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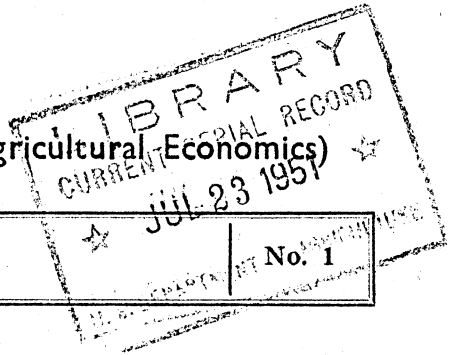
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THE INDIAN JOURNAL OF AGRICULTURAL ECONOMICS

(Organ of the Indian Society of Agricultural Economics)



Vol. VI

MARCH 1951

No. 1

CONFERENCE NUMBER

—
X PROCEEDINGS

of the

ELEVENTH CONFERENCE

held at Lucknow, December, 1950

SUBJECTS

1. Administrative Machinery for the Economic Reconstruction of Rural Areas.
2. Fixation of Agricultural Prices in Theory and Practice.
3. Effects of Industrialisation on Rural Life and Rural Economy.

Rs. 6-8-0

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BOMBAY

AIMS AND OBJECTS

To promote the investigation, study and improvement of the Economic and Social conditions of agriculture and rural life through :—

- (a) periodical conferences for the discussion of problems ;
- (b) the publication of papers, separately or collectively ; or in a periodical which may be issued under the auspices of the Society ;
- (c) co-operation with other institutions having similar objects, such as the International Conference of Agricultural Economists and the Indian Economic Association, etc.

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should be unitary in which the non-officials should have an effective voice in formulating and conducting trials and in the expansion stage of the work. The ideal should be for all the rural development departments to work under one agency in order to avoid waste of energy and confusion caused in the rural areas by separate unco-ordinated approach by each department that often time results in working at cross purposes.

ADMINISTRATIVE MACHINERY FOR THE
ECONOMIC RECONSTRUCTION OF RURAL AREAS

by

N. N. NATARAJAN

Vivekananda College, Madras.

The Need for Reconstruction

The economic uplift of rural areas is one of the important tasks before us. Political freedom, if it is to have any meaning, must bring about an increase in the standard of living of the people of India. This is a difficult and gigantic task. In any attempt at improvement it must be realized that India lives in her villages. So, a balanced economy in the country cannot be established unless it is based on the entire life of the rural population. A nation-wide rural reconstruction should form the basis of national rejuvenation. The village is the unit of economic no less than of administrative set-up. More than 80 per cent. of the population live in villages in India. In Great Britain only 20 per cent. of the population live in villages while the corresponding figures for Germany, France, the U.S.A., Canada, and Japan are 38, 51, 44, 56 and 54 respectively. The predominantly rural character of India is clear from this. The welfare of India is more or less synonymous with the welfare of the rural areas in our country which must be given new life. This is not an easy task, as everyone who knows Indian rural life, will realise. Agriculture, in India, is not a business but a tradition and a way of life. There has been a steady deterioration in the conditions of rural life. The task of raising the standard of living of the rural masses in India is appreciably more difficult than we realise. Their present conditions of life are highly deplorable. "A handful of rice, a cotton rag, a mud hut and dung cakes (for fuel) constitute the only necessities. The most desired luxuries are the opportunity to lie in the shed and sleep and smoke or to squat by the side of the road and chatter".* In fact, there is no standard of life at

* Dr. Vera Austey—The Economic Development of India.

present; it has to be brought into existence; a desire to live better has to be created. Piecemeal efforts will only meet with failure. It is a question of a comprehensive reconstruction of all aspects of our rural life.

In tackling this problem of rural economy, we should be realistic. The village has a place in our economy, but it must be recognized that it may not be possible to try to re-build it on the lines on which it used to function a century ago. The old methods will not sustain the new levels of population. The problem is one of establishing dynamic balance between people and resources. The problem of 'disguised unemployment' in the rural areas can be solved by a policy of rural industrialisation or 'urbanisation' as the Americans call it. A long-term programme of diverting the surplus population from agriculture to other sectors will have to be taken up. Our immediate need is to develop rural industries which would not supplant labour so much as supplement it and increase the income of the worker. The development of decentralised small scale industries and of industries subsidiary to agriculture can go a long way in modifying the dull pattern of rural occupation and in providing jobs to landless people, and some dependants of the farmer. The basic problem is "the continually growing pressure of population on land and the unchecked deindustrialisation of the countryside". This demands a comprehensive reconstruction of rural life.

Purpose of Rural Uplift

The problem in the building up of rural India is to evolve a fresh plan of life. For this purpose all our available natural and human resources should be utilised to the best possible advantage. The present physical and intellectual isolation of the rural areas from the general public life of the country should be ended first. There must be a unity of aim between the officials and the public. The administrative machinery must be changed for the better so as to supply the necessary guidance to the villagers. It is also necessary to help the villagers to develop their own social and economic institutions. The villagers must be made to understand the nature and significance of the rural reconstruction movement. This can be accomplished by self-government and education. A desire for better living must be created among the villagers. This would mean a change in the economic and social outlook of the people. The creation of the right type of socio-economic set-up is the aim of the rural reconstruction programme. "The purpose of Rural Reconstruction", says Dr. Spencer Hatch, "is to bring about a complete upward development towards a more abundant life for rural people—spiritual, mental, physical, social and economic". We must realise at

* Nanavati Sir Manilal—"Memorandum on Allocation of the Reserve Bank's profits for agricultural reconstruction", *The Indian Rural Problem*—page 335.

the same time the magnitude of the task. To import life into the seven lakhs of moribund villages in India is a truly Herculean task. For the achievement of results, it is necessary that there should be some agencies of reconstruction work in every village.

Agencies of Development

Each village must have a panchayat, a co-operative society and a school. It is the responsibility of these agencies to create a new corporate life in the village. Panchayats should be established in all the villages and they should be assured of a certain income. The villagers must be made to take an active interest in matters of village administration. The object is to develop a sense of civic responsibility and leadership among the villagers. Progress in this direction would have to be slow in the early stages. Another important point is that the movement must be prevented from becoming official. Like the panchayat in the civic field, the co-operative society is an instrument of economic uplift. The co-operative movement in India is not a people's movement, as it should be. Moreover, it has not been an integrated movement, tackling the whole man as such. The multi-purpose co-operative societies will prove to be more powerful instruments than the single purpose societies. They will cater to all the requirements of the villagers. Our villagers are also accustomed to the habit of approaching a single agency instead of a number of specialised agencies. Another important agency is the school which must create the new outlook on life which is fundamental to any scheme of rural reconstruction. It must impart instruction in such a way as to link it up with real life. Mere literacy alone is not enough; the school is a cultural institution that has to play an important part in the rehabilitation of the village. In all these fields of activity there must be proper co-ordination of local initiative and effort with proper guidance and control from above. The provincial government must contact the whole village through the above institutions—the panchayat, the co-operative society and the school. Guidance and help from the various government departments concerned with rural life must be forthcoming. What we want is a planned organisation to tap all the resources fully, co-ordinate the efforts and produce maximum results. In this connection, we must note the conclusions reached by Mr. and Mrs. Shah after their comprehensive survey of Bhuvel (a village in the Bhadrans Mahal in the Baroda district of the erstwhile Baroda State). "One year's stay in Bhuvel has convinced us that if suitable associations are formed for reconstruction the conditions in the village can be improved without much difficulty. We have found that the people do have a desire for improving their village economically and socially.

What they lack is proper guidance and the necessary assistance.* All these reforms should be cautiously introduced and attention should be paid to the traditional sociological background of the villages in the various regions of the country. The effectiveness of the new methods of living promised by the modern world must be combined with the soundness of the traditional ways of the villager's life.

The problem of vivifying the rural areas is manifestly the most urgent one. Two important conditions are necessary to achieve maximum results. (1) There should be a concerted effort and an organisation with powers and resources if the rural areas are to develop. In other words, what is required now is quick and determined action on a large scale with no mental reservations. (2) No improvement is possible unless the people themselves get interested in reconstruction work. The services of workers motivated by a missionary zeal are essential in this movement. The age-long habit of waiting vacantly for official help at every stage must be replaced by a new spirit of self-help and self-reliance. In short, the main responsibility for social regeneration lies with the people themselves. There are 42 million individuals living in the 35,400 villages in the state of Madras. No government can possibly approach each individual with this gospel of progress. All they can do is by precept and example to rouse the imagination of some farmers, some artisans and some housewives, so that a general awakening is the ultimate result. In the words of the Royal Commission on Agriculture in India, "where novelty has become fashionable, the path of the reformer is made easy".

Description of some attempts made in India

Reference must be made to some of the important attempts at rural development made in our country. Solid work has been done by non-official bodies like the Ramakrishna Mission, Arya Samaj, Deccan Education Society, Servants of India Society, Y.M.C.A., Y.W.C.A., etc. Special mention must be made of the Gurgaon experiment, the Martandam scheme and the Sriniketan experiment. These three experiments serve more or less as object lessons and provide helpful guidance in the complex task of rural reconstruction. In the Gurgaon experiment in the Punjab conducted by Mr. F. L. Brayne village guides constituted the main spring of the uplift campaign. The central idea was to provide a single agency to whom the villagers could turn for advice. These guides resided within their respective villages and propagated the gospel of village regeneration. Propaganda played an important part in the work. Mr. Brayne also started a school for rural economics with the object of bringing teaching into line with village life. Both honorary and paid personnel collaborated with a

* Bhuvel—A Socio-economic Survey published by the Indian Society of Agricultural Economics—Page 144.

missionary spirit, Brayne providing the ultimate driving force. This was an experiment carried on under government auspices. The Y.M.C.A. started a rural reconstruction centre at Martandam, a rural area of 25 miles south of Trivandrum, under the guidance of Dr. Spencer Hatch. The key-note of the work was self-help and intimate expert counsel. Village associations carried out the work. Each association had its honorary secretary who constituted its leading spirit. Above them there was the Regional Development Association. They also started a number of cottage industries so that it may be possible for every person to select an occupation for the leisure hours. The agents and propagandists of rural reconstruction are trained there for their task. The chief power-house in the centre was the demonstration centre at Martandam. The chief media of propaganda were rural dramas, rural exhibitions, inter-village competitions, and demonstrations. They relied on local committees of the people in order to create a real demand for social changes. The success of the Martandam centre has been due to the missionary spirit, the special training of the entire personnel and their enthusiasm, the co-ordinated plan of action and the co-operation of the entire community mobilised through an active propaganda campaign.

Notice must be taken of the experiment that is being carried on in Sriniketan under the guidance and inspiration of the founder of the centre the late Sri Rabindranath Tagore. The Institute of Rural Reconstruction was started in 1922. The Institute generally started its work with rural surveys which resulted in the formulation of definite programmes for implementation. The village welfare department of the institute conducted training camps periodically for village leaders, volunteers and scouts. They laid special emphasis on women's education and adult education. The Institute employed successfully the services of scouts in village uplift work. The scouts became an asset to the welfare work in the villages. It was felt that lasting work would be possible if the village boys could be made to take interest in the work. That was the reason for the introduction of the Scout movement. The Institute felt that the draw-back of Indian rural life was the lack of a forum for all classes of people in the villages. In recent years there has been a wide recognition of the need for a common centre in the village for social purposes. Hence the Institute encouraged the formation of community centres in villages.

The Madras Government have established the new department of Firka Development. The Firka Development scheme of the Madras Government is formulated on the Gandhian plan of reconstruction. The scheme aims at improving the economic and social conditions of the villages and is designed to create in them an active interest in their problems and made them self-reliant. The scheme aims also at developing the spirit of co-operation in the villages and at creating the proper field for

co-operative effort thereby organising' the villages for a fuller and happier life. Under this scheme, the government has started intensive rural reconstruction work in about 34 selected Firkas and centres. The Government of Madras have prepared a large number of schemes to improve rural conditions. A scheme was worked in the Salem district of the Madras State by Mr. A.F.W. Dixon who was the Collector of that place. This is familiarly known as the Dixon Scheme. The object is to tackle the villagers through their own organizations, to make those organizations the nuclei of activity for all development departments and to secure complete co-ordination among the different official agencies. These aims are expected to be realised through a network of village, Firka and taluk associations functioning under the guidance and supervision of the revenue Department. The village associations are to be known as Grama Sanghams. The whole adult population in the village is to constitute the Sangham, but its executive committee would consist of about 8 or 9 sanghamdars nominated by the Collector from among the leading men of the village. The Sangham is to become a focal point and a common forum for all nation-building enterprises. The sanghams will arrange their own special programmes of uplift. Nevertheless there is a vast field of well tried ideas available for the village sangham to work on and try to bring to fruition.

The rôle of Farmers' Clubs and Educational Institutions in the West

Let us examine the methods pursued in foreign countries and try to see whether they will help us uplift our standards of life. Youth movements have been of great help in the sphere of uplift. It is necessary to organise the youth in this country on constructive lines as it has been done in many foreign countries. There are also farmers' clubs in countries like the U.S.A., Scandinavia and Great Britain. The English countryside has organised young farmers' clubs to meet its needs. There are at present about 800 farmers' clubs in the United Kingdom with a membership of more than 40,000 of whom over one third are girls. These clubs seek to promote a sense of corporate responsibility and service to the community. The 4-H Clubs organised among rural youth in the U.S.A., Alaska, Puerto Rica and Hawaii come under the same category. These clubs are organized and conducted in the U.S.A. under the supervision of the Agricultural Extension Service. Teachers and other professional people in the community together with leading farmers play an important part as local leaders in the development of these clubs. On an average a 4-H club will reach two million rural young people in the U.S.A. every year. The philosophy of the 4-H club is to learn by doing. The members are trained in better farming as well as in better citizenship. Each 4-H club shall have at least five working members on the

same project and there shall be a local leader in charge of this. He may be a teacher or a professional person or a leading cultivator. There shall be a definite programme of work for the year. During the year at least six club meetings shall be held. The secretary shall keep record of these meetings and the progress of each member. A local exhibition shall be held annually at which the members will display samples of their finest products. The most important phase of the club's work is the regular meetings held at stated intervals. This gives the members training in the correct procedure for a business meeting. A good club will encourage each individual to develop freely and to the limit of his possibilities. It is essential that the individual should be permitted to develop his inherited traits and not have the programme imposed upon him. The 4-H clubs give the members a sense of working together, of co-operation in home and community undertakings. Perhaps the outstanding results of the 4-H club work are those concerned with attitude building which, in turn, leads to constructive effort.

Another important fact is that in the West, educational institutions play an important part in evolving new methods suited to the changing needs of the community. Thus, in 1947 the University of Edinburgh sponsored a plan to provide facilities for agricultural education on the broadest lines. It covered courses in farming studies, research in forestry and veterinary science. The Edinburgh University secured 3,000 acres of land in Midlothian, representative of all the varieties of land in Scotland. Farm mechanics and agricultural engineering are special subjects of study. Training to youth is given in all forms of rural economy. Farm management, livestock production and economics of agriculture are among other subjects taught. The object is to correlate field experiment with instruction in research. Agriculture is to be correlated with forestry so as to provide for the agriculturists' employment on remunerative terms when their services are not required on the farms. This will be a cure for seasonal unemployment in agriculture. This plan may not be such as we may borrow without modifications. But there is no doubt that it must be of the greatest help to us in ordering our rural economy. At present, agriculture in the Madras State, is being taught as an isolated subject and not as part of a larger subject—the welfare of the countryside as a whole or the entire field of rural economy.

The Administrative Machinery for Rural Uplift

Certain broad conclusions may be drawn from a study of all these experiments and schemes. The need for a unified agency which could easily be resorted to by the villagers at any time without hardship or waste of time has been felt in all experiments. The entire uplift work in the field of rural reconstruction must be centralised in a single organi-

sation at the provincial level in order to ensure continuity of policy and activities. It may be presided over by the Minister for Rural Development. It is a good augury that the Madras Government has appointed a Minister for Rural Development, but the mere creation of a ministry will not benefit the people. A proper organization to work out the scheme is necessary. The lower organisational patterns are to be determined in the light of local conditions. Villages may be grouped together and entrusted to the care of resident workers similar to village guides in the Punjab or rural propagandists in Mysore. They may be assisted by a band of volunteers trained in social work. They should be given official status and recognition. Every village in the group must get one panchayat, one co-operative society and one school. Each big village should get a lower secondary school, a central co-operative union and a central panchayat. After this, some central place for the entire area situated near some railway station may be selected for the development of a life centre. It might contain institutions like the high school, the co-operative bank, warehouse and one or two small industrial units undertaking the working of processing and finishing certain articles prepared in the villages. Some of these centres may also develop rural universities. It is necessary that village development councils and similar organisations for the taluks and districts should be formed. Local officials as well as non-officials interested in such work may be included in these associations. Expert direction at the top and trained personnel at the bottom are desirable elements in any provincial organisation of rural uplift. Progress must be gradual and steady and the new-found social energy must be wisely expended. Too much 'cramming' or too many novelties are likely to confuse the simple mind of the villager. This colossal task of reconstruction of rural areas in India demands the active co-operation of all those who want to promote the country's welfare. All agencies and forces must be mobilised in this task. As the Royal Commission on Agriculture in India observed, "if the inertia of centuries is to be overcome, it is essential that all the resources at the disposal of the state should be brought to bear on the problem of rural uplift".*

* Report of the Royal Commission on Agriculture in India—Page 673.