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Vol XLI
No. 4

ISSN 0019-5014

CONFERENCE
NUMBER

PART II
OCTOBER-
DECEMBER
1986

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

THE NEXT STAGE IN RURAL DEVELOPMENT: DIRECT ATTACK ON DEPENDENCY

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BACKGROUND

Though growth with equity has been accepted as a major goal of planning in India, it seems that two sets of strategies have been formulated to achieve this one goal: one set of strategies focusses mainly on bringing about growth, and the other aims at bringing about equity with a special emphasis on eradication of absolute poverty.¹ Available studies show that our economy has not been successful in achieving either the goal of poverty eradication or the objective of high growth rates to a significant extent.² The question that arises now is: Can we achieve growth with equity with the two sets of strategies?

The answer seems to be in the negative. The experience of our planning during the first one and a half to two decades showed that when planning focusses on growth, the equity aspect tends to get neglected.³ And the experiences of anti-poverty programmes in the last one and a half decade have shown that when poverty is treated as a separate problem of absolute poverty, it does not result even in a significant reduction of poverty levels. Evaluation studies of anti-poverty programmes confirm this. The first major problem of such a strategy, according to the studies, is regarding the non-involvement of the real needy poor in these programmes. It is observed that the poorest at the bottom do not come forward to participate in these programmes easily as the mere existence of such programmes (with the supporting facilities) is not enough to involve them in the programmes. Secondly, even if some of the poor are able to cross the poverty line through these programmes, it does not really guarantee any eradication of poverty as such. For example, a family which has crossed the poverty line may fall below it again if the season is bad or if a small calamity or accident takes place. After all, poverty line is not a magic line that the poor start getting a better deal in the economy after crossing it. There is no guarantee that the overall income distribution

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1. Separation of general planning and planning for poverty eradication (anti-poverty programmes) in the Five Year Plans indicates this. It seems that sectoral resource-based planning, which forms the core of the Five Year Plans are not integrated well with anti-poverty programmes.

2. Without going into the controversy regarding the reduction of the population below the poverty line, it can be said that planning has not achieved much in eradicating the poverty of the poorest groups of our people. Growth rates of GNP in India are not very high and they also do not compare well with those of other developing countries. Refer to S. J. Patel, "Regression of the Indian Economy", *Economic and Political Weekly*, Vol. XX, No. 39, September 28, 1985.

3. Refer to Approach Paper to the Fourth Five Year Plan, Planning Commission, New Delhi, 1970.

or asset distribution will change in favour of the poor if some of them cross the poverty line. On the contrary, there is evidence which shows that a reduction in the percentage of the poor below the poverty line is frequently accompanied with rising inequalities of incomes and assets in a region.⁴ In other words, eradication of absolute poverty seems to have been frequently accompanied by increasing relative poverty, *i.e.*, by deterioration of the relative position of the poor.

We do not have enough empirical evidence that examines the long-term impact of rising income inequalities on the rate of growth in a region; but on a *priori* basis it can be said that the growth rate of incomes in a country like ours can be maximised only if human resources are utilised well. And this is done when assets and incomes are distributed in such a way that all the groups have an access to developmental activities.

It could be inferred that in order to achieve growth with equity it is necessary to have one organic strategy which views growth and equity as inter-related issues. Poverty eradication should not merely mean bringing the poor above a poverty line, but it should also mean reduction in the inequalities of incomes and assets so that the poor get more strength for bargaining and better opportunities to participate in the development process. In the same way, growth should not aim at increasing total production alone, but it should also result in more equal distribution of assets and incomes so that more and more people get an access to developmental opportunities and are able to contribute to growth. It is worth noting that reduction in the inequalities of incomes and assets is a desirable goal both for growth and equity.

What kind of modifications are needed in the present rural development strategies to incorporate this view? It seems that modifications should be made in two broad areas: (1) At the planning level there is a need to integrate resource-based sectoral planning with the household-based planning of anti-poverty programmes. That is, the overall planning should be integrated in such a way that reduction in inequalities emerges as a result of the planning process. This also implies that each programme should result in more equal income/asset distribution and should also be evaluated from that point of view.⁵ (2) In order to support the first area, attempts should be made to improve the access of the poor to developmental opportunities.

4. Refer to (i) Jan Breman: *Of Peasants, Migrants and Paupers: Rural Labour Circulation and Capitalist Production in West Asia*, Oxford University Press, London, 1985. The author says that though capitalist form of farming has benefited some marginal groups to improve their conditions, it has brought in greater inequalities. It has encouraged the process of pauperisation of rural masses. (ii) Kanchan Chopra, "Distribution of Agricultural Assets in Punjab", *Economic and Political Weekly*, Vol. XIX, No. 13, March 31, 1984. Though Punjab is relatively a well developed region in agriculture with a lower incidence of poverty, this study shows that inequalities of assets and incomes have increased in the region over the past few years. (iii) Indira Hirway: *Abolition of Rural Poverty: A Study of Target Group Approach in Gujarat*, Vikas Publishing House, New Delhi, 1986. This study showed that inequalities in the distribution of consumption expenditure are greater in the irrigated villages (with prosperous agriculture) than in the rainfed villages, though the incidence of absolute poverty is less in the former villages.

5. Unfortunately, the present evaluation method of the anti-poverty programmes does not incorporate these aspects. Too much importance is given to the number of households below and above the poverty line.

Direct measures like land reforms will go a long way in this context as reduction in asset inequalities will improve the access of the poor to the credit market and to other opportunities. However, our experiences with land reforms have not been very encouraging so far.⁶ It is therefore felt that attempts should also be made to strengthen the position of the poor by other measures like reducing their dependency directly.

Though the first area is an important area, this paper discusses the second because it has not received the attention it deserves. This paper argues that there is an urgent need to strengthen the position of the poor by attacking their dependency so that they are able to contribute to economic development.

DIRECT ATTACK ON DEPENDENCY: RATIONALE

Non-involvement of the poor, specially the poorest of the poor, in various economic activities leading to development has been observed as a serious problem in our planning process. This non-involvement is viewed in two ways: (1) Growth opportunities do not reach the poor (*i.e.*, non-percolation), and (2) the poor do not come forward to take advantage of the opportunities (*i.e.*, non-participation). The non-percolation aspect has been well-documented in the literature and the related issues like problems of delivery systems, extension work, administrative procedures have been discussed widely. The process of non-participation, however, has not received enough attention. It seems that if attempts are made to identify the constraints of participation and to formulate suitable policy, it will go a long way in involving the poor in developmental programmes.

Studies have shown that the poor, specially the poorest of the poor, do not come forward to participate in anti-poverty programmes because (1) they do not know about the programmes or how to take part in the programmes; and there is nobody to help and guide; (2) they do not have the courage or confidence to come forward to take part as there are barriers of system, culture or of status; (3) they do not get the required support from the administration, banks or panchayats in terms of providing necessary certificates, guarantees, references, recommendations, etc.; or because (4) they are prevented from taking part by the non-poor who either threaten them directly or manipulate indirectly to see that they do not participate in a big way.⁷ It is clear that all the causes originate from one root cause, namely, the dependency of the poor on the non-poor. It seems to us that the socio-economic structure of our rural society which is frequently blamed for the genesis of rural poverty, manifests itself mainly through the unilateral helpless dependence of the poor on the non poor.⁸ The dependence of the poor on the

6. Target group approach is meant for reaching the poor. But our experience has shown that it does not reach the poor, specially, the poorest of the poor.

7. Hirway: *op. cit.*

8. Indira Hirway, "Dependency of the Poor on the Non-poor: Some Implications and Inferences", prepared for (G.V.K. Rao Committee for Administrative Arrangements for Rural Development, set up by Planning Commission, Government of India) the discussion of Experts on Conceptual Issues in Rural Development, 1985.

rural rich for employment, wages, agricultural inputs (like water, seeds and fertiliser), consumption loans, loans to meet emergencies (like deaths, marriages, illness, etc.), information about new programmes and even for recognition as poor, has made the poor so helpless that they do not have the strength to defy the rich and to come forward to participate in the developmental programmes including the special programmes. This dependence has also given the rich the power to exploit the poor as they are in a position to use this dependency to strengthen their own position further. It seems that unless the dependency is reduced, the poor will not have the strength to go against the rich and participate even in anti-poverty programmes in a big way. The reduction in dependency will help them as it will reduce their exploitation and vulnerability, which will give them the economic strength to participate in various programmes, and it will also encourage them to organise themselves gradually and ask for a better deal in the economy.

COMPONENTS OF THE STRATEGY

The strategy of direct attack of dependency should have the following components: (1) Identification of points of exploitation and plugging them by suitable measures, (2) providing social security measures to the most vulnerable groups, and (3) helping the poor to organise.

Identification and Plugging of Points of Exploitation

In order to strengthen the position of the poor it is necessary to identify the points which make them helplessly dependent on the rural rich, and then to plug them by suitable measures. If the urgent needs of the poor which lead to their exploitation are met by alternative ways, the poor will get the strength to stand on their own feet.

Some of the points of exploitation in our rural society could be listed as follows (there could be others also): dependence for loans (*a*) to avoid starvation in the lean season, (*b*) to buy seeds in the beginning of sowing, and (*c*) to meet social expenditure for deaths, marriages, etc. If these points are plugged by schemes like grain banks, seed banks, proper public distribution system as well as consumption loans⁹ the position of the poor will become strong.

Social Security Measures

It is indeed very unfortunate that there is hardly any social security scheme in our rural areas¹⁰ to protect the poor in need. The poor in our country are almost entirely left to themselves during oldage, illness, deaths, accidents, etc. Such situations make them highly vulnerable and easy sub-

9. Really speaking, these loans should not be called investment loans as they are a kind of investment in human capital.

10. Though the organised sector in our economy enjoys a large number of social security measures, such as oldage pension, provident funds, gratuity, maternity benefits, compensation for injuries, etc., the unorganised sector hardly has any of these programmes. Though some very small beginnings have been made in some States, they are far from acquiring any significant size to make an impact.

jects of exploitation. There is an urgent need to cover these poor by some kind of social security measures. Life insurance (group insurance, if needed), oldage pension, maternity benefits, compensations for injuries/accidents, illness, etc., will go a long way in strengthening the position of these poorest groups. Though some State Governments have made some small attempts here and there, there is a need to have a systematic approach that really protects these poor.

Encouraging Organisation of the Poor

It is now widely accepted that the poor will get a better deal in the economy only if they are organised. Organisation will reduce their vulnerability and their dependence on the non-poor in many ways: First of all, it will give them the strength to stand on their own feet and ask for their due rights. And secondly, it will make them realise that as free citizens, they are also entitled to the available social, economic and political rights. It is not by way of charity but as a matter of right that they must be provided with the right climate and environment for their overall development.

In 1980 the Central Government introduced a scheme of appointing honorary rural organisers whose task is to help the poor to organise themselves. The Government of Gujarat has modified the scheme to make it more comprehensive. Instead of appointing isolated organisers, it has set up about 100 Rural Workers' Welfare Centres in the rural areas where the honorary organiser, with a small staff, implements a few programmes which would help in organising the poor.¹¹ This author had an opportunity to evaluate this programme.¹² The evaluation shows that though the programme has not been very successful, its experience provides a good insight into the area of organising the poor. It seems that group approach in IRDP, NREP, and in other anti-poverty programmes, adult education classes, Bhajan-mandlis, Balvadis are some of the activities which provide entry points to external agencies to enter the life of the rural poor and lead them to organise themselves. The study also shows that if an effort is made by honorary organisers to focus on some relevant points, it is possible to encourage the poor to form unions or co-operatives. It is necessary to improve this scheme to make it more flexible and effective and to implement it in larger areas in the country.

Not an Isolated Strategy

It must be made clear that the strategy of direct attack on dependency has to be an integral part of the total strategy of rural development. This implies that though there is a need to formulate an independent programme to attack the dependency of the poor, it should be integrated with the other

11. Refer to Government of Gujarat: Rural Workers' Welfare Centres: A Window for the Rural Poor in Gujarat, Gandhinagar, 1982. The honorary organiser under this programme is expected to undertake activities in the areas of education and health, social welfare, economic programmes, entertainment and games, etc.

12. Indira Hirway: Organising Rural Workers: Gujarat Government Experiment, Gandhi Labour Institute, Ahmedabad, 1985 (mimeo.).

programmes. It should add a new dimension to the total strategy to take care of the dependency aspect of the poor. The schemes like public distribution system, grain banks, etc., are not new schemes in our rural areas. What is needed, however, is to link them up suitably with the needs of the area so that they really help the poor in strengthening their position.

Linking up of IRDP, NREP, etc., with this strategy will also yield good results. For example, if 50 households in a village are given an anti-poverty scheme and are brought together and, then, motivated to organise themselves, it can ultimately result in strengthening their pressure group in the village. Or, if a co-operative of weavers or leather workers is formed under an IRDP scheme, the honorary rural organiser can play an important role by setting up a grain bank or a seed bank and help them in organising.

Another important inference of this is the strengthening of the planning at the district and block levels. For example, it will be necessary to identify the points of exploitation and plug them at the micro level so that they are plugged effectively and systematically. Also, decisions regarding the suitability of a method for motivating the poor to organise are likely to be more effective if these are taken at the micro level.

CONCLUDING OBSERVATIONS

The goal of growth with equity can be achieved effectively only through a strategy which views growth and equity as inter-related issues. This implies that (1) there is a need to integrate anti-poverty planning with resource-based sectoral planning systematically, and (2) to improve the access of the poor to developmental opportunities. Though land reforms will go a long way in improving this access, the past experience with them is not very encouraging. The target group approach also has not involved the poorest in development. There is therefore a need to improve this access by attacking the dependency directly through plugging the points of exploitation of the poor and through encouraging their organisation. It seems that unless this new dimension of protecting the poor from their dependency situation is added in the form of a supplementary programme to the rural development strategy, the poorest of the poor are not likely to come out to share the gains of economic growth, and to that extent, growth and equity are not likely to go hand in hand.