficient otherwise they will lead to a wasteful misuse of resources and to check the rate of growth not only of output but also of employment." The conclusion is that the policy for small modern enterprises in India should not be directed - as it tends to be at present - towards the creation
of more small units for their own sakes, but towards a general improvement in the efficiency of existing enterprises and the creation of opportunities for enterprising new firms to be successful and to grow. The emphasis of small industry policy should be switched away from the giving of preferences, subsidies and special measures of protection to small firms, towards measures which remove disabilities of small firms and give them a fair chance to complete in the market.

The major lesson that can be drawn from their study is the importance of concentrating on the promotion of efficiency and growth, rather than on the creation of new small firms for their own sake. There is an important role for small enterprises to play in Indian economic development, but that the main encouragement should be given to the most efficient and promising small firms and that all must learn to stand on their own feet.

(iv) Establishment of Industrial Estates in Rural Areas:

In underdeveloped countries industrial estates are established in urban and rural sectors as an effective tool and means of promoting industrialization. These estates which have been set up in these countries, provide industrial accommodation, technical advisory services, service workshops and the basic facilities not otherwise available to small-scale industries. Industrial estates also enable small firms to hire, at reasonable terms, instead of having to buy land, premises and certain types of
equipment. This reduced the required initial investment and enables the development of small-scale industrial enterprises.

The establishment of industrial estates is designed to introduce industrialization in comparatively new areas. In India, about 60 such estates were set up during the Second Five Year Plan but employment generated by them was not commensurate with the expenditure incurred. It is proposed to set-up during the Third Five Year Plan at least 300 more new industrial estates of varying sizes and types. They will be located as far as possible near small and medium-sized towns. It is also intended to start a number of industrial estates in selected rural areas where power, water supply and other essential facilities are available or can be readily provided.

A rural industrial estate will consist mainly of workshop for use by artisans along with certain common service facilities and will have only a limited number of regular factory sites and premises. They are, however, several difficulties confronting the successful operation of industrial estates in rural areas. Among these listed by the U.N. Seminar on Industrial Estates in the E.C.A.F.E. Region held in Madras in 1961, were lack of power, inadequate communication facilities, rural conservation, etc. The Third Five Year Plan of India states: "Care will have to be taken to locate such estates in areas where there is sufficient concentration of artisans and craftsmen who will be
in a position to make use of improved techniques, better tools and modern facilities."

The scheme of industrial estates has only a very limited scope in rural areas, and that even "where there is scope for modern small industries, Industrial Estates of the group-type with a cluster of factories may not be necessary. A sound programme of rural industrialization should aim at increasing the efficiency and productivity of the village artisan and helping him to develop new skills and even entrepreneurial abilities. The objective of the rural industrialization programme should be to make the rural artisan a better artisan to-day, a skilled worker tomorrow and an entrepreneur the day after." Suggestion is made for the setting up of either two or three factories in villages (Population 5,000) or the putting up of sheds for local artisans where they can be assisted and guided to improve their skills and productivity by the introduction of new tools and equipment, proper training, supply of raw-materials at economic rates and good working accommodation.

The direct impact of rural industrial estates may not be very significant but the indirect effects may be of course more important. The establishment of these estates in rural

1. Third Five Year Plan, op. cit., p.449.
3. Ibid, p.47.
areas not only will bring new industrial techniques and industrialization to the country side, but also will help in the promotion of modern industries. The estates also will play an important part in the modernisation of the handicrafts and small scale industries and in raising their productivity through their effects on management, development of local entrepreneurship and in the fuller utilization of local products for processing and manufacturing.

The opinion of Prof. Dhar and H.F. Lydall is worth quoting. According to them factories in industrial estates do not have a particularly advantageous output-capital ratios, indeed up to the present they have shown even more unsatisfactory results than might have been expected. One of the main reasons for this is that most of the estates have been built on too costly a scale. In addition, many of the factories are still unoccupied, others that are occupied are not yet working, and even amongst those that are working only a few are making full use of the facilities provided. As a result, the amount of unemployment given by the estates so far is disappointingly small. Industrial estates will provide employment to a significant level if economy is made in constructing future estates and factories are filled up with promising concerns immediately after completion. Industrial estates which are erected in backward areas showed good results. Therefore location policy

in future should take account of the importance to the small firm of having good local facilities, including raw material dealers, wholesale agents, financial institutions. The siting of estates within towns should also be guided more by economic and technical considerations and less by a system of priorities which results in the estates being sited on land that is of little or so value of anyone else. In short the industrial estates should be regard not as homes for the weak and the inefficient but as nursery beds of small enterprise.

(v) **Manufacturing Industries Located In Rural Areas:**

In underdeveloped countries large scale manufacturing industry is located in different parts of the country, especially in backward areas. The industries are generally established in those urban areas where the necessary infrastructure, power and other facilities are easily available. The dispersal of industries as a means of providing employment opportunities in rural areas can not be followed actively in these countries because of the non-existence of basic infrastructure and other facilities needed for. In recent years these countries are realising that, with economic progress gaining momentum the need arises for dispersing these industries more evenly throughout the whole country instead of concentrating them in relatively few urban areas in order to avoid congestion in the big industrial cities as well as to achieve
balanced development in different regions and to promote employment in rural areas.

India under her plans, is following a consistent policy of locating new industrial establishments in different regions of the country and in proximity to the areas where untapped mineral and other natural resources are available. Though these large scale industries, located in small urban centres or in newly developed areas which are likely to develop into large towns with the growth of these industries, do not create a great deal of employment for underemployed agricultural persons but they demand various services and facilities which, in turn, have a stimulating effect on the expansion and diversification of economic activities in the vicinity. While it is recognised in India that the requirements of urban areas in this field should not be ignored, had laid emphasis on the establishment of small industrial estates in suitable rural areas with a view of desirability of relieving congestion in industrial areas in big towns promoting decentralisation, involving suitable patterns of industrial development in small towns and large villages and meeting the special requirements of certain problem areas.

In most of these countries the basic infrastructure and social overhead facilities are practically non-existent in rural areas and if manufacturing industries are located away from the urban areas in order to avoid urban congestion will
retard economic growth. But there are several favourable factors, such as, the proximity of the basic raw materials, availability of considerable amounts of skilled and unskilled labour at lower wages, fairly well-developed communications, availability of land at low prices, etc. which are mainly behind the policy of locating new manufacturing plants in rural areas. The exploitation of these possibilities serve the purpose both of industrial development as well as of the fuller utilisation of available labour resources in the agricultural sector.

In India, a number of industrial establishments have been located in different regions where basic raw materials are available during the second and third Five Year Plans. They have provided employment or work to ruralities from the surrounding villages. The jobs created by these industrial establishments to rural people is not much mainly due to the lack of technical and vocational training among them. The difficulties in the way of locating large scale industries in small urban areas are lack of power and supply of skilled labour. But the lack of communications and sources of energy are sought to be removed by the programmes of road making and rural electrification. The locating of technical training schools and institutions near these places will help to solve the problem of the supply of skilled labour. Thus, from the viewpoint of employment for rural people, the location of
industrial establishments in small urban centres - surrounded by population of rural areas - has been emphasised in the development plans of underdeveloped countries like India.

Agrarian Reform:

In recent years considerable attention has been given in underdeveloped countries in the implementation of comprehensive programmes of adjustment in the whole agrarian structure in order to create wider opportunities for the agricultural population to ensure a more equitable distribution of income. The agrarian structure in India also has proved a serious drag on the social and economic progress in rural areas. Absentee landlordism, insecure tenure for cultivators and inadequates tenancy arrangements have tended to stifle incentives for improvements in agricultural productivity. The existence of defective agrarian structure prevents the agricultural working population from obtaining productive and remunerative employment. In India the mal distribution of land rights, resulting in the existence of large holdings on the one hand and small and fragmented holdings tends to prevent more intensive cultivation, the fuller utilization of manpower to a large extent. The rural-urban migration is resulted also due to the defects of the agrarian structure. In countries like India, where industry is not sufficiently developed rural-urban migration leads to a displacement of the underemployment from rural to urban areas. The aim of these reforms is to chance certain traditional rural institutions which
impede more productive use of land and rural manpower. The Third Five Year Plan of India mentioned two objectives of this reform "The first is to remove such impediments to increase agricultural production as arise from the agrarian structure inherited from the past. This should help to create conditions for evolving as speedily as possible an agricultural economy with high levels of efficiency and productivity. The second objective, which is closely related to the first, is to eliminate all elements of exploitation and social injustice within the agrarian system, to provide security to the tiller of the soil and assure equality of status and opportunity to all sections of the rural population." The elements which are included under agrarian reform are: land distribution; improvement in the land tenure, in the conditions of tenancy and in agricultural taxation, training in improved agricultural techniques, extension of modern credit facilities, development of better marketing facilities, and promotion of co-operative organisations; all these improve the agrarian structure. The following points are directly relevant to employment creation:

The basic condition for reform is more output which will lead to more productive employment. The major test of agrarian reform which is also one of the instruments of employment policy is its effect on output. In countries where distribution of land ownership is not equal, its redistribution

could create additional productive employment. The shortage of land which is primarily man-made is a main cause of agricultural underemployment. The small owners and tenants, even under given techniques, work more intensively and productively on land than the wage-labourers because the former has some incentives to do more work up to the point at which he ceases to increase his total output by doing so, while an employer has an incentive to employ more workers only up to the point at which an additional worker will produce more than the value of his wage. But even owners and tenants will not be fully employed if the plots of land they are working are too small. The situation in existence in these countries is that a large proportion of the agricultural population is landless workers and share-croppers on the large estates, and self-cultivators on tiny plots of over-cultivated or unproductive land. Therefore in some of these countries land reform legislation has been enacted and land redistribution measures enforced which have made significant impact on the agrarian structure and consequently on the economy. Where land reform consists mainly of transfer of title to the cultivators on an existing holding or of rent reduction and provision of security of tenure, the direct effect on number employed is likely to be smaller than when large estates are converted into smaller holdings with intensive farming. These measures enable the cultivators to obtain larger incomes from what they produce and
to enjoy a more secure livelihood which in favourable circumstances provide them with an incentive as well as the financial means to improve their land and to increase production. These measures can provide and promote agricultural employment more than they are carried out as a comprehensive programme aimed at the creation of an overall social and institutional framework more conducive to agricultural development. All the changes and improvements in the agricultural structure, brought by the many sided agrarian reforms not only provide the population in agriculture the necessary conditions for rapid expansion in production but also provide agricultural productive employment to the existing population and also to the rising population in these countries.

The efforts to evaluate these reforms comprehensively are in initial stage and what is done and available in reports are general observations regarding on the impact of these reforms on the institutional structure of rural economy. It is recognised more than ever before that agrarian reform is a pre-condition for the increase in agricultural production and expansion in employment opportunities. Land reform was taken up in India after 1947, and has been since then pursued by the Centre and the States. But the transformation of agricultural systems which could infuse dynamism in rural India is still far from sight. Land legislation has been concerned mainly
with the elimination of the intermediaries between the tillers and the state, but it has not been able to provide security to the tillers of the soil or economic independence and social status to all sections of the rural population. Two important elements of the land policy are the placing of ceilings on land holdings and the consolidation of holdings; while there is unanimity regarding the latter, the policy regarding ceilings does not find universal approval. The final test of a successful land policy is, of course, that agricultural productivity should go up progressively, and if this happens then land reforms will promote greater opportunities for employment in rural areas. The observation made by the Planning Commission in India on the (implementation) of the programme of land reform is significant in this context. "... the total impact of land reform has been less than had been hoped for. For this there are several reasons. In the first place, there has been too little recognition of land reform as a positive programme of development, and it has been only too often regarded as extraneous to the scheme of community development and the effort to increase agricultural production. Secondly, there has been insufficient attention to the administrative aspect of land reform. Frequently at the lower levels of the administration, collusion and evasion have gone unchecked, and there has been failure also to enlist the support and sanction of the village community in
favour of effective enforcement of legal provisions. In the third place, it has not been sufficiently realised that the reform of land tenures and the early enforcement of ceilings are an essential foundation for the building up of the co-operative rural economy." 1 As the Planning Commission repeatedly pointed out that the impact of tenancy legislation on the welfare of tenants has been, in practice, much less than was hoped for. Land reforms have not been able to lift economic stagnation in rural areas, and their contribution by way of improving the levels of efficiency and productivity of agriculture has been small. "It can only be through a co-ordinated and intensive effort that a rapid progress can be achieved in the agricultural sector. After more than a decade of Planning, agriculture remains by and large, backward and stagnant .... There is need for greater efficiency and coordination, at the administrative levels, in implementing the plans and programmes that have already been formulated."

To achieve its primary function, which is to remove defects in the agrarian structure, agrarian reforms must not only be a broad based and integrated programme, but, it must also operate on a sufficiently large scale. In the interests of social justice agrarian reforms programme must remove large inequalities in the distribution of income, land

1. Third Five Year Plan: op.cit. p. 221.
ownership and socio-political status; they must encourage the development of the capacities of the farm population as well as provide security of employment. From the economic viewpoint agrarian reform must provide a suitable framework in which production and productivity can constantly increase.

While the distribution of ownership rights to land has been at the core of the most agrarian reforms, this is not the only way. The mere distribution of land alone is not sufficient, it must be accompanied by a series of measures providing for the technical training of beneficiaries, the expansion of credit and marketing facilities, the introduction of new cropping patterns and opening up of alternative employment opportunities if the reforms are to achieve their multiple objectives. The cooperative organisations of various types also have a significant role to play in achieving the success of agrarian reform because they present a means of combining the advantages of small scale and large scale cultivation.

**Community Development Programme:**

The other of the institutional measures taken in underdeveloped countries to mobilize the agricultural populations in rural areas on a voluntary basis is community development programme, which is over a decade old in some of
these countries. This programme is conceived as an important instrument for the social and economic uplift of rural areas through the efforts of the rural population themselves. This programme has been initiated and supported by governments with the aim of encouraging local initiative and active participation of the local population and also rely largely on voluntary unpaid labour contribution by the villagers. This programme has been described as "the processes by which the efforts of the peoples themselves are united with those of governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these communities into the life of the nation, and to enable them to contribute fully to national progress. This complex of processes is then made up of two essential elements: the participation by the people themselves in efforts to improve their level of living with as much reliance as possible on their own initiative, and the provision of technical and other services and ways which encourage initiative self help and mutual help and make these more effective." The approach followed in this programme of development in the fields of agriculture, basic education, improvement of sanitary and health conditions, improvement in the water supply, roads, improving house and social amenities is more likely to succeed in uplifting the rural areas than the piecemeal approach of attack on individual fronts. This programme, therefore, not only utilises idle labour but at the same time build capital
through the promotion of self-help activities in rural areas. The approach implied in this programme utilises not only the villagers' own initiative and resources but also in introducing improved agricultural techniques and in raising agricultural production with technical, advisory and financial assistance from the governments which they themselves cannot provide.

Systematic assessment and comparisons have yet to be made of the actual achievements and impact of this programme in various underdeveloped countries. Though many evaluations have been made and many opinions expressed concerning the successes and failures of these programmes in these countries. However, recent evaluations in some of these countries indicate that the record of this programme so far in contribution of voluntary labour by the agricultural population has been far from impressive. The United Nations studies on the contribution of this programme to national economic development in E.C.A.F.E. countries stated that labour is being contributed on a very small scale even as little as one or two days per month a year and in recent years this contribution has been on the decline. It has been pointed out that "the community development programmes are of limited value to the unemployed and severely underemployed who can least afford to offer their labour free of charge, who are likely to draw the least benefits from the community projects because they donot own land or other property."  

In India where valuable experiences have been acquired by the process of self-criticism, stated in a recent report on mid-term appraisal of the Third Five Year Plan that this programme could not generate a large volume of employment in the rural areas as was expected. After an initial spurt of government activity, the programme has failed to give the desired initiative to the people. The personnel working in these projects have neither the capacity nor the training to initiate works that would give employment. The summing up of the Programme Evaluation Organisation in the Seventh Evaluation Report regarding this programme in India which is a tentative study based on a quick survey of the progress in 18 selected blocks and covers all important aspects of the programme, is that there are "lights and shades in the picture of the community development programme in the actual operation. The shades predominate and one gathers the impression of an inadequately coordinated endeavour, governmental rather than popular in character and sustained more by hope than achievement." The programme about which our late Prime Minister Shri Nehru has called as a most revolutionary programme and United Nations Technical Assistance Administration has described as one of the major experiments of the twentieth century has failed to increase agricultural production and employment opportunities, to create the automatic dynamism in the countryside for stimulating a spirit of self-help and self-reliance in village society and lastly
to evolve a mechanism for utilising the surplus time and energy of the rural population to the extent hoped and estimated before launching the programme.

Despite these shortcomings and whatever may be the advantage to idle labour of which evidence has been found, we should not overlook the other objectives of this programme; Such as improvements in education, vocational training and health, the encouragement of sound local government, the emergence of a more rational and progress-minded attitude among villagers, the strengthening of cooperative action and the initiation of new economic activities and production methods. This programme in these countries has aroused the agricultural population for participating in the development of rural areas and in creating the necessary climate for introducing developments in the rural areas. The programme has made some contribution to the building up of the resources of the rural sector and to the emergence of a more rational and progressive attitude among the villages, in the strengthening of cooperative action, the initiation of new economic activities and production methods, etc. The integrated approach of this programme requires painstaking and sustained effort over a number of years to produce the much hoped for "massive impact" on the rate of overall progress and particularly development in rural areas. In view of the tremendous underutilisation of manpower and the rapid population growth in these countries, the extent
to which this programme can mobilise idle resources rapidly and effectively will continue to be a major criterion in any judgement on their capacity to promote progress.

Demographic Policy:-

The magnitude of unemployment and underemployment in underdeveloped countries depend on the annual rate of increase in the population. The more rapid the annual rate of increase in population the more difficult will be to provide full and productive employment. The improvement and deterioration in employment situation largely depend on whether the annual volume of additional productive employment created exceeds or falls short of the annual increase in the labour force. In most of the underdeveloped countries serious employment problem is in existence and employment situation is deteriorating due to rapid population growth, consequently the increase in the size of labour force. All these countries are in "high growth potential" stage of the stages of demographic development and unless fertility rates fall sharply in these countries, the decline in mortality rate will cause many underdeveloped countries much greater increases in population in many years to come, even for two or three generations.

Population control has been accepted in India as a State
policy since independence and the objective of stabilising
the growth of population is now at the very centre of
planned development because it is an agreed fact that a
high rate of population growth is an obstacle in accelerating
the rate of economic growth. Provision has been made since the
start of First Five Year Plan for implementing the family
planning programme which has been recognised as an integral
part of our national planning and financial provision in the
plan outlay during the first and second plans was of the
order of Rs. 65/- lakhs and 5 crores respectively. It is now
regarded that the stabilising of population has been one of the
essential elements of development strategy, and a provision
of Rs. 27 crores was made for the Third Five Year Plan period
for implementing of this programme. But the programme could
not achieve the success as desired and required due to many
limitations and difficulties. As for example, In India, the
death rate has been brought down rapidly by administrative
efficiency in sanitation and medicine, efforts to control
the birth rate have not brought the success, estimated due
to beliefs and customs rooted deeply in the social structure
and which can not be so easily controlled. Some reasons which
are given for the prevailing high rate of fertility are:
early and universal marriage (restriction of women to the home)
dependence of female esteem upon male offspring, the economic
use of children at an early age and the adoption of a religious
approach to reproduction. The future size of labour force and the growth in population depend on the change in birth rate in these countries. The experience of the western countries suggests that as economic development proceeds and industrialization progress is achieved there is a natural tendency for the birth rate to fall. One important factor leading to the smaller size of family is urbanisation, another factor is to be found in the reduction of marriage rates as a result of the growth of economic opportunities for women. Above all, while the living standards of the population are advancing the population tends to develop a growing desire to maintain the rate of advancement in their material well-being, or at least to prevent their improved living standard from falling back to the former level as a result of increased numbers. In underdeveloped countries a similar tendency can be reasonably expected in the course of their economic development, industrialization and urbanization. What deserves special attention in this connection is whether birth rates are likely to fall fast enough to match the rapid fall in the death rates, then a period of rapid population growth is bound to follow. Therefore, the aim of population policy in these countries should be to devise feasible and socially desirable means to shorten this time lag as much as possible. It is also recognised as mentioned in a L.L.C. report "If in countries of Asia where the present rates of population
growth are already high, a slower rate of growth is regarded as a condition which will greatly facilitate the achievement of full employment at high standards of living, consideration might usefully be given to the desirability and feasibility of a population policy designed to help reduce the time-lag between the fall in death rates and the fall in birth rates."  

The increase in total population which reflects consequently in the growth of population of working age and labour force participation rates has forced these countries to stabilise the population. "The objective of establishing the growth of population over a reasonable period must .... be at the very centre of planned development. The programme of family planning involving intensive education, provision of facilities and advice on the largest scale possible, and widespread popular effort in every rural and urban community has therefore the greatest significance."  In these countries efforts have been made to bring down birth rates significantly through family planning programmes. It is recognised that the spread of family planning will be slow in the early stages but is likely to increase in tempo as larger and larger sections of the population become used to the programme.

There is enough evidence that the programme has created considerable awareness and that persons are responsive to it and are

2. Planning Commission, Government of India "Third Five Year Plan, p. 155."
desirous of learning methods for limiting the number of children. The family planning attitude surveys conducted in different parts of India also quite revealing that the Indian masses are, by and large, not opposed to family planning on religious, moral and other grounds. It is obvious that the people of our country are, by a large, not aware of modern methods of birth control and the need for population control in the context of rapid economic development. Therefore the basic problem is how to educate the masses in rural areas on the need for population control and the methods of population control.

In the long run, the success of family planning in India will depend on the ability of the Government to evolve programmes suited to local conditions. If family planning programmes have not made any impact on the birth rate so far it is because they have not been implemented with sufficient drive and vigor. Though the Third Plan commits the Government to placing population control at "the very centre of planned development", family planning programmes have in fact been relegated to the periphery. Of the Rs.27 crores allotted for family planning during the Third Plan not even Rs.10 crores has been used so far. The Planning Commission has tentatively allocated Rs. 95 crores for family planning programmes during the Fourth Plan and has promised another Rs. 55 crores in case of need. Considering that the Govt.
will be spending no more than about Rs. 3 crores on family planning programmes in the year 1965. It is doubtful if it will be in a position to spend Rs. 20 crores to Rs. 30 crores a year on these programmes in the immediate future.

On the whole the people are more receptive to the idea of family planning today than ever in the past. Government has to take the most vigorous action to extend the network of family planning clinics and contraceptive distribution centres. Sterilisation facilities should be made available to all those who may be willing to avail of them. The success of family planning programmes also depends on a perfect contraceptive which is "easy to use, easy to learn to use if this has to be learned at all, easy to purchase and last, but not the least, easy to carry about." It will have to be manufactured locally on a mass scale and distributed free or at a nominal price in the rural areas. If the programmes are to have an impact on the birth rate in the rural areas, there will have to be at least one distribution centre for seven or eight villages. To achieve the take-off stage in family planning 10 percent of the population should use contraceptives. At present only .24 percent of the population was using them. The authorities hoped to increase it to 5% by the end of the Fourth Plan and to 10% by the end of Fifth Plan. The achievement of the targets depends on the

steps of the Government taken in the direction of extending family planning clinics and contraceptive distribution centres and an effective and efficient method of birth control.

Recently, United Nations set up a Technical Assistance Mission on Family Planning at the request of India to review of the progress and effectiveness of the family planning programme launched by India in 1952, advise the Government on a programme of action and to consider the co-ordination of that programme with effort in related social fields.

The Mission has suggested the establishment of a committee comprising representatives of the Ministries of Health, Finance and Home with greater autonomy to reduce the fertility rate from 4% to 3.5%. It has also suggested that family planning should not be the objective of only one ministry. It required the co-ordinated effort of all ministries. If endorsed the Government's imaginative programme for fertility control and welcomed the Government's decision to intensify the sterilization drives and launched a nation-wide campaign to provide the use of the "Loop" - an intra-uterine devices that has shown near perfect effectiveness in checking conception.

The Mission has usually found a surprising lack of opposition to family planning both in urban and rural areas. The farmers has not only resisted the idea of family planning
but have asked for an effective and efficient method of birth control. It also recommended that the drive for sterilization and for the use of contraceptives should be intensified in cities and towns and spread to rural areas. Since conventional contraceptives were not suited to conditions in rural society because of the comparatively low motivation among the people to use them with sustained regularity, the answer lay in "the loop". Thus the U.N. Mission could not discover anything which the Government can not find for itself. No review by foreign experts can be of much help if the Government lacks the will to implement the programme with sufficient drive and vigour.

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