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POVERTY ALLEVIATION PROGRAMMES IN INDIA:  
SOME ISSUES OF MACRO POLICY

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I  
THE SHIFT OF FOCUS

'Growth with Social Justice' is no longer a mild protest against the 'GDP Growthmanship' which nearly obsessed the developmental thinkers in the fifties and sixties but is a full-bloated battle cry to put quality-of-life goals in the centre of the development stage committing national governments to the goals of distributive justice reinforced by a progressive trend of endorsement and encouragement from international donor agencies. Projects and programmes directed at alleviation of conditions of poverty amongst the bottom income groups of population have been formulated and launched in nearly all the developing countries. Sector and country experiences are being analysed with a penetrating insight to derive lessons for the guidance of the poverty alleviation programmes (PAP) which now account for sizable outlays in several developing countries.

The Integrated Rural Development Programme (IRDP) was designed and introduced in India in the late seventies as a successor to special target group oriented area programmes like Small Farmers' Development Agencies, Agencies for Marginal Farmers and Agricultural Labourers, etc., which were set up to correct the distortions and imbalances arising out of the selective package strategy of agricultural growth around high-yielding varieties (HYVs) of seed, popularly known as 'green revolution'. The IRDP claimed unification of service agencies in the district, household income based identification of beneficiaries (as contrasted to the size of land holding and individual lending) and introduction of higher levels of subsidy and loan inputs to cause a substantial rise in the income of beneficiaries as its innovative features. Attention to forward and backward linkages and combination of area planning with beneficiary oriented approach were also claimed as innovative features of the IRDP but the evaluation studies showed that these were more of policy aphorisms on paper rather than facts of operational working. The IRDP became basically a programme of productive asset transfer to below-poverty-line (BPL) households identified in advance for self-employment assisted with subsidies and concessional credit adjusted to different scales for small and marginal farmers, landless labourers and tribal beneficiaries.

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The IRDP also enjoyed allegiance from powerful sister programmes aimed at providing additional wage employment through public works like National Rural Employment Programme (NREP), Rural Landless Labour Employment Guarantee Scheme (RLLEGS) and Special Employment Programmes (SEP) of States. A component of training rural youth for self-employment (TRYSEM) also found part of the PAP package. A Women and Child Development component has been recently added. As time moved on and experience was gained, allocation for wage employment programmes increased in size which was further bolstered up by record production, procurement and channelisation of foodgrains for employment programmes in the early eighties. This more or less continued in subsequent years despite drought situations in some parts of the country.

The paradox of hungry people in the country-side and urban slums co-existing with stockpiles of grains brimming in excess of their holding capacity sent out ripples of thinking whether the distributive aspects did not require more attention in the design of strategy of food security for all. The issues of improving access of poor to food stocks through diffusion of purchasing power amongst the hungry majorities, expansion of wage employment, enforcement of minimum wage legislations, strengthening channels for subsidised food distribution for low income sections, income transfer to disabled and sick persons through various social security measures were seen as directly relevant to elimination of hunger which is the principal component of poverty alleviation programme conception. The issues require a careful debate before the conclusions are incorporated in new policy frames to be evolved for the remaining years of the Seventh Plan and subsequent Plans.

#### *Policy Framework in Seventh Plan (1985-90)*

The Seventh Plan policies have been formulated after a careful analysis and distillation of lessons from performance of various poverty alleviation programmes (PAP) during the Sixth Plan as revealed through various evaluation reports. The goal of reducing below-poverty-line (BPL) households to about ten per cent of the total households by 1994-95 forms the perspective for PAP. Accordingly, the BPL families are expected to be reduced to 28.2 per cent by 1990<sup>1</sup>—the closing year of the Seventh Plan from a level of 39.9 per cent at the beginning of the Plan period.

The programme continues to aim at the poorest amongst the poor. The new guidelines provide the cut-off point at an annual household income of Rs. 4,800. Although the poverty level corresponding to the Sixth Plan definition is Rs. 6,400, the new guidelines first aim at assisting families below Rs. 3,500 of annual income so that they come up to the level of Rs. 4,800. Only if the families below Rs. 3,500 of annual income are not available in adequate number, the families between Rs. 3,501 to Rs. 4,800 will be taken up. The families between Rs. 4,800 and Rs. 6,400 of annual income, although classified technically as poor families, are expected to come up as a result of their

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1. IRDP Guidelines, Department of Rural Development, Government of India, New Delhi, 1986.



own efforts or through participation in other programmes. The respective proportions of BPL households in the various income brackets according to 38th Round of National Sample Survey (NSS) (1983) were found as under:<sup>2</sup>

| Category           | Income range   | Number of households* (million) | Per cent |
|--------------------|----------------|---------------------------------|----------|
| (a) Destitutes     | Below Rs.2,265 | 0.99                            | 2.2      |
| (b) Very very poor | Rs.2,265—3,500 | 6.13                            | 13.8     |
| (c) Very poor      | Rs.3,501—5,000 | 16.93                           | 38.2     |
| (d) Poor           | Rs.5,001—6,400 | 20.25                           | 45.8     |
|                    | Total          | 44.30                           | 100.0    |

\* IRDP Guidelines, *op.cit.*

The underlying idea of restricting the coverage of IRDP in Seventh Plan to the annual household income of Rs.3,500 and below is the commitment to provide a second dose to the families assisted in the Sixth Plan which have not come above the poverty line subject to the ceilings of assistance. However, if such families have defaulted, misused the subsidy or were wrongly identified, they could be ineligible for a second dose. A survey would, therefore, give a correct idea of families assisted during the Sixth Plan but could not cross the poverty line. The number of beneficiaries with overdues was about 52 per cent at the beginning of the Seventh Plan. If the NSS figures are held to be dependable, the total number of families eligible for a second dose should not exceed 4 million. However, official records show under-statement of income on a large scale. According to the Concurrent Evaluation Report, the differences in office records and independent calculation of investigators were found as follows:<sup>3</sup>

| Degree of under-statement of annual income | Percentage of families |
|--|------------------------|
| Less than Rs.500                           | 47                     |
| Rs.500—1,000                               | 23                     |
| More than Rs.1,000                         | 30                     |

This was explained by Jain<sup>4</sup> in his earlier study, where he reported a similar phenomenon that the beneficiaries and officials on the line were both interested in getting loan finance and subsidy concessions which became available if they were classified in low income categories. If this under-statement would have been corrected, the distribution of below-poverty-line families would have presented a very different picture. The vulnerability and precarious data base on which policy premises are based can be easily understood.

The Seventh Plan policy makes other important departures. First, a higher investment average of Rs.6,000 per family is envisaged which is double

2. Inderjit Khanna, "Revised Strategy and Restructuration of IRDP in Seventh Plan", Workshop Papers, Ministry of Rural Development, Government of India, New Delhi, May 1986.

3. Concurrent Evaluation of IRDP—October-December 1985, Department of Rural Development, Government of India, New Delhi, March 1986, p. 10.

4. S. C. Jain: Impact of IRDP, Bardoli and Uchchhal Taluka, Department of Rural Studies, South Gujarat University, Surat, 1983.

that of the Sixth Plan in money terms but is about the same in real terms. The approach of uniform allocation per block has been changed in favour of variations based on weightage for incidence of poverty. The States have been given freedom to reallocate funds within districts and blocks under intimation to the Ministry. The coverage of programme for women and children has been extended. It has been prescribed that at least 30 per cent of the beneficiaries should be women.

Based on G.V.K. Rao Committee, a number of steps are envisaged to strengthen block level administration and activation of organs of Panchayati Raj by holding elections regularly, devolving planning functions and strengthening executive cadres. There is greater acceptance of the role of voluntary agencies for increasing the level of awareness, augmenting bargaining power, improving participation and developing community monitoring system.

The ad hoc TRYSEM projects are to be replaced by more institutionalised district level Composite Rural Training and Technology Centres (CRTTC) supported by an apex body—Council for Advancement of Rural Technology (CART). The Plan document is explicit about the importance of group activities in IRDP. While the monetary allocation for various wage employment programmes has been increased by about 60 per cent during the Seventh Plan to Rs.4,700 crores (from Rs.2,620 crores in the Sixth Plan), the physical targets have been moderated in view of the real value of the increased outlay. As against an annual level of 612 million man-days of employment generated in 1984-85 through NREP and RLLEGS, the annual level expected during the Seventh Plan is 490 million man-days<sup>5</sup> which is about 80 per cent of the achievement level of the last year of the Sixth Plan. The objectives of the programme remain the same, namely, increasing the level of infrastructure, and building durable capital assets as basis of continuous employment. While NREP continues to be jointly financed by the Centre and States, RLLEGS is exclusively financed by the Centre, but the project contents of both the programmes remain nearly identical. The need for closer convergence of wage employment and self-employment components of poverty alleviation programme is more clearly articulated.

## II

### INADEQUACY OF CONCEPTUALISATION

There is no doubt that the Seventh Plan formulation of policy changes in poverty alleviation programme shows evidence of incorporation of learnings generated from the analysis of Sixth Plan experience. The basic inadequacies of conceptualisation, however, still persist and remain unrecognised. The conceptualisation is based on a narrow understanding of what causes and constitutes poverty.

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5. Seventh Five Year Plan 1985-90, Vol. II, Planning Commission, Government of India, New Delhi, October 1985, p. 61 (Para 2.55).

### *Non-convergence of Social Inputs*

The income generation orientation of PAP fails to recognise the crucial importance of increased flow of social inputs through family welfare, nutrition, social security and various minimum needs programmes in alleviating conditions of poverty on a long-term basis. The critical importance of family planning to arrest the slide on per capita availability of land, improving the bargaining power of rural wage workers and improving their nutrition and health levels is well accepted. However, this is considered as the business of the functional ministry. Similarly, the long-term effect of drop-out of children from schools in perpetuating attachment to low income-bearing occupations and subsequent imposition of poverty regimes does not need any further documentation. Yet the IRDP considers it none of its business to improve the disappointing situation. The applied nutrition programmes do bring supplementary food for children and improve nutritional inputs. Provision of potable drinking water supply cuts down morbidity rates and increases the number of working days for earning members and schooling days for children. The recognition of these linkages and reinforcements would require organising motivational, educational and organisational inputs to ensure that these service incomes converge on poor households and are utilised to their fuller capacities. The confinement of responsibility to forward and backward linkages relating to transactions only of productive asset transfer obscures from the view the critical importance of these backward and forward linkage to conserve and develop human capital which is the single most important resource for a decisive win in the battle against poverty.

### *Neglect of Processes of Collective Development*

Development process fundamentally involves enhanced capacity to work together, communicate and share values arising out of co-operation in productive activities at a higher level of complexity, size and scale. The household approach focussed around family based self-employment enterprises or wage-employment guarantees will be frustrated if the production and marketing requirements of a resource-commodity conversion opportunity necessitates higher mobilisation of money capital and factors of production transcending family labour and market management beyond village precincts. In a perspective of continuing demographic pressures and increasing smallness of the size of farm holding, this constraint becomes real especially in relation to provision of irrigation facilities, economic procurement of factor inputs and output marketing. Parthasarthy<sup>6</sup> therefore emphasises the need for reorienting IRD to build up what he calls 'group power' (a) to develop land and water resources, (b) to prevent perpetuation of exploitative practices, and (c) to channelise purchasing power (especially that of state) in favour of low income households.

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6. G. Parthasarthy, "Reorientation of Rural Development Programmes: A Note on Some Basic Issues", *Economic and Political Weekly*, Vol. XX, No. 48, November 30, 1985, pp. 2125-2128.

Direct case work envisaged in the household approach is bound to prove very costly because only a limited case-load can be handled by a development worker for doing quality work. For reducing the costs, group resources need to be built up to channelise information and distribute tasks through member education and leadership development. Development of the capacity of the grass-root worker for guiding intra-and inter-group processes becomes necessary. Socialist construction requires progressive development of such capacities so that more comprehensive and complex production processes (joint co-operative farming, for example) can be managed by participants with a high level of physical productivity, worker development and distributive equity. Both pragmatic and long-term considerations require transformation of subsidy-loan oriented PAP administration into one for promoting collective action for improving production and assuming social responsibility.

#### *Linkage with Protective and Social Welfare Inputs*

The approach similarly does not reach disabled, sick and socially handicapped individuals who are unable to take part in the normal economic activities nor does it do justice to weaker members (women and children) in intra-family distributions.<sup>7</sup> The poorest of the poor households would have a much larger incidence of such persons (lepers, very old persons, blind, lame, widow heads of households, etc.) as compared to normal households. The programmes of asset transfer and employment have a limited scope unless they are supported by proper institutional arrangements combining diagnosis, treatment, protection and rehabilitative services and a substantial amount of income transfer arrangements through oldage pensions, family pensions for widows, production and food subsidies, etc. Even referral service would step up utilisation of social welfare and social security provisions which some States have introduced. However, expansion of social security provisions and co-ordination with activities of social welfare department is necessary before such persons can be provided with an effective cover. In the present stage referral and facilitation of women and child development programmes can be legitimately accepted as IRDP and NREP operation tools. Unfortunately, PAP policy makers have not shown adequate alertness to serve this group of population.

The minimum wage laws have been recently updated although important lags continue. There are legal provisions for protection of migrant labour. Debt relief laws are on the statute books. So are tenurial security and land ceiling acts. Insurance and social security covers are being extended even if at a snail's pace. There is a major gap between legislative intentions and their effects. There is an undoubted scope for creating 'entitlement awareness', organisation of legal aid and 'group power' to enforce the claims and bargain effectively within the parameters of social legitimacy.

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7. Sen has demonstrated the importance of gender factor that the impact of under-nutrition in poverty situation is severest on females and infants. A.K. Sen, "Poverty and Economic Development", Second Vikram Sarabhai Memorial Lecture, Ahmedabad, December 5, 1976.

### *Inattention to Food Security Development*

Income and employment oriented PAP can be strongly defended on the ground that additional income in the hands of the poor creates purchasing power for buying food. However, it depends on the price, supply ease and time-distribution of income to obtain the required quality and quantity of food all the year round. The rainy season is the most vulnerable season for wage-dependent workers because the work is thin and local supply lines are badly impaired. Poor cushion in terms of food storage and savings makes the wage-dependent households vulnerable to usurious loans which prove highly burdensome during work seasons. The underdevelopment of public distribution system necessitates purchasing of food at high price level, especially during days of vulnerability. The situation is one of desperation if the village is visited by floods and droughts.

Poverty percentages have shown a strong tendency to vary with food availability and access to it despite the operation of poverty alleviation programmes in one form or other. The Centre for Development Studies (1975) analysing the experience of 1960-70 decade concluded:<sup>8</sup> "On the other hand, the per capita calorie intake of the rural population was not explained by the per capita income but was directly related to per capita food production in the state and inversely related to levels of inequality in ownership of holding. This was attributed to the limited power of relatively poor and scattered, rural communities to attract supplies of foodgrains from a distance after covering marketing costs and distributive margins."

In the absence of growth of food production and reduction of inequalities, creation of additional purchasing power is unlikely to improve food intakes. This obviously hints at 'food first' policy and improvement of access to it. The local grain bank system can be considered as a plausible arrangement for food security bolstered up by a dual price public distribution system to protect the purchasing power of the poor. Infrastructure build-up for local grain bank through NREP or RLLEGS, working capital back-up and consumer co-operativisation are some of the contributions which can come from PAP along with orientation of land and water development assistance inputs to small and marginal farmers in favour of 'food first' policy. In-depth organisation of wage employment programmes can provide sufficient work guarantees to enable the wage dependent families honour loans from 'grain banks'.

### *Blindness to Phenomenon of Secondary Poverty and Non-netted Incomes*

The present conception is nearly blind to the existence of the phenomenon of secondary poverty which Rowntree<sup>9</sup> defines as a condition in which "earning would be sufficient for the maintenance of merely physical efficiency were it not that some portion of it is absorbed by other expenditure, either useful or wasteful such as drinking, gambling, inefficient housekeeping."

8. D. S. Thakur, "A Survey of Literature on Rural Poverty in India", *Margin*, Vol. 17, No.3, April 1985, p. 45.

9. B. Seebohm Rowntree: *Poverty: Study of Town Life*—London, Macmillan, London, 1901.

Evidence from Brazil shows widespread malnutrition despite incomes that are adequate to buy essential food. In India, a number of studies show that alcoholic addiction has a similar effect. A study by National Institute of Rural Development<sup>10</sup> on alcoholism amongst IRDP beneficiaries found: "Among 317 respondents 51% were regulars, 30% were irregulars and 19% non-users. The quantity of alcohol consumed per day ranged from half a bottle (325 ml.) to more than two bottles (1300 ml.)....The amount spent either on consumption of arrack or toddy ranged from less than a rupee to Rs. 4 per day. It was estimated that the regulars spent about 50-90 rupees per month and irregulars about Rs. 30 per month....The IRDP regulars (41%) believed that they have become poor because of this habit. The IRDP beneficiaries both regulars and irregulars in the majority (63%) were of the view that they would have been more successful in the scheme identified for their benefit, if only they did not have the habit of drinking."

Studies conducted under the auspices of Gujarat Vidyapeeth on alcoholism amongst tribals<sup>11</sup> showed that over 95 per cent of the tribal respondents were either casual or regular drinkers. About 34 per cent spent more than Rs. 4 per day on drinking. Since the annual income of these families is under Rs. 3,500, drinking means a leakage of nearly one-third or more of the total income with severe impairment of saving capacity and the resultant repayment defaults and tensions in inter-personal relations.

Surprisingly in the NIRD study, "Most of the respondents emphasised the need for imposing prohibition." In the Gujarat study, where prohibition was already operative, the authors suggested leadership re-education approach and 'catching them young'—a task which is within the operative competence of PAP administration if it wakes up to a crucial condition of its own success. Gandhian prescription after all is not irrelevant for PAP !

Similarly, non-monetary incomes from food gathering activity play an important role in tribal nutrition, a vast majority of whom belong to BPL category. The Sixth Plan document noted the poverty percentage to be 54 per cent in the rural areas. However, if a more direct measurement of nutritional inadequacy (2,300 calories and 57 grams of protein) were to be applied, the percentage of such population was shown to be 28.8 per cent in the rural areas. These differences are too significant to be ignored for strategy formulation.

#### *Inadequate Sensitivity to Income Changes within BPL Brackets*

Crossing the poverty-line criterion has remained inadequately sensitive to the income-changes occurring below poverty line brackets as a result of PAP programme—inputs as well contributions from other development sectors. This is substantiated by the fact that while the households crossing the poverty line were estimated to be 17 per cent of the total under the RBI study, those who actually reported a rise in income after participation in the programme were 51 per cent of the total (for NABARD the respective figures

10. National Institute of Rural Development (NIRD): Summaries of Studies Conducted in 1984-85, Hyderabad, June 1985, pp. 34-36.

11. Alcoholism amongst Tribals in Dangs District, Department of Social Work, Gujarat Vidyapeeth, Ahmedabad, 1985 (unpublished dissertation).



are 22 per cent and 82 per cent). There is a possibility of a double error occurring here. The marginally poor families could have risen above poverty line even with a marginal impact of the programme as well as extra-programme inputs but those which are deep down the poverty line would not have been able to cross the poverty line even if the impact were substantial. Since the programme is expected to devote itself to the latter group first, the real achievements of the programme may remain under-estimated if the poverty-line-crossing criterion is adopted alone as a criterion of the programme success. The programme administration may come for undeserved castigation for its achievement failures.

A.K. Sen<sup>12</sup> suggests attaching of weights to various income slabs below poverty line. The criterion of substantial income gain, however, might correct the above defect to a good extent because it will capture substantial income gain amongst below poverty line families even if they do not cross poverty line. This will make monitoring more manageable. However, the stability of such income gain is a major issue. The quick erosion effects caused by productively falls have been reported by a number of studies. Jain<sup>13</sup> in his Uchchhal study reported erosion of 31 per cent of the first year income within two years after the milch animal had been acquired under the scheme. The reason related not only to poor ecological environment for providing proper nutrition and water to the cattle but also to poor selection of the initial stock itself under pressures of illicit gratification and rigidity of financial norms. The impact of natural calamities in several drought and flood-prone areas has resulted in considerable erosion of incomes over a three-year period.

Reports of income rise based on income changes in the first year of asset acquisition are, therefore, bound to be illusive unless the rise is maintained or enhanced during subsequent years. A three-year average would be a better indicator of this stability of income change than a one-shot evaluation of annual income increment and would also reflect the effects of maintenance inputs, if any, which under the current practice of service delivery are conspicuous by their absence.

#### *Inattentiveness to Adverse Consequences of Earning Activities*

The earning activities often have consequences in terms of occupational health hazards, and other adverse consequences which are ignored. Burning cattle or putting poultry shed very near the sleeping area to prevent its theft means exposure to mosquito and flea nuisance and certain diseases, air pollution and other problems of insanitation. Night long wait on lake water sheets in boat fishing means severe cold and cough. Mobilising children to graze the milch animal acquired through IRDP assistance means adding to the number of drop-outs. In other cases it means better retention and nutrition as a result of more income and additional milk production. NREP could mean longer and harder working hours for women along with other family members in addition to their normal social responsibilities. In other cases it means more food and security of income.

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12. A. K. Sen, "The Welfare Basis of Rural Income Comparison", *Journal of Economic Literature*, Vol. 17, March 1979.

13. Jain, *op. cit.*

Large scale milch cattle loans under IRDP unbacked by development of water and cattle feeding resources have been responsible for over-grazing of community land and in some cases disturbance of community peace due to clandestine fodder cutting efforts escalating into caste riots. The adverse consequences have yet to acquire striking visibility range but these are bound to manifest themselves if IRDP itself becomes a major factor in redirection of economic activities of the poor. The responsibility for orienting the design of planning, implementation and monitoring of IRDP to some of these anticipatory adverse ecological and social consequences cannot be denied.

#### *Policy Planning Issues*

The basic policy planning issues relate to (a) holistic versus sectoral view of PAP planning, (b) location and organisation of planning organ, (c) linkage process and (d) choice of indicators.

The IRDP Ministry can heave a sigh of relief in overcoming the 'identity' crises which it had inherited from its predecessor, 'Ministry of Community Development and Panchayati Raj'! The identification with BPL target groups and 'subsidy-loan' management tasks render the scope specific enough to stave off the problem of jurisdictional overlaps and heart-burning arising therefrom.

The sectoral planning framework is currently restricted to assemblage and progressive aggregation of assistance needs from identified target group families in the selected cluster of villages and some village infrastructure data as a possible subject-matter for the selection of NREP projects. There is no attempt to locate and analyse major investment projects in the area as likely inputs from overall planned or unplanned development efforts, demographic trends (including migrational), changes in production pattern and terms of trade, human resource development and utilisation opportunities, under-used resource inventories, etc. Even an overall picture of poverty situation in a block or district and its special diagnostic features are not considered necessary. Planning is mostly based on collection of information by *Gram Sevaks* according to a proforma supplied in advance which is then collated and aggregated by the APO (planning or credit as the case may be) at District Rural Development Authority (DRDA) level. The credit planning officer of the lead bank uses this information for being incorporated in an overall credit plan of the district and allocates the share to the participating banks which are approved in a special conference or meeting of consultative committee.

The inadequacy of the sectoral planning practice becomes obvious if the conceptual inadequacies of the current income-oriented poverty alleviation programmes are taken into account. The Committee on Administrative Arrangements for Rural Development (CAARD) observes.<sup>14</sup> "In short, without the support of entire political, economic, social, cultural, scientific, technological and health and educational programmes being geared to the objec-

14. Report of the Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes (CAARD), (Chairman: G.V.K.Rao), Department of Rural Development, Government of India, New Delhi, December 1985, p. 9.



tive of poverty alleviation, anti-poverty programmes will only act as palliatives and not as effective agents of poverty alleviation."

Besides, the Committee wants the PAP to perform another function, that is of 'preventing the diversion and leakages of these surpluses (caused by benefits of green revolution in developed areas) to non-priority areas, of conspicuous consumption, unproductive asset preference and speculative activities by the 'New rich'." The PAP needs to be oriented to cash on the opportunities of full and part time employment likely to be released by a growing agricultural sector and secondary land reforms. The response needs to be differentiated not only to regional peculiarities but also to specific problems of each category of poor--e.g., marginal farmers, landless workers, artisans, petty businessmen, etc. Needless to say that self-employment and wage-employment components of IRD need to converge at the household level and at village and block level with Minimum Needs Programme (MNP),

Besides endorsing the holistic concept, the Committee recommends location of planning responsibility with local democratic organ of the people. Not only it will orient PAP activities to the local needs but would also provide the necessary local care and supervision which are needed to cut delays, plug leakages and maintain the outcomes of development effort. Brushing aside the fear that the programme may be deflected by vested interest who may capture power under a regime of sharp socio-economic inequalities, the Committee observes that in the absence of local institution, "the programme has miscarried and often resulted in windfall gain to parasitic middlemen, intermediaries and brokers, between the government and the gullible, unformed and unorganised masses."<sup>15</sup>

The Planning Commission's Working Group on District Planning<sup>16</sup> recommends gradual phasing out of DRDA and its integration with Zilla Panchayat where a cell for anti-poverty programme could be established under the captaincy of Director of PAP for overseeing the implementation of PAP as planned by its sister cell on planning in Zilla Panchayat. The services of technical officers of Zilla Panchayat under the Leadership of District Development Commissioner could be availed of for planning and implementation purpose. The PAP would thus feature as an important sub-plan segment of a well-conceived, properly debated district development plan with perspective in reasonable depth which in turn will be linked with State Plan, priorities and strategy thinking. It will not be merely a disaggregation of State Plan or its sectors. The cell will be a decision-making organ blending local autonomy, administrative capacity and planning expertise.

If the broader concept of poverty alleviation is accepted, the choice of progress indicators has to embrace a wider spectrum than reporting the number of families crossing the poverty line, investment expenditure, and man-days of employment generated along with physical quantities of assets cre-

15. *ibid*, p. 12.

16. Known also as Hanumantha Rao Committee Report, Planning Commission, Government of India, New Delhi, 1985.

ated. The level of protection of couples in service group families against unwanted births, school retention rates, infant mortality, longevity and productivity trends, levels of employment and wage payments, extent of income and savings, leakages in wasteful consumption, etc., could form indicators to assess the gaps in the levels of development of the service groups as compared to the average levels in the district.

### III

#### PROGRAMMING STRATEGY AND IMPLEMENTATION

##### *Programme Blending and Convergence*

The poverty alleviation programmes have four major strands: (a) Target group oriented programmes like IRDP, NREP, etc. (b) Area Development Programmes—DPAP, Desert development, etc., (c) Infrastructure development programmes like MNP and (d) Public distribution.

The first group of programmes represents a direct attack inasmuch as it is directly beamed on the below poverty line families. The others are general development programmes which are likely to percolate to the below poverty line families to improve their social consumption, accessibility to employment and income earning opportunities, or betterment of the quality of income bearing assets even if they are very little and could be of poor quality.

It is recognised that the general under-development of the area in terms of drinking water supply, means of transport and communication, and health and educational facilities acts as a drag on the success of productive asset transfer and development programmes. It is expected that the other sectors would play their part in contributing to the development of relevant infrastructure. The assumption of close co-ordination of the various sectoral programme strands with poverty alleviation programmes in practice has often broken down and calls for fresh approach to policy and organisational issues.

The area development programmes act on the constraints imposed by harsh climatic and physical conditions—deserts, ravines, hilly areas, salinity ingressed lands, flood-prone areas which make poverty pervasive and intense. The serious impairment of income and employment caused by floods, and droughts drive BPL families into situations of crisis and heavy burdens of indebtedness. Mitigation of adversity and harshness of climatic conditions and use of special resources (command areas, for example) might improve the level of economic activity all around which would have symbiotic effects on the severity and incidence of poverty in these areas. The target group orientation of these programmes was envisaged even at the beginning of the Sixth Plan. Much would depend on the ownership structure of the assets which eventually get improved through the area development programmes.

Although the convergence of self-employment, wage employment and MNP programmes was envisaged in the Sixth Plan documents, it seems to have not worked well. The link with works under Minimum Needs Programme would help in ensuring durability of NREP/RLLEGS works. However, Madhukar Gupta presents the following data.

| States        | Targets of road<br>kilometerage under<br>MNP (1980-85) | Likely<br>achievement | Short-<br>fall | Road kilometerage<br>constructed or<br>improved under<br>NREP (1980-84) |
|---------------|--|-----------------------|----------------|---|
| Bihar         | 2,571  | 2,485                 | - 136          | 14,917  |
| Orissa        | 2,780  | 1,130                 | -1,650         | 46,980  |
| Uttar Pradesh | 4,057  | 2,477                 | -1,500         | 75,092  |

Source. Madhukar Gupta, "Employment Programmes Need Proper Direction," *Yojana*, Vol. 29, No. 3, February 16-28, 1985, p.8.

The fact that there was a shortfall in achieving MNP targets even while NREP investment was made for a vastly larger construction of road kilometerage shows lack of synchronisation and co-ordination between two major strands of anti-poverty programmes. In fact, the pace of MNP should have been accelerated with the launching of NREP and RLLEGS programmes.

Similarly, it would be expected that food intakes will improve with the expansion of wage employment programmes because a part of the wage payments was in the form of food which was supplied at highly subsidised rates. The actual utilisation of foodgrains, however, shows different trends. The following table may be examined.

| Year    | Employment generation<br>under NREP (million<br>man-days) | Foodgrains<br>utilised (lakh<br>metric tonnes) | Per day<br>intake<br>(kg.) |
|---------|---|--|----------------------------|
| 1981-82 | 354.5   | 2.33   | 0.64                       |
| 1982-83 | 351.2   | 1.72   | 0.45                       |
| 1983-84 | 302.8   | 1.47   | 0.49                       |
| 1984-85 | 352.3   | 1.70   | 0.48                       |

Source: Seventh Five Year Plan 1985-90, Vol. II, *op. cit.*, p.58.

The intake should have averaged about one kg. per day. However, the fact that it was less than half of the prescribed quantity shows the weaknesses of public distribution system. Similarly, the objective of assuring 100 days of work to at least one member of landless family through the wage employment programme is still very far from realisation. The following table constructed from a number of case studies of employment programmes in various States may be studied.

| State<br>study | Employment generated through<br>employment programmes* (days) |            | Income generated<br>per family (Rs.) |
|----------------|---|------------|--------------------------------------|
|                | Per family  | Per worker |                                      |
| Orissa         | 53.05   | 19.4       | 398.39                               |
| Bihar          | 42.49 (10)**  | N.A.       | 362.30 (50.0)**                      |
| Madhya Pradesh | 70.6  | 25.2       | 502.0                                |
| Uttar Pradesh  | 89.0  | 29.6       | 512.0                                |
| Karnataka      | 52.0  | 21.6       | 334.0                                |
| Average        | 61.0 (52.9)   | 24.0       | 422 (379.0)**                        |

\* R. N. Tripathy *et al.*, "Employment and Income Generation through IRDP, NREP and DRM", *Journal of Rural Development*, Vol. 4, No. 2, March 1985, p. 255.

\*\* The authors have reported serious leakages in this State. Figures within brackets represent adjusted figures after allowing for reported leakages.

In Karnataka the gap per family was estimated to be 115 days even after work provision under NREP and RLLEGS was allowed for. Since the physical targets of wage employment programmes in the Seventh Plan have been scaled down, the possibility of redeeming 100 days of public work guarantee to landless households is unlikely to be realised for over three-fourths of the landless workers' families. Besides, as a study of EGS in Maharashtra shows, participation of non-target group exceeds that of target group considerably. "Landless labourers accounted for only 22 per cent of the beneficiaries as against 78 per cent for cultivators from target and non-target groups."<sup>17</sup> This was because of short duration and seasonal nature of EGS works which suited agricultural workers more than landless labourers.

It is clear that convergence of wage employment with MNP and IRDP requires advanced and detailed planning at household and village cluster levels. The suggestion that village panchayat should be consulted for selecting projects and family book should be used for recording entries for participation in different programmes along with other particulars is a good one for monitoring. In practice, matching work capacities and preferences of family labour to type, time, place and returns from work, assuring quality and cost-effectiveness of work, prevention of leakages, and making adequate provision for maintenance of works and social security of workers are pretty complex tasks. An employment programme cannot be run like a public works programme.

#### *The Choice of Strategic Route*

Should wage employment component of IRD relegate self-employment component as a principal strategy of poverty alleviation? The issue raised by Rath that the IRDP approach based on distribution of assets to the poor for creating self-employment is unlikely to deliver the goods and the massive wage employment (both public and private) should be a major strategy for poverty eradication is contested by Indira Hirway.<sup>18</sup> The principal objections raised by Rath are that the risk bearing and management capacity of poor households, which have aged and handicapped persons to lead them, is extremely limited to make self-employment ventures a success. The subsidy element has encouraged corruption and raised indebtedness in cases of failures. There has been poor percolation of gains. His estimate is that about 18.7 per cent of the beneficiaries might have crossed the poverty line. There are not enough productive assets (quality milch animals, for example) needed for distribution. The IRDP itself is hardly an integrated programme. Putting excessive load on it might result in wastage, frustration and discrediting of the programmes.

However, in view of the fact that nearly two-thirds of the working force in rural India is self-employed and possesses some assets and skills, it would be worthwhile to build up on the same. Indira Hirway feels that "Rath under-

17. Madhukar Gupta, *op. cit.*, p. 5.

18. Nilakantha Rath, "'Garibi Hatao': Can IRDP Do It?", *Economic and Political Weekly*, Vol. XX, No. 6, February 9, 1985; Indira Hirway, "Discussion—'Garibi Hatao': Can IRDP Do It?", *Economic and Political Weekly*, Vol XX, No. 13, March 30, 1985.

emphasises the needs of the self-employed, while IRDP under-emphasises the needs of unskilled labour." The percolation problem is a generic one and would involve changes in structure. Even wage employment programmes suffer from serious corruption charges. Better sectoral and household planning might improve the performance of both programmes. There can be close complementarities in planning for IRDP and NREP schemes which unfortunately is lacking.

The case for wage employment in terms of capital formation depends on matching demand and supply of labour, the usefulness and durability of assets created, the entitlement of rural poor to such assets, continuity of employment, plugging of leakages, etc. The wage employment programmes are, however, weak from these points of view. Planning to identify infrastructure gaps and complementary relationships with other schemes and sectors is often not done.<sup>19</sup> The long-term income distribution effects of assets creation are ignored. The allocation scheme is also not realistic. Indira Hirway suggests a single planning body at the district level to correct the weakness of planning component.

The Seventh Plan document is not prepared to reject self-employment route. It says: "These activities supplement one another and together ensure a more stable flow of incomes to the poor throughout the year. The problem of ensuring maximum benefits to the target groups by minimising leakages is common for all poverty alleviation programmes and indeed for the rural development programmes in general. Apart from the necessary restructuring of the administrative set-up, there is no alternative to raising the awareness of the rural poor and involving representative institutions from below in the formulation as well as implementation of such programmes."<sup>20</sup>

#### *Subsidy-Credit Management—Why Not One Window for Both?*

An important change which is being made in the Seventh Plan regarding IRDP credit is the package assistance to different earning members of families rather than only to one member of the family. Experiments are also being made to do away with committee purchase mechanism and allow the beneficiary to make direct purchase.

Satish Chandra<sup>21</sup> asks a very direct question. "Why not adopt one window approach for loan/subsidy? Will remove irritants, time delays, mutual pointing of fingers, remove requirements of split-second co-ordination which is not possible. Why not transfer subsidy funds to banks for monthly adjustment statements?"

Why not indeed for economy, efficiency and integrity of PAP administration itself? Should it not devote itself more to educational, organisational and co-ordinative work and bring technical assistance and advice than cling

19. M. L. Dantwala, "Discussion—'Garibi Hatao': Strategy Options", *Economic and Political Weekly*, Vol. XX, No.11, March 16, 1985, pp. 475-476. The issue was raised in February 9, 1985, issue of *Economic and Political Weekly*. See Indira Hirway's rejoinder in the issue of March 30, 1985, pp. 561-564.

20. Seventh Five Year Plan 1985-90, *op. cit.*, p. 51.

21. Satish Chandra, "Funds for IRDP Credit", Background material supplied by NABARD for the Workshop, Department of Rural Development, Government of India, New Delhi, May 15, 1986.

to subsidy administration which has corrupted its soul? It will not interfere with its tasks of BPL household identification and will permit more time for family consultation and liaison work with agencies. It is a difficult decision like the one which had to be made in the early fifties, to transform a taquabi style of administration into a developmental one.

#### *Monitoring: Computerisation or CMS*

Satish Chandra also talks of low cost after care and monitoring services and comes very near to suggesting community monitoring system (CMS). Does it replace supervised credit system which is hardly feasible thanks to its costs? CMS would definitely improve recovery. It would at least provide sickness signals in advance. This is not to hurt the feelings of those who see efficiency miracles through concurrent evaluation and computerisation of local data banks. The existing designs can be adopted to accommodate the flow of information from CMS. However, CMS cannot go well if the intention is stronger and more detailed central control or its euphemism 'guidance' through application of modernisation gadgetry.

#### *Cost-Effectiveness and Plugging of Leakages*

The basic operational issues for the implementation of poverty alleviation programmes according to the Seventh Plan are (a) cost effectiveness, (b) control of leakages, deviations and distortions. Co-ordination with allied sectors and participation of voluntary agencies, beneficiaries and local opinion leaders in the selection of beneficiaries, project shelf and monitoring are expected to improve cost effectiveness and ensure plugging of leakages.

The administrative costs of the programme have been prescribed under the guidelines that they should not exceed five per cent of the total allocation for self-employment component (IRDPA) and should be within ten per cent for wage employment component (NREP-RLLEGS, etc.). Provisions for both the programmes can be pooled. Although these would appear to be reasonable, the actual costs are much higher. The service-delivery costs of banking institutions which are inextricably intertwined in IRDPA programmes are not reckoned amongst programme costs. Similarly, the service costs of the staff borne on budgets of other departments (TDO, veterinary officer, for example) are not taken into account. The personal costs have been estimated differently but constitute a good percentage of the loan amount. If the costs of banking organisation, agency services and personal costs are taken together, it might nearly wipe out the assistance amount.

It is not the programme administration cost alone which is the key issue in cost effectiveness. The real issue is the size and stability of income gains attributable to programme efforts. Unfortunately, there is very little monitoring on the output side but the indicators emerging from programme evaluation studies are quite depressing. Intra- and inter-sectoral co-ordination and involvement of local institutions and voluntary agencies may appear unexceptionable ways to enhance the programme impact and reduce wasteful expenditure on objects of local irrelevance but the cost of delays, local squabbles and inexperience and political distortion may be considerable. None



of the proposed methods can economise costs of service-delivery expenditure unless retailing operations are handed over to local community systems and groups while wholesaling roles are kept with whole time paid service personnel. Skills of group development and inter-group work constitute basic equipment for this new role dimension. The present skill equipment and organisation of basic units of work is totally inappropriate from this point of view.

#### IV

#### SERVICE STRUCTURES AND PEOPLES' PARTICIPATION

##### *Issues of Politico-Administrative Reorganisation*

The erosion of Panchayati Raj institutions and block level administrative apparatus constitutes a serious weakness of service-delivery system. The G.V.K. Rao Committee was entrusted with the task of reviewing administrative arrangements and recommending appropriate structural mechanism to plan and implement the PAP. The Committee recommends that planning and implementation of PAP should be vested in a single democratic organ of the people at district level which should be provided with the services of a senior administrative officer of the rank of District Development Commissioner. The district development administration may have a District Planning Cell, and an Anti-Poverty Cell each under a Director in addition to General Administration, Finance and Accounts wings directly under District Development Commissioner. At block level, a senior State service officer to be designated as Assistant Development Commissioner would be Chief Executive Officer controlling about ten extension officers, and medical and veterinary doctors in addition to other staff. If the arrangement is accepted the Collector may devote himself more exclusively to law and order functions.

The basic issues, however, have escaped the attention of the G.V.K. Rao Committee about rural-urban interfaces in planning. As more and more urban regional development authorities (URDAs) come into being, the planning and regulative responsibilities of the area covered by URDAs are bound to pass on to such URDAs. The land, water, shelter, industrial and agricultural planning would take on a different character as values of land suddenly rise near urban and industrial estate peripheries. Agriculture and related land uses can hardly compete with non-agricultural land uses in prices they can offer. The urban land ceiling acts (UCLAs), Rent Control Acts would introduce a new regime of freezing of the market in regard to land transactions and would cause considerable rigidities in shifting land uses within zonal boundaries. About six lakh hectares of land currently under agriculture may be frozen as reservation sites for residential development to accommodate spill over of population from the cities. The labour rates may rise in the countryside to close the gap with the rates in the city core but increased migration might add to the number of proletarianised labour in a regime of highly visible disparities in wage rates.

The second major question is about the relationship between autonomy and responsibility for resource-raising. The present pattern of rural local

government has given rise to a certain degree of irresponsibility inasmuch as the organs mainly act as allocator of State grants and other forms of assistance on locations and objects which are supposed to conform to local needs. There is very little effort to raise the resources locally to wean away from over-dependence on agency functions on behalf of the State. It is not enough that DRDA is merged with the Anti-Poverty Cell of the Zilla Panchayat. It is equally important that more financial responsibility is assumed by the local body to finance anti-poverty programmes by mobilisation of tax and non-tax resources and linking benefits to contributions.

This is participation in bringing social justice nearer home and provides a true perspective about the exercise of power which is the obverse side of social responsibility. Decentralist populism does have a service side.

*Peoples' Participation: The Perspectival and Implementation Gaps*

One of the least satisfactory part of the working of poverty alleviation programmes has been 'Peoples' Participation'. The emphasis in IRDP was placed on 'Beneficiary participation'. In the Seventh Plan the need for the involvement of voluntary agencies has been recognised and their role has been specified more clearly. Group approaches, rejuvenation of Panchayati Raj institutions and transfer of the operating responsibilities of poverty alleviation programmes to these organs would also call for substantial devolution of powers to local representatives of the people. However, it is unlikely that these measures, even if they are implemented with full vigour, would succeed in eliciting the desired level and quality of participatory response. We may examine the situation more closely.

The official reason for securing active involvement of the beneficiaries is to ensure that the assistance reaches the intended target group and that the target group derives maximum benefit from the programme. The strategy is to launch a scheme through People's Action for Development (India) (PADI) to organise the beneficiaries (a) to increase their awareness, (b) to encourage participation in planning, (c) to increase the bargaining power through group action, (d) to promote group and co-operative action, (e) to establish channels of feed-back, communication and dialogue, and (f) to develop self-reliance amongst the group. It is expected that PADI through its State agencies or other non-governmental organisations at district and taluka level will implement the strategy which would comprise three stages, namely, (i) identification and training of organisers of the selected agencies, (ii) organisation of one-week awareness camps and (iii) regular meetings and formation of cohesive groups.<sup>22</sup>

The scheme is to be tried first as a pilot project in selected areas. The impact of its implementation is, therefore, bound to be mostly confined to these pilot project areas and would make only a marginal contribution to the development of awareness and organisational strength of the participants in the anti-poverty programmes.

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22. Based on the official paper on "Organisation of Beneficiaries in Anti-poverty Programmes", contributed in the Workshop organised by the Department of Rural Development, Government of India, New Delhi, May 1986.



Till then the official activities to secure peoples' participation would be mostly confined to (a) ratification of identification exercise of *Gram Sevak* by *Gram Sabha* to prevent listing of non-poor families by wilful or negligent action, (b) discussion, if any, at the time of filling household cards, (c) consultation with village panchayat bodies for identifying NREP works and (d) supporting 'escort' and training activities of voluntary agencies in the areas of their operation. In some States beneficiary committees might continue to exercise surveillance function to detect and report cases of under-payment of minimum wages and frauds in the implementation of land ceiling measures.

The situation till March 1986 shows enormous distances to be covered and the snail's pace progress in advancing towards the objectives. According to the Concurrent Evaluation Report, "There is no organisation of beneficiaries in about 95 per cent of the cases. Only in 5 per cent cases, there are organisations of beneficiaries. Such cases are common in Andhra Pradesh, Tamil Nadu, West Bengal and Union Territories."<sup>23</sup>

Even if we include cases where there was an organisation other than that of the beneficiary to look after the interests of the beneficiary, we have only three more States (Gujarat, Kerala and Rajasthan) added to the above list affecting the national average only marginally. Thus nearly two-thirds of the States had a negligible presence of beneficiary organisations or other non-government organisations looking after their interests. More than 90 per cent of the beneficiaries remained without an organisational cover.

The IRDP guidelines provided that *Gram Sabhas* should be involved in the selection of beneficiaries. The Concurrent Evaluation Report showed that only 58 per cent of the beneficiaries were selected in a *Gram Sabha* meeting (West Bengal and Jammu & Kashmir with the largest percentage) while 35 per cent of them were selected by the officials (almost exclusively in Assam and Tamil Nadu). In other cases elected representatives and local influentials intervened.

Why does this poor picture emerge after the programme has worked for the full Sixth Five Year Plan and the importance of beneficiary participation had been recognised from its very inception?

There are important perspectival, diagnostic, implementation and monitoring gaps. Beneficiary participation is visualised under the current poverty alleviation programmes mainly as a mechanism to plug the leakages so that the full benefits are reaped by the beneficiary. The perspective is basically one of state paternalism which befits the concept of 'Welfare administrative state'. The state-citizen relations are conceived as those subsisting between 'Benefactor and Beneficiary' — the latter depending on the former for 'benefits' and 'bounties'. It is inconsistent with the perspective of democratic socialist state in which the citizen is helped towards greater realms of self-responsibility through representational processes or otherwise and socialist construction, that is, transforming guidance of productive activities so that they fulfil social needs in the process of fulfilling personal needs through surplus—

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23. Concurrent Evaluation of IRDP, *op. cit.*, see Figures 24 and 25.

appropriation, wage payment or otherwise which should be justified by its social contribution. The citizen has to play a primary and active role in the process which in its intensive phase may assume characteristics of 'struggle'. The struggle for benefits, which is hardly distinguishable from quarrel for loaves and fishes, is qualitatively different from the struggle for 'socialist' and 'democratic transformation with its attendant discipline and sacrifices. A pattern of relationship in which a state official or voluntary body non-official is valued in terms of the size of monetary benefits or fear of application of coercive powers shows that roots of dependency are going deep and the perspective of developing disciplined and socially responsible citizens is receding further off. The role of government official as an 'enablee', 'activator', 'coordinator', 'friendly guide', and 'social philosopher' rather than a do-gooder to the people has been totally lost in the target oriented approaches accepted by poverty alleviation programmes. There has been no effort to prepare the government emissary for the fundamental tasks he has to perform in the process of poverty alleviation activities. Socialist and democratic construction is the basic law of socio-economic progress. Poverty alleviation programmes, alienated from the basic perspective, run the danger of being lost in the dreary desert of despair in a not very long future. State paternalism manifesting in subsidies or concessional loans can at best be visualised as a terminable process till necessary strength is gained by helpee. If it is conducted without the realisation of its terminable character, it increases dependency and inhibits the forces of self-generative growth. It then becomes an addicting dope rather than a curative medicine.

The diagnostic concepts have also led to the obscuring of the key role of peoples' institutions of participation. The fear that local government institutions would come under the control of local influentials under the present conditions of social and economic inequality and lack of social organisation amongst the poor and would thus lead to distortions and denials of benefits to the poor gave rise to the concept of direct approach to target group, bypassing the institutions of local self-government. It was not till the G.V.K. Rao Committee reported that the ground of the belief came to reviewed.

"The Committee noted the force of this argument but expressed the view that the corrective for the weakness of a democracy lay not in retreat from democracy but in taking firmer steps towards greater democracy including economic democracy. Similarly, the corrective for half-hearted socialism was not a retreat from socialism but firmer steps towards more genuine socialism."<sup>24</sup>

The Committee pins its hope that this growth would allow forward looking, mass-oriented and dedicated elements to turn to local institutions of political democracy. Besides, safeguards can be provided for non-diversion of resources earmarked for anti-poverty programmes and constitution of decision-making structures at appropriate level with a strong representation of beneficiaries.

Leaving the task of organisation of the poor to the administrative machinery meant a naive faith in administrative rationality which was not only

24. Report of the CAARD, *op. cit.*, p. 13.

limited by self-interest of its own class but also the class socialisation of its members, communication gaps, internal conflicts, and political controls from behind the bars. There was very little preparation of official service-delivery agents regarding the understanding and application of principles of psychodynamics, non-formal adult learning, group dynamics and the skills required to play the helping functions in terminable dependency situations. It is not surprising that the functions were either not performed at all or were performed with a poor quality.

The reporting scheme itself paid no heed to monitor the organisational and educational activities to create mass awareness or stimulate group efforts. It is not surprising, therefore, that expenditure rates and physical targets received exclusive attention of the monitors while the efforts for conscientisation or group development were totally ignored.

The recognition of the importance of peoples' participation in the Seventh Plan document shows signs of greater clarity with respect to specific areas of contribution but the perspectival, implementation and monitoring gaps have not been recognised as yet. In the absence of this awareness, readiness of action, appropriate allocations and monitoring measures, the Seventh Plan performance is unlikely to make a spectacular advance over its predecessor.

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