ROLE OF BUREAUCRACY IN PEOPLE'S EMPOWERMENT WITH REFERENCE TO NEW ECONOMIC POLICY IN INDIA

ABSTRACT

THESIS

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BY

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ABSTRACT

The present research work has been designed to analyse the 'Role of bureaucracy in people's empowerment with reference to new economic policy in India.' The study is confined to the operational aspect of bureaucracy, bureaucracy and development, bureaucracy and democratic decentralisation, bureaucracy and new economic policy and bureaucracy and people's empowerment.

The term bureaucracy is a very perplexing one and is susceptible to more than one meaning. To a common man bureaucracy means a system of government characterised by inefficiency, delay, corruption, arbitrariness etc. But in administrative parlance, bureaucracy refers to rule of officials.

An all-embracing definition of bureaucracy, perhaps may be a political actor, an essential ingredient of the political system, a consumer and producer of social products, a power centre, a pressure group, a system stabiliser a change agent, a political symbol, a political socialiser, a social elite, an interest articulator, a political, social and economic system, a source of political recruitment, a decision maker, an advisor and an environmental determinant.

The modern era is an era of Globalisation and liberalisation. Where State's activities have increased considerably. Today the administrative state is concerned with almost all aspects of human life including such areas as social services, economic situation of a country and their people, poverty, employment, health, sanitation, food conservation and distribution, exploration and conservation of natural resources, scientific and technological developments and space, satellite and communications research making, bureaucracy, the largest employer in the modern sector of economy of the majority of countries throughout the world.
However, in a developing country like India the role of the bureaucracy becomes more prominent, because very often bureaucrats have also to perform the role of a change agent.

Under the Indian Constitution, the top level bureaucrats have a constitutional responsibility to advice on policy options. The secretaries to the Government of India, for example, take or advice to ministers to take, decision that arise within the framework of existing laws or policies which otherwise cannot be dealt with the routine procedures.

The Indian bureaucratic system is one of the few organised systems anywhere in the world where officers move from state government to the central government and back, and apart from that, at times perform roles in public undertakings.

The role of Indian bureaucracy has in fact changed dramatically during the last two or three decades and it is now poised for another big change because of the economic liberalisation and people's empowerment programmes through democratic decentralisation (PRIs).

An important segment of economic liberalisation in public sector reforms, now-a-days is that public sector managers do not have the kind of freedom necessary to enforce the doctrine of accountability in the public sector. The political as well as bureaucratic leadership will have to consciously exercise self restraint and shed some of their power and control vis-à-vis public sector undertakings, if these undertakings are to have autonomy both in letter and in spirit. There is also the painful decision to be taken to close down totally unviable public sector undertakings, which politically speaking, is not an easy decision to take. At the same time, the drain on the public exchequer, because of the sustained loss making undertakings cannot be allowed to continue year after year, if the fiscal deficit of the government is to be kept under reasonable control.
Over the years bureaucrats have faced several challenges. In the early part of independent India, it was law and order, refugee relief and rehabilitation, food scarcity etc. From a purely law and order and revenue collection mind-set, bureaucrats got transformed into the mind-set of a development administrator. In the 60’s for example, bureaucrats well called to play an important role in food management, public distribution network, scarcity relief work, etc. along with development orientation towards rural development, extension network in the agricultural sector, family planning, etc. It is to the credit of this premier bureaucratic system, that the transformation was effected without much pain or dislocation. This was partly due to the high quality of the bureaucracy and the support it enjoyed at the top level. Partly it was also due to the enlightened political leadership, which saw the effectiveness of bureaucracy, particularly in development administration. The transformation which is now underway in the 90’s may not be that easy to achieve, because the social environment is more difficult and the task ahead more complex.

Today the bureaucracy has not only to cope merely with the problems of maintaining law and order, providing some limited public services, and the collection of taxes for the government, but also to devote its energies and time to time bigger and more important tasks of implementing plans and programmes for the socio-economic development of the state. It has to be specially involved in the mobilisation of resources and the allocation to a great variety of developmental activities on a large scale.

The bureaucracy plays an important role in the development of country, particularly in a country, which has recently moved on the path of the socio-economic development. Earlier, the development was defined in terms of increase in Gross Domestic product (GDP). But, of late if has been felt by economists, planners and social scientists alike that increase in the GDP may not necessarily result in reducing the misery of common man.
However, the bureaucracy is an integral part of the development process and has a significant role to play in this task.

It is needless to assert that the bureaucracy is the only instrument, which ensures administrative continuity in a developing democracy like India where the political executive changes according to the preference of the voters. In fact by virtue of its security of tenure and because of its crucial place in the power structure the bureaucracy maintains continuity in government. The bureaucracy, especially the higher level bureaucracies, are the link between the successive ministries and the responsibility of the principles and practices which endure Chief Ministers and other ministers come and go.

Historically, district level bureaucracy has played an important role in the overall bureaucratic set-up in India. The pinnacle of district level bureaucracy was reached during the British rule in India when the collector and District Magistrate heading the district level bureaucracy became a very important functionary for the colonial rule. Apart from maintaining law and order and collecting revenue, he became the principal coordinator for all government activities in his district. For the common man he was literally the government and consequently, he was the court of last resort in the bureaucratic set-up in the district.

In fact, the pressure on the district level bureaucrats today is many times more than it was in the colonial days. Gone are the days when a district level bureaucrat could ride from village to village, camp with his entourage whenever fancy took him, and spend days on end getting to know the villagers, their customs, rituals etc. and also their problems. At the same time, he was to ensure that all the central and state sponsored schemes are implemented well in his district. All these tasks hardly leave the district level bureaucracy with any time or scope for an in-depth study of local problems so as to advise any long term developmental strategy for his district.
The above realisation resulted in the idea that it is better to separate some developmental functions from the functions of a district level bureaucrat and entrust or empower these to a separate agency altogether. And it is also realised that the success of any developmental programme largely depends on the active participation of the people. It was in this context that democratic decentralisation, as a concept, took root in the countryside of India. For this purpose the 73rd and 74th amendments in the constitution, the central government enacted a model legislation providing for a three-tier setup and indicating clearly the manner of elections to these democratically elected bodies.

The intention is to have a democratically elected decentralised setup in the district administration with clearly demarcated powers and functions. Consequently, this is a step in the right direction because considering the continental size of the country, a democratic decentralised setup, as an important segment of district administration, appears to be a desirable institutional arrangement.

The objectives of democratic decentralisation is the empowering people through their participation in decision making processes.

Decentralising governance from the "Centre" to States, Towns and Villages-can be one of the best means of promoting people's participation and efficiency in working. In India, the basic and fundamental unit of democratic decentralisation is widely known as Local Self Government (LSG). This term originated when the country was under British administration an did not enjoy and tinge of self government either at the centre or at the state level. When decision was taken by the British government to associate Indians in administering local affairs, it only meant a slice of self government for the people. The important local bodies today are District Boards, Municipalities, Improvement Trusts, Development Boards and Panchayats. Their administrative functions cover a wide
field like education, medical aid, public health, water supply, communication, lighting, sanitation drainage, construction of roads, bridges and culverts etc.

In the Indian context, the panchayats as institutions of self-government are expected to manage their resources and to plan and implement schemes for socio-economic development and social justice. Much depends on how the elected representatives use the available resources for the benefit of the community and how skillfully they perform the functions and also how vigilant and active the Gram Sabhas are. The Gram Sabhas can be regarded as the ‘base’ on which the pyramid of democratic decentralisation rests. Since it is the Gram Sabha whom the Panchayati Raj Institutions (PRIs) represent and to whose needs they must respond to and to whom they must respond to and to whom they must be accountable, therefore, it is incumbent upon the Gram Sabha in turn to be watchful about the general functioning of the PRIs as without the participation of the Gram Sabhas, the PRIs have no way to succeed village people now have a forum in the Gram Sabha for direct participation in managing their own affairs.

"True democracy cannot function through the twenty people sitting in the centre. It should be from base level and by the people of village”, the above statement of Mahatma Gandhi reflects the importance of public participation and people’s empowerment in decision making process. And public participation can be assured through democratic decentralisation or Panchayati Raj Institutions (PRIs). Another major challenge before India bureaucracy is New Economic Policy. The New Economic Policy or Economic liberalisation policy initiated in 1991 were crisis driven. The crisis in the balance of payments and mounting fiscal deficits (both at the level of the central and State Governments) promoted the congress-led Government under the stewardship of Mr. P. V. Narasimha Rao to initiate economic reforms.

During the post-economic reforms (1991-97), India has made some significant achievement in economic growth, industrial production especially
capitalist agriculture. It is found that growth rates in some of the key sectors of the economy such as GNP, per capita income, agriculture and allied activities, and domestic savings from corporate sector have risen in post-reform period.

National development can take place only if the growth rate of the economy sufficiently exceeds the growth rate of population. Thus if country like India growth rate at 6 to 7 percent per annum, prosperity would definitely percolate down to the masses with the concomitant increase in the employments.

The rational and the basic ingredients of the economic reform programmes cannot in any sense be said to adversely affect the poor and the needy if it will implement with right intention and free from corruption. With rapid economic growth it cannot be denied that investment in education, health, family planning, women and children will increase. Better facilities and services can be provided. The sea of humanity that lives in abject poverty in this country can only be uplifted by more investment and improvement in social sector and this is what the economic reforms aim at.

However, in a democratic setup politicians set goals and broad strategic directions, but sound institutional arrangements can determine whether the vision of political leaders get translated into effective policy priorities or not. The rules and norms embedded in the policy making process should be so designed that it curbs the political pressures that can lead to poor decision making and bad outcomes. Evidence across a range of countries has shown that well functioning bureaucracies can promote growth and reduce poverty. They can provide sound policy inputs and deliver critical public good and services at least cost.

In India situation it is to be said that bureaucracy has not fulfilled all the expectations of the people. And it will also be improper to say that bureaucracy does not want to empower people at grass root level, and benefit people from the New Economic Policy. It is a fact that policies and programmes are prepared by
secretaries (senior bureaucrats) of related ministries, then how, without bureaucratic will, New Economic Policy and Democratic Decentralisation policies or any other people-oriented policies have been drafted or prepared?

Finally / lastly it is be said, that, there can be no government without the bureaucracy. This is everywhere. Therefore, however, much it is to wish to the contrary, this institution cannot be done away with. As long as there is a government and the state, the bureaucracy is expected to be one of the indispensable organs of modern democracies.

So it would be a great mistake if the importance of the bureaucracy were not fully recognised by those involved in the developmental effort.
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Certificate

I certify that Ahmad Shamshad, Ph.D. student of the Department of Political Science, Aligarh Muslim University, Aligarh has completed his research entitled "Role of Bureaucracy in People's Empowerment with Reference to New Economic Policy in India". The present thesis is the result of his own research and to the best of my knowledge, no part of it has earlier been comprised in any other form. This is being submitted to the Aligarh Muslim University, Aligarh for the Degree of Doctorate of Philosophy in Political Science.

(Dr. Sohail Jawaid)
Reader


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CHAPTER 1

INTRODUCTION
The term bureaucracy is a very perplexing one and is susceptible to more than one meaning. To a common man bureaucracy means, a system of government characterised by inefficiency, delay, corruption, arbitrariness etc. but in administrative parlance, bureaucracy refers to rule of officials.

The bureaucracy has a very important role to play in the socio-economic development of a country. It brings order out of Chaos by imparting stability to the administrative affairs, specifically, of countries, which suffers from frequent political instability. This is so because of officials are selected on the basis of merit, enjoy permanency of tenure, there is a chain of command, or hierarchy with clearly defined authority and responsibility, and above all the bureaucrats are expected to be efficient, rational, impartial and neutral in their dealings and in the implementation of government policies.

Bureaucracy in its modern form had made its appearance much earlier on the continent of Europe than in England. The reason for this is that the English people, by temperament, are lovers of democratic ideas and institutions, consequently in France, Germany, Spain and Italy, the work of administration at national, state as well as local levels was carried on by persons appointed by the monarch in their respective empires. They were under obligation and responsible to the monarchs and not to the people, but in England, the members of the public bureaucracy were always associated with the national and local administration. Bureaucracy, in its present form, was not in existence in England even in the eighteenth century, while by this period it had fully established itself on the European Continent.

Bureaucracy had existed up to a certain extent even in ancient time in Greece, Egypt, Roman, Empire, India and China. But, the importance of bureaucracy had increased very greatly in the ninetieth century. With the march of
civilization, bureaucracy is bound to grow more and more in importance. In the first place, with the rise of multiplied over night. In made the parliament pass a number of acts to check abuses in Industries. This called for a number of officials to enforce these laws. Secondly, the march towards socialism of the various countries had called upon the state to enter into new fields of administration.

In India, prior to the independence, bureaucracy was primarily engaged in performing regulatory functions i.e. revenue collection, judiciary and the maintenance of law and order. But new however, the situation has changed. The state has assumed the responsibility of multi – faced development of the society and with this the active and positive role of bureaucracy has increased manifold under the Indian condition. For a developing country like India, state is considered to be the main agency for development. It is expected to tackle challenging problems of poverty, unemployment, illiteracy, ill health, environmental pollution etc.

The system of bureaucracy as it exists in India has a continuous history of more than one hundreds years. While three hundred years have been revolutionary from the point of view of country’s social, economic and political life, the organization of bureaucracy under the assumptions, on which it is based have remained unaltered even unquestioned. The legacy has been accepted. During the masses against the British Raj was focussed and directed primarily against the bureaucracy the visible arms of the Raj. It was the District collector and the patwari, who were Raj to the masses. Bureaucratic Rule was based on fear and awe and mass obedient was extracted by repression and suppression of popular demands. All this has changed. Indian masses are highly politicised and conscious of their rights, coupled with this is the fact of structural change taking place in the society with the initiative and effort of the government. Large scale schemes of economic planning, steel plants, heavy irrigation projects, community developments and family planning programmes are changing the old order and ushering in the new. Two aspects made India different in twenty years of freedom what it was for hundreds of years. First, universal adult franchise has politicised
every concern of the country by involving masses in decision making. Secondly, sponsored programmes of economic change, such as new varieties of seeds and fertilizers have resulted in an “agricultural revolution” bringing in its wake prosperity and rising expectations for better standards of living among hitherto neglected and exploited masses. Thus, this heterogeneity and co-existence of many centuries at the same time and the revolutionary impact of “induced” social economic and political change is the “ecology” in which India bureaucracy has to task. Its content, task and roles all have undergone change. But the system of bureaucracy continues to exist in the same shape as it was established by the British in a different environment and for difficult requirement. In India some of the Socio-economic, Political factors that were at work from about the middle of the eighteenth century led to the growth of modern bureaucracy. Since the bureaucratic structure continued to expand and to grow into a large scale organization. In the process of its growth, the bureaucracy developed a highly organised structure and a set of values and norms determining bureaucratic behaviour. When India become free in 1947, she inherited the bureaucracy from the out going regime and have since maintained it with some modifications.

The structure of bureaucracy, which India inherited in 1947 had two levels: (i) the administrative organization of the government head quarters called secretariat. And (ii) field of units of administration. At the field of administration, a district was the basis unit of British Government in India.

Bureaucracy Defined

The word bureaucracy together with “communism” and “imperialism” forms a trident the most forceful weapon in the armory of words so widely used in all the present day political controversies.

A simple word, which in free translation means a “government by bureau” or “desk government” has, in common used, acquired a colour and power as emotion – raiser and battle – cry. Though distortion and caricature it has come to imply “bungling, arbitrariness, wastefulness, officiousness, and regimentation.”
bureaucratic system is monastic, with a single formal line of command and control. It is characterized by a hierarchy of superior and subordinate relationship, in which the person at the top assumes all authority and issues general orders to initiate action. Orders reach the lowest subordinate though a series of layers, states and reward system closely follow the pattern of these hierarchies. There is no effective delegation of authority and not much scope for discretionary decision – making. This type of control centered administration is ideally suited for discharging routine functions, relatively simple technology. The term bureaucracy has been derived from the word “bureau” (French), which means an office or post. So the bureaucracy means a government of official. According to G. B. Shaw; “The bureaucracy consists of functionaries, the aristocracy of ideas, the democracy idolaters.

In the words of Laski; “Bureaucracy is the term usually applied to a system of government, the control of which is so completely in the hands of officials that their liberties of the ordinary citizens”.

Thus in brief, bureaucracy may be used in the sense of a type of administrative organization or government by officials or civil servants. According to Kingsley and Stahle; Bureaucracy is characterised by a hierarchical administrative structure in which each official fits like a cog in a complex machine. In this organization nothing is left to chance. All important relationships are defined in advance, and the pyramid of authority is divided horizontally into levels of responsibility. There is a sense, therefore, in which a bureaucracy is supra organic. However, sometime the term is applied with an opprobrious connotation and symbolises a man eminent for experience, knowledge, responsibility and neutrality. But generally, however, the term, bureaucracy is used in a derogatory sense. And finally, bureaucracy considered to be eager in usurping more and more power and encroaching upon individual liberty. But bureaucracy in its simple sense of professional civil servants, experienced, faithful and honest and indispensable to modern government. A truly representative government with on efficient bureaucracy would constitute on ideal government.
To Willonghby, "Bureaucracy is just one of the three main types of personnel system, the bureaucratic, aristocratic and democratic". The bureaucratic system was found in Prussia. The Prussian civil service constituted a distinct career like those of army and navy, which had a rigid discipline and had secured tenure and had adequate provisions for training, and formed a separate and privileged class in society. The nineteenth century British civil service was aristocratic in the sense that there were sharp distinctions between different grades of personnel and it was not easy to rise from lower to the higher grade. Democratic personnel system was found in America. The American Civil Service, by tradition, has not been a profession. There is no rigidity about age limit and no preference to graduate of particular institutions, of course things have been changing of late, and civil service in the U.S.A administration is also readily becoming a career. However, a substantial proportion of top level jobs are still outside the civil service.

**Max Weber and Bureaucracy**

Max Weber (1864 – 1920), a German Sociologist, was the first Social Scientist to have systematically studied the bureaucracy. Therefore his name is associated with the study of bureaucracy. Max Weber developed a typology of authority and distinguished three pure types – traditional, charismatic and legal. He regarded bureaucracy, sustained and sanctified by purest type of exercise of legal authority, as the most effective form of organization. Experience shows that the purely bureaucratic type of administrative organisation is, form a purely technical point of view, capable of obtaining the highest degree of efficiency and in this sense formally the most rational known means of carrying out imperative control over human beings. It is superior both in intensive efficiency and in the scope of its operations and is formally capable of application to all kinds of administrative tasks. But what is bureaucracy; Bureaucracy is a form of organization, which has certain essential characteristics and these Weber has himself listed. These are (i) separation of office and its incumbent, (ii) Selection by merit, (iii) Fixing remuneration of officials. (iv) The official is subject to discipline and control while
performing his official work. (v) Hierarchy of offices, (vi) Allocation of authority required to discharge these activities, (vii) Allocation of activities of the organization needed to fulfil its objectives, and (viii) strict adherence to rules etc.

Furthermore, Weber himself says: The pursuit type of exercise of legal authority is that which employs a bureaucratic administrative staff, only the supreme chief of the organization occupies his position of authority of virtue of appropriation of election or of having been designated for the succession. But even his authority consists in a sphere of legal “competence”. The whole administrative staff under the supreme authority then consists, in purest type of individual officials who are appointed and function according to the following criteria :-

A. They are personality free and subject to authority only with respect to their impersonal official obligations.

B. They are organised in a clearly defined hierarchy of offices.

C. Each office has a clearly defined sphere of the competence in the legal sense.

D. The office is filled by a free contractual relationship. Thus, in principle, there is free selection.

E. Candidates are selected on the basis of technical qualifications. In the most rational case, this is tested by examination or guaranteed, or both. They are appointed, not elected.

F. The are rewarded by fixed salaries in money, for the most part with a night to pensions. Only under certain circumstances does the employing authority especially in private organizations, have a right to make the appointment but the official is always free to resign.

G. The office is treated at the sole or atleast the primary occupation of the incumbent.
H. It constitutes a career, there is a system of promotion according to the seniority or the achievement, or both promotion is depended on the judgement of superior.

I. The official work is entirely separated from the ownership of the means of administration and without appropriation of his position.

J. He is subject to strict and systematic discipline and control in the conduct of office.

Characteristics of Bureaucracy

Max Weber numerates the characteristics of bureaucracy;

(i) There is the principle of fixed and official jurisdictional areas, which are generally ordered by rules, that is, by laws or administrative regulations.

(ii) The regular activities required for the purpose of bureaucratically governed structure are distributed in a fixed way as official duties.

(iii) The authority to give commands required for the discharge of these duties is distributed in a stable way and is strictly carried by the rules concerning the coercive means, which may be placed at the disposal of officials.

(iv) Methodical provisions are made for the regular and continuous fulfillment of these duties and for the execution of corresponding rights, only persons who have the generally regulated qualifications to serve which are employed.

In public and lawful government these four elements constitute, "bureaucratic authority". In private economic domination these constitute "management". Bureaucracy, thus, understood, is fully developed in political and acciesiastical communities only in the modern state and in the private economy, only in the most advanced institutions of capitalism. Permanent and public office authority, with fixed jurisdiction is not the historical rule but rather than the exception.
The principles of office of hierarchy and of levels of graded authority mean a firmly ordered system of super and subordination in which there is a supervision of the lower offices by the higher ones. Such a system governed the possibility of appealing the decision of a lower office to the higher authority, in a definitely regulated manner, with the full development of bureaucratic type, the office of hierarchy is monacratically organised. The principle of hierarchical office authority is found in all bureaucratic structures in state and in large partly organizations and private enterprises. It does not matter for the character of bureaucracy whether its authority is called “private” or “Public”.

Office management, at least, all specialized office management and such management is distinctly modern usually presupposes through and expert training. This increasingly hold for the modern executive and employee of private enterprises in the same manner as it holds the state official.

When the office is usually developed, official activity demands the full working capacity of the official, irrespective of the act that his obligatory times in the bureau may be firmly devoted. In the normal case, this is only the product of a long development in the public as well as in the private office.

Formerly, in all cases, the normal state of affairs was reserved and official business was discharged as a secondary activity.

The management of office follows general rules, which are, more or less, stable, more or less, exhaustive, and can be learned. Knowledge of these rules represents a special technical learning, which the officials possess. It involves administrative or business management. Thus these are the characteristics of bureaucracy on which a bureaucratic set up is based.

Types of Bureaucracy

Bureaucracy, inspire of its homogeneity, is also shaped by the different external influences i.e. political : social and economic. Still more important may be
cultural influences, such as the German devotion to order and orderliness and the American love of mechanical devices. Thus, each bureaucracy is likely to see itself as a type and to behave accordingly. In broader outline it is possible to distinguish, at least, several types of bureaucracies, depending on the predominance of certain characteristics.

The utility of bureaucracy had been underlined under various shades. The societies felt need to accommodate suiting variety, as they found necessary for regulating their requirements.

1. The Guardian Bureaucracy

There are the two examples of guardian bureaucracy i.e. Chinese bureaucracy upto the advent of the Sung Period (960 AD), and the Prussian Civil Service during 1640 and 1740. This type may be defined as “a Scholastic officialdom trained in right conduct according to the classes” (Marx). Such Civil Service regarded itself as custodian of public interest, was independent of unresponsive to the public opinion.

Now the question arises: What is guardian bureaucracy? Prescription of Plato system as “guardian” were not simply meant to go about doing things as directed: More important was their capacity for the essence or the public interest”. In this sense they were meant to be custodians of the ideals and assumptions about justice and welfare that held together the city – state – political myth, as Plato saw it, which was the ultimate foundation of the community. The guardians were, thus, to serve as the physical representatives of the approved ideology and as it devoted instruments too, yet in the platonic scheme qualification for guardianship was not supposed to be one of the mysteries of divinely guided revolution. On the contrary, Plato sought to put selection for guardianship on a rational basis by systematic utilization of a carefully planed course of education.
The social system of ancient China made it first duty of each official to demonstrate the example of life. This was a matter of knowledge rather than of judgement. Therefore, bureaucracy was a scholastic officialdom trained in right conduct according to the classes rest on the highest organ of the government, the emperor.

To gain for public office, the head men available, the first Han Emperor (206 B.C. – 25 A.D) made it a practice to use their Governors as purveyors of talent. The Government sent candidates to the capital, where they would be questioned by the Emperor and awarded with poets according to their merit. Beginning with Sui period (581 – 618 A.D), a system of civil service examination came to replace the interview. These public examinations held at regular intervals, were not administrative needs. On the contrary for the most especially for the most important positions, they gave more emphasis for the classes as a guided of conduct and to rigid literary standards in dealing with the old textbooks. Although questions were not absent from the examinations of Jang period: as the time went on the entire system developed highly moralistic features and degenerated into memorising growth. Such excesses, however, do not invalidate the underlying concept – that is, to achieve an understanding of the common good by learning.

Several conclusions emerge about this kind of guardian bureaucracy. In the first place, such a bureaucracy can develop because its ultimate guide is unalterable body of doctrine untouched by the changeable winds of current preference.

In following this guide, the officialdom is capable of exercise of power, even the ruler’s power by insisting on the subjugation of power under righteousness.

The guardians bureaucracy of Prussia became the king’s partner in the victorious, because of “enlightened monarchy”.

At times, the light was dimmed by outbursts of naked absolutism bur there was genuine devotion to the “republic”, as Frederick William I had liked to call his State in administration of Cicero. But Republic was what the king said it was. In their concept of duty, therefore, the Civil Servants were as ready to determine the
needs of the public, as they were underlying in the face of interest. Because of their responsiveness to the goals of monarchy and the programme of the state, there were necessity unresponsive to such public sentiment as happened to run counter to the official course. The Prussian guardian bureaucracy of this early period took pride in being inflexible as well as incorruptible in its mission, authoritarian as well as benevolent in its relations with the public, and unimpressed by outside criticism.

2. The Caste Bureaucracy

An early example of the caste bureaucracy can be found in the history of Roman Empire during the century after Diocletain. The last Emperor was a forceful reformer of government. The legal, fiscal and administrative reforms he introduced between 284 and 304 A.D. enable the Christian Empire after him to live on. But his successors have shown the shadow rather than the substance. Eventually, on all pervading public status system pulled down the entire economy.

At first only the officialdom was affected by the spirit of the caste. A precisely defined separation functions degenerated into a large scheme of ranks and titles until in the ends of a vastly enlarged bureaucracy spent must of its time inventing and enforcing minute distinctions in official standing. As time passed, the conversion of private enterprise to public function extended across the entire body of society. Honorific status proved to be an impoverishing burden because each title carried an increasing load of public duty. Finally, a thoroughly unbureaucratized economic order collapsed under its own weight.

"The caste bureaucracy has a class base and "arises" from the class connection of those in the controlling positions" (Marx). The British rulers introduced the class character in the Indian civil service as well the "Civil Lines" where almost all the "Civilians" lived was just the counterpart of the "cantonment" in which the military forces lived. Even today the civil service in India has not been able to shed completely its class character. In the words of Appleby, "personnel.... are arranged self consciously in too firm classes and too many special 'Services'
with barriers between classes and services too high .... There is too much and too constant consciousness of ranks, class, title and service membership, too title consciousness of membership in the public service”15.

3. The patronage Bureaucracy

Another name for the patronage bureaucracy is the ‘spoil system’. Its traditional development began from the U.S.A though patronage had full sway even in the U.K. till the middle of nineteenth century. This type of civil service exists where the public jobs are given as a personal favour or political award. The system it is increasing to note, worked differently in the U. K. patronage bureaucracy marked side by side with an aristocratic social order and fulfilled its purpose. The patronage in Britain was used only for the benefit of the sanctions of the mobility. In the United States, on the contrary, the system worked quite differently and jobs went as spoils to the victorious political party. The patronage was, thus, an exercise in democracy. “The system of spoil began on a minor scale and apologetically with Washington. Jefferson and Adams became a torrent in 1829 when Jackson came into office and from that time until 1883, swept through all the offices of government without let and most usually without moral inhibitions. “The case for the spoils systems were put at its best by president Jackson in his first annual message to the congress in 1829”. The duties of the public offices are, or, at least, admit of begin made, so plain and simple that men of intelligence may readily quality themselves for their performance; and I cannot but believe that more is lost by the long continuance of men in office than is generally to be gained by intrinsic right official station than another”16. Such a system, however, could not produce a civil service competent to cope with the ever – growing complexities of the governmental functions after the setting in of the industrial Revolution. “The patronage system was stood condemned as on anarchy for it’s lack of technical competence, its partisanship, and its want of spirit”.
Whereas in England upto the middle of the past century the patronage bureaucracy had served the purposes on an aristocratic social order, but in the United States was distinctly on the other side. Respect for competence in public office for above contemporary British standards had been firmly accepted in the central department during the Presidency of George Washington. When Thomas Jafferson won control from the federalists, he felt compelled to make better replacements that he could not suffer from the administrative deficiency. But Jafferson was so deeply steeped that in the idea of merit as a condition to government service to slight ability and experience.

After Jackso Linchin Steffens m his time of patronage system never really satisfied himself that the popular rule and effective administration could be brought together within a profit economy, but in an influential part of the public did not share his doubts. To practical men the patronage bureaucracy was a dangerously effective instrument of government at a time when government has being the instrument of free economy, that it was of the most important that the government acquire the expert touch. The patronage bureaucracy stood condemned as an anarchism for its lack of technical competence, its discipline, its erratic ways, its want of spirit.

4. The Merit Bureaucracy

The merit bureaucracy is more simple that guardian, patronage and caste bureaucracy. Even in the merit system, the intelligence is judged of the people, but the patronage bureaucracy is the product of special influence and its willing tools. The merit bureaucracy, in contrast, as governed by objective standards, specially be the principle of admission on the basis of prescribed qualifications as attested by the outcome of a written examination. Thus, most qualified and competent candidates having the chance to enter into the public service. Thus, they remain free from the political pressure, particularly, they are left free to devote himself to
the promotion of the common good without being bridled by special influence as soon as there is a conflict.

Therefore, the merit bureaucracy has its bases on the merit of public officials, and, its aim efficiency of the civil service. It aims at “career open at talent”. In other words, the attempt is to recruit the best men for the public service, their merit being judged by objective standards. This method is usually used in all civilized countries. Appointment to public service is no longer governed by class considerations, and it is no more a gift or a favour. Nor is the public servant may large the self – appointed guardian of the people. The civil servant in a modern democracy is really an official in the service of the people, and is recruited on the basis of prescribed qualifications tested objectively. He owes his job to no one except to his industry, intelligence lack. After entering into the public service on a showing of fitness, the appointee would not assure to stay, therefore, at any length of time. Certainly, he would have little place of mind if the tenure depended on the approval of particular group or, at least, one conduct that would not bring down their wills. For this reason, the merit bureaucracy is usually not supposed proper by legal guaranties or status or stability, expressed in such concepts as life appointment and regular position. Typically, the merit bureaucracy also draws compensation on the basis of a salary Schedule that is not open to discretionary management. Administrators may not decree from pay day to pay day the amount concerned by each sub ordinate or for the various worthy causes, including the local party organisation

The Concept of Bureaucracy

The German economist, Max Weber, employed bureaucracy to mean a rational system of administration. He was followed by other social philosophers, who described it as a system, which increased the likelihood of alienation from work. The modern authors employ this term in a wide variety of theories. To quote Martin Albrow: “It has linked with the growth of territory occupations, with the
differentiation of social functions, with the alienation of man from work, with the
growth of oligarchy and with a general process of rationalization. It has been an
element in many more restricted theories about rules, hierarchy, communications,
participation, and decision making in a wide variety of organization^{18}.

The competing concept of bureaucracy has been brought under seven broad
categories by Martin Albrow: (1) Bureaucracy as a rational organization, (2)
Bureaucracy as organizational inefficiency, (3) Bureaucracy as rule of officials, (4)
Bureaucracy as public administration, (5) Bureaucracy as an administration of
officials, (6) Bureaucracy as the personnel system, (7) Bureaucracy as the
organization, and (8) Bureaucracy as modern society.

They may be discussed in some details as below: -

(1) **Bureaucracy as Rational Organization**

The idea of the rationality was adopted by Max Weber. Peter Balu
comments: "Weber conceived of bureaucracy as a social mechanism that tends
towards the inefficiency and also as a form of social organization with special
characteristics. Both these ideas can not be a part of definition since the relationship
between the attributes of social institution and its consequence is a question of
empirical verification and not a matter of definition"^{19}. He goes on to define
bureaucracy as an organization that maximize efficiency in administration.

Francis and Stone pointed out to the mode of organization which especially
adopted to maintaining stability and efficiency in bodies that are large and
complex. In the same way Peter Leonard called it a rational and clearly defined
arrangement of activities which are directed towards of activities which are directed
towards fulfilling the purpose of organization. The idea of efficiency has appealed
of many people.
(2) **Bureaucracy as Organization of Inefficiency**

The concept of bureaucracy as inefficient organization needs no scholarly treatment. It was the nineteenth century educated elite which treated it as a rational organization. Marchall Dimock has used the concept as the antithesis of administrative vitality and managerial activity. He defined it as the composite institutional manifestations, which tend towards in flexibility and depersonalization. The growth of factors which make it a hallmark of inefficiency are: (a) big size, (b) proliferation of rules, (c) group introversion, (d) too great emphasis on age and security.

Inefficiency is inherent in the structure and functioning of big organizations. The symptoms include over devotion to performance, duplication of work and departmentalism. Crozier in his book the bureaucratic phenomenon describes it as organization that cannot correct its behaviour by learning from its error. From our own experience we have seen how the rules of an organization are used by the individuals within it to their own advantage. After the independence, it is the common complaint that rules have been perverted to benefit the individuals. In one state all those government servants in a department superseded due to the record were prompted after adverse remarks.

(3) **Bureaucracy as Rule by official**

Rule by Officials is said to be the original concept of bureaucracy. It was in this sense that Cournay and Mill, called this bureaumania "an illness of France, which bids fair to play havoc with the people". He went to complain "The offices, the clerks, the secretaries, the inspectors are not appointed to benefit the public interest; indeed the public interest appears to have been established so that offices might exist".

Democracy has been viewed not as a role of a class but as rule for the good of the people. In the scheme, bureaucracy is shown to be compatible with, or even
necessary to democracy. The concept rule of officials has been extremely used. Harold Larki says, “Bureaucracy is the term usually applied to be a system of government the control of which so completely in the hands of officials that their powers jeopardize the liberties of ordinary citizens”\textsuperscript{21}. A student of the French Civil Service, W. R. Sharp called it the exercise of power by professional administrators.

In his essay, “How Bureaucracies Develop and Function Arnold Brecht defines bureaucracy ;” as government by officials\textsuperscript{22}. He separates two types – the legal right to give orders, and two types of power are possessed whenever these are officials. The have these in small or big measures. At the heart of the government apparatus were the officials.

Martin Albrow thinks that seeing public administration in a power complex is only a partial view. Functions are for more manifold that merely providing members of a governing elite. The neutral concept of bureaucracy is without any special reference to the possession of power.

(4) Bureaucracy as a Public Administration

Bureaucracy as an organizational structure was a Fascist’s programme, which kept the state above the society. Here the emphasis is upon the group discharging functions rather than on the functions themselves.

B. F. Hoselitz, emphasising on the pressure group activity of bureaucracy, has observed: “A civil service is engaged in meeting the systematic goals of society as a whole. Bureaucratic apparatus is one of the institutions through which goal gratification activity is performed.

The activities are not visible but the group is identifiable. Some authors have classified bureaucracy into classes, such as caste bureaucracy, where the recruitment is confined to a class; merit bureaucracy where the recruitment is through competition; patronage bureaucracy and professional bureaucracy. The French and the British have developed a deep sense of corporate identity and each
in a striking manner reveals a correspondence between the character of the bureaucracy and the political traditions of society.

(5) Bureaucracy as Administration by officials

Max Weber’s concept of bureaucracy was confined to public administration by officials. The idea of office, hierarchy, appointment, prestige, social stratification are the control parts to the concept of bureaucracy. Riggs has analysed public administration in a framework. He concludes that the idea of administration in accordance with the policies laid down by a legislature is too limited to industrial societies. He suggests a definition of ‘public administrative system’ as structures for allocating goods and services in a government. In the administration of the developing countries like India, bureaucrats are government officials. The characteristics of complex and large administration are hierarchy of authority, rules, system of records and specialization. But some authors have found bureaucracy as much outside as inside the government.

(6) Bureaucracy as a Personnel System

Bureaucracy as personnel system has become a matter of the past, and as a system of administration is of recent growth. It arose in the wake of modern nationalist movement and is due mainly to the need for technical expertise and impartial administration as well as to the great size of governmental organizations.

As understood in the sense bureaucracy may be defined as “the systematic organization of tasks and individuals into a pattern, which can most effective efforts”. According to professor of the personnel, apparatus, and procedures by which an organization manages its work and achieves its purposes. In other words it is a system of personnel administration under which all the employees are organized into a hierarchy of offices, each with a well - defined sphere of duties.
and responsibilities. This is done in order to minimize chances of personal
considerations in the performance of public duties and to increase efficiency of
bringing technical mind to the solution of technical problem. Max – Weber, an
eminent German sociologist, describes it as a “a system of administration
characterised by expertness impartiality and the absence of humanity”.

(7) Bureaucracy as the Organisation

In common sense, it is usual to talk of any large organisation as a
bureaucracy. Talcott Persons in his “Structure and Process in Modern Societies”,
says : “ one of the most salient structural characteristics of such a society is the
main part of relatively large – scale organizations with specialized functions, with
rather loosely tend to be called bureaucracy” . Ferrel Heady writes : “Bureaucracy
is a form of organisation, organizations either are bureaucracies or they are not,
depending on whether or not they have been these characteristics”.

Mortin Albrow thinks that bureaucracy as organizations is a difficult idea :
“The facts of organizational structure are not the same data, to be recorded by any
one who might care to observe, but abstract phenomena which depend upon
interpretative inventiveness”. He goes on to say that boundaries of organizations
are difficult to draw. Hierarchy, rules of labour, careers, qualifications seem to
pervade modern society, and are not simply housed in separate organization.
Perhaps, we can speak for organizations as being bureaucratic; only because they
are a part of a wider bureaucracy modern society itself.

(8) Bureaucracy as Modern Society

Bureaucrats and political executives are not much different. The process set
in motion by them, the institutions they control, have the same behaviour pattern.
James Burnham makes no distinction between the bureaucrats and political
officials, “To say that the ruling class is the manager is almost the same thing to say
that it is the state of bureaucracy”, Like Mosca Bumhan is talking of bureaucratic societies which have become bureaucracies. The difference between the two is wide where the society is composed of the large number in percentage of peasants the ruling bureaucratic class is proposed up by the people. The societies where the dominant working class, having specified originational role exists the whole structure may be seen as bureaucracy. Karl Mounheim has argued that changes in social structure in the twentieth century have made opposition of the concept of state and society out of date. He saw no difference between private and public organizations in respect of power, methods of recruitment, public significance and the personality type of members. Public responsibility is necessary in the whole structure of society. Big organizations and bureaucratic structures are the same level. S. N. Eisenstadt makes a distinction between the growth of bureaucracy and bureaucratization of parts environment. The growth of the organizations involves the bureaucratization of society and that is the necessary thing for society becoming bureaucracy31.

Merits of Bureaucracy

There are various merits of bureaucracy. At the first place, its contribution to governmental administration is not insignificant. Infact, it has made administration more efficient, rational impartial and consistent than was the case in the earlier times. In the words of Herbert Marrison: “Bureaucracy is the price of parliamentary democracy”.

Generally speaking, the merits of bureaucracy may be described as below:

(1) Bureaucracy is Efficient

It is hoped by men and women who devote full time to their narrow specialities. They have developed a method, which beyond question, is technically superior to administration by amateurs or dabblers. Bureaucrats have the
background and know – now to get things done in modern world. There is the universe of large – scale organization and centralized control that a money economy has helped to create everywhere.

(2) **Bureaucracy is predictable**

Since it proceeds from categorical rules and principles, operating from within a context or tight authoritarian discipline and hierarchical status, top officials have every reason to expect that orders will be difficult to be carried out.

(3) **Bureaucracy is Impersonal**

To administer a modern institution is to be objective, not be influenced by any primary group sentiment, to be emotionally blank, to subdue all personal vagaries and biases, at best to approximate the impartiality of a judge on the bench, and, thus, to be fair.

(4) **Bureaucracy is Fast**

Uniformity of rules makes it possible for the modern administrator to process thousand of cases with general formulae. The speedy disposition of innumerable cases would be impossible of each one had to be considered on its individual merits.

Both the good and bad aspect of bureaucracy were well brought out by Lord Morly, the Secretary of states for India, in his classical description of the nature of the Indian administration, “Our administration would be a great deal more popular if it were less efficient and has no value more elastic. Our danger is the creation of a pure bureaucracy competent, honourable, faithfully, industrious, but rather mechanical, rather lifeless, perhaps, rather soulless”. In fact, bureaucracy is not in itself a bad thing, some element of it is indispensable. What is needed is to guard
against its characteristics, defects, and to subject it to a continuous stream of instructed and effective criticism? Bureaucracy, in brief, has to be kept under control. Some one has remarked that bureaucracy is like fire – invaluable as a servant, ruinous when it becomes the master. So, it has both good and bad aspect. It is found in all the civilized countries.

**Defects of Bureaucracy**

The Prime Minister, Mrs. Indira Gandhi, also criticized the machinery of public administration for acting as the stumbling block in the way of the country’s social and economic progress. She preferred a civil service (bureaucracy) consisting of persons “who would think and see that certain things, which are necessary for our progress are implemented properly. The note on basic economic issues, submitted to the requisitionists by the All India Congress Committee held in Delhi in November 1969, contains: “The present bureaucracy under the orthodox and conservative leadership of the Indian Civil Service with its upper class prejudices can hardly be expected to meet the requirements of social and economic change along socialist lines. The creation of an administrative cadre committed to national objectives and responsive to our social needs is an urgent necessity”.

Jagjivan Ram also in his presidential speech to the requisitions at the congress meeting held in December, 1969 at Bombay referred to the ‘neutrality’ of the civil service as a hindrance, adding further that “the theory of neutral bureaucracy is hardly relevant to the Indian conditions”. We need a service committed to the ideal of democracy, socialism and secularism.

The Indian bureaucracy has been a subject of adverse criticism both at the hands of Englishmen and Indians from time to time. Lord Curzon, the Viceroy of India (1899 – 1905), once likened the Government of India to be an elegant – very stately, very dignified, but very slow in its movement. He wrote in his own inimitable style: “Government here .......... Has become very ponderous and slow : I am prodding up the animal with most vigorous and unexpected digs, and it
gambols plaintively under the novel super. Nothing has been done hitherto under six months. When I suggest six weeks the attitude is one of pained surprise, if six days, one of the pathetic protest, if six hours one of stupefied resignation. He was indignant at the bureaucracy's passion for nothing, and the note he wrote to highlight its evils and to suggest remedial measures is of freshness and validity even today. "I am grappling with this vile system in my own department, but it has sealed itself like the old man of the sea upon the shoulders of the Indian Government, and every man accepts while deploring the burden".

Mahatma Gandhi considered the Indian administration as top heavy and ruinously expensive, adding for me, even law, order and good government would be too dearly purchased if the price to be paid for it is to be the grinding poverty of the masses. Pt. Jawaharlal Nehru was always outspoken in his criticism of the Indian bureaucracy, and this trait, he exhibited right through his Prime Ministerial days. In 1936; he wrote "... from one thing I am quite sure, that no new order can be built up in India so long as the spirit of the Indian Civil Service pervades our administration and our public service. That spirit authoritarianism is the ally of imperialism, and it cannot be co-existed with freedom. It will either succeed in crushing freedom or will be swept away itself. Only with one type of state, it is likely to fit in, and that is the fascist quite essential that the Indian Civil Service and similar services must disappear completely as such, before we can start real work on a new order. Individual members of these services if they are willing and component for the new jobs, will be welcomed, not only one new condition. It is quite inconceivable that they will get the high salaries and allowances that are paid to them today. The new India must be served by earnest efficient workers who have an ardent faith in the cause they serve and are bent on achievement, and works for the joy and glory of it, and not for the attraction of high salaries. The money motive must be reduced to a minimum. In 1929, Lord Hewart, a British jurist, published a book entitled, "The New Despotism", whose main thesis is based on the assumption that the powers and authority of the Civil Servants has increased, that British Citizens are looking their liberties under the weight of growing administrative absolutism. Similarly Ramsay Muir in his book, "How Britain is
Governed” (Published in 1930), observes: In our system of government the power of bureaucracy is very strong, whether in administration in legislation or in finance. Under cloak of democracy it has thriven and grown until, like Frankenstein’s monster, it sometimes seems likely to devour its creator. … It has become the most vital and potent element in our system of government, although in the eyes of the law it wields scarcely any formal authority. Professor Robson summarizes the defects of bureaucracy in these words, “The maladies from which bureaucracy most frequently suffers are an excessive sense of self-importance on the part of the officials or an undue idea of the importance of their office, and indifference towards the feeling or the convenience of individual citizens; and obsession with the binding and inflexible authority of departmental decisions, precedents, arrangements or forms, regardless of how badly or with what injustice they may work in individual cases; a mania for regulations and formal procedure; a preoccupation with the activities of particular units of administration and an inability to consider the government as a whole; a failure to recognize the relations between the Government as a whole; a failure to recognize the relations between the Governors and the governed as an essential part of democratic process.

An all-embracing definition of bureaucracy perhaps may be a political actor, an essential ingredient of the political system, a consumer and producer of social products, a power centre, a pressure group, a system stabilizer, a change agent, a political symbol, a political socializer, a social elite, an interest articulator, a political, social and economic system, a source of political recruitment, a decision broker, and an environmental determinant. Bureaucracy is a form of organization dedicated to the concept of rationality, and to the conduct of administration on the basis of relevant knowledge.

The word ‘bureaucracy’ evokes the slowness, the ponderousness, the routine, the complication of the procedures, and the maladapted responses of ‘bureaucratic’ organization to the needs which they satisfy, and the frustrations which their members, clients or subjects consequently endure.
Michel Crozier's study of bureaucracy is of France. His study gives clue as to how structure has links with culture. The concept of state without bureaucracy and administration cannot be conceived. The administration has always been there and would always exist.

Bureaucracy reaches a stage at which it turns on society and reorders it. The child grows up and controls the parents an earlier pointed out. Bureaucracy is a particular kind of offspring: Although it does grow old, it does not die. It seems content to feed on its surroundings and will not be satisfied until it has consumed these entirely. To be more accurate, bureaucracy is a well-oiled, huge, intricate machine capable of one direction – straight ahead – and one speed – moderately slow – that crushes everything in its path.

Bureaucracy for development serves as an advisor, an inventor and a decision-maker. It also serves as a cushion for absorbing the interactive impact of democratic processes on political system.

Apart from impact of the bureaucracy on the nation as a whole, it has a growing influence on an individual, however indigent or affluent he may be. The increasing role of government and bureaucracy in citizen’s affairs leads to a greater dependence of the people on the public decision-making agencies.

The twentieth century has witnessed a phenomenal growth in the powers and functions of the state. This has been mainly due to emergence of the concept of welfare state. The state no longer confines itself to its traditional functions such as defense, administration of justice or maintenance of law and order. The state ensures social security and social welfare for the common man.

The activities of state have expanded and extend from underneath the ocean to above the sky and beyond it, due to welfare activities and enormous problems that we are facing since partition. The country was partitioned on the basis of two nation theory; the continuous, unending inflow of refugees since partition days from the neighbouring countries and migration within the country.
Today the administrative state is concerned with almost all aspects of human life including such areas as social services, education exploration and conservation of natural resources, scientific and technological development and space, satellite and communications research making public services, the largest employer in the modern sector economy of the majority of countries throughout the world. The bureaucracy in India, not content with the total loss of accountability in the assigned fields or even beyond where it has manipulated substantial encroachments, has also made inroads into the judicial system. The consequences are too well known to be repeated.

The modern era is an era of welfare state, whose activities have increased considerably. The civil servants provide the framework of the administration. The undertake the welfare work. Without the services of the bureaucracy no work can be accomplished effectively and the modern era is an age of state welfare. The activities of the state have increased manifold entering the life of the citizen from cradle to grave and so has the grip of the bureaucracy grown tighter and spread for actively. Lest it devours its creator, it is high time to see that the delicate balance of professional autonomy and political neutrality between the bureaucracy and its master is not shattered either by way total subjugation of the bureaucracy or by way of its total dominance. It is to be guarded again that the ‘public servants’ do not turn themselves into ‘masters’ and the real masters – the public at large, the men in the street, the socially, educationally and economically backward classes – become the servants may slaves toiling day and night to feed, to pamper, and to maintained an affluence bureaucracy, the instrumentality created to serve them and their interests.

After all the bureaucracy, after independence, in spite of its background, traditions, education and training has, somehow, isolated itself from the masses and as such is unable to keep pace with the Socio – economic changes. It has so far belied the hopes, ambitions and expectations of the people. It is now viewed as ‘ value laden’ instrument of political power. It has been politicised, through the bureaucrats are trained to adopt a neutral posture in relation to politicians and
political parties. The bureaucracy as a system is not merely a passive instrument to be wielded in for a section but for the welfare of the people as a whole. Administration is a tool of executive actions. The decisions regarding location of development projects are reached by political consensus. Politicians decide and administration obeys, and as such the bureaucracy is an instrument must successfully serve, in a democratic setup, any kind of political regime without being aligned to it. It must have commitment to work for the service of the society and no other commitment. It is to work very closely with the people and as such popular participation in development has to be looked as an impetus and resource. The traditional concept of people as passive beneficiaries has to be replaced by concept of people as active participants which is a continuous and unending process. By peoples participation, the people realize that the administration is their own – their instrument for the execution of their will.
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In order to differentiate this system, some writers have proposed another form of bureaucracy. For instance, Professor Cuy - Clair has suggested the term "Bureaucracy" in his administrocracy: "the recovery of laws and their enforcements". Dr. E. N. Gladden has suggested the word "Bureaucracy".


Ibid., 59.


29. Ibid.


33. *All India Congress Committee*. New Delhi, 1969.


36. Ibid., P. 223.


CHAPTER 2

BUREAUCRACY AND DEVELOPMENT
CHAPTER-2

BUREAUCRACY AND DEVELOPMENT

Today, virtually all developing countries are engaged in extensive and intensive programmes and projects to bring about Socio-economic development. These continual efforts mean to fashion entire societies, and to improve condition and achievement in all sectors, agriculture and industry having regard to environment protection, education, health, urban and rural development, transport, communication and social welfare.

Infact, development has become the centre of politics of most developing countries. The major agency for development is the administrative machinery (in public administration it is called the bureaucracy). Applied to development, it is increasingly being reflected in public administration terminology as “Development administration” Through the application of this new enterprise, economic, social, political and even cultural change be fostered and guided.

The concept of ‘Development’ is used very often still it is not clearly defined. Development never will be and never can be, defined to universal satisfaction, states the Brandt Commission Report.

Michael Todaro described ‘Development’ as a multidimensional process involving changes in structure, attitudes and institutions as well as acceleration of economic growth, the reduction of inequality and the eradication of absolute poverty. Development in the ultimate analysis is about improving the well-being of the people, which is often measured in terms of providing facilities and services that could give them a chance for a better life. Raising standard of living, improving education and health and opening out new and equal opportunities for a richer and varied life are all essential components of development. The essence of
development is to develop the human being and his environment in which he lives and works.

The word ‘Development’ previously would refer to improvement of quality of life. It was a process whereby the real per capita income of the country would be increased over a period of time (Meier – 1984). The word ‘Development’ then meant economic growth. Experiences of planning based on this model were not positive. Standard of living remained stagnant or even deteriorated, while benefits of growth were appropriated largely by only ten to twenty percent of the population. The unequal and discriminating strategy of development thus led to modification of the concept. ‘Development’ is a process with several dimensions and numerous interlinkages for the betterment of the people. Supreme Court of India (1993) in the case of Thomas Kocherry, explained the meaning of development. “Development is not for the sake of development but for the people. Development does not mean increase of production alone but production has to be coupled with distributive justice”. There is a need to reserve the resource base for the future generation. Development must be seen as both a means and an end, both a process and product. People are more valuable for what they are than for what they possess. So the integral development incorporates:-

a) Respect for the dignity of the person through a process of empowerment.

b) Preferential option for the poor, taking sides in order to reconcile the principle of justice.

c) Respect for creation the recognition that people are part of the community of creation and the cosmic order.

d) Building of community for overcoming the divisions in the society.

e) Commitment to liberation.

f) Collaboration with others.
OBJECTIVE OF DEVELOPMENT

a- Raising the availability and widening the distribution of basic life sustaining goods such as food, shelter, health and protection.

b- Raising the standard of living. This includes higher incomes, the provision of more jobs, better education.

c- Giving greater attention to cultural values, all of which will serve not only to enhance material well being, but also to generate individual and national self-esteem.

d- Expanding the range of economic and social choices to individuals, communities and nations by freeing them from seritude and dependency.

e- Transforming social structure, people’s attitudes and national institutions.

f- To ensure effective political and economic citizen’s participation in decision making. Because, people’s participation is an essential requisite in development.

CHALLENGES BEFORE OVERALL ‘DEVELOPMENT’

a) Challenge of population growth.

b) Challenge of economic growth and self-reliance.

c) Challenge of food self-sufficiency and agricultural productivity.

d) Challenge of poverty, unemployment and backwardness.

e) Challenge of industrial and tertiary development and modernization.
f) Challenge of balanced social and economic development and development of human resource.

g) Challenge of Social Justice and equality.

h) Challenge of Sustainable environment and development.

i) Challenge of good management.

j) Challenge of technological change.

k) Challenge of regional and international cooperation.

l) Challenge of fullest people’s participation in developmental process.

The new concept of ‘Development’ seeks to have paths of integrated or unified approach. Today, at this juncture, in order to illuminate the appropriate meaning of ‘Development’, it is very necessary to focus on related concepts such as, decentralization and development, people’s centred development or participatory development, NGO’s and development, socio-economic development and rural development etc.

DECENTRALIZATION AND DEVELOPMENT

Gandhiji advocated the creation of people’s power alongside the power of the state. He even preferred gram rajya to a centralized political state. Vinoba Bhave also spoke about the creation of people’s power. In line with these two great leaders, Jayaprakash Narayan, Popularly known as J.P., Propounded the theory of people’s power, through his concept of Total Revolution. He claimed that the Bihar movement which he spearheaded in the mid-70s (seventies) was a struggle
between “Chhatra Shakti (Student Power) and Jan Shakti (People’s Power) on the one hand and rajya Shakti (State Power) on the other”.

The concept of Total Revolution implies the creation of people’s power. According to the author of this concept J. P, people’s power means: “the restoration of all powers and authority to the masses. In every sphere, the people must have the final say and decide their own destiny. The creation of such a power is the task of the movement for Total Revolution. It is ultimately a struggle for power. The struggle is between the people’s on the one side, and the state machinery on the other.

According to J. P, ultimately the power should be with the masses. It should be controlled by the people for only then can the other aims of social life be achieved. In other words, he wants to give back to the people their power which has been transferred to, or usurped by the ruling elite in course of history. He is not interested in the capture of power but in the control of power by the people. He wants to create a situation in which the people can develop their own power and become the guardians of democracy. J. P even went to the extent of saying: “I am not aware of any instance in history in which a country was developed only by the efforts of the state without the massive participation of the people it is impossible for any nation to be built up.”

The view of Gandhiji, Vinoba Bhave and Jayaprakash Narayan have been clearly reiterated by the constitution of India, according to which, the citizens of India are the real proprietors of the nation and they have the power to decide its destiny. The preamble to the constitution says”, We, the people of India, having solemnly resolve to constitute India into a sovereign, socialist, secular and democratic – do hereby adopt, enact and give to ourselves this constitution”. In other words, the citizens are the final authority as far as the future of this country is concerned. They have all the powers and the authority to rule this country and take decision regarding direction in which it should move. The preamble acknowledges this ultimate, supreme and sovereign power of the people. In accordance with this
basic philosophy of the constitution, the creation of people's power is one of the primary tasks of nation building. In fact, only when the citizens of the land have a decisive say in the various policies and programmes related to development, and only when the interests of the masses are truly taken care of, can we claim that the process of nation-building has reached its climax. Hence, the need to promote constantly those processes that will increasingly enable the masses at the local level to have a decisive say in shaping the destiny of the nation.

Given the huge population of the country, on the one hand and the cultural, linguistic, religious and racial differences of the citizens, on the other, India needs a genuine and decentralized democratic pattern of life. Local self-government is part and parcel of this process of democratization and decentralization. There can not be a true democracy if there is no local government. In fact, in a true democracy the strongest government should be the one which is at lowest level. The governments at the higher levels should increasingly enjoy lesser powers and as they go higher their role should be limited.

In other words, a genuine democracy implies a bottom-upwards pattern of power-sharing and not a top-downwards pattern, as is the case at present. In the bottom-upwards pattern the lowest authority has the responsibility for all that it can do on its own without the assistance of the higher ones. The higher ones come into the picture only in so far as their assistance is required and asked for by the lower ones. This is also known as the principle of subsidiarity. According to this principle, in matters that a lower body is capable of doing, and is willing to do, on its own, a higher body should not have any role. Moreover, the higher bodies should enable the lower ones to take upon themselves as many or as much responsibilities as possible.

The constitution of India has, in fact, clearly laid down that steps should be taken to bring about such a decentralized democratic structure in the nation, so that the power of the people can remain with them and that they can use their power to decide their own destiny. Thus Article 40 of the constitution which belongs to the
section on the Directive Principles of State Policy says. "The state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government". This provision is not something which was created or invented by the Founding Fathers of the constitution. It is based on the historical experience and practice of the people of India. For centuries, generations of Indians practiced different types of local self-government systems and most of these worked rather satisfactorily. Each local unit had its own code of conduct and everyone respected this code.

Gandhiji and Vinoba Bhave perceived the value of such a system and they became advocates of this system of local self-government. They believed that through such a system the masses of the country would become the masters of their own destiny. The provision in the constitution for the introduction of the Panchayati Raj is aimed at that.

Jayaprakash Narayan, the Champion of Total Revolution for the creation of "People Powers" was of the view that "democracy in India must be built on the traditions of ancient India, the concept of dharma should be re-interpreted to suit contemporary needs, and the new polity must be founded on the principle of self-government, i.e., self-sufficient, Agro-Industrial, Urbo-Rural, Local Communities".

But unfortunately the decentralization and development of Indian society still remains a distant dream even after fifty years of independence. The Panchayati Raj system which was aimed at accelerating the process of decentralization and development at the village level did not take roots in most states. Surprisingly, the several Reports of committee and commissions, which came out one after another, did not result in adequate remedial measures. As a result, the responsibility for the development of villages still lies with the Ministry of Rural Development and the planning Commission of central government. More importantly, the majority of the people, who live in more than six lakhs villages, have hardly any sense of participation or involvement in the formulation and
implementation of the development programmes of their own villages. On the other hand, the hierarchically divided Indian Social system in the villages has been able to maintain, by and large intact, the barriers of caste, class, gender, religion etc.

What is the possible explanation for this situation? Since the framers of the Indian constitution deliberately placed the provision regarding the Panchayati Raj System in the section dealing with the Directive Principles of State Policy, it did not have the binding power on the state. As a result, the initiatives taken by the Central and State Governments to implement the Panchayati Raj System have remained partial and incomplete, without any legal obligation. Thus, the state and its apparatus did not lose anything for failing to make the Panchayati Raj System a reality. In other words, the Panchayati Raj System did not have a statutory status and remained a peripheral concerned of the rulers of this country.

At the practical level, the absence of the Panchayati Raj System often accelerated the centralization process and strengthened the concentration of power at the centre. The declining role of the people and the failure of the development process further strengthened the already existing tendencies of centralization in the system. Unfortunately, this unabated trend of centralization increased the difficulties for an effective governance, particularly in the mid eighties.

This led to the search for solutions to the crisis of centralization. Fortunately, the solution took shape in the form of a strong demand for decentralization, grassroots democracy and the strengthening of the democratic institutional structure at the village level. To begin with a few states took lead in formulating and implementing the Panchayati Raj System. Such initiatives also strengthened the case against increasing centralization and turned it into a major political issue. Within a few years, i.e. in the beginning of the nineties the demand took a concrete shape in the form of a Constitutional Amendment that provided the much needed statutory status to the Panchayati Raj Institutions. Thus, in April 1993 the 73rd Constitutional Amendment defined the Panchayati Raj Institutions as
“Self-governing units at the village level” and made the practice of Panchayati Raj Institutions obligatory throughout the country.

The system of centralized planning is under attack in the new era of Liberalization and restructuring of the Indian economy. The role of the Government is being reviewed in the new perspective and efforts are being made to reduce its direct involvement in development activities. The Eighth Plan would like the Government to play the role of a facilitator by creating the right type of institutional infrastructure, particularly in rural areas. It seeks to strengthen the Panchayati Raj Institutions and expand the role of voluntary agencies in Social tasks and Social mobilization. In the perspective of reorienting the role of the Government and reducing its direct involvement in social and economic activities, the Panchayati Raj Institutions are being seen as one of the agencies that can pick up such functions.

The fortunes of Panchayati Raj have possibly suffered because of the partial and instrumental way that they have been perceived by the national policy-makers. The objectives of the local institutions have been perceived more often within the functional perspective of fulfilling the national plan objectives and rarely within the broad framework of expanding and deepening democracy in the country. This uneven emphasis is not only the product of the perceptions of the governing elite but also the consequence of political changes in the country.

The plea to establish democratically elected local self-governments was a vital strategic element in the struggle for national independence. To Gandhiji, a “network of such rural organization (i.e., Panchayats) functioning in the villages without any connection with the government will be the true foundation of civil revolt”. In a sense, the panchayats as instruments of man politics were intended to undermine the British authority in rural India and to become a vehicle to usher in an alternative philosophy of political and economic development. After independence, panchayats in the Gandhian perspective were located in his philosophy of restructuring the government and economic activities. They
provided substance to the concept and economic field and were seen as instruments of a democratic system of governance.

The economic philosophy of Gandhiji was closely inter-wined with his political proposals of restructuring the government. But when the Indian Constitution was being framed the Gandhian views were considered to be outside the realm of practical politics and hence these were not incorporated into it. While there was appreciation for the Gandhian faith in the village republics, the constitution was federal and parliamentary in structure, with a pronounced bias towards centralization. This bias got further accentuated over the years by a widely shared concern to make the nation strong both politically as well as economically. It made the individual and not the village as the basic unit of the political system. As a concession to the advocates of the Panchayati Raj, the Constitution include the following in its. Directive Principles of State Policy: “The state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self – government”. Thus, the Constitution itself, the idea of panchayats becoming building blocks for a new Indian policy was given up. The Panchayat system was not accepted as an alternative form of political and economic organization.

But Panchayati Raj was revived in another from after the recommendations of the Balwant Rai Mehta Committee were accepted. The Community Development Programme were introduced in 195. The organizational structure designed to implement it provided for the flow of power and control from the top to the bottom. The machinery which was devised to implement a programme of people’s mobilization and participation turned out to be a hierarchical bureaucratic organization. Communication and power flowed from the central level to the state level and variegated administration was established at three level of the district, the block and the village. There was a remarkable expansion in the local development bureaucracy that now consisted of block Development Officers, Extension Officers and village level workers. For the first time in modern Indian history, multiple bureaucratic cadres emerged at the block levels below the district. A bureaucratic
network with long lines of hierarchy and communication began to unfold itself. This network was to spread itself even more effectively as the years went by.

Early Scholarly evolutions of the Community Development Programmes found the inadequacy of the governmental machinery itself as a major obstacle to the success of the programme. Too much reliance on government did not help in generating people's participation. The benefits of the programme went to those sections of village society who were already somewhat better off than others. The Planning Commission appointed a study team in 1956 under the chairmanship of Balwant Rai Mehta to review the Community Development Programme in its entirety. From the recommendations of this team emerged the institutional setup of Panchayati Raj and by 1962 most states in the country had passed the necessary legislation to establish these institutions.

As far as the government was concerned, Panchayati Raj was introduced to elicit popular participation in Community Development Programme and to improve upon its implementation. This led to the strengthening of the view that the Panchayati Raj System was established to promote economic development indeed the Third Plan document suggested that the real test of Panchayati Raj “must be its practical effectiveness as agricultural extension agency”. In the view of policy planners, the perception of Panchayati Raj as units of administration and planning gained ground and the government sought support from these units to help it improve its implementation of national plan for development. Local participation was seen as an instrument for the effective implementation of national policies and gradually the view of Panchayats being units of democracy and self—governance receded to the background.

The five-year plans continued to emphasize the role of the Panchayati Raj Institutions in performing functions pertaining to development. The Ashok Mehta committee reinforced this view and looked upon Panchayati Raj as an instrument of local planning and a cost effective way of implementing national development programmes. This was in consonance with the development taking place in the
planning processes wherein decentralization was being emphasized and it was being argued that unless “planning is done from below we may not achieve the desired results” and purely bureaucratic solution without an intimate partnership with political leadership is not possible.

During this period, when Panchayati Raj was established and then it lost its significance there was little commitment to the ideological underpinnings of decentralization. The continued reiteration by Jai Prakash Narain and the Sarvoday movement that the Panchayati Raj Institutions were essentially instruments of village government and democracy became peripheral to the national concerns for making development plans more effective. It was for this reason that while democratic decentralization was being introduced, bureaucratic institutions were also being established simultaneously at local level and were given resources to promote agricultural productivity. The new agricultural strategy was implemented through the bureaucracy and not through the democratically elected bodies.

In such a situation, the Panchayati Raj Institutions become encumbrances which the bureaucracy tolerated while implementing nationally directed programmes. Again, as the Panchayati Raj Institutions were perceived as instruments of plan implementation, politics was seen as inimical to their effectiveness. Unanimity in elections was construed as an indicator of village consensus and initially several State Governments offered prizes to those Panchayats which elected its leadership unanimously. Efforts to keep politics out was also supported by the Gandhians who emphasized that political parties should find other ways of serving people’s interests than by exploiting the Panchayati Raj Institutions for party ends.

Whatever be the concern about politicization, elections unleashed a process by which anyone could gain access to local decision – making. A system of indirect elections meant that vote bank were created with power brokers manipulating them. The state or the central leadership could solicit support from the Zilla Panchayat members who could assure votes from the village. The urge for
the candidates to go directly to the village to mobilize political support was weakened and in the process, the leadership lost touch with reality to a great extent. The group traditionally in power also began to realize the electoral significance of a large number of deprived sections of population consisting of poor, lower and backward class or castes. These deprived groups increasingly became aware of the importance of their vote and slowly generated a movement to assert their rights. However, little political revolution occurred. The evidence available showed that elections had in no way lessened the linkage of the traditional factors of caste and property with power and leadership.

The idealistic image of Panchayati Raj became, in the course of its functioning, blurred and even sullied. The image presented by the Gandhian followers was tarnished because it was apparent that the villages were not conflict-free but were riddled with group rivalry and factionalism. The Panchayati Raj System brought these into open and allowed the contesting groups to seek support from political parties or what was worse, even bureaucracy. The expectations of a consensual mode of operation at the local level were belied; the Panchayats merely provided the means and legitimacy to the dominant groups to remain in power. Those who looked to the Panchayati Raj Institutions as effective instruments of development found to their dismay that the leaders, once embroiled in administrative and political intrigues and squabbles, become primarily interested in accumulating power and distributing patronage. As a result, attention was diverted from these bodies as more urgent national tasks of meeting the food crises, droughts and the economic exigencies induced by two was gained prominence during the sixties.

The neglect of the Panchayati Raj Institutions during the major part of the 1960 – 80 period meant that elections to those bodies were not held and little financial resources were made available to them to implement development programmes. This made the Panchayats ineffective bodies, with a leadership, which had been elected once but did not face the electorate again to continue in office. This did not however, lead to the suspension or abolition of these
institutions but their continuation with old leaders but little activity. This allowed the local leaders to create political links with state level leaders in order to expand their influence to gain benefits for themselves their group or caste members the local leadership was interested in keeping their positions in the Panchayati Raj Institutions. The Congress Party was more interested in the vote banks thus created and was less interested in taking any action that would disturb them. Both the local and central leadership could gain mutual advantages in this arrangement. Several developments took place in the area of politics and planning after 1967. There was a growth of regional parties which initially formed governments in several states. Even though these governments did not remain in office for long and the Congress Party became dominant in the 70’s again, regional concerns began to be placed on the national agenda. The Centre-State relations began to emerge as key issues on the national scene. States openly began to argue that the centre had often acted in an over-bearing fashion and had not respected the autonomy of the states as provided for by the federal constitution and that the states were not consulted in deciding central action that affected their interests. The centralized development planning was criticized for neither reflecting the needs of the states nor allowing them sufficient initiative to highlight their needs.

Over the years the demand for restructuring Centre-State relations have assumed more strident forms which focus round issues of regional autonomy, decentralization and limits on the scope of central intervention in development planning. The Centre has responded by arguing that decentralization will delay and weaken development, accentuate the oppression of the weak, widen disparities and lead to waste of resources.

The demand for the autonomy of the states were strengthened by the growth of factionalism within the Congress Party and the way the economic development had taken place in the country. After the advent of Indira Gandhi, the Congress Party became more and more leader-centred and the power and influence of the state leadership was progressively curbed. One result was that the party was fractionalized and the regional leader-ship draw sustenance from local complaints
against the centre. Leaders at the local level gained support by putting the responsibilities for the persistence of social and economic problems on the behavior and action of the centre.

These feelings had an objective basis. The process of economic development created several kinds of disparities. In spite of national planning, regional disparities grew and inequalities in the distribution of wealth and income widened. Certain states and regions were very poor and others were comparatively prosperous. Those that were poor demanded more resources, more central support and began to nurture the feeling that their economic deprivation was due to the unfair dealings of the centre. Politically such perceptions helped to accelerate cultural, communal or linguistic divisions within society and it was possible for some clever regional leaders to convert issues of economic deprivation into various demands pertaining to regional or ethnic identities.

The victory of the Janta Party in 1977 accelerated some of the political processes that had begun with the decline of the Congress Party and the emphasis on the new agricultural strategy which had led to an unequal development of the different regions. It marked the ascendance of a political coalition in which the supporters of the agrarian interests were senior partners. For the first time, they found powerful representation at the centre as well as in the states. The process of agricultural development saw the emergence of a new agricultural class of people who were independent producers, had benefited from the new strategy and had grown prosperous. This category overlapped with the category called the backward castes who were characterized as “bullock capitalists”\(^\text{10}\). As a political group this category of rich peasants demanded greater resources to control the state and its economy. Strengthening the Panchayati Raj Institutions would provide it with the opportunity for greater power and control that could support it in its struggle to gain dominance at the state level.

The efforts at revitalizing the Panchayati Raj Institutions in the 1980’s must be seen in the perspective outlined above. While the centre looked at the issue of
decentralization and people’s participation from the point of view of providing correctives to the planning processes, the emerging agricultural interests and leadership wanted to strengthen the Panchayats to consolidate their power and shore up their claim of greater autonomy from the centre. But derived decentralization but were motivated differently.

The centre began its exercises to established guidelines for the gradual introduction of planning from below. In 1982, the Planning Commission brought out a Working Group Report on District Planning and laid considerable stress on people’s participation because it was considered necessary “to reduce the unequal distribution of power in the rural areas”. It went on the express dissatisfaction with the existing institutional arrangements of democratic decentralization for “they have fallen prey to power manipulation of the rural elite and have given rise to what may be called inner limits to public participation”.

In 1985, another Committee of the Planning Commission, setup to review the existing administrative arrangements for rural development and poverty alleviation programmes, submitted its report. This committee emphasized that various programmes of rural development would become realistic and meaningful only if people’s representatives were actively involved in the local level planning, design formulation and implementation of these schemes and in the selection of beneficiaries in the anti poverty and employment programmes. “In order that the felt need of the local people and the area are articulated for planning and priorities are effectively established and implemented, there is no better instrument to meet this need than the Panchayati Raj Institutions”.

The concern for decentralization was technical: it was the improvement of the planning process; it was to counter the allegation of too much planning from above. This impression is strengthened by the way Prime Minister Rajiv Gandhi went about to study the responsiveness of district administration during 1988. In an effort to discuss the problems of district planning and Panchayati Raj, the Prime Minister met district collectors at a series of meetings arranged at Bhopal,
Hyderabad, Imphal, Jaipur and Coimbatore. In these meetings, the Prime Minister repeatedly emphasized the primacy of the District Collector in the district administrative system and as the embodiment of the Government at the local level.

Effective decentralization will be the key to effective local self-governance. Decentralization has to conceived as a total package of initiatives and policies that are meant to democratize the system for raising the social and economic capacities of the deprived and exploited sections of society. Specially in a vast country like India, the principle of decentralization should be promoted both in political and economic spheres. People ought to enjoy the right to participate in the decision-making process and for this there must be appropriate institutions at the grassroots level. In India, the Panchayati Raj Institutions (PRI's) have emerged to serve this purpose.

The Panchayati Raj System has three main advantages: (a) the People will have a better understanding of what the government proposes to do, that is, the Panchayati Raj System is an instrument of self-education, (b) The participation of the people both in decision-making and implementation of development programmes helps to choose programmes which serve the felt needs of people improve the cost benefit analysis and bring about a radical social change, and (c) The involvement of the people in the programmes of economic and social activities increases the likelihood of proper maintenance of such activities.

The case for decentralizing the planning process rests on the premise that local problems (and their solutions) can be best understood by the people themselves who live in the locality and experience or are affected by these problems and issues. Hence, decentralization is necessary for achieving both economic growth and social justice.

Though the Panchayats have been conceived as democratic institutions at the micro level, from the time of India’s independence, in practice these institutions gradually lost their importance and become largely in significant
entities. During the decades prior to the 73rd Constitutional Amendment, in many states, even elections to these bodies were not held regularly. Hence, most institutions become moribund, except in some states like Maharashtra and Gujrat, where the Panchayati Raj Institutions did perform well. These bodies were enfeebled mainly because the politicians and the bureaucrats regarded these as rival centres of power and hence tended to adopt a step-motherly attitude towards these

Several studies have brought out the major drawbacks in the functioning of the Panchayati Raj Institutions. These include the following shortcomings:

a- A very large number of elected leaders belonging to the upper class caste discriminated against the lower castes and the poor people.

b- The leadership at the block and village levels did not show enough awareness and capacity to give priority to development functions.

c- About two-third of the people who run Panchayats received no training which would have made them conversant with their duties and responsibilities.

d- The plan process at the Panchayat level did not adopt a scientific approach and

e- The bureaucratic response to change and development was not up to the expectations.

The working Group on District Planning did admit that the formal channel of participation through the Panchayati Raj Institutions, with a view to adhering to democratic principles, had not guaranteed the actual participation of the people in the running of the affairs at the local level.

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to participate in the decision making process and for this there must be appropriate institutions at the grassroots level. In India, the Panchayati Raj Institutions (PRI’s) have emerged to serve this purpose.

The Constitution (Seventy Third Amendment) Bill, 1991, was introduced in the Lok Sabha in September 1991 and was referred to a Joint Parliamentary Committee. On the basis of the report of the Joint Parliamentary Committee, the Lok Sabha passed the Bill on December 2, 1992 and the Rajya Sabha passed the same on the following day. The following are some of the important features of the Constitution (Seventy Third Amendment) Act:

a- The Gram Sabha will be a body of all the adult members registered as voters in the Panchayat area;

b- There shall be a three-tier system of Panchayats, at the village level, at the intermediate level and at the district level. Smaller states with population below 20 lakhs will have the option to have or not to have the intermediate level of the Panchayat unit;

c- At all the three levels seats shall be filled by direct election. However, the chairpersons of the village Panchayats can be made members of the Panchayats of the intermediate level of the respective locality. In the same way, the chairpersons of the Panchayats off the intermediate level can be made members of the respective district level Panchayats. In addition, the members of Parliament (MPs), the Member of Legislative Assemblies (MLAs) and the Member of Legislative Councils (MLCs) could also be Member of respective Panchayats at the intermediate level or at the district levels;

d- In all the Panchayats seats should be reserved for SCs and STs in proportion to their population and one-third of the total number of seats should be reserved for women. Among the seats reserved for the STs and SCs one-third should also be reserved for women.
e- Every Panchayat shall have a five-year term and elections to constitute new bodies shall be completed before the expiry of the term. In the event of dissolution, elections will be compulsorily held within six months. The reconstituted Panchayats will serve for the remaining period of the five-year term;

f- It will not be possible to dissolve the existing Panchayats of amending of any Act before the expiry of its duration;

g- A person who is disqualified under any law for elections to the Legislature of the state will not be entitled to become a member of the Panchayat at any level;

h- Specific responsibilities will be entrusted to the Panchayats to prepare plans for the economic development and the promotion of Social Justice in respect of matters listed in schedule XI. For the implementation of development schemes the main responsibility will be entrusted to the Panchayats;

i- The Panchayats will receive adequate funds for carrying out their functions. Grants from the respective states Government will constitute an important source of funding but the state Governments are also expected to assign the revenue of certain taxes exclusively for the use of the Panchayats. In some cases, the Panchayats will also be permitted to collect and retain the revenue they raise.

It may be noted here that the 73rd Constitutional Amendment is not applicable to Jammu and Kashmir, Meghalaya, Mizoram, Nagaland and certain scheduled areas of some states.

The 73rd Constitutional Amendment Act, 1992 on Panchayati Raj is a historical event in the evolution of our democratic decentralization. It will strengthen the roots of Indian Federalism and also contribute to better planning and
the implementation of the programmes for economic development and social justice. The enactment of the new legislations on Panchayati Raj in almost all the States and Union Territories by April 24, 1994 is a significant landmark in the history of Panchayati Raj movement.

In accordance with the provisions of the Constitution Amendment Act, now almost all states have constituted the Panchayats. To implement the developmental programmes and to involve people in the process, Panchayats have been constituted at the district, block and the village levels known as the Zila Parishad, Panchayat Samiti and the Gram Panchayat, respectively. They are the deliberative wings at the local level and the principal objective has been to institutionalize population participation in the development process. The nomenclature of the heads of the Panchayati Raj Institutions under the new dispensation will be: Sarpanch, Chairman and President at Gram Panchayats, Panchayat Samiti and Zila Prishads respectively. It is unlike Karnataka where all the chairpersons are called “Adhyakshas”.

However, the idea of having different nomenclatures for the chairpersons at different levels will avoid the confusion in identifying the specific elected head.

**Gram Sabha** – is a basic unit democratic decentralized system. The 73rd Act has made the Gram Sabha a cornerstone of the Panchayati Raj system. The Gram Sabha in various States Act and rules has so many differences in its over all functioning, as membership, meetings, Quorum and power and functions etc.

The first difference in defining membership of the Gram Sabha is that where as in Kerala, Andhra Pradesh, Madhya Pradesh, Maharashtra and West Bengal, the Sabha is composed of all the voters on the electoral roll, in Rajasthan all adults residing in the area of the Gram are considered to be its members. The definition of the Gram Sabha as entire electorate, to whom all elected representatives in the local bodies, state legislature as well as Parliament are accountable, has value because it incorporates the traditional institution of the
Gram Sabha clearly into the overall structure of democracy. On the other hand, there is always the possibility of residents who are not listed in the electoral rolls, and the chances are that many of these would be the most marginalized persons who are disenfranchised for a variety of reasons, such people include seasonal migrants, nomads and destitutes. Therefore, there appears greater merit in the Rajasthan definition.

However, the much more significant difference relates to whether the Gram Sabha is considered coterminous with the Panchayat, revenue village, ward or settlement. In Andhra Pradesh and Karnataka the Gram Sabha is defined in relation to a revenue village, whereas in Maharashtra, West Bengal and Rajasthan the unit is much larger and coterminous with the village Panchayat. However, West Bengal also gives legal recognition to smaller units constituted at the level of the constituency called in Gram Sansad.

In a state like Kerala, the size of a Panchayat can range from 10,000 to 75,000 people. It is obvious that participatory democracy of the kind that is envisaged for a Gram Sabha would be impossible for a Panchayat. The Kerala Panchayati Raj Act, 1994, therefore, provides for the constitution of the Gram Sabhas separately for every ward (Constituency). The 1999 Amendment gives legal recognition to even smaller units called ‘ayalkutams’ or neighbourhood groups of around 50 households each.

In a recent amendment of 1999, the Madhya Pradesh Act restricts a Gram Sabha to a revenue or forest village comprised within the area of the Gram Panchayat. However, for Schedule V areas, both the Gram Sabha and Gram Panchayat have been empowered to resolve that even a smaller unit of a hamlet or habitation be recognized as a separate Gram Sabha, and after due enquiry such resolution is binding on government. This is a very significant provision, because probably for the first time in any low, communities themselves have been given the power to define their membership and boundaries Gradually many states appear to be veering towards a consensus about the greater viability of smaller
face-to-face community units, whatever their name, for the exercise or direct democracy.

In most State Acts, apart from the president of the village Panchayat, a range of other authorities including the state government, the District Collector and the district and intermediate level Panchayats have been authorized to convene meeting of the Gram Sabha. In addition, in Madhya Pradesh, such meetings can be requisitioned by one-third of the total members of any Gram Sabha and in Kerala by ten percent 'with items of agenda specified in such request'.

In most states, the responsibility to fix the date, time and place of the Gram Sabha meeting is of the president of the Village Panchayat. In Andhra Pradesh, this responsibility vests with the secretary. In Karnataka, if the Gram Panchayat fails to convene the Gram Sabha as prescribed the Executive Officer shall be responsible to convene the Gram Sabha.

Many state Acts prescribe a minimum number of Gram Sabha meeting to be held in a year, ranging from one in the West Bengal (along with two of the constituency level Gram Sansad), two in Andhra Pradesh, Haryana, Maharashtra and Rajasthan and four in Kerala and Madhya Pradesh. The Karnataka Act prescribes that 'Subject to the general orders of the Government, the Gram Sabha shall meet from time to time but six months shall not intervene between any two meetings. Maharashtra has an interesting clause to disqualify village president who fails to convene the prescribed minimum number of Gram Sabhas.

Some state Acts or Rules prescribe the method by which members Gram Sabha are to be given notice of Gram Sabha meeting. In Madhya Pradesh, for instance, a format is prescribed in the rules, and publication of such notice is mandatory at least seven days in advance of a meeting, by affixing a copy of notice at conspicuous places in each village of the Gram Panchayat area and at the Gram Panchayat office, and by making an announcement by beat of drum in the Gram Panchayat areas. In Kerala, the rules go much further. They require that each house
hold located in the Gram Sabha be served written notice of each meeting for this, the elected ward member chairs a citizen’s committee, which is expected to visit each home in the Gram Sabha to personally serve notice and also verbally canvas attendance.

Most state Acts prescribe a quorum for the conduct of the Gram Sabha meeting. In Kerala, the quorum was prescribed earlier in terms of numbers, and a minimum attendance of 50 members was mandatory. A recent 1999 amendment lays down the quorum as one-tenth of the total membership of Gram Sabha. No quorum is prescribed in Andhra Pradesh. In West Bengal, the quorum is one-twentieth of the Gram Sabha membership. Madhya Pradesh prescribes the highest quorum, at one-third, with the progressive additional provision requiring that at least one-third of those participating must be Women. This provision is of special interest as it makes mandatory the proportional participation by disadvantaged group. A 1999 amendment in Kerala provides the innovation for this not by prescribing a quorum within quorum. Instead, it has prescribed that in the area of Gram Sabha where the number of members of Scheduled Tribes among the members of that Gram Sabha is not less than 50, such members of Scheduled Tribes shall be deemed to constitute a sub-committee of the Gram Sabha, and it shall have all the powers, functions, rights and responsibilities of the Gram Sabha so far as the development matters of the Scheduled Tribes in that area are concerned.

All state Acts or Rules that prescribe a quorum require no quorum when the Gram Sabha is reconvened. This is an obvious and extremely serious loophole which facilitates the ready bypassing of the Gram Sabha by Panchayat representatives or officials. The Madhya Pradesh rules have one redeeming clause that no new item can be discussed in a Gram Sabha meeting which has been recommend because of the failure to muster the prescribed quorum.

With the exception of Madhya Pradesh and that also only with reference to Schedule V areas, all states prescribe that Gram Sabha meetings must be presided
over by the president, or in her or his absence, by the Vice-President of the village Panchayat. In the absence of both, Maharashtra and Rajasthan provide for the election by the Gram Sabha members of a president for the meeting from any member of the Panchayat who is present, whereas Madhya Pradesh allows the secretary of the Sabha to preside.

For Gram Sabhas in Schedule V areas, the relevant rules in Madhya Pradesh prescribe that these must be presided over by a person from the Scheduled Tribes who is elected for this purpose by the Gram Sabha, but who is not an elected member of the village Panchayat. The Gram Sabha is theoretically expected to hold the village Panchayat accountable and the parallel that is often employed is that the village Panchayat is like the cabinet and the Gram Sabha like the legislature. If this is indeed the objective, then this model of the Gram Sabha being presided over by a person who is not a member of the Panchayat is eminently worthy of emulation.

The Secretary of the Gram Sabha in almost all states is necessarily the secretary of the village Panchayat. This may prove to be an unrealistic requirement now that in many states the village Panchayat may contain a large number of Gram Sabhas. If meetings of the Gram Sabha are to be held frequently, or on the same day, it may not be possible for the secretary of the Panchayat to attend all Gram Sabha meetings. The 1999 Kerala Amendment has attempted to resolve this problem by empowering the Panchayat Secretary to nominate other village level officials as secretaries of constituent Gram Sabha. For the still smaller units of neighbourhood committees, these are authorized to elect honorary non-official secretaries. The model of voluntary honorary non-official secretaries elected by Gram Sabhas needs to be considered by all states that have provided for many Gram Sabhas in one Panchayat.

In all states, decisions in the Gram Sabha are to be taken by the majority of members present and voting. In some states, there is an explicitly espousal of consensus as the preferred mode of arriving at decisions in the Gram Sabha, but
even here it is laid down that in the event of failure to arrive at consensus, voting would be resorted to Madhya Pradesh explicitly provides that such voting would be show of hands in all cases except while exercising the right to recall.

The secretary of Gram Sabha is responsible for faithfully recording the decisions of Gram Sabha. In Madhya Pradesh, the minutes are confirmed by the person presiding over the Gram Sabha meeting. On the other hand, in Kerala the minutes have to we read out just before the conclusion of the Gram Sabha meeting and approved by the Gram Sabha members in the meeting itself.

A survey of various states Acts indicates certain common features. Firstly, most state Acts have made provision in one way or the other for what is some what intelligently described as the ‘Watch-dog’ responsibility of the village assembly, to supervise and monitor the functioning of the village Panchayat and government functionaries. In fact, states like Bihar, Goa, Manipur etc. have mandated the setting up of vigilance committees specially for this purpose. In most states, the Gram Sabha are empowered to examine annual statements of accounts and audit reports. Kerala makes the power of enforcing transparency and accountability more clear by provisions for scrutiny of all ongoing and completed works, confirming the eligibility of beneficiaries and knowing the logic of each and every decision taken by the Gram Panchayat on the Gram Sabha area’.

The second almost universal set of powers of the Gram Sabha accorded by various state governments through laws, rules or executive instructions, is the power to approve plans and select schemes, beneficiaries and locations. This requirement arises at least partly out of the insistence by the Government of India in recent years that all works and beneficiaries for schemes sponsored by the Ministry of Rural Development must be approved by the Gram Sabha.

Apart from these two major and significant powers of acting as a ‘watch-dog’ of the working of the village Panchayat, and of facilitating peoples participation in development decision-making, many state Acts contain general
exhortations. These do not add in any way to the ‘powers’ of the Gram Sabha, but are more in the nature of expected duties of functions, which do not actually require legal sanction.

There are a few exceptions of some significant additional powers being legislated for Gram Sabhas in some states. For instance, Andhra Pradesh, Goa and Orissa have given the Gram Sabha the very important fiscal power to identify and recommend areas for additional taxation and revenue generation. The 1999 Amendment of Madhya Pradesh goes further than any piece of legislation so far in empowering non-tribal Gram Sabhas. It has attempted to equip all Gram Sabha as in the state with a wide range of powers of kind that the central Act, the Provisions of Panchayats (Extension to Schedule Areas) 1996, had boldly and creatively provided for Gram Sabhas only in Schedule V areas. These include the following powers;

i) to exercise control over institutions and functionaries in social sectors transferred to or appointed by the gram Panchayat (such as primary school teachers and health workers, primary school and sub-health centres);

ii) to manage natural resources including land, water, forests and minerals within the area of the village in accordance with provisions of the constitution and other relevant laws for the time being in force;

iii) to advice the gram Panchayat in the regulation and use of minor water bodies and awarding minor mineral leases:

iv) power to impose prohibition;

v) power to be consulted before land acquisition;

vi) the right to recall elected members of the village Panchayat after they complete half their term (incidentally, this power goes even beyond the Schedule V Act).
The Provisions of Panchayats (Extension to Scheduled Areas), Act 1996 provides for powers to the Gram Sabha for the resolution of disputes according to tradition and custom, but this vital power of the adjudication of justice has not been operationalised by any state legislature. Nor has this power been extended to Gram Sabhas in non-scheduled areas.

GRAM SABHA AND DEVELOPMENT PLANNING

Whereas most state governments have passed laws or instructions giving the Gram Sabha power of planning development works at the village level, rarely has this extended beyond the approval of beneficiaries. Procedural lacunae and absence of political and administrative will have ensured that even these instructions are frequently breached.

The shining contrast to this countrywide experience is that of the government and people of Kerala and Bengal. What most galvanised the Gram Sabhas was the historic decision of the state government Kerala to earmark 35 – 40 percent of the state plan outlay as united funds for projects planned by the local bodies of this a much as 70 percent was earmarked for the village Panchayat.

Identification of the felt needs of the people became the first step in the decentralised planning exercise. It was accomplished by convening the Gram Sabhas and ensuring maximum participation of people, especially Women and other disadvantaged sections of the society in order to discuss local development problems. In the urban areas ward conventions were organised for the purpose. As part of the effort to ensure maximum participation, the Gram Sabhas were convened on holidays; squads of volunteers visited households and explained the programme; preparatory meetings of mass organisations were held; and an active propaganda campaign using posters, advertisements and involving all branches of the media were resorted to. It is estimated that ground 3 million persons
participated in these Gram Sabhas / ward conventions and of the participants about 27 percent were women.

The discussions in the Gram Sabhas were organised in groups of 25 to 50 members, one for each development sector, one group for SC/ST development and one for women’s development. Given the large size of Gram Sabhas in state, the organization of sector – wise group discussions made it possible for a large number of people to participate in the deliberations in a meaningful manner. Around one lakh resource persons at the local level were mobilised and given training to act as facilitators in the discussion groups. A semi-structured questionnaire was also distributed to help the flow of discussion.

The major gains in the success of the special Gram Sabha meetings were:

1- The felt needs, priorities and development perceptions of the people in every locality were listed.

2- A general awareness was created among various sections of people regarding the decentralization programme, and

3- The basic organizational structure of the campaign was laid:

The needs assessment collected from the Gram Sabha was the raw material used by the gram Panchayat to prepare projects that adhered to the technical standards and norms of the District Planning Board. The kinds of priorities that Gram Sabhas have selected are instructive. To take only one example, programmes related to public health (health care, drinking water and nutrition) have received as much as 12.34 percent of the funds allocated to people’s plan in the state. In several gram panchayats Gram Sabhas have chose to strengthen the supplementary nutrition programme for pre – school children with daily inputs of milk and eggs at considerable expense.
What is relevant to note here is that even in a state like Kerala in which the unit of a village is something of an administrative fiction and where there is no strong village assembly tradition, it is possible for large numbers of members of Gram Sabhas to come together and function collectively for the achievement of their major mandate, with energy, responsibility and shared purpose. What is required first is that the powers of the Gram Sabha be real and substantial (in this case the major chunk of state resources which were placed at the disposal of the Gram Sabha made all the difference). The imaginative methodologies for mass mobilisation and huge volunteer effort were also crucial to the signal success in energising Gram Sabhas for development planning in Kerala.

In reality Kerala has made a unique experiment in the field of democratic decentralization on by involving elected local bodies in the state’s planning process. It was a mammoth exercise as the concept was new to everybody and not only participation of thousands of Panchayat leaders and millions of people had to be ensured but also bureaucrats had to be reoriented.

In the field of Democratic Decentralization, the most important factor is Kerala’s success is their land reforms movement. The land reforms laws were successfully implemented because they were backed by a powerful peasant movement. This political conviction has given rise to a fascinating and unique experiment in social mobilization for decentralization, namely the people’s campaign for Decentralized planning.

In 1996, 35-40 percent of the outlay of the State’s Ninth Five Year Plan was earmarked for the local bodies. By deciding to devolve 35-40 percent of plan funds to the local bodies, the state government ensured that almost every development activity that could be planned locally would, if transferred to local bodies, be planned locally and implemented more efficiently. During 1997-98, it worked out to be Rs 1,025 crore. It may noted that plan devolution to local bodies till a year back had not exceeded 20-30 crores per annum.
75 percent of the devolution was in terms of grant-in-aid and the rest in the form of schemes sponsored by the state government, with the latter component to be phased out over time. In the rest of India, the financial devolution took mainly the form of schemes and grant-in-aid component was confined to a relatively small amount of the so-called united funds. In short, the nature of devolution in Kerala was such that it gave maximum autonomy to the local bodies in drawing up their development programmes.

The ultimate aim of decentralization has to be to give opportunity for as much direct participation of people in daily governance as possible. The development administration at the grass roots level demands day to day involvement of the elected representatives. At the same time, the official’s, experts and voluntary activists at the local level also have their own role. The elected representative, as the co-ordinator of the local development activities, should recognise the legitimate role of others, particularly the officials, and develop a partnership based on mutual respect.

In Kerala the People’s campaign for the Decentralized Planning was formally inaugurated on 17 August 1996, the first day of Malayalam year. The campaign was organised in a phased manner with clearly defined objectives for each phase. The planning process itself consisted of six phases extending over a year followed by the phase of plan implementation.

**Phase - I - Gram Sabha :** The first step in drawing up a local development plan was to identify the felt needs of the people. The local development problems were to be identified by the people of every locality in their gram sabha’s and ward sabhas. A gram sabha, it may be noted, is the assembly of all voters in a electoral ward. Given the relatively larger size of gram panchayats in Kerala, special guidelines had to be framed for organizing the Gram Sabhas effectively. The most important guideline was to hold group wise discussions in each Gram Sabhas.
Phase - II - Development Seminars: After the identification of felt needs in the Gram Sabhas, the next step in the planning process was to make an objective assessment of the natural and human resources of the locality. A series of participatory studies were undertaken in every gram Panchayat and municipality, the most important of which were the following:

Collection of Secondary Data: No attempt was made to collect primary data because of time constraint. Instead, the relevant secondary data available in various registers and records at the local level offices of different line departments were identified and collected in a common data format drawn up for the whole state.
Study of Local Geography and Natural Resources: A rapid appraisal of natural resources was undertaken, using transept walk technique. Eco-zones in every Panchayat were identified by first demarcating the area into various zones on the basis of land form and then identifying the soil, water and vegetation characteristics in each zone. An environmental appraisal of each Eco-zone was also attempted in many Panchayats.

Review of Ongoing Schemes: Each department was to prepare a sectoral report on the ongoing schemes and make them available to the Panchayats and municipalities. However, most departments did not take the task seriously and this was to have serious implications for the spill-over projects of the departments in subject areas transferred to the local bodies. As a result, very few of them found place in the plans of the local bodies.

Survey of Local History: A short local history was prepared by every local body, mostly drawing from oral testimonies and local records. Participatory techniques such as history time line was also encouraged.

Consolidation of Gram Sabha Reports: Reports of Gram Sabha discussion, including lists of problems identified, were consolidated for each development sector in a Panchayat.

Development Seminars were organized in every gram Panchayat and municipality to discuss the above reports. It had been estimated that more than three lakh persons, consisting of representatives from Gram Sabhas, elected representatives, local leaders of political parties, line department officials, local expert etc., participated in the development seminars. Discussions at the development seminars were also organized in small subject wise groups which came up with recommendations as to the projects to be drawn up. A task force was elected by each group to prepare the final project.
Phase - III : Task Forces : On an average, 12 task forces were constituted in each local body cover various development sectors. As many as 12,000 task forces were trained at the village level alone with a participation of at least 1-2 lakhs persons. The task forces prepared around one lakh projects for consideration of Panchayats / municipalities. The task of project preparation demanded participation of officials and technically qualified people in large numbers.

Accordingly, special efforts were made to ensure participation of officials and local level experts. While the chairperson of the task force was an elected representative, an officer from the concerned line department was made its convenor.

Phase - IV : Annual Plan Finalization : With the presentation of the annual state budget by the end of the march, the plan allocation to each local body was announced. Oct of a total state plan outlay of Rs. 28,550 millions for 1996-97, Rs. 10,250 million (nearly 36 percent) was earmarked for the local bodies. This allocation had two components : (1) State sponsored schemes costing a total of Rs. 2,760 million, i.e., schemes which are prepared by the departments but implemented through the local bodies and (2) Grant-in-aid of Rs. 749 crore. The grant-in-aid has three parts. (1) Rs. 39 crore for tribal sub-plan, (2) Rs. 194 crore for special component plan for Scheduled Castes and (3) Rs 516 crore for general sectors.

Plan funds under each of the above heads were developed between urban and rural local bodies on the basis of population. As for the rural local bodies, the total general sector allocation was distributed between gram Panchayats in the ratio of 70 : 15 : 15. For the special component plan of Rs 176.41 crore, a share of 20 percent was fixed for the higher tires. With respect to tribal sub-plans 60 percent was, allocated to district Panchayat, and gram Panchayats and block Panchayats received 20 percent each. Within each tire, the allotment was made...
entirely on the basis of population of each local body. The principle of taking population as the sole criteria has drawn widespread criticism on grounds of equity, as between local bodies some were lagging in development or had to cover larger geographical areas than others. Forty to fifty percent of the plan allocation to the rural local bodies was to be invested in productive sectors and 30 to 40 percent in the social sectors. A maximum of 30 percent of the plan allocation might be spent on roads and other public works including energy. In the fourth phases projects prepared by the task forces were prioritised and incorporated into the plan documents of the Panchayats and municipalities.

Phase - V : Annual Plan of Higher Tiers :

After gram panchayats had drafted their plans, block and district panchayats started preparing their annual plans. This sequential ordering of the processes was made in order to ensure that plans of various tiers were integrated and plans of the higher tiers did not duplicate, but complement those of the lower tiers.

Emphasis was laid on the importance of integrating the different centrally – sponsored poverty alleviation programmes being implemented through the community development blocks with block panchayats plans. There was a strong resistance to this move from both the bureaucracy and elected representatives. This was partly due to genuine problems arising from the existence of separate guidelines for the centrally sponsored programmes, but the main reason was the fear that their decision – making powers would be curtailed and encroached upon.

Block panchayats and district panchayats also organized seminars to discuss their draft plans.

Because of delay in the preparation of the gram panchayat plans, the integration of plans of different tiers could not be undertaken effectively. As a
result there were many instances of duplication of planned activities and also critical gaps between various tiers.

A 300-page Handbook on project preparation was printed. It provided detailed explanation of project proposal formats along with methods of financial analysis. It also included a brief overview of the development perspective for each sector and discussed special problems of woman as well as the weaker sections and intricacies of institutional finance.

Phase - VI : Plan Appraisal :

A sample review of the projects prepared by the local bodies revealed that a significant proportion of them had to be modified to ensure their technical soundness and viability before they were approved for implementation. Realising that the District Planning Committees did not have the technical manpower or infrastructure to undertake a proper scrutiny of these projects, a major improvisation in the original programme of the people's campaign was called for. The concept Voluntary Technical Corps (VTC) emerged to meet the need. Retired technical experts and professionals were encouraged to enroll themselves as volunteers to appraise the projects and plans of the local bodies. Such a volunteer expert was committed to spending at least one a week for giving technical assistance to panchayats. More than 4,000 technical experts were enrolled in the VTC. Orientation programmes were organized for these experts.

Expert committees were formed at block, municipal and corporation levels, drawing from the VTC members and certain mandatory categories of officers. Each Expert Committee had a non-official as its chairperson and the block Panchayat secretary or an officer from the Town Planning Development as its convenor. The Expert Committees were, on the one hand, an advisory arm of the District Planning Committees, helping the latter to appraise the plans and projects
and, on the other hand, a body to render technical assistance to the local bodies the
Expert Committees had no right whatsoever to change the priorities set by the
local bodies. In course of time, the Expert Committees were also given the power
of approval of technical sanctions and a role in plan implementation such as
approval of revised estimates, setting disputes about measurements, inspection of
all works and verification as well as approval of performance/completion reports
of works within certain financial limits.

Training Programme

The experience of the people’s campaign has underlined the vital
importance of detailed preparation and training in ensuring the success of local
level planning. Seven rounds of training at the state level, four rounds at the
district and block levels and two rounds at the panchayat and municipality levels
were organized. The number and composition of participants in the training
programme varied one round to another. Participants in the training programme
may be divided into four board groups. Elected members, officials, resource
persons and non-official experts. There were 14,173 elected representatives in the
different tiers of local bodies. Nearly three fourth of them had been elected for the
first time. Employees directly under the local bodies numbered around 20,000.
Besides, there were 40,000 employees who were being transferred to the local
bodies but for practical purpose they continued to be under the administrative
control and direction of line departments. There was an urgent need for reorienting
these officials on how to function within a decentralized democratic setup and
shoulder local level planning responsibilities instead of merely carrying out
instructions from above. Every round of training started with a discussion of
philosophy of decentralization in general, and participatory planning in particular
and, as a background, the development crisis in Kerala problems of SC/ST
development and gender concern constituted a constant theme in every round.
Annual Plan

The most remarkable feature of the first annual plan of the local bodies (i.e., for 1997 – 98) was the conscious attempt to mobilize additional local resources. The total grant – in – aid to the local bodies was Rs 7,490 million. But the total outlay of the plans of the local bodies exceeded Rs 17,500 million. This was made possible by (1) integrating state – and centrally – sponsored schemes with the local plans, (2) drawing upon the non-plan surplus from the own fund of the gram panchayats, and (3) mobilizing additional local resources from financial institutions and beneficiaries.

There was not sufficient conscious effort to coordinate the cooperative movement and the local planning process during the campaign’s first year. This weakness will have to be rectified so that panchayats and co – operatives work at tandem for village reconstruction. Another major limitation on the first year planning process was that there was very little synchronization of the normal budgeting process of the local bodies and the preparation of their annual plans. Reform of the budgetory procedures of the local bodies with a view to ensuring that all new development works are mandatorily made part of the annual plan assumes importance in this context. During 1997 – 98, a number of new developmental works continued to be carried out by the local bodies out side the plan as either sponsored schemes or their own non-plan schemes. This situation raises the scope for multiple systems of implementation and tends to undermine the transparent and participative system that is sought to be ushered in by the plan decentralization.

The priorities set by the local bodies are also significantly at variance with the past investment pattern in the state plans. Local bodies have given much higher allocation for animal husbandry, housing, drinking water and sanitation.

Contrary to the fears commonly expressed there has been no excessive investment in roads and bridges. Even though up to 30 percent of the grant – in –
aid could have been utilised for the road sector as per the guidelines issued, the
allocation has been only 18.9 percent. The productive sectors received nearly 34
percent of the plan outlay.

There has been no diversion of grant—aid allotted for the special
compartment plan (SCP) for scheduled castes and Sub—plan for the Scheduled
Tribes (TSP). Instead, projects in excess of the grant—aid have been prepared
by many of the local bodies drawing from their own surplus funds and general
sector grant—aid. The emphasis in the SCP and TSP has been on housing and
other individual beneficiary—oriented programmes which have less scope for
misuse.

Gender Issues:

Gender issues had been given a special emphasis in the Campaign. Special
instructions were given to ensure greater participation of women. Also, Gender
and Development was an important theme in the training programmes. In the cost-
benefit assessment of projects, a gender impact statement was made mandatory.
Moreover, local bodies were advised to set apart 10 percent of the plan funds for
projects directly targeting women. Almost all the local bodies did prepare special
projects for women. However, in no district the target of 10 percent could be met.
On an average, 6.68 percent of the state grant-in-aid was set apart for special
programmes for women. A study of these projects also revealed that most of them
were in the tradition mould of projects such as kitchen gardening, backyard
poultry, garment making, etc. There was also significant scope for an overall
improvement of Women’s participation in the planning process.

To rectify the imbalance in the gender composition of the resource persons,
more elected women representatives were inducted as resource persons. The
guidelines with respect to women’s participation and Women Component Plan
(WCP) were elaborated and strengthened. A provision of 10 percent of the grant-
in-aid in the local plan for the WCP was made mandatory. The gender impact
statements were also to be strictly scrutinised during the appraisal stage by recruiting more women experts in the Voluntary Technical Corps (VTC).\footnote{18}

An overall analysis of the condition of decentralization and people's campaign for the Ninth Plan the state has entered into an era of a new development culture. With this campaign, for the first time in the history of our country there has been a process of genuine planning process from below. The campaign has also successfully contributed towards strengthening people's unity in development action and has generated a new development consciousness in the state. They have certainly set a foot the democratic process, which has proved through the ages to be one of the most vigorous catalytic agents of both socio-economic and political revolutions.

In another side over decentralization and development that the West Bengal experiment with Panchayati Raj Institutions presents also a model and a path which could be usefully emulated. At a time when the Panchayati Raj Institutions in most parts of India have been relatively unsuccessful, due to bureaucratic control, political interference of State Governments, inadequate resources, elite domination and total isolation from the people, the West Bengal experiment with Panchayati Raj initiated in 1978, under the new left Front Government has attracted wide attention of scholars, Indian and foreign, who saw in this alternative West Bengal strategy a "grand design" for social transformation and the precursor of a new social order. The new Left Front Government, with the CPI (M) as its dominant partner, with its Marxist ideology, conducted a massive party based election for twenty five million eligible voters in the villages to elect 56,000 Panchayat functionaries in 30,000 rural constituencies for 15 Zilla Parishads, 324 Panchayat Samitis and 3,242 Gram Panchayats under the West Bengal Panchayat Act, 1973. This Act had been passed during the Chief Ministership of Siddhartha Shankar Ray, but remained in hibernation for inexplicable reasons. It goes to the credit of the Left Front Government that Panchayat elections have been held regularly since then at five year intervals.
The Front won the 1978 elections hands down, and during the next three years of Left Front Government rejuvenated the Panchayat System and entrusted these institutions with comprehensive responsibilities and endowed them with considerable resources. It brought the rural population and the state administration closer to each other, applied the techniques and mechanisms of participatory democracy and helped in heralding a fundamental and durable change in West Bengal. This remarkable record within three years led even the worst critics of Left Front government to concede that the new government might be able to bring about a genuine reform of the local government on at least one state while working within the constraints of the prevailing social and political structure. Foreign based relief organizations praised the role of the new Panchayats in organizing and conducting relief and reconstruction programmes after the devastating floods in 1978 and 1980 and the severe drought in 1979, which tested to the extreme limit the capacity of the newly elected leadership. It also established the fact that the local leadership had initiative, organizational ability and management qualities. During the about last twenty years of its working Panchayati Raj in West Bengal has been able to carve out a crucial role for itself in the process of economic development and social change. This has become possible due to four distinct but inter-related factors: (i) administrative decentralization; (ii) decentralization of political power; (iii) participatory democracy at grass roots level, and (iv) the role of the local self-government institutions in comprehensive rural development through Operation Barga and land reforms. The main focus of the West Bengal Government’s policy regarding Panchayati Raj has been three-folds namely; (a) acceleration of organizational development; (b) development of human resource; and (c) effective implementation of various rural development programmes, including the central and state-sponsored comprehensive integrated rural development programmes through the three tiers of the panchayat bodies.

In order to develop and efficient and responsive administration, it recruited local and rural youth, ("sons of the soil") to the newly created posts of assistants and Gram Panchayat secretaries and placed the Gram Sevaks (village level Public
Servants) under their disposal. It also made the services of government bureaucracy available to the Panchayat Samitis and the Zilla Parishads. These functionaries could easily communicate with the peasants and cultivators and rural people in general in their own language and idiom for educating them, providing information and creating awareness of their own needs as well as the government’s programmes and policies. The cumulative effects of all these actions was the exposure to field problems, response to the challenges, development of initiative and innovative capacity. Massive training programmes were organized by the Department of Panchayat and community Development for imparting knowledge, skill and motivation to the newly appointed field workers. Emphasis on financial management, resource management and programme management became the ground rules for the successful management of the Panchayati Raj Institutions. The Zilla Parishad was vested with the intra-institutional leadership for managing, rural development programmes.

The empowerment of the people, democratic decentralization and participatory management processes are the main planks of the three-tier Panchayati Raj System in West Bengal. After the Panchayat elections in 1993 and subsequent elections to the Gram Panchayats in Darjeeling Hill Areas, there are at present 3325 Gram Panchayats, 340 Panchayat Samitis and 17 Zilla Parishads, including one Mahakuma Parishad for Silliguri subdivision of Darjeeling district. Each Zilla Parishad and Panchayat Samiti has ten “sthayee samitis” (Standing Committees) which among themselves cover the whole gamut of rural development, matters related to public importance and felt needs of the rural people. The local district and block level officials are associated with these sthayee samitis so as to ensure effective interaction between elected representatives and Government officials. This has generally resulted in a coordinated approach to planning and implementation of different programmes.

The ten sthayee Samiti at the Zilla Parishad and Panchayat Samiti level are:

(i) Finance, Establishment, Development and Planning,
(ii) Forest and Land Reforms,

(iii) Agriculture, Irrigation and Cooperation,

(iv) Public Works and Transport,

(v) Public health and Environment,

(vi) Education, Culture, Information and Sports,

(vii) Cottage and small Scale Industries, Relief and social Welfare,

(viii) Fisheries and Animal Resources Development,

(ix) Food supplies,

(x) Power and Non-conventional Energy sources.

Besides, a Samannay Samiti (Coordination Committee), headed by the Chairperson of the Zilla Parishad or the Panchayat Samiti, as the case may be, coordinates the functions between a standing committee and the panchayat body and also amongst the different standing committees and monitors the functioning of the lower tiers of the panchayat bodies. Important amendments to the 1973 Act have been made to ensure conformity with the provisions of the 73rd and 74th Amendment Acts. The 1993 elections were held on the basis of these amended provisions. Before the 73rd Amendment Act came into force, the state had amended the relevant Panchayat Act in 1992 itself to make provision for reservation of one third of the seats for women as well as the SC/ST Population. The panchayat Act was further amended in 1994 and 1995 so as to conform to the relevant provisions of the constitution. The net impact of these amendments has been positive and beneficial in as much as procedural problems could now be overcome, efficient administration made available, financial resources transferred, so these institutions, could become self – propelling units of a participatory democracy. In fact, the
people's participation in decision making, grass roots planning and programme implementation has been supposedly the moving spirit and the motive force behind the successful development efforts in west Bengal.

The 1992 Amendment to the West Bengal Panchayat Act has also provided for the creation of a new body at the village level, called "Gram Sabha", meaning a village assembly, a body consisting of persons registered in the electoral rolls relating to a village comprised within the area of a Panchayat at the village level. Thus far, the amended West Bengal Panchayat Act, is in conformity with the central legislation. But it has, in fact, gone further: it has also created a new and unique body called "Gram Samsad" meaning a village Council, to perform a wide variety of functions such as identifying anti-poverty programme beneficiaries and mobilizing mass participation. A meeting of the Gram Samsad, consisting of the electors of a Gram Panchayat constituency, has to be convened twice a year, in May and November, in which the Gram Panchayat will present a report of the work it has done and its plan for the future. Besides, a meeting of the Gram Sabha, a bigger body, has to be convened once a year, in December, in order to prepare, consider and recommend the annual statement of accounts of the Gram Panchayats, the administrative report of the development programmes of the Gram Panchayats in the previous and the current financial years, programmes of adult education and family welfare, and proposals for new taxation or the enhancement of existing taxes.

It undertakes laudable functions such as the identification of beneficiaries for poverty alleviation programmes, mobilization of public resources in cash, kind or labour, promotion of social harmony in the village, and assistance in the implementation of developmental schemes in its area. Further, the project/schemes identified for the Gram Panchayats on the basis of Gram Panchayat Resource Inventory (GPRI) have to be placed before the Gram Sabha in order to ascertain whether the relevance of the project/Scheme are in accordance with the felt needs of the people. The Gram Sabha also decides on the priorities of the projects/Schemes according to the requirements of the village community so as to
match them with the available funds. It identifies the families below the poverty line and the beneficiaries for support due to old age or some handicap, etc. and prepares a list of families for coverage under various programmes such as Integrated Rural Development Programme (IRDP), Training of Rural Youth for self-employment (TRYSEM), Development of women and Children of Rural Areas (DWCRA), Million Wells Scheme (MWS), Indra Awas Yojna (IAY), etc. In consultation with the Gram Sabha, the Gram Panchayats prepare five-year perspective plans as well as annual action plans for each village.

It is, therefore, quite obvious that under the new dispensation, different sections of society, including the youth, the non-governmental organization (NGOs), and other village level institutions would have greater opportunity in participating in local level projects / schemes. They would also be able to take part in activities, which are now very broad-based, and cover the whole gamut of socio-economics tasks assigned to the local bodies under the new Eleventh Schedule of the constitution, which was inserted by the 73rd ‘Amendment Act’. The new bodies of Gram Sabha and Gram Samsad are intended to make the Panchayats more democratic, responsive and accountable, and to ensure transparency in their functioning. If properly organized and successfully conducted, the meetings of these two bodies can go a long way in enhancing the credibility of the Panchayat Institutions as genuine and effective vehicles and facilitators for rural development and social charge. The would probably become the “Sentinel” on the “qui vive”, to use a legal phrase and watchdogs of the basic rights of millions of rural people to participate in the decision-making and planning process. These bodies can be looked upon as vibrant instrument for facilitating and strengthening the process of people’s participation and involvement in the development process.

However, in order that the process of empowerment initiated by the 1992 legislation can achieve the desired result, such participation and involvement must be sought to be maximized. Activating and motivating the rural people will need efforts for awareness-generation on the part of the Panchayat leadership at the granroots level as well as the party functionaries and change-agents,
communicators and professional trainers, and more importantly, the non-governmental organization.

It has to be admitted that with the functioning of the Gram Sabha and the Gram Samsad, and the formation of the District Council in West Bengal, the Panchayats in the state have become responsive and effective vehicles for identification and resolution of local problems, for ensuring social justice and for improving the quality of life of the people.

A lot of responsibility has now developed on the Gram Sabha to play a major role in the planning and implementation of developmental programmes at the village level through large scale participation. The 1992 Amendment Act has come at a very critical moment for the West Bengal Panchayats; it has instilled a new life in these institutions and their leadership, has encouraged a flurry of activities, and has created a positive mood of buoyancy and high expectations. Academics and trainers at the State Institute of Panchayat and Rural Development (SIPRD), Kalyani, in the District of Nadia, as well as district level functionaries have been busy providing training and instructions to the elected Panchayat leadership, officials and the village people, so that the best use could be made of the process of empowerment initiated by the 73rd Amendment.

However the Panchayati Raj Institutions need to be strengthened in order to ensure democratic governance at the lower levels. However, decentralization would be effective only when the states are serious about it. Otherwise, what emerges would be only a phoney decentralization. It has been rightly observed.

Whatever the framework in which the states would like to operate, decentralization without political will and the cooperation of the bureaucracy to share power with the lower tiers of the administration is no good.

The centre the states and the local bodies should genuinely believe in decentralization. To quote an authority on rural development: “Panchayats as decentralized units can be sustained only if they are part of a wider philosophy and
drive for democratic decentralization across the board, i.e., starting from the centre
itself.

The following are some of the preconditions for the success of the
Panchayati Raj Institutions.

a- The State Government should setup special organizations devoted to rural
planning, to train the elected members and officials of the Panchayati Raj
Institutions in the techniques of economic planning;

b- Steps should be taken to ensure the administrative neutrality of Panchayat
Raj Officers with regard to policy decisions at the level of the Panchayats;

c- The concept of “Party less Democracy” is relevant in the context of
Panchayati Raj and this needs to be studies seriously;

d- There is a need for a separate district development officer to look after the
development administration of the Panchayati Raj Institutions, along with
administrative and technical personnel and financial resources.

Measures to strengthen the Panchayati Raj Institutions should include the
following :-

a- The devolution of powers and functions should be carries out successfully;

b- There is a need to integrate the DRDA with the Panchayati Raj Institutions.
The DRDAs have not been brought the Zilla Parishads despite government
orders. This could be counter productive as the duplication of
administrative machinery could result in a conflict of interests;

c- A National consensus between the Political Parties is essential in order to
take appropriate steps that will strengthen the Panchayats;
d- There is a need to constitute district level planning committees so that the Panchayati Raj bodies can have a say in getting local plans included in the district;

e- Inter-tier linkages between the three tiers of the Panchayati Raj Institutions are necessary; and

f- The Panchayati Samiti should be considered a unit of planning.

The Panchayati Raj Institutions should enjoy financial autonomy and hence, the more provision of adequate funds is not enough. We have to remove controls and supervision by the State Government over the decisions of the Panchayati Raj Institutions involving financial commitments relating to budget, taxation, expenditure, contracts, staff appointments, disposal of assets, etc. of course, the Panchayats alone are responsible for their decisions and failures.

The Panchayati Raj Institutions must levy and collect their own taxes and manage their resources. However, most revenue sources under the control of the local governments are inelastic in nature and hence they will find it a challenging task to meet the growing expenditure commitments. Through a judicious allocation of tax sharing and a generous and selective grants-in-aid, the state finance commission has to ensure vertical fiscal equity.

Agencies like the DRDA should be abolished. Their functions, staff and resources should be handed over to the elected Zilla Parishads. The resources at the disposal of these agencies should be pooled together into a unified and united fund and made available to the Panchayats. The state finance commissions have to play a vital role in this regard.

The Panchayati Raj Institutions should think in terms of attaining their own resources on the following line:
a- Better exploitation of the fiscal domain (including user charges) granted to the Panchayats under legislation presently in force;

b- Expansion of their fiscal domain beyond what is presently legislated, in directions presently untapped by any level of the government;

c- Expansion of their fiscal domain to include taxes presently levied at the state level, through a re-assignment of powers of levy from the State Government to the Panchayats, either individually or concurrently;

d- Higher shares of presently shareable state taxes; and

e- Moving the presently non-shareable state taxes into the shareable class where the limit for this would be a flat sharing of the aggregate state revenues among local bodies.

It is said that unless the Panchayati Raj Institutions are able to generate at least one half of the funds required, their autonomy would suffer. It is also suggested that unless the local governments have at least the power to determine the rates of taxes assigned to them, these do not pass the test of local taxes.

The constitution (73rd Amendment) Act contains some provisions regarding the finances of the Panchayati Raj Institutions and these provisions need to be put into practice by the State Governments. These are:

a- Authorize a Panchayat to levy, collect and appropriate such taxes, duties, tolls and fees in accordance with such procedure and subject to such limits;

b- Assign to a Panchayat such taxes, duties tolls and fees levied and collected by the State Government for such purposes and subject to such conditions and limits;

c- Provide for making such grants-in-aid to the Panchayats from the consolidated fund; and
d. Provide for the constitution of such funds for creating all moneys received, respectively, by or on behalf of the Panchayats and also for the withdrawal of such money therefore, as may be specified in the law.

It is suggested that there should be an independent authority to carry out the social audit of the funds and programmes earmarked for the scheduled castes and the scheduled tribes and to ensure the realization of the intended objective”.

The Panchayati Raj Institutions should not operate pre-conceived schemes passed on to them with funds from the state or central Governments. On the other hand, they should design their own schemes in the larger interests of the people of their area. Moreover, the Panchayats and the State Government machinery should not be in loggerheads. All should accept that the Panchayati Raj System is a reality and it has emerged in order to serve a good purpose. For genuine decentralization and self-government the Panchayati Raj Institutions, co-operatives and the voluntary agencies must work not only in harmony but also in collaboration with one another. Above all, there must be a strong political will in sufficient measure among the state and central political leaders to strengthen the Panchayati Raj Institutions by providing these with real power and autonomy.

After all above discussion, it is clear that Democratic Decentralization is a comprehensive and major political reform and, therefore, can be implemented only as a part of a political agenda. If the numerous micro-level experiments, theoretical discourses or movements for further decentralization efforts are to become universal and sustainable, they would have to be a part of a political strategy.

Decentralization creates a basic organizational framework within which mass initiatives for development can be unleashed and a broad spectrum of development experiments carried out. Local self-government has emerged as an automatic choice for institutionalizing the new democratic initiatives. Infact, it constitutes the fulcrum around which the new development strategy revolves.
PARTICIPATORY DEVELOPMENT

"Participatory Development" is a limited developmental notion and could be defined as the partaking of a maximum of concerned social and political actors in identifying, designing, planning, implementing, monitoring and evaluating development activities including control and decision making over the allocation of financial resources. Participation is associated with empowerment, because individuals and social groups required the abilities to assert themselves and to gain negotiating powers, in particular under privileged groups. In its broader political sense, "Participatory Development" relates to a democratization process in societies with respect to the consolidation of civil society, respect for human rights and good governance. As such, "Participatory Development" is not only a concept, but an ideal state of affairs and the means for achieving such a state. It is a development tool as well as a goal of development.

"Participatory Development" should not automatically be associated with a specific class or group of people. In this sense, it is important to distinguish "Participatory Development" from the two often synonymously used terms "people’s participation" and popular participation”. "Participatory Development" provides for a more abstract and dynamic notion than "people’s participation” and "popular participation” "Participatory Development” is more widely used in conceptual discussions. "People’s participation” is also a catchphrase is current development language, in particular among NGO s. There is an elusive character to the term ‘people’. In the context of 'people’s participation', the people referred to are usually the targeted beneficiaries. Definitions of ‘people’s participation’ often suggest that people constitute a homogeneous development group rather than emphasising their role as citizens with social and political rights who have different options to participate in political and development processes. Prem N. Sharma and Mohan P. Wagley argued that “People’s participation is viewed as a dynamic group process in which all members of a group contribute to the attainment of common objectives, share the benefits accruing from group
activities, exchange information and experience of common interest, and follow the rules, regulations and other decisions made by the group. Need for people's participation is articulated in terms of efficiency and / or cost-effectiveness, equity in distribution of benefits, sustainability and empowerment of the people.\textsuperscript{30}

People is used as a slightly more general and abstract word than "beneficiaries" pretending to give a methodology or implementation strategy a wider conceptional notion. Participation then means the involvement of "our beneficiaries", or "our people" in the implementation process or, to a much lesser extent, in the decision making process and monitoring or evaluation of activities. Such attitudes often reflect a patron-client relationship between the development agency (Governmental or non-governmental) and the targeted beneficiaries.

In this context, "people's participation" would not involve considerations on political and administrative structures. In a different political context, the term "people" suggests romantic political visions and bears ideological associations.

'Popular Participation' is also synonymously used with participatory development. Many development activists use it when referring to decision-making rather than mere involvement of project beneficiaries in the implementation of development programmes. The term 'popular' to some extent, is associated with a notion of class by suggesting a unity (of political and economic interests) of the people against the King, the rulers or the leaders. 'Popular Participation' does not specifically refer to development and to development of societies. It also does not (as participatory development does) specifically relate to the process character of development and to the transition of societies. Nevertheless, it is also frequently used in development language.

"Popular participation" focuses on the excluded groups. The World Bank, consciously avoiding the political arena, refers to 'Popular Participation' as "Participation of the poor and others who are disadvantaged in terms of wealth, education ethnicity or gender. It seemed obvious to us to focus on the participation
of these poor and disadvantaged groups because, although often the intended beneficiaries, they are usually without voice in the developmental process.”

Recognizing that the poor are not the only actors in World Bank Development Project, the Bank prefers to write and speak about ‘stakeholder participation’ including ‘borrowers’ (elected officials, line agency staff, local government officials), indirectly affected groups (NGOs, private sector organizations) and ‘the Bank’ (their own staff and shareholders).

Stiefel and Wolfe conclude that, “The central issue of Popular Participation has to do with power, exercised by some people over the people, and by some classes over other classes.”

“Participatory Development” refers to a process character. Gerald W. Fry and Galen R. Martin stress the ‘process character’ in their definition of development.

“Process leading to a higher quality of life for a given population. Development involves both the determination of goals and the means of achieving these ends.”

The emphasis on the process character implies dynamic structure and transition of society. David C. Korten also stresses that ‘Development’ should be considered as a ‘client’ and ‘process’ oriented approach. S. N. Mishra points out that “Development” is not a mere economic term as “growth”, but encompasses social and political development. Development refers to qualitative and structural changes. The meaning of “Development” has a technical-instrumental as well as a historical-analytical dimension. This study works with a pragmatic definition of “Development”, it considers “Development” as a process of improving the living standard, referring to economical, political, ecological, social, cultural and psychological aspects. “Participation” as further elaborated in this chapter also has different meanings and is used in a political, social, administrative and technical context. The term “people” has the most general connotation. People as human
beings, as a group of friends enemies or project beneficiaries: inhabitants of a village, city or a country, in a political context the terms is synonymously used with masses or in connection with nation and democracy.

In international development language, "Participatory Development", has become a fashionable catchword, a plastic word. Given the elusive character of "Participatory Development", many development administrators and researchers avoided elaborating on the definition of conceptual framework. Definitions would have limited the scope of interpretation and would have invited for political judgement.

John M. Cohen and Norman T. Uphoff stated that, "It (Participatory Development) appears more fruitful and proper to regard participation as a descriptive term denoting the involvement of a significant number of persons in situations or actions which enhance their well-being e.g. their income, security or self-esteem".

Since that late 1980's, Participatory Development has become increasingly associated with a paradigm change, in development theory, Participatory Development favours a bottom-up instead of a top-down approach, acknowledges perceptions of local people instead of following expert opinions and abandons paternalistic intervention processes.

The paradigm change was also put in a wider political context, bringing about grassroots democracy by empowering local communities through their involvement in decision-making processes.

"Participation" has not only different meanings, but also different forms. Participation may be constructive or obstructive with regard to the achievement of conceived objectives, it may occur 'within the system', 'outside the system' or 'against the system'. A distinction should be made between direct and indirect modes of participation. In the latter case, representatives act on behalf of people. These representatives may be elected, may be nominated, may be selected or
appointed by governments or boards of trustees, or may simply represent qua authority.

Forms of participation also vary in respect of differences in cultures, traditions, values and institutional structures. The UNDP Human Development Report 1993, incorporating views of different nations and cultures, makes a general distinction between.

a- household participation,

b- economic participation,

c- social and cultural participation (right to culture), and

d- political participation (individually and collectively)\(^38\).

Participation has for a long time emphasized the link between economic development and participation: a nation’s level of political participation co-varies with its level of economic development. It was also presumed that a traditional society which lacks appropriate institutional structures, is non-participant while modern society\(^39\).

When development policy makers, administrators and researchers discovered “Participatory Development”, they pointed out structural constraints of traditional and formal participation of the poorest and developed alternative models to involve them in the implementation of development facts.

Development managers focused on non-conventional participation models outside the framework of established institutional structures.

However, Participatory Development has been described in the context of the related theories of democratic decentralization, good governance the civil
society debate, the respect of human rights and sustainable development. Participatory Development constitutes a crucial element of a wider universal theory of development, which evolved from the 1990s onwards.

‘Participation’ and ‘Participatory Development’ have already appeared for the first time in the development jargon from the 1950s onwards when failures of development projects designed by outside experts were attributed to the exclusion of the target population in the project management. “Participatory Development”, however, was not discussed in its broader institutional and political dimension until the early 1990s.

In the early 1970s, the ideas of social justice gained momentum in the international development discourse and in development strategies. The World Bank, under President Robert McNamara, USAID and the ILO put greater emphasis on the so called ‘soft sectors’ such as health care, sanitation, education and food. The increasing interest in community based development concepts and participation issues was in practice undermined by the dominant role of the bureaucracy in development management.

In December 1989, the Organization for Economic Co-operation and Development (OECD)’s Development Assistance Committee (DCA) released a “Policy Statement on Development Co-operation in the 1990s”, which set the basis for increasing the emphasis on Participatory Development among most donor agencies. In addition to sustainable development and concern for the environment, the DAC identified participatory development as the key issue for the development agenda of the 1990s. The report stated that stimulating productive energies of people, encouraging broader participation of all people in productive processes, and a more equitable sharing of their benefits, should become central elements in development co-operation.

Sourcebook” in February 1996. This work documents the World Bank’s strategy that “project stakeholders” should increasingly “share control over development initiatives and the decisions and resources which affect them.

The aid allocation policy of the German Federal Ministry for Economic Co-operation and Development also reflects the trend of changing attitudes towards development and participation, and at the same time, seeks for better justification of development assistance. The Ministry introduced political conditionality in its aid allocation from 1992 onwards and formulated five criteria;

a- respect for human rights;

b- popular participation in the political process;

c- guaranteeing certainty in law;

d- a market friendly approach to economic development; and

e- the orientation of state activity towards improving the welfare of the poor.

“Participatory Development” in the current development discourse in not regarded as another competing theory in the ideological realm of development theories, but it constitutes a crucial element of a wider universal theory of development which revolved from the 1990s onwards.

Barbara Topper points out that never in history has such programmatic agreement existed on normative goals and strategies of development. Rainer Tetzlaff agrees with Baroara Topper and rejects the common opinion of “the great disenchantment of international development theory”.

Today, in a World increasingly connected through business, information, and communication networks, governments have indeed lost room to manoeuvre to pursue nationalistic development models driven by ideological ideas or nationalistic economic programmes.
The dominant development theory in the 1990s is based on political participation, human rights, free competition of ideas, political programmes, goods and services in a market driven economy, checks and balances of executive, legislative and judicial powers and the acknowledgement of the important role of civil society forces. The conceptual evolution of Participatory Development is interlinked with the evolution of related development concepts and strategies, democratic decentralisation, good governance, strengthening of civil society, universal concepts of human rights and sustainable development. The DAC of the OEDC recognises the interlinkages between Participatory Development, good governance, human rights and sustainable development. "It has become increasingly apparent that there is a vital connection between open, democratic and accountable systems of governance and respect of human rights and the ability to achieve sustained economic and social development".

The Report of the Aid Study Committee of Japan International Co-operation Agency recognises similar conceptual patterns of Participatory Development.

"Development within a developing society aims, we believe, at building into society the mechanism that will ultimately permit self-reliant growth without foreign assistance, at sustaining stable growth patterns for economic development in harmony with the environment. For this to be possible, the central focus off development, is not necessarily to boost production of material goods: instead it should be to foster and enhance people’s capability to have a role in their society’s development. To this end, people should be willingly involved in a wide range of development activities, as agents and beneficiaries of development. It is this participation that is important".

So in this case, ‘sustainable’ and ‘participatory’ development concepts, which should ideally hold a mutual interdependence proved in fact to be diametrically opposed. What was deemed to be ‘sustainable’ eliminated the possibility of local participation. It therefore appears useful to examine related
development concepts and to problematise congruencies and incongruencies with the concept of Participatory Development.

Participatory Development and good governance has become a central element in international development discourse and communication from 1990 onwards. Its conceptual convergence with Participatory Development is the subject of many research and study documents, in particular of donor agencies. The World Bank, which consciously avoids speaking about 'government', was the main agency to stress 'governance' in the context of structural adjustment policies. David G. Williams pointed out that "it has become apparent to many within the bank that reorienting macroeconomic policies is not enough to ensure rapid development. This is a crucial reason for the rise of the idea of good governance."

In the first official publication on "Governance and Development" in 1992, the World Bank described governance as :

"The manner in which power is exercised in the management of a country's economic and social resources for development. Good governance, for the World Bank is synonymous with sound development management."

In the same publication, Lewis T. Preston, the former President of the World Bank, explained the World Bank's interest in good governance as follows:

"Good governance is an essential complement to sound economic policies. Efficient and accountable management by the public sector and a predictable and transparent policy framework are critical to the efficiency of markets and governments, and hence to economic development."

Good governance mainly focuses on public sector management, a sound legislative framework, effective regulatory agencies, an efficient implementation machinery and a transparent decision making process. Activities to promote 'good governance' would typically consist of—
a- improving the financial management of public institutions and enterprises;

b- providing an enabling legislative framework for promoting private sector activities, e.g. improving laws governing property rights, bankruptcy, trade, and investments;

c- providing support for legal training and judiciary;

d- improving government statistical systems, monitoring and reporting;

e- promoting a pluralist institutional structure;

f- providing citizens with adequate access to information.

Paul Streeten elaborates on the importance of good governance for the efficient functioning of people-friendly markets. He argues that markets are neutral institutions, which can work for good or ill. He favours—opposite to the neoclassical approach of state-minimalism (laissez-faire)—a strong state intervention:

“Not only should government provide a legal framework and maintain law and order, including the enforcement of contracts, property rights, etc, and pursue the correct macro-economic policies with respect to exchange rates, interest rates, wage rates and trade policies in order to ensure high levels of employment without inflation and economic growth. It must also encourage competition by anti-monopoly and anti-restrictive practices legislation or by setting up competitive enterprises in the public sector, or by trade liberalisation or take over natural monopolies.”

“Good governance” has become another development catchphrase. In the international development discourse, it is often associated with decentralisation and devolving of powers to lower levels of governance.

Definitions of good governance should also encompass the relationship between government at various levels and civil society. In such a wider context,
good governance may indeed be considered as an important element in promoting Participatory Development. The Aid Study Committee of the Japan International co-operation Agency elaborates on the relationship between Participatory Development and good governance.

"Participatory Development" and good governance are related in the following way: Participatory Development with its central focus on raising the quality of participation by local societies and thus better achieving self-reliant and sustainable development and social justice, in one important form of people-oriented development. Good governance is the foundation of Participatory Development in as much as it provides the government functions needed to promote participation and create the environment in which participatory processes take place.

In developing democracies like India the realization of true democracy and attainment of national integration and socio-economic development which constitute the lofty objectives of development administration hinges upon the active participation and involvement of people in the affairs of the state. Citizen participation is the means of attainment of national goals and decentralization political and administrative is the means of promoting people's participation and co-operation in democratic development. There exists a triangular relationship between decentralization, democracy and development.

Institution of local self-government signifying political decentralization are essential for development, for, they alone make popular participation in decision making effective and informed. Further achievement of social change and economic growth requires a spreading of efforts so that local communities and individuals can participate and bring under ideal conditions energy, enthusiasm and local initiative to the working out of local development activities. On the other hand it is only when people have control over decisions and their execution that administration can become responsible and responsive to people's needs and aspirations – As the UN document specifies;
An important reason for decentralization is to develop more effective popular participation in local affairs including activities of central government that are carried out locally. Such participation only enhances the dignity of the individual and the sense of community at all levels, but also adds vitality to governmental programmes and provides a means for local control over them. It makes the programmes more responsive and better adapted to local needs. Moreover, through participation, members of the community may be induced to do more on their own initiative and make a fuller contribution to government programme.

Participation is an action-oriented term. If calls for drive, will and skill on the part of the participant citizen of group to be actively involved in the development activities. At the same time, participation differs from mobilization in that the latter involves an element of force or compulsion and gives no share to the citizen or the public to influence decision i.e., in determining plan priorities or allocation of resources or setting up of goals. In other words, the mobilization model like that of Karl Deutsche and others is based on the assumption that the people are incapable of articulating their needs and aspirations and that the task has to be left to the elite group in bureaucracy and politics. Vital decision concerning development goals, plan objectives and priorities, resource allocation and strategies of development would be determined by the elite group and the people would be simply expected to endorse the plans so drawn up by specialists and act as mere instruments for implementing the plans and realizing the set goals. The plans drawn up by the mobilisers will be imposed on the people for implementation as is done in non-democratic regimes. However, widespread participation is not peculiar to democracies. Even greater emphasis is placed upon mobilization of the public by the modern dictatorships both fascist and communist.

This participation of citizens in the development process is the heart beat and pulse rate of development administration. It is the sinequanon of democracy and development. The effectiveness of a political administrative system depends to a large extent upon the nature and extent of participation of the people in the
systemic functions. In other words, development of the system and of the people who are the constituents of the systems are vitally dependent upon the active participation of citizens in the development field. For, on the nature and level of participation depends the legitimacy of government laws, policies and decisions, the viability of development programmes and the efficiency, effectiveness and equity of development administration. Participation renders the speedy attainment of development goals possible by providing information useful to administrators in programme planning, implementation and evaluation, by giving incentive to client groups to cooperate with the administrator's efforts in which they themselves have participated and by urging the development personnel to become more adaptive and innovative so that they can respond to new social demands.

In the developmental context, public participation or cooperation means participation of citizens in the decision making process. For the purpose of this study, the concept of participation of citizens in development administration may be defined as participation of the public in general and the targeted public in particular in the developmental decision making process. The modern notion of development is one of citizen involvement in the decision making process. People's participation in the development process has two dimensions, viz. (a) administrative participation. (b) Political participation. The first involves the participation of the targeted public in the various stages of the decisional network viz. (a) formulation of development plans, programmes and projects. (b) implementation of such plans, programmes and projects and (c) evaluation of the attainment of the goals of the programmes. The second i.e., political participation, for this study means actions by citizens (farmers) to elect their rulers and to influence the decisions of governmental authorities by exercising their rights; (a) to vote, (b) to contest offices, (c) to associate and (d) to articulate their demands before government and administration. As Herbert McClosky, Sidney Verba and his associates believe democracies have evolved both by expanding the number of these political rights and the number of people who have the rights. This study
assumes that citizens can exert political influence to a reasonable degree through the full panoply of the political rights.

Apart from taxes and military service, as Laucas observes, the one benefit which the modern state may have available for sharing out among its citizens is participation in the process of decision making. This is pre-eminently, though not exclusively constituted by the exercise of these political and civil rights. By the energetic exercise of these rights, the citizens may acquire political leadership, which becomes pivotal element for the development process.

For, among others, political leadership is crucial because it has greater control over force in society and over decision making. Thus for the present study, the concept, 'political participation' applies to the activities of ordinary citizens as well as political leaders aimed at influencing the governmental decisions. In operational terms it involves the energetic use of these four political rights. However, the exclusion of the right to strike, protest, demonstrate and revolt from the purview of political participation of this study is not to undermine the importance of the right to political participation, i.e. political development.

"A decision", observes Herbert Simon, "is not an unitary event but the product of a complex social process generally extending over a considerable period of time. Decision making includes attention directing or intelligence processes that determine the actions of decision, processes for discovering and designing possible courses of action and processes for evolving alternatives and choosing among them. While decision is a compound of 'facts' and 'values', decision making is a process involving three actions, viz. Intelligence, design and choice. For Peter Doucker the decisional process involves six steps, viz. (a) defining the problem, (b) analysing it, (c) developing alternative solution, (d) finding the best solution, and (e) finally making decisions effective by converting it into action.
The decision making process permeates the entire development process from determination of plan objectives and goals, plan priorities, formulation of development programmes and action programmes or projects to implementation of plans and programmes and their evaluation.

The participation of citizens i.e., the target group in each of these phases is essential for the attainment of plan objectives and goals on which depends the development of the groups concerned. Studies by M. Z. Ali, for instance, shows that planned efforts did not achieve the degree of success aimed at largely because farmers could not be associated in preparing their own plans and plans could not be drawn in accordance with their available resources and satisfaction of farm families. The participation of the target population in the decisional process is vital because as Haldipur observes, all decisions affect human beings as they are taken to enhance the quality of human life. Somebody is going to work it and some persons are going to be affected by it and therefore, it has to be participative and in this the citizen can not be left out as a bystander.

Sound decision making calls for supply of timely, adequate and relevant information at all stages of the process. During the intelligence phase, one needs to have information concerning the situation the symptoms of the problem, cause effect relationships and socio-economic and political aspects of the environment. During the design phase, when a large problem is broken into smaller manageable modules, information is needed regarding inter-linkages between various modules, important variables, constraints, assumptions and criteria for testing various alternatives.

During the choice phase, information is required regarding ecological factors. At this stage the decision-maker weights the rationality of the alternative solutions emerging out of the design phase against the ecological factors and makes the final choice. During the execution phase working plans for implementation incorporating a time schedule and requirement of various resources are adopted. The information required during the phase is used for
planning and organizing activities. In the final phase when control is exercised, information is required for monitoring progress and to take effective 'mid-course' correction measures to reach the targets in time. The mass media plays an important role in disseminating vital information to the participating public and inlisting their co-operation and involvement in the development programmes. In other words, media participation by the participating citizens is vital for their successful participation in development activities.

Participatory development is not only an approach or a goal but also a tool. Donor agencies, government institutions, NGOs and researchers refer to it as a strategy as well as a methodology. Guy Grant pointed out eight key characteristics of participatory development projects.

(a) significant involvement of those affected in project initiation, design, operation and evaluation;

(b) inclusion of those affected in project design mechanism for regular participation to guide administrative, productive and distributive elements of the project;

(c) larger external linkages of the project that are functional for those at the bottom;

(d) cultural feasibility and appropriateness;

(e) ecological soundness;

(f) potential of self-reliance and reduced further dependency;

(g) potential for self-sustainment after cessation of project and;

(h) enhancement of self-directed learning and avoidance of intellectual dependency.*
Regarding ‘those affected in project management’, the term ‘project beneficiaries’ is still the most common in development language. The term fits into the charity idea of development assistance. However, it is seldom criticised by “progressive” development professionals who would otherwise reject the charity approach. The terms ‘project stakeholders’ (the new World Bank jargon) or ‘project participants’ better reflect a participatory character of project management.

Awareness has risen in development research and management that other “people” than only the primary target group benefit from development investments. Therefore, a crucial task consists of distinguishing between primary, secondary and possible even tertiary project participants. Primary participants may be defined as the ultimate target group (the farmers, the women in the village etc.); secondary participants may be defined as those involved in the direct implementation of the project (government departments, NGOs) and tertiary participants may include project consultants and the staff of the funding agencies.

Translative principles of participatory development into the practice of project management faces difficulties. The reason for this does not only lie in the lack of definitional significance of the concepts itself but can also be attributed to insufficient care and communication between partners when the project is still in its conceptual infancy. Project partners (donor agencies, government and nongovernmental organisations, the target group) often have different opinion on matters such as the form and the extent of participation of the target group throughout the projects various stages. Such differences, however, are all too often overlooked. The formulation of overall conceptual project approaches usually reflects the development philosophy and the priorities of the donor agency.

The projects mirror international development concerns (deforestation, gender inequality, education, ecological awareness building, etc). Project partners and those who want to become project partners and receive funds would usually make an effort to incorporate the donor philosophy in the strategy of the project
proposal believing this would favour their case and increase their chances to enter into further negotiations. Taking into account the large number of proposals, the time consuming selection process and the political pressure to commit funds according to prior negotiated agreement between governments or donor agencies and recipient institutions, further communication between project partners is cut short. Lack of time and pressure to commit funds according to bilateral agreements between donor and recipient countries are primary concerns in the starting phase of many development projects. For other projects, actual emergency situations like natural and manmade disasters require immediate relief assistance. Such pressure seems to translate into a sense of urgency, which means differing opinions between partners receive precious little consideration, are not negotiated, and accordingly remain unsolved. Consultants who act as management and technical advisers as well as communication facilitators are also exposed to such constraints. A hastily drafted project begins to be implemented while the ignored tensions remain latent and become manifest in latest stages in the form of frustration over progress, questionable commitment and ultimately project failure.

The nature of the traditional project approach also makes the translation of conceptual considerations into practice difficult. David C. Korten traces the problem back to the roots of the Positivistic Science approach to Newtonian Physics. The believe in knowable laws sharpened the technocratic character of the development project model and ignored the process and participation aspect in human development. Lars Johannsson with reference to the European Community point out that International donor institutions tend to regard projects as products which have to be sold to the target group instead of emphasising the service and sharing character of project co-operation.

"This is evident in the jargon. An European Community publication says straight-forwardly that a development project has come to an end when ‘the product’ has been made and ‘sold’ to the benefit of the target group.\"
Village realities might also disturb the conceptual consistence of development approaches. While Guy Grant mentions ecological soundness as one of the key characteristic of participatory development projects\textsuperscript{66}, Village communities often prefer development activities which meet their short term needs (employment generation activities, deepening of wells, supply of hand pump) or projects of prestigious nature (e.g. the construction of a temple or a community hall). Mani Shanker Aiyar, Member of Parliament from Tamil Nadu in Southern India, reported that villagers of Mayiladuturai in his constituency in Tamil Nadu Mentioned a footpath to the funeral ground and a shelter as their top development priorities\textsuperscript{67}.

Catchwords like ‘people’s participation’ or ‘community participation’ actually suggest unity of people or communal harmony among the targeted beneficiary group. However, it is often ignored that people of the target group have different development needs and priorities. Conflicts may actually occur among primary project participants, in particular in hierarchically organised and socially heterogeneous rural societies. Robert chambers proposes to assess the powers and interests of different groups at the village level, how they converge or conflict, and how they will support or impede the achievement of a projects objectives. He distinguishes between acceptability of projects among “rural elites” and “poorer rural people” and distribution of project benefits among them\textsuperscript{68}.

Participation was not a major issue in the context of the expert driven blueprint development approach which has for a long time dominated development management and has only gradually been reformed from the late 1970s onwards. Anders Rudquist described the characteristics of the blue print approach as follows:

“According to the blueprint approach all important planning decisions are made at central or regional levels. They are based on quantitative data or estimations and planning (as well as implementation) follow a preconceived, fixed
time schedule. The targets of the plan are generally determined from the beginning of the planning process and expressed in numerical terms.

The classical type of blueprint development approach imposed a problem analysis on the target group derived mainly from large scale data analysis, quick country-side visits close to urban areas, and brief communication with the local male elites by high profile experts and government officials. Specific local realities were largely ignored. This did not encourage the 'targeted beneficiaries' to develop a sense of ownership and commitment for the project and made sustenance of the project difficulty almost impossible to achieve.

From the late 1970s onwards, a numbers of different methods and tools were developed and applied by donor agencies, NGO.s, trainers, and researchers to develop models of participatory project management, including planning, implementation, monitoring and evolution. The World Bank Participation Sourcebook provides an overview of ten different methods and tools which are grouped into four categories:

(a) Collaborative Decision making : Workshop – Based Methods;
(b) Collaborative Decision making : Community – Based Methods;
(c) Methods of Stakeholder Consultation;
(d) Methods for Social Analysis.

In India, NGOs with a large number of international contacts played a major role in promulgating “Participatory Rural Appraisal through organising of field workshops and training sessions, among them Mysore Resettlement and Development Agency (MYRADA), Aga Khan rural Support Programme (AKRSP) and Action Aid India”.

Aga Khan Rural Support Programme describes its Participatory Rural Appraisal approach as follows:
“Participatory Rural Appraisal” is a methodological approach, which helps us to learn from villagers about the status of natural resources, the actual problems faced by communities and their needs.

The target group is collected at one place and the particular topic for discussion is introduced by an Aga Khan Rural Support Programme (AKRSP) (1) Worker. People start discussing among themselves and come up with a reasonable good analysis of different aspects of the topic. Since the target group participates actively, the information is quite reliable. Complicated village land use and water shed maps are prepared by villagers using these methods, and we have found these maps good and reliable tools in helping us to plan our activities. Our experience shows that people are involved from the beginning of the project they continue a positive involvement in the ensuring developmental activities. This process creates a feeling of ownership over the activity.

A general PRA gives an overall picture of villages, while Topical PRAs focus on specific programmes. In forestry using a Topical PRA with a Tree Matrix, we can identify species, which are desired by both men and women separately for plantation. Men demand more commercial species while women demand species useful for fuel, fodder, medicines and fruits. This has helped us to select species useful for both men and women71.

Participatory Rural Appraisals, however, have also been applied and promoted by government development agencies72.

A publication of the Forest Department / State Government of Haryana gives the experience of participatory microplanning.

“The guiding principle has been to attune to the needs and expectations of local user groups through a process of Participatory Rural Appraisal (PRA)”.

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This requires long meeting and careful discussions with village people during various stages of micro planning, consensus building, implementation and management.

Example: Initially the village Panchayat passes a resolution for handing over an area to the project authorities for eco-rehabilitation and development through afforestation, grassland development and soil-conversation. To avoid hardship to livestock owners depending upon common grazing lands, small areas were taken for eco-rehabilitation with the consent of the village Panchayat even though it is often difficult for the project to effectively manage such areas dispersed in small pockets. This approach, has, however, helped the project in winning the confidence of the villagers.

In each of the villages, microplans have been prepared with the active participation of the community. These incorporate a village map, transacts of land suitability, details of Sajra, species preference and a sketch map of the plantation sites. The community decides about the location and area of the common lands to be allotted for planting trees and seeding with grasses and legumes. They also suggest their preference ranking of species for planting.

So called “facilitators” are supposed to play a crucial role in carrying out the participatory rural appraisals. Their role consists of bridging differences in expectations and communication between project staff, villagers of different social and economic status, men and women. In some NGO projects, so called “extension volunteers” or “para – workers” have been entrusted with the task of facilitating the participation of the village community in development activities.

The recruitment and the commitment of such volunteers is often a major problem in village development work. In a hierarchically stratified society with strong gender inequality, it is particularly difficult for NGOs, and government organizations to identifying ‘neutral’ facilitators who care equally for the interest of the different castes and groups in the villages.
The participatory development debate has contributed to the expansion of the notion of ‘politics’ and ‘political participation’. The meaning of ‘politics’ is no longer confined to strategies and actions of major power players in society, but extends to initiatives of people which have grouped together on a voluntary, often spontaneous, basis for pursuing political and development objectives. In contrast to the political ambitions of traditional social forces, the goals of new social and development forces are in many cases of a rather private nature and turn more political only in the negotiation process with other state and civil society agents.

In many developing countries, ‘political participation was for a long time largely characterized by hierarchical leadership and ideological approaches. When the majority of developing countries started to adopt structural Adjustment Programmes under the auspices of the International Monetary Fund (IMF) during the 1980s, mass demonstrations against the rise of prices and cut-off subsidies emerged as another major feature of political participation.

From the late 1980s onwards, the rise of new social movements in the developing countries have given people new outlets for participation in the political and development process of their society. In the context of the participatory development debate and the increasing conceptualization of the related issues of democratic decentralization, good governance, universal human rights and sustainable development, a fresh look has to be given to “political participation”. A redefinition of politics has taken place in the context of changing state-society relations.

Rajni Kothari gives some examples of how the range of politics has widened in India with the emergence of new social movements and the tremendous increase of private development initiatives.

“The environment the rights and the role of women, health, food and nutrition, education, shelter and housing. The dispensation of justice, communications and the dissemination of information, culture and life style, the
achievement of peace and disarmament none of these were considered to be subject matter for politics, at any rate not for domestic politics, and certainly not for mass politics in which ordinary people were involved. This has now changed.\textsuperscript{75}

**PARTICIPATORY RURAL DEVELOPMENT**

Rural development and people’s participation should go together and both these components are highly essential for the integrity and the unity of the nation. In order to keep people united and feel responsible, involving indigenous people in developmental programmes framed for their own development is very much necessary. This not only helps to accelerate economic growth of the nation, but also to achieve balanced regional development, which alternatively checks the drift of rural population to cities in search of employment to a large extent.

“Peoples Participation” has become a standard rhetoric in India today. Different actors interpret it differently. One view is that participation means getting people to agree to and go along with a project which has already been designed for them, or to get support of a few leaders. This has been the approach in many development schemes that did not work. People did not identify themselves with the assets created such as the hand pumps or trees planted, nor did they undertake the responsibility of maintenance of assets. “I manage, you participate”, was the dominant underlying principle behind such projects. These tended to try to make people aware of their responsibility without giving them any authority to spend funds or to manage assets. People’s participation was then expressed not in a manner that would establish their rights over assets, land of its produce.\textsuperscript{76}

It is universally acknowledged that the goals of our socio-economic development are not achievable unless the citizens actively involve themselves in the preparation, implementation and follow up of the developmental plans and
programmes. Though this basic philosophy is highly accepted right from the days of planning, till today, the spirit of participation has not been realised. During the last two decades several new approaches like 'top-down planning', 'planning from below', 'bottom up planning', 'micro-level planning', 'resource-based planning', and 'multi-level planning' have been thought of in the context of involving the people in every phase of development. Participation in decision making has also received increased attention.

India is predominantly an agrarian society. As per the 1991 census, out of total population, 74 percent are inhabiting in around 5.67 lakh villages which are more or less categorised with high levels of illiteracy, ignorance, low level of quality of life and so on. Therefore, it is essential to concentrate more on rural development.

Lahiry, Amitabh argued that, if we compare the development of the nations, which achieved independence around or after the year 1947, some of the nations, are far ahead of us in terms of socio-economic development. Rural development helps to liberate the energies of the rural people, especially the poor, so that they can realise their full potential and thus improve their capacity as well as commitments to development, organise and govern them selves towards the attainment of a higher quality of life for the individual and for the entire community.

The twin major objectives of rural development programme are accelerated economic growth with wider participation and most equitable distribution of its gains.

The Government of India was committed to formulate various plans on rural development, and did so during the plan periods by formulating strategies for future plans and allocating substantial amounts to attain faster rural development. This particular concept was given due importance in each and every Five Year Plan.
Planning and development policies for the eradication of poverty in rural India have started since the inception of the Five Year Plans. Though, importance of rural development was recognised in the earlier plans, it was only from the Sixth Plan onwards due emphasis was laid on rural development. And over a period more and more emphasis was laid in building rural India as real India. For the first time, need of people’s participation at the grass root level was felt essential in the seventh Five Year Plan, from there it went on the people’s self managed institutions in the Eight Five Year Plan with greater voice and choice.

During the Eight Five Year Plan (1992 – 97), the emphasis was on building up of rural infrastructure. Priority for all weather roads, particularly in tribal, hill and desert areas, minor irrigation works and water harvesting structure schemes for soil conservation and social forestry. Participation of people in programmes through Panchayati Raj Institutions, cooperatives and other self managed institutions, provision of short term employment through TRAP and DRY.

The Ninth Five Year Plan attempts to make a serious effort to raise the level of agricultural and rural incomes. The ultimate objective is to improve the living conditions of the poor and the various disadvantaged sections of the rural society. Priority is given to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty. Ensuring food and nutritional security for all, particularly the vulnerable sections of the society, ensuring environmental sustainability of the development process through social mobilisation and participation of people at all levels, empowerment of women and socially disadvantaged groups such as schedule caste, schedule tribes and other backwards classes and minorities as agents of socio-economic change and development, promoting and developing people’s participatory institutions likes Panchayat Raj Institutions, cooperatives and self-help groups, are the other priorities.

Basing on the Five Year Plans the government framed and implemented various rural development programmes in our country from time to time to achieve
balanced development in the country. The following are the different kinds of programmes:

I. Community Development Programme (1952)

II. Intensive Agriculture Districts Programme (1960)

III. Intensive Agriculture Area Programme (1964)

IV. Small Farmers Development Agency.

V. Marginal Farmers and Agricultural Labour.


VII. Accelerated rural Water Supply Programme (1972)

VIII. Desert Development Programme (1977)

IX. Command Area Development Programme (1974)

X. Tribal Area Programme

XI. Hill Area Programme.

XII. Integrated Rural Development Programme (1980).

XIII. Training of Rural Youth for Self Employment Programme (1979)

XIV. Crash Programme for Rural Employment.

XV. Pilot Intensive Rural Employment Programme.

XVI. Food for Work Programme (1977).

XVIII. Minimum Needs Programme.

XIX. 20-Point Programme.

XX. Western Ghats Development Programme.

XXI. Special Programme for the North - Eastern Region.

XXII. Special Incentive Programme for the Industrially Backward Areas.


XXIV. Development of Women and Children in Rural Areas.

XXV. Wage Employment Programme.

XXVI. Jawahar Rozgar Yojana (1989).


XXVIII. Supply of Improved Tool Kits to Rural Artisans.

XXIX. Indira Awaas Yojna (1985).

XXX. Million Wells Scheme (1988).


XXXII. Ganga Kalyan Yojana (1997).


Many of the above said developmental Programmes were started at different times during the 70’s, 80’s and 90’s. Some of the Programmes were discontinued either because they have been replaced by other programmes or have been merged into new ones.
It has been long argued that people's participation is essential for the success of Rural Development Programmes. People's participation should be encouraged owing to the fact that people in villages know their needs better than government officials working at block, district and state levels. Non-involvement of people in the development programmes is also a great concern and challenge to Rural Development No Programme can be a success without the people.

Participation is not some process of involving everyone and reducing all to a common denominator. Rather, it consists in evolving institutional structures from which diverse individuals with a sense of dignity and self-respect are to determine their own destinies. This "People Participation Perspective", inter alia in its operational design will imply that most plan options, for the urban section be complimentary, supportive and reinforcing in character.

Participation broadly is of three types. First: where people come forward on their own to participate without any external support and force. Second: where people participate because of some mandate and official endorsements. And Third: where people participate because it has been made compulsory and its violation may invite coercion. In a democratic country like ours, compulsory participation is not desirable. Between spontaneous and sponsored, the former is most suitable. This will sustain for longer period as well as establish the ideal cooperative and participatory situation.

The 73rd Constitutional Amendment has thrown up many new challenges to the rural local government, one of which is grassroots participation. The amendment has attempted to institutionalise people's participation through a body, called gram sabha, which has earlier existed in some states, more in name than in action.

Gram Sabha literally means village meeting - a meeting of the villagers to discuss common problems they face in their village. In many ways, it is
comparable to the citizen forum – a forum of direct democracy in the ancient Greek City States.

Gram Sabha is an institution in the hands of the people to air their grievances and to watch functioning of the panchayats. It also offers the panchayats an opportunity to share their difficulties with the people who have elected them. It can go a long way in legitimising the authority of the panchayats, ensuring transparency of their activities, inculcating in the people respect for political institutions and respect for political leadership. It can, in the real sense, be the guide, friend and philosopher of the gram panchayat.

Gram Sabha can be an effective forum for mobilization of masses for community activities by enabling the people to get together under one umbrella and to interact on issues of mutual interest. In this way, it can work as a bulwark against casteism and communalism.

Gram Sabha is the best social unit in our new democratic institution. George Mathew rightly observes, “As the public spirited citizens and their collectivity is the key to social audit, members of the gram sabha, comprising all sections of the representative bodies, could raise issues of social concern and public interest and demand explanation.” There are many success stories of gram sabha using the social audit for the good of the villages preventing misuse of resources and corruption.

The 73rd Amendment of the constitution recognises gram sabha as a statutory unit. It is defined as a body of persons registered in the electoral rolls relating to a village located within the area of a Panchayat. The gram sabha is the reservoir of people’s power, an agent of development at Panchayat level, an embodiment of gram swaraj. It is the place where the Panchayats and the people have to stand in a face-to-face position. Gram Sabha brings the village community under one roof to collectively debate the issues concerning the gram.
West Bengal and Kerala have taken a step forward in the functioning of Gram Sabha.

In West Bengal a gram sansad is required to guide and advise the gram Panchayat in regard to the schemes for economic development and social justice undertaken or proposed to be undertaken in its area and may:

a- Identify or lay down principles for identification of schemes which are required to be taken up on priority basis for economic development of the village;

b- Identify or lay down principles for identification of beneficiaries for various poverty alleviation programmes;

c- Constitute one or more beneficiary committees consisting of not more than five persons. Who are not members of the gram panchayats;

d- Mobilise mass participation for community welfare programmes and programmes for adult education, family welfare and child welfare;

e- Promote solidarity and harmony among all sections of the people, irrespective of religion, faith, caste, creed or race; and

f- Record its objection to any action of the pradhan or any other member of the gram panchayat for failure to implement any other development scheme properly or without active participation of the people of the area.

The 73rd constitutional Amendment in 1993 for the first time created a statutory imperative for the establishment of legally empowered Gram Sabha or village assemblies in India, although such direct people’s participation in decision making and developmental process was integral to the Gandhian vision of Panchayati Raj even earlier.
Most states have statutorily empowered Gram Sabha for development planning and social audit.

After all to make participatory development more effective and meaningful, the following specific measures may yield desired results. In the first place, the panchayats, particularly in states like West Bengal, where the panchayats are political panchayats, the parties should come forward and play effective role. They should move from door-to-door before the meetings as they do before the elections. Second, in the meeting, the panchayat leadership should demonstrate patience and tolerance. They should listen to the constructive criticism of the people. Third, an atmosphere has to be created where the people would feel free to speak their problems. Fourth, sustained information dissemination of positive examples of the functioning of the gram sabha and gram panchayat need to be supported by the government at the state and national levels, in order to create positive climate for promoting opportunities for self-governance at the village levels. The press should focus on such meetings. Fifth, the government officials should be so reoriented as to be responsive to the people. Sixth, the advice and decisions of the gram sabha should be made binding on the gram panchayats. Seventh, as in West Bengal, the state Acts should make penal provision for the recalcitrant panchayats, the panchayats which fail to hold meetings of the gram sabha. Eighth, as the villagers are not used to participating in a situation like this and the village is not tuned to it, the synchronization of the meeting with the cultural Programmes in tune with the rhythm of the rural life might be helpful. Ninth, there is a need for generating motivation among the members. This can be attempted in two ways : first, by making them realise the usefulness of this meeting, second, by ensuring that the decisions of the meeting are carried out. Tenth while gram sabha is an institution for empowering the people, people need to be empowered through the spread of literacy and political education.

Apart from the specific measures suggested above, the following are a few suggestions aimed at securing effective people's participation in development Programmes.
a- The rural development Programmes should be based on the felt needs of the people, in order to achieve greater people's participation and sustainability in the development.

b- Motivate people to participate in rural development programmes by making them aware about the benefits they receive from these programmes.

c- People should be made aware of the importance of rural development in eradicating rural poverty and rural illiteracy.

d- Invite people for small focus group discussion prior to planning and implementation in order to consider their felt needs.

e- Consult different community leaders within the village to gain their confidence.

f- Identify problems faced by the people and give importance to eliminate them, keeping in view of their seriousness.

g- Greater amount of patience is required for the officers and field staff while dealing with people of different cultures, and social environment.

h- Officers and field staff in connection with people's participation, should be technically sound and competent.

i- Do not leave the development Programmes half way through, but pursue to the end by providing necessary technical and financial guidance.

j- Involve existing local voluntary organisations / NGOs in securing people's participation for rural development since they are more experienced and exposed to rural minds.

k- Greater effort should be made by involving media such as radio, television, and newspapers by using local language.
1- Empower people to have a greater say and role in their own affairs at the grass root level.

m- Encourage participation of people in decision making planning formulating strategy, implementation, follow up, sharing the benefits of development and evaluation.

n- Extension Workers should be given incentives for motivating people to take part in participatory development etc.

**NGO s AND DEVELOPMENT**

In the last decade, there has been a great deal of interest in the voluntary sector and its possible role in development. The attention, which these relatively small interventions (a) in civil society have got, is symptomatic of the complexity of development problems, the political economy of development and the centrality of the concern of teaching out to the poor.

Voluntary Organizations (VOs), which is what, Non-Governmental Organizations (NGOs) would like to call themselves are a relatively new phenomenon. Organizations today, whether voluntary or government, are an accepted fact of life. Individuals are surrounded by organizations from the day they are born to the day that they die. The term organizations is used in its true institutions as hospitals, schools, factories, offices, the armed forces and so on. In fact in modern society it is impossible to escape from the influence of organisations, of one type or another.

Generally, voluntary organisations and non-governmental organisations are treated as one and the same. This may not be so. All non-governmental organisations are not necessarily voluntary. Voluntary organisations are
spontaneous in their origin whereas non-governmental organisations may also be government sponsored.

It may be useful to draw a distinction between voluntary organisations and non-governmental organisations, whereas voluntary organisations are spontaneous in their origin, non-governmental organisations may be sponsored by government. Although agencies like All India Women's Conference, Indian Council of Child Welfare, etc. are voluntary, yet project implementing committees appointed by the Central Social Welfare Board to run Welfare extension projects and committees for running after-care homes appointed by the state governments, though constituted primarily of voluntary workers are not voluntary organisations but are known as non-governmental organisations, since these organisations do not come into existence voluntarily but are sponsored and substantially funded by the government. These organisations may not be able to arouse community's popular support, since they are not based on democratic foundations and should, therefore, not be equated with voluntary organisations.

A unique feature of voluntary organisations is that it stimulates voluntary action among the served community and progressively involves enlightened individuals belonging to the served community in the higher echelons of its decision-making machinery.

Voluntary organisations had been defined by different writers. Lord Beveridge writes about the voluntary action and voluntary organisation that a generation ago a voluntary worker was someone who gave unpaid service to a good cause, and the group which was formed for working for that good cause came to be known as a voluntary organisation. The group took its name in fact from the outstanding characteristic of the workers upon whom it depended.

David Sills, a sociologist, writes that definitions of the term "voluntary association", differ widely but that they generally contain three elements. A voluntary association is an organised group of persons:
(a) that is formed in order to further some common interest of its members;

(b) in which membership is voluntary in the sense that it is neither mandatory nor acquired through birth; and

(c) that exist independently of the state.

Sills defines voluntary organisations as a group of persons organised on the basis of voluntary membership without state control, for the furtherance of some common interests of its members. Despite overall minor distinctions between voluntary organisations and non-governmental organisation, both the terms are used in same meaning.

The choice of a strategy to be adopted by a non-governmental organisation differ from organisation to organisation and depends on the ideology, motivation, capability of the organisation, experience of some non-governmental organisations may act as catalytic bodies operating externally to the rural communities; others may emerge from within the rural communities, serving as indigenous institutions. Most organisations in India like Ramkrishna Mission and Hindustan Talim Sangh belong to the former category. These organisations are usually set up by the well-wishers interested in rural development or by organizations of experts and educators. Such organizations may operate at the macro level covering the entire country or state, or at the micro-level covering a village or an area. The catalysts at the macro level may act as co-ordinating or may actively involve in delivering services directly to the rural population. For example, the association for voluntary agencies for rural development (AVARD) serves as a co-ordinating agency at the national level and there are institutions like CHETNA, which undertake co-ordinating work at the regional level.

Generally, non-governmental organizations follow four clear cut strategies, as pointed out by J.B. Singh. These are:

a Simple charity, supplementing welfarism of the state.
b Encouraging people's participation and in implementing programmes launched by the government for larger benefit of the community or village.

c Involving people in programme planning, raising resources, implementing activities and sharing fruits of development.

d Conscience instilling and organising people enabling them to demand and undertaken planning and implementation of development programmes beneficial to them.

The NGO's at present adopt a target group approach, but aim at self-reliance of the people they are serving. They want to dispel the propensity of depending development on the part of the beneficiaries. The NGO's, once they have been able to assist a target group to become reasonably autonomous is their socio-economic status, move on to another target group still suffering from backwardness economic and social. This enables them to serve a large segment of the community.

The development of local leadership received new impetus because of the emphasis on the role of the “change agent” who was expected to act as a catalyst in the mobilization of local manpower and resources for bringing about development and social change. 

NGO's generally adopt a holistic approach to rural development and plan and organize their Programmes in such a way as to cover all aspects of rural life. But, of late, even major NGO's have started specializing in certain services. May be, they are trying to provide the missing links in the long chain of rural reconstruction. Alternatively they might have felt that in view of the limited funds at their disposal, an element of specialization is inevitable and desirable.

Non-governmental organisations may also adopt different strategies for different concerns like finance, administration, implementation of programmes etc.
Based on the approaches they adopt and priority they give, non-governmental organisations have been classified into seven categories by J.B. Singh. This means that generally non-governmental organisations operate in seven distinct areas that are:

a- Charity:- Giving food, clothing, medicine, alms, in cash and in kind, land, building, etc.

b- Welfare:- providing facilities for education, health, drinking water, road communication, etc.

c- Relief:- responding to call of duties during natural calamities like floods, drought, earthquakes, and man made calamities like refugee influx, ravanges of war, etc.

d- Rehabilitation:- continuing and follow up of the work in areas struck by calamities and starting activities that are durable in nature.

e- Services:- building up infrastructure in depressed backward areas.

f- Development of socio-economic environment around human beings.

g- Development of Human Beings:- conscious raising, awakening, raising conscience, organizing, recording of priorities to suit social justice, redeeming the past and opening doors for opportunities to the oppressed and the exploited.

Non-governmental organization have been classified on a variety of bases. The size of the organization, the structure, the social functions, the sources of their support, the location, the characteristics of the members, the independence or dependence on outside control, and the beneficiary activities are the prime considerations for the classification of the non-governmental organizations.
Some writers have employed either structure or function as basis of classification. Sherwood Fix based his classification after examining 5000 associations upon the distinction between majoral, minoral and medial organizations. Majoral associations are those which serve the interest of the majority institutions of society, such as business, professional, scientific, educational, labour and agricultural associations. Minoral associations serve the interest of significant minority in the population, such as women's club, church organizations, hobby clubs and above all, ethnics. Medial organizations mediate between major segments or institutions in the society. For example a parent teacher associations mediates between the family and the school system.

David L. Sills developed a structural distinction between corporate type and federal type organizational structure and control in national organizations, while others have used other structural variable like accessibility or eligibility for membership as a basis for classification.

Non-governmental organizations have certain features and characteristics which distinguish them. Following are the few characteristics of a non-governmental organization.

a- It is the result of the voluntary effort, which though motivated by different factors, is spontaneous in nature.

b- It is an organization initiated and governed by its own members on democratic principles without any external control.

c- It is registered under an appropriate Act to give a corporate status to a group of individuals so that they get a legal personality and individual liability may give place to group liability.

d- It is a general body and a regularly constituted managing committees, representing all interest, men, women, professionals, public men, etc.
e- It has definite aims and objects and a programme in socio-economic objectives.

f- It is known and accepted by the community in which it is formed.

g- It has considerable autonomy and flexible planning and management of its programmes and services.

h- It has a sense of commitment to human development/welfare.

i- It undertakes people’s needs and help to solve their socio-economic problems.

j- It plans and implements its own programmes through its own voluntary and paid workers.

k- It raises its funds from the community

l- It maintains its accounts and is accountable to people and the government so far as it receives grant.

Even though the above mentioned factors are the characteristics of a NGO, the roots of the NGO’s are rooted in the virtues like human touch, dedication, flexibility, innovation, nearness to the community.

The main motivation behind NGO’s action is charity. It is more applicable to the Indian situation where charity is considered a religious duty. A healing human touch is rendered by the volunteers either in their personal capacity or through a non-official agency. The main characteristic of a non-governmental agency is “human touch”. Human touch is a quality which is innate in a human being and cannot be developed with any amount of training or incentive. Human touch, the hallmark of non-official agencies got eroded with the introduction of professionalism in social work, because, volunteerism and professionalism are the opposite poles.
The second characteristic of NGO’s action is dedication. The sense of dedication is more important to volunteers whether they work individually or through a non-governmental agency. Without any sense of commitment and dedication no NGO could meet its destiny.

A need of flexibility in the work style of non-governmental organization is next characteristic. This is possible because NGOs are capable of their operational designs. This is necessary because the essence of non-governmental organizations is to be open and non-bureaucratic. Therefore, flexibility is a virtue of a non-governmental organization.

The fourth important characteristic/virtue of non-governmental organization is that it should be close to the community, having its roots in the community in which it is working. Therefore it has rightly been said that non-governmental organizations should think globally but act locally.

Non-governmental organisations should know the needs and problems of the community in which they are working. These organisations are not only familiar to such needs and problems but also sensitive to them. The non-governmental organisations, particularly at the community level are more close to the people than governmental organisation.

One of the virtues of the non-governmental organisations is innovation and self-reliance in their programmes and services. This is more often lacking in the governmental organisations. The history of non-governmental action depicts the needs and problems of the people are known and identified by the volunteers. The government has made an effort to join its hand with the non-governmental sectors. Innovation is of utmost importance in the NGO’s action.

The virtues discussed above are found to be lacking particularly in the national and international NGO’s since they are more bureaucratic than the governmental organizations. They employ professionals and get the work done.
They have become social service agents between the government and the community.

In a developing country like India, NGO's action is a three stage process. First, it is based on social conscience, which has been defined by Beveridge in his work, "Voluntary Action" as "the feeling of discomfort on the part of people in comfort about the people in discomfort". Second, voluntary action has emerged from social consciousness generated by organised interest groups of people who are committed to people-centred approach. Third, organisations of various target groups, particularly from among the weaker sections, have emerged. The membership of these groups or associations generally cuts across traditional boundaries of caste and occupational groups. There is the need for building up local initiative and leadership to take advantage of large number of rural development programmes currently in operation as well as the new ones to be launched.

To understand the relative roles of voluntary action and non-governmental organisations in the changing socio-political context in the country, it is necessary to know their connection. The expression "Voluntary action" is usually related to social change, a protest against prevailing system. It has an element of discontent in its expression. In contrast, non-governmental organisations are service oriented entities. They deal primarily with vulnerable groups of people. Even among non-governmental organisations one can discern two types, those that are social change oriented and those that confirm to the status quo. Even among the latter, some are development oriented and others continue to remain conventional. It is true that all non-governmental organisations have their origin involuntary action, but once the action gets institutionalized into constitution and bye-laws and governed by the board of management, the edge of social action gets gradually blunted and become conformist to the system.

NGO's action in the early twentieth century was a basement for the overall social reform and social welfare in the country. The focus of the social work
during this period was rather extended to promote a spirit of nationalism and a feeling of brotherhood among the people and train a band of men who would be prepared to give up everything and devote their entire life to service of the country in a missionary spirit. The approach of the voluntary activists was secular and it sought to solve the national and social problems on a rational basis. There was emphasis on improving the conditions of women, problems of untouchability, establishing co-operative enterprises and rendering relief work.

After independence NGO's action changed in its approach and structure. The issues covered by the NGO's activist during this period were also of different type. Even the parties involved in the NGO's sector were different. After independence India was declared to be a "welfare state". The government undertook welfare schemes and developmental works under various plans and policies. Besides, it has encouraged non-governmental organisations to undertake social welfare programmes under the grant-in-aid programme and setup autonomous bodies like Central Social Welfare Board, India Council of Social Welfare etc.

The decade that followed India's independence marked a phenomenal increase in the number of non-governmental organisation in the country: they expended their activities to cover practically every field of social welfare and development. They not only undertook programmes with their own resources but also organised projects sponsored by the state.

Provisions of welfare services, since the beginning of the first plan has been a co-operative venture between the state and non-governmental organizations. The planner in India have all along emphasized the role of non-governmental organizations and have recognized services rendered by them in various fields. The First Plan Said: "A major responsibility for organizing activities in different fields of social welfare like the welfare of women and children, social education, community organizations, etc. falls naturally on non-governmental organizations. Any plan for social and economic generation should take into account the services rendered by these organizations and the state should give them maximum co-
operation in strengthening their effort. Public co-operation through these voluntary social service organizations is capable of yielding valuable results in channelizing private efforts for the promotion of social welfare\(^9\).

Having recognized the importance of non-governmental organizations the government took concrete step to assist non-governmental agencies. During the period of the First five year plan, the central government established the Central Social Welfare Board in 1953 with the main object of assisting non-governmental organizations in organizing welfare programmes for women and children and for the physically handicapped. The Central Social Welfare Board in collaboration with the state Government, organized state Social Welfare Advisory Boards in each state and union territories.

With the establishment of the Central Social Welfare Board, the non-governmental organizations got an unprecedented support from the government on a systematic basis. It has so far given grants over ten crores of rupees and as many as 6,000 non-governmental organizations all over the country have benefited from its grant-in-aid programmes. The Board, besides given assistance to the already existing agencies, helped in establishing many new ones. It is reported that about 3,500 non-governmental organizations were started between 1951-60 and a majority of them (about 2,000) were established between 1954-55. Further, a study of the growth of non-governmental organizations reveals that among 6,000 organizations aided by the Board as many as 3,000 were started after the Board was setup. Very few organizations have been started after 1960 because the Board decided to continue its aid only to those organizations which had received its grants upto 1960 and not favour the idea of giving grants for starting new organizations of organizing welfare works\(^9\).

The growth and development of non-governmental organizations during the post-independence period was rather moulded by the government schemes meant for these non-governmental organizations. While the state sponsored programmes gave a great push to the work of non-governmental organizations, they also gave
rise to a feeling that they are making non-governmental organizations less dependent on community support. Since the sponsored programmes made provision for the staff, the efforts of welfare organization to mobilize volunteers to man their programmes got somewhat diluted. Further, the financial assistance given to non-governmental organizations based on the system of matching contributions made them more conscious of raising funds but not of raising volunteers. All this had a restrictive effect to some extent at least on the growth of non-governmental organizations in the true sense of the term.

Non-governmental organization's action in India, thus, is the product of social, ethical, economic, political, democratic, cultural and religious value and considerations. Its recorded history is round 150 years old. Today the number of non-governmental organizations working in different fields of social services, social welfare and rural development may be more than 25,000. If rural Mahila Mandals, youth clubs and other, small voluntary groups are added to this, the total number might exceed three lakhs. According to the information available with the Ministry of Rural Development, there were in the seventies around 60,000 Mahila Mandals, 90,000 youth clubs working in rural areas. The West Bengal, Maharashtra, Tamil Nadu and Rajasthan had the largest number of rural development agencies in the seventies, and benefited from it. This was primarily due to availability of grants-in aid from central Social Welfare Board and PADI (now CAPART) In addition, there may be more agencies which are unregulated, not receiving any grant, are in the nature of kinship group, based on mutual aid, self help, private and public trusts and ventures promoted by business houses.

NGO's action in India is of great historical importance, for it lit the spark for political, social, and economic freedom.

Non-governmental organizations have played a significant role in social welfare and development. One cannot imagine a society without voluntary action. A society without NGO's action is rather farce. The contribution of the NGO's in the field of welfare of the children, women, distressed and helpless is of
noteworthy. The aged, widows, orphans, run-aways etc. have been helped by these NGO s. In the field of education, co-operation, labour etc; the tremendous work has been done by the NGO s.

NGO's social action has been advocated by our great leaders. Mahatma Gandhi, for instance, had vehemently supported collective social action in preference to the role of the state. Vinobha Bhave and Jaya Prakash Narayan had also endorsed these views. There has been a long history of community action and self help in India, and the values of compassion, concern for collective good and selfless action will be in evidence in future as well.

NGO's have contributed a lot in the various fields of social welfare and development. NGO's action itself is a spontaneous one. NGO's action that has began with charity work like relief, social service etc. has now become an instrument for promotion of programmes and services coming under the broader field of social development. NGO's social work, being social in nature and based on community needs in operation, is concerned with social services, social welfare and social development leading to human resource development.

The following are the field of social welfare and development in which the NGO's have contributed their services.

Health, and medical services, leprosy control and rehabilitation, drug addiction, population education and family welfare, education, adult education, pre-school education, housing recreation, social welfare, disaster relief, welfare and development of children, welfare and development of youth, welfare and development of women, welfare of the aged and infirm, welfare of the handicapped, welfare of the scheduled castes and scheduled tribes, adoption, social defense, consumer protection, rural development and agriculture extension, environment, legal aid, and training. It is not possible to describe in detail the contribution of the various NGO's in the fields mentioned above. However, an
account of their contribution in brief may help to assess the role played by the NGO's.

HEALTH AND MEDICAL SERVICES

According to the Directory of voluntary Health Care Institutions published by the voluntary Health Association of India, 355 hospitals were working in India wherein Kerala tops the list, Tamil Nadu being second, followed by Andhra Pradesh in the NGO’s sector.

The Christian missionaries were the pioneers in bridging the gap between the rural and urban health services by way of setting up educational and health services in different parts of the country. Pre-independent India had a network of medical services with civil hospitals at every district headquarters. The organizations like Ramkrishana Mission, the Kasturba Gandhi National Memorial Trust established hospitals and small dispensaries both in rural and urban areas.

Educational and training institutes were also established not only by Christian missionaries but also by several other NGO's. The names of medical Colleges located at Vellore (Tamil Nadu), Manipal (Karnatak), Wardha (Maharashtra), Ferozepur and Ludhiana (Panjab), etc. are worth mentioning. In Maharashtra, Baba Amte’s Anandvan, the Hind Kushta Nivaran Sangh, Arole’s Jamkhed project on Comprehensive Rural Health etc. are of great importance.

The Indian Red Cross Society has also set up several hospitals, dispensaries and blood banks in different parts of the country. In addition, they have been organizing medical services as part of relief work.

The Indian Council of Social Welfare, Hyderabad Branch, setup in early fiftiee the Radium Institute which was later handed over to the government. The T. B. Association of Indian is yet another fine example of pioneering work of NGO’s which have been working for combating of tuberculosis. The child in Need Institute near Calcutta has been working in the field of malnutrition among women
and children. The Kasturaba Medical Aid society is another organization working in the field of health.

Community health is yet another field where the NGO's have contributed a great deal in developing alternative models for providing effective health care in many parts of the country. Some of these organizations have also been able to develop village based health cadres, educational materials and appropriate technology, thus attempting to fill the critical gaps that exist in the government health service.

EDUCATION

The NGO's have played a distinct and effective role in building up education in general and pre-school and adult education in particular. NGO's were pioneers in almost all components of education starting from the pre-school to higher education.

The foundation for higher education in rural areas was laid by the NGO's of various type. With the initiative of the Union Ministry of education organizations like Mauni Vidyapeeth, Gargoti; Rural Institute, Amrawati (Maharashtra); Lok Bharati, Sanosara; Ramkrishna Vidyalaya, Coimbatore, (Tamil Nadu); Rajput College, Bijnaur, (U.P); Gandhigram Rural Institute, Madurai; Jamia Millia Islamia, Delhi etc. were engaged in rural higher education with assistance and recognition from the Ministry of Education.

Adult education is another area related to education where the NGO's have had a great share of contribution. There are around 1,000 NGO's aided under National Literacy Mission. These agencies have implemented several programmes such as adult literacy, social education, functional literacy, adult education etc.

Pre-school education which was never a part of the Indian traditional education system, was also taken up by the NGO's sector. Some of the Christian
missionary organizations in the first half of the 20th century initiated work in this area.

Recently, population education has also been taken up by NGOs. The association for social Health in India (ASHI), the Bhartiya Grameen Mahila Sangh, the Young Women's Christian Association, Young Men's Christian Association, the Young Farmers Association of India etc. are some of the few organizations who have been doing their work in the family welfare and population education.

In the field of social welfare, also 15,000 NGOs are receiving grants-in-aid facility by Central Social Welfare Board.

Today NGO’s working in the field of social welfare are not only restricted to the institutional services for woman and children, the handicapped and the aged, but they are now shifting to community based services, nutrition services, composite community development programme, medical social work, general medical aid, population education activities etc, are now covered by the NGO’s sector.

The establishment of Central Social Welfare Board motivated number of NGOs to start some institutionalized services of destitute widows, deserted and poor women even by separating their children who were placed in children’s institutions.

In south India several NGOs like Andhra Mahila Sabha, Rama Krishna Mission, Servants of India Society etc., established special schools for girls and women’s homes to begin with. After Independence, maternity centers, craft centers for women, social education classes and balwadis were setup by the Kasturba Gandhi National Memorial Trust. The community development programme helped in the promotion and strengthening of mahila mandals and youth clubs in the rural areas in order to enhance the participation of women in community development programme.
The oldest contribution of NGOs is the intervention in women’s education. A large number of NGOs have established schools and colleges for girls. NGOs like Kasturba Gandhi National Memorial Trust, Indore, SNDT group in Bombay, and persons like Maharshi Karva in Pune; Mr. Abdullah in Aligarh etc. have contributed in the fields of women’s education. Condensed courses of training for women who were school drop-outs were started by several women’s organizations in the 1960’s with assistance of the Central Social Welfare Board.

The Central Social Welfare Board has promoted NGOs to start family counseling centers at the district headquarters and such other towns by way of giving financial assistance for counseling service.

One of the biggest handicaps for women development is their low income. The programme of income-generation for women and consequently the families were taken up by the Central Social Welfare Board in a big way through grants-in-aid to NGOs under their socio-economic programme. A large number of NGOs have received assistance from the Board for setting up income-generating projects. SEWA, Lijjat Papad, Indira Community Kitchens are some of the important projects which have helped women in self-employment and arranging grant and/or credit for small income generating schemes.

Besides the above mentioned programmes, the NGOs have also contributed considerable services for the development of women in the areas of adult education, pre-school education, health, housing, family welfare, nutrition, training and employment, income-generation activities, literacy and legal aid, adoption, drug addiction, residential care etc.

CHILD WELFARE

In the history of social welfare in India, NGOs have played a pioneering role in promoting child welfare programmes. A large number of NGOs were running orphanages and homes for the handicapped children before the
government initiated various programmes for children. Today NGO s are not only providing institutional services but also extended their programmes to the non-institutional services such as health, education, nutrition, welfare and recreation.

With the sole object of mobilizing NGO’s activity in every state in favour of all aspects of children’s need, a national organization called Indian Council for Child Welfare was established in the year 1952. At present it has got to its credit more than twenty-five affiliated branches in all over India. It runs about 800 nutrition programme covering over 30,000 children under this programme.

In the 1980s the NGO’s intervention in the field of working and street children is another contribution for the welfare and development of the working, rag picking and street children. All over India a considerable number of NGO s are working for street children. The Karnataka government has promoted NGO s to start at least one night shelter for rag pickers and street children by way of giving financial assistance from the year 1990. There are around twenty five night shelters for rag pickers and street children in all over Karnataka, and all of them are run by the NGO s.

NGO s have been responsible for the organization of many child-welfare programmes. The government has enhanced its support to them by providing necessary funds. Their roles have not only been to promote participation of services, but also to increase awareness of the community in regard to child-care education.

WELFARE OF THE HANDICAPPED

The history of social welfare in the context of NGO’s action begins with welfare of the handicapped. The Friend in Need Society was the institution in Madras functioning since the middle of the nineteenth century. The credit goes to Ms. Mnnie Sharp of Punjab who started the first school for blind in1887. The first school for the deaf and mute was started in Mumbai in 1895. Around 8,000
institutions in India are working for the welfare of the disabled, out of where 800 are government run organizations and the rest are in the NGO’s sector.

ENVIRONMENT PROTECTION

The intervention of NGOs in the protection of environment is of recent one by way of enhancing, awareness about environmental issue through seminars, workshops, publications, competitions etc. The NGOs also attempt practical studies and projects to carry out or demonstrate environmental protection and are involved in environmental activism. These organizations are also working for the prevention of water and air pollution which are the major planks of the national environmental policy.

The number of NGOs in India actively interested or involved in environmental issues today is much larger than any other third world country.

Recently, various NGOs have also spring up even at the grassroots level to assist the government and NGOs in matters of environmental protection and improvement.

RURAL DEVELOPMENT

The intervention of NGOs in the field of rural development is of recent. The community development programmes started in India in 1952, though primarily an official programme, is a landmark in the history of NGO’s contribution to rural development. Because, the youth clubs and mahila mandals were promoted to undertake the training programmes related to rural development programmes.

Following are the few NGOs actively involved in rural development.
Bhartiya Agro Industries Foundations (BAIF), Social Work Research Center, Ram Krishna Mission Ashram, Lokshiksha Parishad, Bhagavatulla Charitable Trust etc.

Association such as Bharat Krishak Samaj, Kasturba Gandhi National Memorial Trust, Bharatiya Grameen Mahila Sangh, Tonnage Club of India, Young Farmers Association, Association Of Voluntary Agencies For Rural Development, Action for Food Production, Bharat Sevak Samaj etc also have contributing their services to rural development.

The success of any development programme largely depends on the active participation of the people. Mere allocation of funds for development is not sufficient our experience on developmental planning has shown that developmental activities undertaken with active involvement of the people have a greater chance of success as compared to the development activities undertaken by the government where people become passive observers. In this respect NGO's play very crucial role in creating awareness, educating, motivation and enlightening the people for social transformation.

During the 1980s, the country has witnessed a tremendous proliferation and growth of NGO's focussing on rural developmental issues. Since then in the eradication of poverty, illiteracy, ill health and over all backwardness of the villagers, NGO's played a commendable role. They were instrumental in initiating, stimulating and accelerating the process of change in the tradition bound rural societies. They also created awareness among the people about the developmental programmes.

A developing society rapidly moving from tradition to modernity would experience a variety of social and economic tensions. A sensible NGO’s working at the village level could help reduce these tensions. Because of close association with the local tradition, culture, custom and environment. These NGO’s play an effective role in the modernization and transformation of rural societies.
Participatory culture of these organizations contribute for the success in rural development. The NGO s put more emphasis on people's involvement in decision making and implementation of any developmental programme. They try to reduce hierarchical distance between leaders and the people at village level.

The other advantage which makes the NGO s more successful in their effort is that they aim at strengthening nations of self-help and self-reliance through programme such as social forestry, water shed management, etc.

Most of the rural development programmes initiated by the Government have been failed due to the political interference and control. In this respect NGO s which are governed by dedicated persons without any outside interference or control play a crucial role.

It may be concluded that NGO s have a great role to play in the socio-economic transformation of rural people. They could give a helping hand to the government and other developmental agencies concerned with rural development. The success of these organizations depends on the financial assistance provided by the Government and other funding agencies.

**NGO s IN ENTREPRENEURSHIP DEVELOPMENT**

The development of entrepreneurship has gained the status of a national movement not only for industrial development but also for its strength to solve the problem of unemployment and uplift of economically weaker sections of the society. The need for development of 'spirit of enterprise' among the target population is felt more during the recent years mainly due to the failure of the trickle down theory to percolate the development benefits to the masses. Consequently as a tool of bottom up mode of development several self employment and antipoverty programmes like PMRY, TRYSEM etc., clothed with minimum entrepreneurial qualities were introduced and executed through governmental agencies. The agencies showed their weaknesses in implementation.
The NGO’s hither to, engaged in their traditional areas of operation-health, sanitation, education, family, planning, environment protection etc., have grabbed this opportunity to entrepreneurise the lesser known target groups. The government agencies engaged in this activity started co-opting and collaborating with NGO’s mainly due to the shear magnitude of the operation and their inability to reach the lower rungs of the society.

The major NGO’s in entrepreneurship development are National Alliance of Young Entrepreneurs (NAYE), World Assembly of Small and Medium Entrepreneurs (WASME), Xavier Institute for Social Studies (XISS), SEWA of Ahmedabad, ‘Y’ self employment of Calcutta, Awake (Association of Women Entrepreneurs of Karnataka), Rural Development and Self Employment Training Institute (RUDSETIs) based in Karnataka.

In respect of entrepreneurship development the NGO’s can be classified as under:

a) Primary level NGO’s. These NGO’s are mobilizing their own resources, operating internationally and taking up development activities themselves or through intermediate or grass root level. They include NGO’s like ACTIONAID, OXFAM, Christian Children Fund etc.

b) Intermediate NGO’s. These NGO’s procure funds from various agencies, impart training, and conduct workshops for professional work force. They include NGO’s like SEWA, Awake.

c) Grass-root level NGO’s. These NGO’s take up field actions by forming direct contact with the needy. They are usually small and may have funding problems as well. RUDSETIs, ANARDE Foundation, (Gujarat), Indian Institute of Youth Welfare (IIYW) of Maharashtra etc. are some of the grass root level NGO’s.
Generally, the NGO's supplement and assist governmental development activities. Yet there are many NGO's operating independently with their own programmes relating to income generation, self-employment and entrepreneurship. (they are regarded as initial, middle and terminal phases in the growth process of entrepreneurship development in the context of employment generation). Through 'selective approach' the NGO's have concentrated their efforts on the development of micro entrepreneurship development in the informal sector rather than the more substantial formal sector businesses.

The trainee specific activities of NGO's engaged in entrepreneurship development can be broadly classified into three:

a) Direct involvement in stimulation of entrepreneurship by conducting EDPs and skill development among the target groups, funded out of its resources or sponsored by others.

b) Provision of counseling and consultation services in project preparation, feasibility study, technical advise on the purchase of plant and machinery, tricks of trade etc., and to assist small entrepreneurship in promotion, growth and expansion needs of business units.

c) Provision of marketing (participation in exhibitions and trade fairs), assistance in securing finance (information gaps that exist about government schemes of self employment, subsidy, loan facilities etc.) incubation and networking facilities.

Even on several occasions they provide technical expertise, train development workers of other NGO's engaged in this activity.

These NGO's efforts weighed in terms of strengths in the context of entrepreneurship development have revealed the following. The NGO's have an edge over others because of their strengths like:
a- The lean overheads and operating costs to reach the poor and needy.

b- Flexibility and responsiveness in operation to invent appropriate solution.

c- Nearness to client groups made them to be sensitive to community need.

d- Capacity for innovation and experimentation with new groups and untried development approach.

e- Stimulating and mobilising interest in the community.

f- Dependence on customer satisfaction.

g- Act as a test bed and sound board for government policies and programmes.

It may be concluded that during the past few decades efforts are on to produce entrepreneurs, the principal actors being the governmental and non-governmental agencies. The role of NGO's has assumed critical significance primarily at the grass root level. They have contracts with people and the respond to their needs effectively. A few NGO's in India have succeeded largely in imparting skills of income generation and micro-entrepreneurship development among the weaker sections of the society, women, tribals and others.

**NGO's IN POVERTY ALLEVIATION PROGRAMMES**

There is widespread agreement among development practitioners, government officials, and foreign donors that NGO's play an important role in helping to alleviate rural poverty in India. Complementary to that of government, both in terms of providing additional resources and in making government programmes more effective. This view has formed the basis for a sustained increase in the level of funding from government sources and official aid donors. It is also a view shared by many NGO's, although some see their role in terms of empowering the poor rather than in implementing development programmes.
In a country the size of India, with major differences between individual states and regions, NGOs are characterised by a rich diversity of approaches, traditions, and activities, rendering the task of generalisation problematic, if not impossible. They cover most areas of the country and their activities affect a significant proportion of the population living in poverty. A number of studies have identified a particular set of attributes with which they are associated, but there is relatively little information on their aggregate impact in alleviating poverty.

Estimates of the number of NGOs active in rural development in India range from less than 10,000 to several hundred thousand depending on the type of classification that is used. Nearly 20,000 organizations are registered with the Ministry of Home Affairs for foreign funding, although the list does not distinguish between religious organizations (such as mosques and temple management committees), commercial bodies, and voluntary agencies; only half of these fall into the NGO category. In addition, there are many others, which derive their financial support from internal sources, such as businesses and private donations. A realistic estimate of the number of NGO’s actively engaged in rural development in India would be in the 15 – 25,000 range, including local and regional branches of national organisations which operate as NGO’s in their own right.

Aggregate numbers reveal only part of the picture as there are significant variations in the of NGO’s in different states, with a marked concentration in the south of the country. For example, a directory produced by the Council for Advancement of People’s Action and Rural Technology (CAPART) in 1990 listed 470 NGOs in West Bengal and 373 in Tamil Nadu as compared to 77 in Madhya Pradesh and 11 in Jammu and Kashmir. To some extent these reflect differing pattern of poverty, but also historical factors (such as areas of Christian missionary influence or Gandhian activity) and the priorities of foreign donors. Some districts possess dense network of NGO’s which overlap and compete for clients, while in others there are hardly any NGO’s active on the ground.
NGOs in India can be grouped into six categories according to their scale of operations and the location of their head office:

a- Large indigenous NGOs working in several states in different parts of the country;

b- Large indigenous NGOs working in most districts of one state.

c- Medium-sized indigenous NGOs working in a large number of villages in one or two districts of one state;

d- Small indigenous NGOs working in a group of villages in one locality (the most common type);

e- Large International NGOs with in-country representation providing and support to indigenous NGOs;

f- Small International NGOs working directly in one or two localities.

Comparatively few possess the staff or financial resources to work intensively at the state and national levels, although it is these organizations which are best known in government and donor circles. A number of the larger NGOs perform an intermediary role in channeling resources from donor agencies to small local NGOs, and are not generally involved in project implementation. Most International NGOs have no direct representation in the country and prefer to work through intermediaries, although several have regional offices.

NGOs are generally reluctant to divulge detailed accounts, but some of the larger national ones have budgets amounting to tens of millions of rupees. One survey reported fifty-four NGOs with annual turnovers in excess of Rs. 1 million, although this is probably an underestimate. The same survey found that nearly half the respondents had budgets below Rs. 250,000 which provides some support for the view that the majority of India NGOs are small scale and localized.
Recent estimates suggest that the amount of foreign funds coming into the
country for use by NGO s each year is in the region of Rs 9 billion (US $ 520m),
up from Rs, 5bn. In the mid - 1980s. In quantitative terms, this is equivalent to
approximately 20 percent of official aid flows, which stood at $ 24 bn. in 1991. A
further Rs. 500 – 700m. is provided by the government. When individual and
corporate donations are added in, an annual income figure of Rs. 10 bn, would
seem a reasonable estimate of the total available resources, although this does not
take into account unofficial payments or contributions in kind by project
beneficiaries. This figure is double the government’s annual expenditure on IRDP,
and 10 percent of its over all budget for poverty alleviation and service provision,
which indicates that the resources mobilized by NGOs are important but
essentially supplement those provided by the government.

The fundamental objective of NGO activity in rural India are poverty
alleviation and the empowerment of the poor, primarily through small – scale
development projects. Some NGO s have chosen to tackle the symptoms of
poverty manifested in low educational standards, ill-health, poor sanitation and
inferior housing by means of social welfare programmes. Others, NGO s have
concentrated on enhancing the asset position and income – earning potential of the
poor through land-improvement schemes, credit, and skills training. An alternative
approach has been for NGO s to empower poor people to demand resources from
the states or to challenges injustice and exploitation.

The foundations for the contemporary voluntary agency movement were
created in the pre-Independence period, some of them associated with the social
reform movements of the late nineteenth century, largely concerned with
educational and cultural matters and only tangentially with the question of poverty.
Christian missionary groups established a network of hospitals, schools, and
welfare services for the poor in the first half of the twentieth century. A third
tradition was the Gandhian approach, which combined social reform with village
development activities.
The Christian and Gandhian approaches continued to predominate after Independence. In the early post-Independence period, disaster relief and food-for-work programmes came to be associated with Christian organizations in particular. Social welfare provided critical backup for public service provision in the 1950s and early 1960s, agencies steeped in Gandhian values emphasized village self-reliance and provided the foundation for development activities centered on small-scale agriculture and cottage industry. The integrated development approach became popular in the late 1960s and early 1970s, with NGOs combining health and education with economic programmes in pursuit of poverty alleviation. It was also at this time that funding from international NGOs began to make its mark.

During the latter half of the 1970s, a more radical trend emerged, with social action groups taking the view that poverty was a structural phenomenon which had to be tackled head-on through the active mobilization of the rural poor. They abjured violence but the thrust of their activities was confrontational, initiating struggle over issues such as land reform, wages, and bonded labour, while another dimension of their work rested on empowering the poor to demand efficient delivery of services from the state and pressing for the implementation of progressive components of government legislation. With liberal foreign funding, social action groups proliferated throughout the late 1970s and early 1980s, and established themselves as the dominant type of NGO in some states, notably Tamil Nadu and Bihar, in sharp contrast to the programme-focused approaches which had found favour from the 1960s, by the mid-1980s, however, their relatively limited economic achievements led to a questioning of the basic tenets of this approach. At the same time there was growing criticism of the lack of participation by the poor in the design and implementation of NGO integrated development programmes.

From the mid-1980s a further trend emerged within the NGO movement, emphasizing the importance of a professional approach based on sound management, planning and coordination. A parallel development was the creation of resources agencies which work directly with the poor but also provide support
services to other NGOs in the form of training, evaluation and documentation. These agencies are usually financed by core grants from foreign donors and payments for staff training from individual NGOs. Intermediary agencies responsible for channelling funds from foreign donors to small national NGOs in some cases also provide these types of services, for example, in assisting with evaluation.

In recent years there has been an element of convergence between these various approaches, with NGOs seeking to combine project-specific development work with active organization of the poor. Reflecting this greater uniformity, community organization is now treated, for the most part, as an essential prerequisite of the successful introduction and implementation of specific programmes. Similarly, most NGOs now recognize that organizational work among the poor cannot be sustained without material improvement derived from programme-specific activities.

Most NGOs work through groups, though with considerable variation in purpose and approach. Some, notably the Gandhian agencies, chose to work through existing village institutions (panchayats or gram sabhas). But these are invariably dominated by the rural elite, and most NGOs therefore prefer to form groups, which exclude the wealthier members of the village community. In some cases, caste or tribal affiliations constitute the basis for group formation, while others, particularly the social action groups, restrict their membership to the landless or marginal farmers. Another approach is to include all the poor, irrespective of caste or class. In some cases membership is defined by a common occupation, such as farming or fishing.

This diversity of approach has tended to make co-ordination. At the local level, these differences are sharpened by competition over areas of operational activity, specially where there are dense networks of NGO s with projects in the villages where they are already working, and their failure to perceive the need for or the potential benefits of sharing insights or resources with other organizations.
Rivalry over scarce government resources and official patronage also hinders co-
ordination at the local level.

Nevertheless, some networks have been established at the state level to
present a common front in negotiations with the government over legislation and
policy formulation. Some NGOs have sought to form networks with specific
advocacy objectives such as trying to encourage the government to introduce a
guaranteed employment programme nationally. Other networks have been formed
by foreign donors, although these can also have the effect of creating or widening
divisions between groups of NGOs. More recently, there has been an initiative to
establish an NGO network at the National Level. A number of the larger and more
established NGOs formed the Voluntary Action Network India (VANI) in 1988 as
a common platform; initially to exert pressure on the government to amend or
revoke contentious items of legislation, but now with an expanded remit to provide
resource materials and organize, conferences on foreign funding and strategic
issues of broader NGO concern. Co-ordination between NGOs remains relatively
weak, however, and this result in a duplication of effort and limits their potential
impact on a larger scale.

The bulk of Indian NGOs is funded by International NGOs. German and
Dutch agencies account for the largest share, while British NGOs contribute about
5 percent of the total. Foreign funding agencies display a marked preference for
projects, which centre on community development, incorporating a range of sector
components, among them agriculture, credit, health and education. At the same
time, they also tend to support activities that are popular in their own countries:
women and environmental development were popular in the 1980's with the result
that some national NGOs have tailored their programmes accordingly. Interna-
tional NGO's work for the most part in collaboration with national NGOs,
acting as a conduit for funds, and comparatively few are involved directly in
project implementation.
Funding mechanisms fall into four categories. The first is where the donor operates exclusively through an intermediary agency in India which is responsible for identifying suitable projects, liaising with partners, and monitoring and evaluating their activities. German and Dutch agencies generally work through established intermediary organizations or umbrella groupings; the second type is the consortia model favoured by the churches, where donor agencies pool their funds, usually in the form of block grants, which are then distributed by an intermediary agency. Caritas India performs this role for the Catholic agencies and CASA (Churches, Auxiliary for Social Action) for the World Council of Churches.

The third approach is that favoured by Oxfam, Save the Children Fund, and NOVB, all of which have in-country offices, staffed mainly by Indian Nationals, forming part of the parent organization and performing a role similar to that of an intermediary agency. Oxfam tends to favor small agencies, viewing its project support as catalytic and aimed at encouraging innovative approaches. In each region it establishes priority sectors or identifies specific social groups for special consideration.

The fourth model does not involve an intermediary agency, and relations between donor and recipient operate on a one-to-one basis. Projects are submitted directly to the funding agency which processes the applications in its head office. The main form of contact with project partners is through periodic tours undertaken by desk offices of the agency concerned. Christian Aid, for example, channels most of its funds to Indian NGOs bilaterally.

As NGOs have grown in size and influence, their activities have brought them into closer contact with government, the implications of which have been the subject of extensive debate. A dominant consideration here is the increasing volume of programme funding from government sources.

The government has long recognized the positive NGOs contribution in the field of social welfare, and provided limited funds to support these activities, but it
has only been in the latter half of the 1980s that the NGO role in rural development has received explicit recognition. The Seventh Five Year Plan (1986-90) marked a watershed. The world of NGOs was considered as complementary to that of government in offering the rural poor a range of choices and alternatives, at low cost and with greater participation. The plan document provided for an active NGO involvement in the planning process and Rs. 1.5 bn. were allocated from government funds for a wide range of anti-poverty and minimum needs programmes. A semi-autonomous body called the council for the Advancement of People’s Action and Rural Technology (CAPART) was created to administer these funds, which include a small proportion of bilateral aid. To be eligible for CARART funding, agencies have to be registered with the government for at least one year and working in rural areas.

However NGOs play a catalytic role in terms of enabling poor communities to define their own development priorities, and are innovative in their willingness to experiment with new ideas, but that their activities remain supplementary to those of government and in some cases duplicate existing services and programmes. Their record in alleviating poverty is uneven, although the study suggests that their performance is better than that of government.

The study of poverty alleviation programmes have contributed towards an overall improvement in the economic status of the rural poor, expressed in terms of higher incomes and greater security of employment. However, the conditions of the very poorest have not changed dramatically, since they were invariably beyond the reach of economic programmes. Benefits from poverty alleviation programmes tended to correspond to the initial asset holdings of different groups of the poor reflecting the unequal structure of rural society, expressed in differential access to land, capital and resources. The studies indicate the NGO programmes generally achieved higher levels of success with people owning some land and fixed assets and living in relatively developed areas with readily accessible markets. Yet another such people were not from among the very poorest, the could not be classed as well-off; even in the Indian context, they remained poor in that they
generated little surplus beyond that necessary to cover their subsistence needs, and were for the most part among the bottom 40 percent of the population in material terms.

Since they work within the existing structure of rural society, NGOs promoting economic programmes cannot hope to bring about a more equal distribution of wealth and assets although they can improve the situation of the poor in relation to wealthier groups, or prevent the gap growing wider.

But, even if the returns to the poorest are low in comparison to the less poor, they can nevertheless be regarded as an achievement. And there were some exceptions. The landless did benefit when they received or invested in fixed assets, especially land. In so many programmes, surplus government land was used for prawn cultivation, resulting in considerable increases in income for former casual labourers. Redistributed land formed the basis for targeted investments in small-scale irrigation NGO, which raised crop production and in turn generated higher incomes and security of employment. The acquisition of income-generating assets (such as rickshaws, fishing craft and dairy cattle) through improved access to subsidized credit was found to be effective in several of the projects.

The poorest lost experienced marginal improvements through less direct means for example, loans provided by Rural Development Trust (RDT) in Andhra Pradesh enabled the landless to purchase raw materials and food in bulk, resulting in small net savings. The poorest also benefited indirectly through increased opportunities for employment brought about by more intensive cropping patterns or a higher share of increased production. Although the not-so-poor were prime beneficiaries in the four projects examined, these examples illustrate that some benefits also accrued to the poorest. NGOs recognize that women are among the poorest sections of rural society because of their domestic responsibilities in addition to searching for opportunities to increase household income. Several NGOs organized women into separate groups in recognition of the fact that needs were different and that they were unable to air their problems freely in the
presence of men. However, the case-studies showed that economic programmes tended not to cater explicitly for women, especially where they concentrated on enhancing the productivity of existing assets and the incremental income was often marginal.

The studies have shown that the impact of poverty alleviation projects also refers to broader criteria than the purely economic such as improved health and nutrition standards, better education, and increased mobility. Monetary benefits derived from NGO interventions may sometimes appear marginal, but for the poorest the fact that they no longer have to endure periods without food or now consume better food can represent a critical improvement. A further set of criteria, less amenable to quantification but nevertheless an important social dimension of poverty alleviation project impact, are captured in the notions of increased self-respect, improved quality of life, higher social status and reduced dependence. For the poor many of whom experience discrimination on the basis of caste, gender, and ethnicity (in the case of tribals), such qualitative improvements were found to be as important as material benefits.

Some were a direct consequence of enhanced economic status (such as self-reliance associated with material security and an independent source of income), while others stemmed from group participation and collective decision-making.

In the Indian rural context, the emphasis placed by NGOs on functional literacy and group cohesion is designed to improve the independence of the poor from dominant social groups and to protect the material gains they have made as a result of NGO interventions. In several of the projects the collective solidarity of the poor proved important in enabling them to stake their claim over redistributed land and to demand minimum wages in line with government legislation and better working conditions. The NGO has to play a mediating role in order to minimize conflict and to ensure that project participants have the rights of redress through the legal system and protection on the part of law-enforcement agencies. Nevertheless, it generally proved easier for the NGOs to work effectively when
dominant social groups were persuaded that an improvement in the material well-being of the poor would not threaten their own position, or when programmes were introduced for the benefit of the community as a whole.

The studies demonstrated that the successful implementation of economic programmes was contingent on the active participation of the intended beneficiaries in shaping programme content and design. Effective participation, usually through the group approach, also provided a stronger basis for self-reliance in the longer term.

NGOs in India have concentrated their energies on creating village-level groups or associations. Group formation has become something of a creed for Indian NGOs, with the aim of promoting collective solidarity (especially since the poor are usually denied effective representation in existing village-level institutions) and to ensure that benefits arising from development interventions are targeted more effectively.

NGOs interventions in Agriculture sector are designed to enhance the economic status of poor households by raising crop production through a range of activities, among them credit provision, technical advice on cropping patterns and inputs, small scale irrigation, storage facilities and marketing.

The studies indicated that the NGOs registered considerable success, with increases in output, crop diversification and an expansion in the cultivated area contributing to increased incomes. Nevertheless, it proved difficult to promote a sustained increase in output without a continued inflow of external resources, especially in semi-arid areas where recurrent drought is a major problem. The study of some NGOs functioning illustrate some of the difficulties of working in a drought prone environment. It demonstrates how NGO credit enabled poor farmers to purchase fertilizers and other input which raised productivity and hence household income, although output was heavily contingent on climate factors. Credit also encouraged poor farmers to take up cash-crop cultivation where the
returns are higher, although the risks are also greater when farmers invest more heavily in inputs.

The studies indicate that credit from NGO sources or loans from commercial banks facilitated by NGOs offer a number of specific advantages over non-institutional credit related to the terms and conditions attached to the loans which were often as important as the impact of the credit itself. The most important of these were ease of access, timeliness, lower interest, and reduced dependence on moneylenders, all of which result in decreased transaction costs and improved self-reliance.

The NGOs facilitate access to credit from the commercial banks by underwriting the loans, depositing collateral or opening up channels of communication between bankers and poor borrowers. One of the most important features of this activity is to improve the access of the poor to rural banking institutions and to heighten their understanding of banking procedures. From the point of view of the banks, the involvement of the NGO improves repayment levels and enables them to meet government lending targets.

In terms of sustainability, institutional credit offers longer-term security over NGO credit, as banks are a permanent part of the local socio-economic infrastructure whereas NGOs are only a temporary presence and there is no guarantee of programme continuity following their withdrawal. However, default is treated less sympathetically, and access to credit is still determined in the final instance by the willingness of local bank officials to lend to the poor. A further problem with bank credit is that the availability of subsidized loans (under the terms of government programmes) is a function of government policy, and polity shifts can adversely affect poor borrowers. These reflections lead to the conclusion that NGOs play a significant but essentially supplementary role in credit delivery alongside the official banking system, but that their role in facilitating access to credit and educating their clientele about banking procedures is likely to remain important for the immediate future.
There are many parts of India, a shortage of land. For this reason NGOs have sought to promote new sources of income for the landless and marginal farmers to supplement or replace income from wage-labour and agricultural production, through the provision of credit, subsidized inputs, and skills training. Increasingly, NGOs have been accessing government resources under the Integrated Rural Development Programme (IRDP) and facilitating bank loans on behalf of their constituents. Income-generation programmes promoted by NGOs broadly fall into three categories: enhancement of an existing activity (agriculture, fishing); creation of new sources of income and employment to replace an existing activity (rickshaw pulling, provisions shops, petty trading, repair services, etc.); or creation of new sources of income and employment to supplement an existing activity (dairying, animal husbandry, food processing, social forestry, basket-making, weaving etc). Many NGO income-generation programmes have fallen short of their objectives, either because the level of income they produce is very low, or because the benefits of these activities cannot be sustained without external assistance.

An important conclusion is that new off-farm income generation activities are more likely to succeed when project participants have been involved in the process of identification and selection. A greater sense of ownership and commitment comes as a consequence of groups discussing the merits and drawbacks of new activities, which in turn provides a necessary but not sufficient condition of programme success. This leads to the conclusion that when new activities are introduced by the NGO without proper consultation they are susceptible to failure, although benefits can result in the short term from top-down interventions.

A second finding is that sensitivity to market opportunities is integral to the success of income-generation programmes. Proximity to market towns, and the quality of local communications and local infrastructural facilities, are all crucial determinants of programme success. Obviously it proved more difficult for NGOs to create new sources of income and employment in villages where demand for...
services is low and transportation difficult, although there were exceptions to this, as in the case of prawn cultivation, promoted by some NGOs, where high prices and local conditions rendered it economically viable, despite the remote setting. Similarly, the general level of economic development is a further determinant of the potential for new sources of income and employment the level of effective demand for goods and services in a less developed region is invariably lower than in more prosperous areas with a more intensive level of economic activity.

A third consideration is the level of technical expertise required for a new economic activity. From the perspective of the beneficiary, the ability to master a new skill is an important determinant of programme success. Where training is inadequate or the technology too complex, the risk of failure is greater. A related observation is that programmes which enhance an existing activity rather than introducing a completely new one stand a greater chance of success in terms of impact and sustainability.

Individuals vary in their capacity to take up and sustain new income-generation activities. The capacity of the poor to adapt to new activities was found to depend not only on skills training but also on confidence building and functional literacy to enable them to compete effectively in the market place.

The most elusive group in this respect are women from the poorest households for whom the prospects of developing new skills and sources of household income are restricted by their class and gender. Small-scale income-generation schemes for women generally focused on handicraft production and skills training. Women's income-generation programmes had in several cases been tagged on to projects with broader objectives and had accordingly suffered from poor planning and implementation. In several cases, small-scale enterprises for women had foundered on the lack of local demand for the goods they produced and problems of transportation when the markets were further afield. Women were often forced to compete with established businesses run by men who had ready access to marketing networks and the necessary technical expertise. The
evaluations found that income realized on these activities was often quite marginal and at best provided supplementary income rather than secure sources of employment.

Only in programmes seeking to promote new sources of income and employment, or those where women had access to productive assets, were the concerns of women addressed more directly. In some cases these were confined to training initiatives, where women were provided with new skills but with uncertain employment prospects. In other programmes, the income-generating potential of new activities was limited, particularly where they provided a supplementary income, the classic examples being dairying and calf-rearing. The overriding impression is therefore that women’s needs were not fully addressed by the NGOs, programmes designed for women formed a peripheral part of their overall concerns, and where they were included, they emphasized traditional types of work characterized by uncertainty and low remuneration.

A final point in this regard is that income-generation and poverty alleviation schemes by their very nature involve risk and experimentation, and a certain level of enterprise failure is to be expected. At the same time, this should not detract from the fact that the costs of failure are high, not only in terms of the material losses incurred by the poor, but also because they undermine the willingness of people to experiment with new activities. Unfortunately, the lessons of failed schemes are rarely absorbed by other NGOs, largely because the experience tends not to be recorded and shared. This points to the need for improved co-ordination and information sharing, and for assistance to help NGOs develop their technical and managerial capabilities in order to maximize their impact and improve the quality of their interventions.

SOCIO – ECONOMIC DEVELOPMENT

In India, the need for planning and development was realized even before independence. As early as in 1944, the National Planning Committee visualized
the need for economic development. Bombay Plan in the same year stressed the necessity of balanced economy through rapid industrialization. People’s Plan drafted by M. N. Roy advanced the case of agriculture development and centralized planning for smooth and comprehensive development. With these basic ideas the country embarked upon the planned development. The Planning Commission was established in 1950 with the basic functions to formulate the development plans, identify plan priorities and determination of machinery for the successful implementation of development programmes. The First Five year Plan was launched in 1951. The Ninth five year plan (1997 – 2002) is on the verge of completion and tenth five year plan is in the process of formulation.

Since the very inception of planning in the country, the avowed aims have been to accelerate economic and social development, alleviate poverty and unemployment, raise the standard of living and quality of life; and build a just, equitable and egalitarian society. The chief goal of all this is to provide full opportunity for the development of every individual and each part of the country.

The foremost achievement of independent India is that the country evolved a democratic planning agency that stood the test of time. In order to achieve the avowed aims and goals planning strategies and development programmes were adjusted to the need of time and situation. The First Plan (1951 – 56) placed highest priority on agriculture including major irrigation schemes and power generation for solving food problems of the country. The Second Plan (1956 – 61) gave top priority to heavy industries and building of a sound base for comprehensive development whereas the Third Plan (1961 – 66) accorded equal priority to agricultural and industrial development.

During the planning era not only democracy and democratic planning established deep roots inside but also country made a great stride in socio-economic development. India is now third great country in the world in technical personnel and Sixth in Gross Domestic Product. In five planning decades food production increased by three times, industrial production by five times, cement by
thirteen times, electricity generation by thirty-five times, aluminum by sixty-four times, petroleum by more than hundred times and annual plan outlay by one hundred sixty times. Similarly, hospital beds were up by five times and school enrolments by four times. In the country literacy rate was doubled and life expectancy increased 1.5 times. The birth and death rates also came down.

Economic growth was the chief concern of development in the initial stages. Economists led in theory formulation and policy prescription. They equated development with "economic growth" and measured it in terms of Gross National Product (GDP). It was though, greater the cake, larger would be the share and welfare of the people. Thus, economic growth and economic efficiency were considered pivotal to all dimensions of development. Later it was discovered that high Gross National Product (GDP) was no guarantee for the all round development.

Sociologists postulated that social development was a prerequisite for economic development. They brought forth the importance of social structure, and socio-economic behaviour of the people of the area that have positive or negative impact on the development. The great sociologist Max Weber discerned that the Protestant reforms of sixteenth and seventeenth century generated a spirit of rational scientific enquiry that formed the basis for all capitalist development. The absence of such scientific spirit in other parts of the world was responsible for their failure to develop capitalism. Volume of sociological literature stressed that economic development was not only hampered but also rendered fruitless in absence of social development, which was truly the ultimate goal of any societal transformation. They also underlined the importance of institutional and structural changes as agents of economic growth.

Spectacular and dramatic developments in national economics, resources, technologies, and communications and information systems have brought about significant and appreciable transformation in societies, all over the world. All these have, however, not resulted in the materialization of the dream of human well
being as a product of development efforts. Amidst an unprecedented rate of
economic growth, social improvements are found to be lagging. While higher
economic growth induced prosperity, it has also been accompanied by persistent
poverty, human deprivation and social backwardness. Concededly, economic
development has not been accompanied by sustainable improvements in social
well being. Many of the developed and developing countries face disjunction
between economic growth and social progress. There has, therefore, been a
vigorous critique of development policies and programmes, which have proved to
be incapable of ushering in an era of sustainable human-centred development.
Economic development, globally speaking, has fuelled the market forces which
favour the strong and deprive the weak. The idea a single-minded pursuit to
economic development would bring about a desirable transformation in society, or
would automatically result in establishing a better social order has proved to be an
illusion.

The problem that most of the countries face today is not that of lack of
economic development but that of a problem of distorted development. Distorted
development has occurred primarily because economic growth has not been
accompanied by concomitant improvements in social development. The
proponents of social development, therefore, argue that economic growth which
has been benefited only a segment of society is meaningless.

The cost of shortsighted economic rationality and an aggressive pursuit of
progress viewed exclusively in material terms has been the pivotal point of modern
critiques of development initiatives. The predominant perception is that economic
trends and policies – including the globalization of economic factors and decisions
– are currently unfavourable to social conditions of many people in most societies.
The perception of a global social crisis at the far end of the twentieth century has
heightened the disbelief in the primary of economic growth model of development.
The questioning of the basic orientations of economic policies, approaches and
strategies, has become more and more vociferous, since the perception of
impending social crisis has caused world-wide alarm. Behind the causes of the
crisis lay the fact that during past decades investments in development efforts have produced limited results to avert the increasing socio-economic inequity and inequality both within and amongst nations. Under such conditions there is little chance for sustainable development to succeed. These and several other postulates of economic development critique have provided the world with an unique opportunity of restructuring national and international economic development strategies to focus on people — centred development.

The idea that economic policies should be so fine-tuned to meet the broader social objectives added a new dimension to the development discourse. The policy responses to planning for economic growth relented to increased pressure of scholarly analyses that recognized the specificity of social development and a favourable economic climate are essential, but are not sufficient conditions for the development of society as a whole. And further, the traditional indicators of economic development are not a sufficient measure of sustainable human development.

The consensus that emerged favoured the seminal significance of social considerations as part of economic decision-making. In the same vein it was also accepted that social policies should similarly respond to economic objectives, and social programmes should contribute to useful structural changes and to overall development of society.

This, however, did not mean the subordination of economic policy to the imperatives of social policy. It only meant that in the economization of the system, other efforts of social transformation are not to be put on the backburner. In the acceptance of the criticality and cruciality of social development, there prevailed a world-view that development should be human-centred and broadly based, offering equal opportunities to all men and women to participate fully and freely in economic, social, cultural and political activities. To accomplish this vision of development, it was affirmed that the strategies of development should focus on societies and not just on economics, for economic development, without
corresponding social development creates severe imbalance between economic propriety and social well being. The affirmation implied that growth is an insufficient basis for promoting social well being, since growth and equality are more often incompatible objectives.

In view of the limitations and dissatisfactions with economic dimensions of development characterizing early development planning, economists like Gunnar Myrdal argued for a redefinition of development that took social factors into account. Myrdal emphasized the concept of unified socio-economic development and urged upon governments to plan their economics to include social policies that enhance people's welfare and take steps to redistribute income and wealth. Similarly, the World Bank and UNDP emphasized the importance of social issue in economic planning. The tendency to appreciate non-economic dimensions of development became more prominent when several other economists argued that development has to be inspired by the populations of well known social development philosophies.

After the 1970s, many development economists viewed development simply as an economic fact. For instance, Todaro, an economist asserted that development in its essence must represent the entire gamut of change by which an entire social system is tuned to meeting the basic needs of the people and altering such conditions of life that are widely perceived as dehumanizing similarly, many development sociologists emphasized that development is not merely an economic activity but involves reorganization of the entire society at a higher level, higher not only in material terms but also in terms of human values. The sociologists view of development found support in diverse documents which explained the purpose of development in terms of providing increased opportunities to all people for a better life. The ultimate purpose of development, according to a UN document is to bring about a more equitable distribution of income and wealth for promoting social justices, alleviating poverty, maximizing productive employment, and expanding and improving facilities for education, health, nutrition, housing and social welfare for the deprived and disadvantaged individuals, groups and
communities. These objectives, the document said, are both the determining factors and the results of development, and hence be viewed as integrated parts of a dynamic development.

True that too many critiques of economic development made the notion of social development acceptable, the predominant position of economic development model remained unchanged until 1990s. By and large, development continued to be viewed, primarily in economic terms. This was evident from the dominant economic concerns underlying development paradigms, development planning strategies and measures of development performance. Social concerns remained, at best of marginal importance. The realization that high income societies could be socially underdeveloped societies made little difference to the prevailing economic conception of development. Since the term “development” had acquired a strong economic connotation, it continued to be viewed as the only viable paradigm of development and growth. Overstress on the economic dimensions of development continued at the cost of non-economic dimensions of development. It was all too evident that socio-cultural dimensions of development remained largely a missing dimension in much of the development thought. The scenario seems to be somewhat different after the World Summit for Social Development, which reaffirmed that the idea of economic development cannot solve the critical social problems facing humanity. The Social Development Summit at Copenhagen in 1995 crystallized the world-view on social development, with governments assessing to accord social development and human well being the highest priority both now and into the twenty-first century. The Summit recognized that social development is central to the needs and aspirations of the people throughout the world, and to the responsibility of the government and all sectors of civil society. The Summit affirmed that the most productive policies and investments are those which empower people to maximize their capacities, resources and opportunities. The Heads of the states and governments committed themselves to a political, ethical and spiritual vision for social development based on human dignity, equality, respect, mutual
responsibility and co-operation. They gave high priority to policies and actions for the promotion of social progress and for the betterment of human condition. To this end, they created a framework for action to:

a- place people at the centre of development and economy at the service of human needs;

b- integrate economic and social policies to make them mutually supportive;

c- recognize that sound and broad based economic policies are a necessary foundation to achieve sustained social development;

d- promote a more just distribution of income and access to resources through equity and equality of opportunity for people at all levels; and

e- recognize that empowering people to strengthen their own capacities is the main objective of development and its principal resources.

The specific commitments made to translate this vision of social progress and development referred to creating an enabling economic, political, social, cultural, and legal environment that would help people to achieve social development. Actions were recommended to create framework of sustained economic growth and sustainable development, which inter-alia would eradicate poverty, enhance productive employment and foster social integration. The Summit underlined the urgency of the need to address the persisting social problems, especially those arising out of poverty, unemployment and social exclusion. It shared the conviction that social development and social justice are crucial preconditions for the achievement and maintenance of peace and security.

The Summit proposed a renewed conception of social development and made the world understand its great significance. It provided an opportunity for rethinking on developmental goals and strategies amenable and conducive to the promotion of social well being. The political commitment of heads of states and
governments to implement the recommendations of the Summit was its biggest achievement. The Summit formulated a new social development agenda based on the principle that people are at the centre of development and economic policies and social programmes require placing the human person at the centre of all thinking and all decisions. The Summit decisively underscored the point that promotion of social development is fundamental to the life and future of any society. On the one hand development can contribute to solving social and economic problems, and on the other and above all it is required to release social forces essential for ensuring a harmonious development of societies for the benefit of all. It stressed the humanization of economic planning activities with social policies and programmes. The perception to link expansion of social services with overriding need for economic development was widely favoured. While accepting the notion of ‘balanced’ or ‘unified’ economic development, the summit recommended the integration of economic and social components of development. The Summit averred that purposeful linking of social policies and programmes to an overall strategy of economic development is central to the notion of social development, especially in the context of Third World development.

Like ‘development’ ‘social development’ too has several connotations and is often used very broadly to refer to improvements in human well being. It is also used to refer to development that is not strictly economic or market driven. It includes improvements in the quantity and equality of public social services, such as education, health, sanitation, access to clean water and other goods and services that are to be provided to all people by public institutions. Commenting on the ambiguity in the usage of the terms, Gore observed that the meaning of the term is not clear. The term has been interpreted to mean economic growth with social justice, eradication of poverty and minimization of economic inequalities, emphasis on human resource development, and development of social services which are inclusive of welfare services but extended also to cover health, education, housing, rehabilitation, etc.
Apart from varied interpretations given to the term social development, most of the available definitions of social development emphasize the idea that social development is a process. Midgley cites two conceptions of social development to illustrate that 'process' is central to all definitions of social development. For example, UNDP viewed social development as a process of widening people's choice to decide what they should have, be and do to ensure their own livelihood. Paiva viewed social development as a process of enhancing the capacity of individuals to work for their own as well as for their society's welfare. Midgley's own definition views social development as "a process of planned social change designed to promote the well being of the population as a whole in conjunction with dynamic process of economic development.

In social work circles, where the term social development has gained considerable popularity, many definitions have been attempted. Salima Omar defined social development as a process concerned with achieving an integrated, balanced and unified social and economic development of society that gives expression to the value of human dignity equality and social justice. This and several other definitions of social development being currently used in social work circles are too broad, idealistic and unclear about practical matters.

The international agencies and social science academics use the term to refer to social initiatives within the context of economic development in the developing countries. They usually define social development as a progressive process which results in a steady improvement in social conditions. A look at the documents released through the UN agencies reveals that most of these tend to view social development both as a process and an approach for promoting the level of 'social well being'. Though, again not defined, social well being is an umbrella concept encompassing equity, social justice and security, together with social cohesion, respect for human rights, non-discrimination and participation and empowerment of the impoverished people. In its literal sense social well being refers to the ability of every human being to satisfy his or her basic needs and to
achieve a satisfactory quality of life within an environment of equity, social justice and human dignity. Social well being is also designated to enable each individual to improve his ability to control his destiny by means of activities in the economic, social, cultural and political fields and to participate in the choices and decisions concerning society. Social well being, many people aver, is the ultimate aim of social development, and the consideration of it can bring the ‘human’ back to the development planning. It is further argued that human well being cannot be regarded as a by product solely of economic growth, and hence, human well being ensured through public welfare services and equitable distribution of resources and opportunities of growth are essential for the success of economic planning.

A journey through the relevant development literature reveals that many of the prevailing conceptualizations of social development are too broad to be of much use for development planners. The trouble is that neither the social development Summit, nor its proponents have been able to come up with an acceptable explanation of the concept. The confusion becomes more confounding when policy documents use such terms as ‘human development’, ‘human face to development’, ‘sustainable human development’, etc. as synonyms of social development. While the conceptual confusion remain more or less intact, working definitions of the term social development are being proposed. For example Indias Country Report to the Social Development Summit describes social development as “a multi-dimensional effort meaning literacy, education and good health, and all that goes to make good health possible, like food and nutrition security, drinking water, easy availability of medical and health care facilities (both preventive and curative), and full and productive employment. It means life in security under which the individual lives in a manner that suits him, while at the same time not infringing on other people’s rights. Social development obviously also means living in economic security fostered by rapid national economic development accompanied by distributive justice. Social development presupposes the evolution of both the individual and the society in a manner that the happiness of both is ensured.”
A look at the position papers of several other countries submitted to the World Summit on Social Development reveals that elaborations on the concept of social development make liberal use of the terms and phrases like 'social progress', 'planned and programmed efforts of peaceful social transformation', elimination of discrimination, exploitation and oppression of the socially and economically marginalized sections of society; sharing of the benefits of development both by the resources and unresourced sections of society; enhancement of the quality of human life especially of the poor and disadvantaged, improvements in human well being', improvements in the quality and quality of public social services, focus on society and not on economy, 'creation of equal opportunities for all to participate fully and freely in economic social, cultural and political activities', people are the ends and not means of progress and development', etc. How far this verbiage on social development carries the conviction of the Heads of the states and governments that gathered in Copenhagen, is apparently the brother of several social development support centres. But one thing is certain that the aforesaid objectives of an idealized version of social development will remain rooted in rhetoric in the absence of robust economic growth. Therefore, any conception of social development as a district dimension of development, independent and separate from economic paradigms of developments, has no takers amongst such economists and development planners whose opinions and views indeed matter in national planning processes. It is in this backdrop that the nexus between economic and social dimensions of development has to be examined.

Social development as a process and an approach to social well being is not an independent and autonomous concept. And further, social development strategies are not mutually exclusive, but can be integrated to achieve social development goals in conjunction with the dynamic process of economic development. It is in this context of interdependence and strong nexus, that social and economic development should be addressed together, since neither can be achieved in an isolation from each other. The declaration of the Social
Development Summit clearly underscores this inseparable and mutually reinforcing relationship. It is rightly said that social development is a necessary foundation for sustainable economic development and conversely, broad based and sustained economic development is a prerequisite for social development. Based on the experiences of economic growth in the developing countries, the Summit recognized that while economic growth is the prerequisite and foundation of social development, social development requires much more that economic development and should be seen as the goal and intended result of economic growth. Material prosperity is necessary for social development, but is far from being sufficient. In a World Bank document, Birdsall asserted that investment in social development is good economics. Expert opinions favour this idea and come round the view that social values and humanitarian goals must inform and direct the necessary ends and means of economic development. The development think tanks, throughout the world, now recognize the inseparability of social and economic development and increasingly argue that social development cannot take place without economic development, and economic development is meaningless if it is not accompanied by improvements in social welfare services for the population as a whole. To be successful, economic development should mean an increased well being of the whole society and not for a small segment of the rich, resourceful and property owning class. Alternatively, the most distinctive feature of social development is its nexus with economic development. And, in that backdrop, social development explicitly seeks to integrate social and economic processes, viewing both elements as supportive to each other. Having highlighted the mutually reinforcing relationship between social and economic development, this discussion considers the question as to whether the goals of both are different. Here again there are differences. Many of the proponents of economic growth model of development cling to the view that economic development in the newly developing countries must precede and not succeed social development, for, economic development would enable such countries to bring about social development. They argue that social development occurs naturally as a result of economic growth. Furthermore, they argue that there is hardly any contradiction
between the goals of economic and social development, since both aim at 'progress' and 'dynamic social change'. Material progress, they say, leads to extinction of human misery and thereby to improvements in the quality of human life.

The proponents of social development, on the contrary, refute some of the basic assumptions regarding the percolation of economic development effects to promotion of social development. The argument advanced is that economic development parameters of development paradigm in the developed as well as in developing countries have resulted in the creation of “island of prosperity in the midst of an ocean of poverty. The growth, in terms of material prosperity, has made 'man' an economic being, blunting his social sensitivities, freezing his finer instincts and emotions, converting him into a self-centred, selfish and self-seeking person oblivious of his social obligations to help all those who are run down in the race of development and whose lives are characterized by fear, insecurity, want, death, disease and despair. The trickle-down effects of economic growth hardly reach the mass of pauperized persons. Had that been so, the developed western nations may not be having a substantial proportion of their population living in poverty.

The awesome and often astonishing implications of an exclusivist growth model, with many disastrous social consequences, dissuade the social development theorists from buying the dream sold by establishment economists. They contend that social development, though related to economic development stipulates different goals. The goals of social development, they say, require continuous efforts of reducing and eventually eliminating the major sources of social distress. In specific terms, social development goals aim at:

- Promotion of social progress and betterment of human condition based on human dignity, equality, respect, mutual responsibility and cooperation.
b- Placement of people at the centre of development and the economy at the service of human needs.

c- Integration of economic and social policies to make them mutually supportive.

d- Recognizing that sound and broad-based economic policies are necessary foundation to achieve sustainable social development.

e- Promotion of a just distribution of income and access to resources through equity and equality of opportunity at all levels.

f- Strengthening of civil society and enabling people to achieve satisfaction of basic needs and to realize their dignity, safety and creativity.

g- Empowering people to strengthen own capacities.

The central characteristics of social development revolve round (a) the needs and aspirations of all people; (b) their empowerment to maximize their capacities, resources and opportunities; (c) enhancement of people's rights, resources and potentialities to enable them to lead satisfying lives and contribute to the well being of their families, their communities and to their society at large; (d) a fair distribution of the benefits of development; (e) facilitation of structural changes; (f) the promotion of a development perspective in social welfare.

In the context of these goals and characteristics, the policy imperatives of social development emphasize the following:

a- Social development is essential to achievement of human centred economic development.

b- The interlocking goals of social development and economic development are necessary to achieve fundamental objectives of sustainable human development.
c- Integration of social development goals into micro and macro development policies.

d- Action to enhance sustainable human development should concentrate on the needs of such people who are most severely disadvantaged or vulnerable.

e- Ensuring that all citizens have reasonable access to education, work opportunities, land and financial resources in order to facilitate self-development.

f- Ensuring that all citizens have access to a reasonable level of food, water, shelter, clothing, health services and other welfare services.

g- An finally, the establishment of a human, egalitarian and democratic society where the state remains constantly concerned with issues of human welfare and remains committed to ensuring human well being in both the material and non material sense.

A determined actualization of these policy imperatives requires formulation and implementation of such strategies and approaches, which have interdisciplinary focus and draw upon the insights of political economy which suggest the forging of strong linkages between social and economic development goals. In more specific terms the strategies require the active involvement of the state and the civil society in the implementation of pro-poor policies of social and economic development.

Agriculture is one of the most important base of socio-economic development in developing countries. In these countries non-agricultural sector is very small and is largely concerned with processing of agricultural products and meeting the requirements of agricultural inputs as well as people engaged in agriculture. Therefore, in such areas development of agriculture is essential to accelerate the overall process of socio-economic development.
Agriculture is a way of life, a tradition, which, for centuries, has shaped the thought, the outlook, the culture and the economic life of the people of India. Agriculture, therefore, is and will continue to be central to all strategies for planned socio-economic development of the country. Rapid growth of agriculture is essential not only to achieve self-reliance at national level but also for household food security and to bring about equity in distribution of income and wealth resulting in rapid reduction in poverty levels.

Indian agriculture has, since independence, made rapid strides. In taking the annual food grains production from 51 million tonnes of the early fifties to 206 million tonnes at the turn of the century, it has contributed significantly in achieving self-sufficiency in food and in avoiding food shortages in our country. The pattern of growth of agriculture has, however, brought in its wake, uneven development, across regions and crops as also across different sections of farming community and is characterized by low level of productivity and degradation of natural resources in some areas. Capital inadequacy, lack of infra-structural support and demand side constraints such as controls on movement, storage and sale of agricultural products, etc, have continued to affect the economic viability of agriculture sector. Consequently, the growth of agriculture has also tended to slacken during the nineties.

Agriculture has also become a relatively unrewarding profession due to generally unfavourable price regime and low value addition, causing abandoning of farming and increasing migration from rural areas. The situation is likely to be exacerbated further in the wake of integration of agriculture trade in the global system, unless immediate corrective measures are taken. Over 200 million Indian farmers and farm workers have been the backbone of India's agricultural. Despite having achieved national food security the well being of the farming community continues to be a matter of grave concern for the planners and policy makers in the country. The establishment of an agrarian economy which ensures food and nutrition to India's billion people, raw materials for its expanding industrial base and surpluses for exports, and a fair and equitable reward system for the farming
community for the services they provide to the society, will be the mainstay of reforms in the agricultural sector.

The National Policy on Agriculture seeks to actualise the vast untapped growth potential of Indian agriculture, strengthen rural infra-structure to support faster agricultural development, promote value addition, accelerate the growth of agro business, create employment in rural areas, secure a fair standard of living for the farmers and agricultural workers and their families, discourage migration to urban areas and face the challenges arising out of economic liberalization and globalization. Over the next two decades, it aims to attain:

a) A growth rate in excess of 4 percent per annum in the agriculture sector;

b) Growth that is based on efficient use of resources and conserves our soil, water and bio-diversity;

c) Growth with equity, i.e., growth which is widespread across regions and farmers;

d) Growth that is demand driven and caters to domestic markets and maximizes benefits from exports of agricultural products in the face of the challenges arising from economic liberalization and globalization;

e) Growth that is sustainable technologically, environmentally and economically.

The policy will seek to promote technically sound, economically viable, environmentally non-degrading, and socially acceptable use of country’s natural resources-land, water and gentle endowment to promote sustainable development of agriculture.

Indian agriculture is characterized by predominance of small and marginal farmers. Institutional reforms will be so pursued as to channelize their energies for achieving greater productivity and production.
The approach to rural development and land reforms will focus on the following areas:

a) Consolidation of holding all over the country on the pattern of northwestern states;

b) Redistribution of ceiling surplus lands and waste lands among the landless farmers, unemployed youth with initial start up capital;

c) Tenancy reforms to recognize the rights of the tenants and share croppers;

d) Development of lease markets for increasing the size of the holding by making legal provision for giving private lands on lease for cultivation and agri-business;

e) Updating and improvement of land records, computerization and issue of land pass books to the farmers; and

f) Recognition of women’s right in land.

The rural poor will be increasingly involved in the implementation of land reforms with the help of Panchayati Raj Institutions, voluntary groups, social activists and community leaders.

Private sector participation will be promoted through contract farmer and land leasing arrangement to allow accelerated technology transfer, capital inflow and assured markets for crop production, especially of oilseeds, cotton and horticulture crops.

Progressive institutionalisation of rural and farm credit will be continued for providing timely and adequate credit to farmers. The rural credit institutions will be geared to promote savings, investments and risk management. Particular attention will be paid to removal of distortions in the priority sector lending by commercial banks for agriculture and rural sectors. Special measures will be taken for revamping of cooperatives to remove the institutional and financial weakness and evolving simplified procedure for sanction and disbursement of agriculture.
credit. The endeavour will be to ensure distribution equity in the disbursement of credit. Microcredit will be promoted as an effective tool for alleviating poverty. Self help group-bank linkage system suited to Indian rural sector, will be developed as a supplementary mechanism for bringing the rural poor into the informal banking system, thereby improving bank outreach and the credit flows to the poor in an effective and sustainable manner.

The basic support to agriculture has been provided by the cooperative sector assiduously built over the years. The Government will provide active support for the promotion of co-operative form of enterprise and ensure greater autonomy and operational freedom to them to improve their functioning. The thrust will be on:

a) Structural reforms for promoting greater efficiency and viability by freeing them from excessive bureaucratic control and political interference;

b) Creation of infrastructure and human resource development;

c) Improvement in financial viability and organisational sustainability of cooperatives;

d) Democratization of management and increased professionalism in their operations; and

e) Creating a viable interface with other grass root organizations.

The legislative and regulatory framework will be appropriately amended and strengthened to achieve these objectives.

Despite technological and economic advancements, the condition of farmers continues to be unstable due to natural calamities and price fluctuations. National Agriculture Insurance Scheme covering all farmers and all crops throughout the country with built in provision for insulating farmers from financial distress caused by natural disasters and making agriculture financially viable will be made more farmer specific and effective. Endeavour will be made to provide a package insurance policy for the farmers right from sowing of the crops to post-harvest operations, including market fluctuations in prices of agricultural produce.
In order to reduce risk in agriculture and impart greater resilience to Indian agriculture against drought and floods, efforts will be made for achieving greater flood proofing of flood prone agriculture and drought proofing of rainfed agriculture for protecting the farmers from vagaries of nature. For this purpose, contingency agriculture planning, development of drought and flood resistant crop varieties, watershed development programmes, drought prone areas and desert development programmes and rural infrastructure development programmes will receive particular attention.

The central Government will continue to discharge its responsibility to ensure remunerative prices for agricultural produce through announcement of minimum support prices policy for major agricultural commodities. The food, nutrition and other domestic and exports requirements of the country will be kept in view while determining the support prices of different commodities. The price structure and trade mechanism will be continuously reviewed to ensure a favourable economic environment for the agriculture sector and to bring about at equitable balance between the rural and the urban incomes. The methodology used by the Commission on Agricultural Costs and Prices (CACP) in arriving at estimates of costs of production will be periodically reviewed. The price structure of both inputs and outputs will be monitored to ensure higher returns to the farmers and bring about cost effectiveness throughout the economy. Domestic market prices will be closely monitored to prevent distress sales by the farmers. Public and cooperative agencies undertaking marketing operations will be strengthened.

The Government will enlarge the coverage of future markets to minimise the wide fluctuations in commodity prices as also for hedging their risks. The endeavour will be to cover all important agricultural products under future trading in course of time.

Effective implementation of policy initiatives will call for comprehensive reforms in the management of agriculture by the central and the state governments. The Central Government will supplement/ complement the state government’s efforts through regionally differentiated work plans, comprising crop/ area/ target
group specific interventions, formulated in an interactive mode and implemented in a spirit of partnership with the states. The central government will move away from schematic approach to macro-management mode and assume a role of advocacy, articulation and facilitation to help the states in their efforts towards achieving accelerated agriculture development. The database for the agriculture sector will be strengthened to ensure greater reliability of estimates and forecasting which will help in the process of planning and policy making. Efforts will be made to significantly improve and harness latest remote sensing and information technology to capture data, collate it, add value and disseminate it to appropriate destinations for managing the risk and in accelerating the growth process. The objectives will be to engage in a meaningful continuous dialogue with the external environment in the changing scenario and to have on line and real time system of 'Agriculture on line' capacity to analyse the signals emanating from the farms and the markets for the benefit of the farmers.

The Government of India trust that this statement of National Agriculture Policy will receive the fullest support of all sections of the people and lead to sustainable development of agriculture, create gainful employment on a self sustaining basis in rural areas, raise standards of living for the farming communities, preserve environment and serve as a vehicle for building a resurgent national economy.

Like agriculture development, industrial development is another component of economic development. It has profound impact on economy, society and habitat; provides more goods and services to consumption basket; generates more jobs; and creates sound base for the development of tertiary sector of the economy. Apart from this, the industrial development is the real propulsive force in the process of development.

In India, agriculture is the bottom base of the economy which is also contingent upon industrial development. Most of the agricultural inputs and demands for agricultural products come from industrial development. The development experiences of present fast developing and highly develop countries
of the world show that industrial development is a lever for the comprehensive economic development. In other words industrial development is switch action for the overall development.

The traditional orthodox economic reasoning, is that agriculture and other primary activities are subject to diminishing return i.e. produce per unit decreases with the increase of inputs. But industry is destined to have increasing returns. Apart from this economic logic for industrial development. Industrialization enhances and strengthens man's capabilities and reduces vulnerability of economy form natural calamities. It increases the scope of human choice and reduces his dependence on the nature.

The Industrial development accelerates rational and scientific outlook among the people. A few scholars are of the view that industrial development along with urbanization is synonym of development. All the advanced and the developed countries of the world were far ahead in industrial development. Marx, in his famous passage in the introduction to Capital, observed: "the country that is more developed industrially only shows, to the less developed, the image of its own future".

In India where population is increasing rapidly, unemployment is rampant, demographic profile of workforce is imbalanced and regional disparities in development are high, industrial development has additional significance. Here industrial development is essential for the provision of employment, diversion of population pressure from agricultural land, diversification of economy and restoration of structural balance in economic development. The area poorly endowed and less destined for agricultural development may opt for industrial development. This world reduce the increasing malaise of inequality and regional disparities in the process of development.

The industrial development is not merely industrial growth. It is a more comprehensive concept. But most of the scholars took industrial development as industrial growth. Pathak measured industrial growth in India adopting indicators
of registered factories, production, and capital employment in registered factories, value added by manufacturing and electricity generated. His concern was mainly the analysis of industrial growth. But the inclusion of electricity generation which is seldom considered as manufacturing industry distorted the conceptual base in selection of indicators.

In order to obtain a structural change industrialization, a sustained rate of growth of industrial investment, yielding a sustained and sizeable rate of growth of industrial output and of employment was planned, both in the public and the private sectors and without forgetting the decentralized industrial sector. A clear and explicit policy framework was created in terms of industrial policy resolutions in 1948 and 1956, and many subsequent changes which were time and again announced in the form of policy statements. In order to achieve specific targets with respect to private sector industry in the large, medium, small and cottage sectors, the process of planning industrial development through medium term and annual plans was supplemented by a complex range of tools, like industrial licensing, controls, regulations and battery of promotional measures extending from finance to technology to provision of technical and managerial education and training.

The assumption of direct-industrial tasks and responsibilities through the agency of public enterprises was, among other things, designed to provided the state with an opportunity to correct the imbalance in the industrial structure, which evolved during the colonial era. It was also intended to impart an adequate growth-dynamic, capable of generating forces which can carry on the process of industrial expansion without much external stimuli or intervention. This necessitated installing such new capacities which can provide domestically for the backward and forward linkage i.e. domestic availability of most of the major and critical inputs of intermediate and capital goods and also generally finding a domestic market, either in the sphere of consumption or in that of investment, for the bulk of the industrial output. Such a balanced growth approach, however, was not based on autarkic, closed door policies. It was planned that the initial capital equipment,
technology and number of intermediate goods were either continually or temporarily to be imported. Similarly, it was planned to make conscious efforts to benefit from our latent and long term comparative advantage in order to change the structure of our export away from the traditional primary sector predominance to non-traditional, manufacturing sector exports. In one word, the policy objective was self-reliance, and not isolation. It was from this perspective that the import substituting, heavy and basic capital goods and machinery manufacturing priority of the Indian strategy of industrialization was adopted. This is not to say that this scheme of priorities and pattern of industrialization was not based on national aspiration for economic independence, more particularly on the part of the emerging class of national capitalists to acquire greater strength and better bargaining position vis-à-vis ex-colonial, international capital. By banning the import of industrial consumer goods and providing tariff protection for most of the other industrial goods in a regime quantitative import restriction, an era of unprecedented investment and growth opportunities was initiated for the Indian industrial capitalist class.

Thus, public sector infrastructure and industrial investment, setting up of heavy and basic capital goods and machinery manufacturing industries establishment of whole range of import-substituting, tariff wall jumping industries became the hallmark of Indian industrialization. Since the colonial industrialisation was heavily regionally concentrated, the new policies sought greater industrial dispersal as a conscious corrective.

However, the employment implications of such an import-substituting process of industrialization were now here neat either the needs of structural transformation, nor were they found capable of gradually absorbing our huge backlog of unemployment and lift up their low productivity levels. For this, and a number of other reasons related to the impact of Gandhi's ideas on policy of protecting and promoting small and cottage industries, including greater ancillarization, became integral parts of the strategy of industrial development adopted since the 50.
Industry has registered significant growth during the last five decades in some important respects. Industries have consistently grown relatively faster than the rate of GDP and also that of agriculture. As a result, the share of industry contributing over one-fourth of the total output, though it gainfully absorbs less than 12-13 per cent of the work force and in the latter, the contribution of village and small industries is preponderate. However, contrary to the planned expectations and historical antecedents, it is the tertiary sector which has now become the largest contributor to GDP.

The main plank of development strategy of Small Scale Industries (SSIs) in India is built around a system of institutional support mechanism and structure of incentives.

Successive Industrial Policy Resolutions of the Government of India and various plan documents have enunciated the broad objectives behind development of village and SSIs in India, these are:-

(a) Creation of employment (with particular emphasis on self-employment);

(b) Growth of output ensuring regular supply of goods and services through use of local skills and resources;

(c) Diffusion of entrepreneurship through mobilization of hitherto untapped entrepreneurial talents;

(d) Growth and regional dispersal of industries to promote regional balance; and

(e) To counter the growth of monopoly and foster a techno-efficient balance in the growth of large and small-scale industries.

Accordingly, the definition in terms of investment limit, in essence meant that scarce capital be deployed in the economy to achieve maximum diffusion of entrepreneurship and ownership of capital.
The national economy of India has entered into the phase of economic liberalisation in 1991 and a separate policy exclusively for SSI sector was announced.

As a sequel to the new policy initiative, a number of administrative reforms have been introduced. Licensing restriction in production in small-scale sector has been removed, locational restrictions have been reduced to minimum, industry related services have been brought within the fold of small-scale development programme, registration procedure has been simplified, steps have been taken to transform the enforcement of labour laws for SSIs from a regime of regulation to an era of self-discipline and voluntary compliance, environment clearance procedure for SSIs have been rationalized and simplified, and major procedural simplifications in the administration of the excise tax regime.

India started its process of integration with the global economy in July, 1991. The government has pushed through far-reaching economic and structural reforms in all sectors of economic policy. The thrust of these measures has been to make the Indian economy internationally competitive. The liberalized policy of the government has thrown open most of the industrial sector to the large and giant multinational companies. The liberalized policy has posted certain challenges as well as opportunities to the small-scale sector. The challenge have come in the form of competition, reduced protection in the form of lower tariff, lack of attraction for moving into backward areas, limited access to banks fund and relative higher rate of interest. On the other hand, opportunities have come in the form of better technology, availability of variety of raw materials and components, impetus to quality, efficiency and opportunity to restructure / diversify.

As a result of consistent policy support, Small Scale Industries sector in India, today, turns out about 7,500 items in various categories, like food products, footwear and wearing apparel, wood and wood products, paper and paper products, leather products, rubber products, chemical and chemical products, non metallic mineral products, basic metal industries, metal products, machinery and transport equipment. This sector accounts from 35 percent of the output of the
manufacturing sector and about 30 percent of the direct export. Its contribution to employment is next only to agriculture.

The process of socio-economic development in India is analyzed in the present chapter in the context of overall development in India during post-independence period.

The development in India has been a mixed story of hopes and despairs. The stable and deep rooted democracy, adequate food supply for the burgeoning population, diversification of economic base were a few spectacular achievements. Contrary to it, rampant regional disparities and structural inequality, mass illiteracy and poverty, and over-centralization of planning process remained a great malaise. The cherished goal of socialistic pattern of society did not succeed to the expected and anticipated extent.

A journey through these writings makes one feel like getting bagful of mixed stuff of hope and despair, of delight and disappointment, and of accomplishments and failures. On all indicators of socio-economic development there is not much to cheer. Social policy documents make rhetorical noise in big, bold and beautiful words. The commitment to promote socio-economic development through planned programmes of development sounds excellent in a variety of government documents (including the country paper for Social Development Summit); it, however, does not fit well with ground level conditions with regard to poverty eradication, employment generation and promotion of social integration. The three pivotal themes of Social Development Summit.

Our poverty scenario is distressing, to say the least. We still have too many poor despite a gradual reduction is extremely demoralizing despite the implementation of a large number of anti-poverty programmes being operated for years to wipe out the scourge of rural and urban poverty. Official claims notwithstanding, a substantial segment of our population (approximately 40%) is not able to satisfy its basic human needs. The situation regarding unemployment is no better. While millions of jobs have been created in the past five decades of
development, million are still unemployed or under-employed. The scenario of 'jobless-growth', following economic liberalization has shaken the people's faith in all such claims which promise maximization of productive employment through a liberalized economic regimen. The problem of social exclusion is too evident from its daily manifestations in national life. Caste, communal and ethnic tensions and conflicts threaten the old Indian myth of unity in diversity.

Despite accelerated economic growth in recent years, our human development index compares very unfavorably with many developing countries, much similar in size, resources and potentials. In all sectors of social development be it education, health, housing, sanitation and water supply- our performance is far from satisfactory. After fifty years of independence, we still have too many people who often go to their bed hungry, remain alive or die or malnutrition; have never been to any school, have contracted or died of simple, easily preventable and quickly curable diseases; have little or no access to modern medical facilities; have no means to afford an adequate shelter and have no stable jobs to ensure a reasonable standard of living for themselves, as also for their families. For all these people 'development' has little meaning. The development we see around us in big cities in terms of wide roads, high rise buildings, starred hotels, foreign-made cars, luxurious apartments and bungalows, markets and shopping malls full of fancy and expensive consumer goods, gala public functions and noisy private parties in five-star hotels, frequent foreign jaunts of high-flying people; latest marvel of telecommunication technology in hands and houses of sahibs and memsahibs-makes sense only for a miniscule minority of our population. While 10 to 20 percent people live in prosperity, a staggering 80 percent lives under conditions of grinding poverty. It this is what we means by development in a democratic society wedded to attainment of such goals as equity, equality, human dignity and justice-social, economic and political- only, God can forgive us for being foolish. In a nutshell, we had 'development' of a very peculiar kind-a development which helped the privileged few and hurt the pauperised millions. The distortions of development call for a halt now, if the society is to be saved from further
degeneration. An accelerated pace of socio-economic development in these depressing days perhaps holds a flicker of hope.

The problems of distorted development are not far to seek in India where the charm between the rich and the poor has grown too wide. India has followed an economic growth model which has tended to exacerbate inequities. The benefits of development have been captured by the privileged few, both in rural and urban areas. The government has been too slow to recognize equity as an explicit objective of policy action owing to the politically charged nature of the issue. Under the impact of Structural Adjustment Programmes, economic reforms of the past few years have exacted huge social costs. To make things worse, adjustment policies are being implemented without sufficient sensitivity to social consequences. The retreat of the state from discharging its social obligations has complicated the already complex issues of social development. The centrality of human person in development has taken a backseat in the free interplay of market forces. The IMF and World Bank 'conditionalities' or structural adjustment policies have sharply reduced government intervention in the economy, curtailed social expenditures and limited social planning. As a result, the social initiatives which were adopted earlier have been impeded and, in some cases, discontinued.

This baffling backdrop warrants a serious introspection on how to foster a meaningful synthesis between social and economic strategies of development which may harmonize different viewpoints and accommodate different perspectives. Many insights are already available in the relevant recent literature on development and all of these need not be repeated here. However, the most important ones of these insights do need a mention. First, we need to have a clear vision on social development, beefed and buttressed by a strong commitment to actualize that vision. Second, we need to develop a frame for a well-conceived time bound programme of action. Third, we have to have an appropriate organizational base to ensure effective implementation of policies and programmes. Fourth, we need to establish a national agency to direct, facilitate and coordinate social development planning and action. Fifth, we have to explore
options for financing social development at a higher rate than now. Sixth, and last of all, there is need for a strong political will to concretize the country's commitments made public at the World Summit for Social Development in Copenhagen (1995). Such a commitment will be in conformity with the Declaration of the Summit, which says: "nothing short of a renewed and massive political will to invest in people and their well-being will achieve the objective of social development".

RURAL DEVELOPMENT

India is primarily rural in character and the term "rural" means an area characterized by non-urban style of living, occupational structure and settlement pattern. Rural is essentially agricultural, its settlement system consist of villages, socially it connotes greater inter-dependence among people, more deeply rooted community life and a slow moving rhythm of life built around nature and natural phenomena, and occupationally it is highly dependent on crop farming, animal enterprises, tree crops and related activities like plantation, agriculture, modern dairying, sheep rearing and host of others which require industrial organization but are agricultural in sense that they pertain to plant and animal life.

Rural areas in which nearly three-fourth of the country's population lives are characterized by poverty, low levels of productivity and lack of adequate basic minimum services to ensure a quality of life to the people compatible with their physical well-being.

The word "Rural Development" would essentially mean desired positive change in rural areas in its totality. Rural development in the context of the developing countries is essentially an attempt at improving the living conditions of the rural poor. During 1950s and early 1960s development policies in the third world centred on growth maximization. The poor were expected to gain from the 'trickle down of the benefits resulting from overall rapid growth. And within the framework of the 'modernization' approach development both as a process and an
end-result was considered dependent on a country's administrative capacity. Bureaucracy was therefore viewed as the instrument of development.

By late 1960s it was realised that the benefits of rapid growth were not ultimately reaching the target groups. It was also noticed that the impact of rapid growth widened the gap between the poor and the rich.

This called for a change in the concept and strategy for rural development. During early 1970s such terms as 'redistribution with growth' and 'growth with social justice' became very popular. The idea of people's participation in the process of development was also emphasized by scholars. The change of emphasis made rural development more broad-based. But the socio-economic structure that lie at the root of inequitable distribution of power and resources were not taken into serious consideration by the scholars.

In the Indian context, development means mostly rural development since most of the people live and seek employment in rural areas. The concept of what is known as rural development was born in the context of agriculture, and it remained, for a long time, conterminous with agricultural development in India. Rural development is an old theme, but has been evolving new contents and fresh concerns.

Rural development is not merely agricultural development but rural transformation as a whole which includes development of all facets of human resources like social, economic, cultural, spiritual etc. Agricultural development is a major part of rural development but that is not the total plan. Rural development is a wholistic concept rather than a sequential one. Thus, it is equally concerned with the development of infrastructure like roads, transport, power, insurance and banking, development of cottage industries, rural poverty, unemployment, encouraging traditional crafts and industries and providing modern education, health facilities and providing cheap but decent houses for the rural poor and deprived.
Rural Development is broader concept and is concerned with the total development of rural economy, which covers the maximum areas and maximum people. In other words it is a comprehensive concept embracing within its fold all aspect and facets of life in rural areas. As a concept it connotes overall development of rural areas with a view to improve the quality of life of rural people.\(^{10}\)

Mishra and Sunderam defines, rural development as not merely development of rural areas but also the development of quality of life of the rural masses into self-reliant and self sustaining modern little communities. Rural development is, therefore development of rural areas in such a way that each component of rural life changes in a desired orientation.\(^{11}\)

Rural development signifies as improving the living standards of the subsistence population residing in rural areas. It requires that there should be efficient mobilization and allocation of resources so that the low-income population are able to avail all the welfare and productive facilities. It is to widely realized that unless the existing and potential resources lying in this sector are utilized in an optional manner. Ultimate aim of rural development can never be achieved. The process of rural development can be self-sustaining if development of appropriate skills ensures effective use of the existing resources, mobilization of additional financial and human resources for continued development of the subsistence sector. Rural development as a process must lead to improvement in agricultural productivity, rural incomes and rural welfare in terms of health, nutrition, education and other aspects of the quality of life of the rural poor.\(^{12}\)

Rural development is the main thrust of national development effort. It is advocated as a basic strategy for economic development. Copp has defined it as a process through collective efforts aimed at improving the well being and self-realization of rural people. One of the objectives of the rural developments to "widen people's range of choice". The effort should be towards preservation and improvement of the rural environment and rural development planning may be
conceived as the process of identifying the complex of factors which contributes to the development of the rural area. According to World Bank, rural development "is a strategy designed to improve the economic and social life of a specific group of people, the rural poor". It involves extending the benefits of development to the poorest among those that seeks a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless.

Todaro identifies three aspect of rural development. In his words: "it encompasses (a) improvement in levels of living including employment, education, health and nutrition, housing and variety of social services; (b) decreasing inequality in the distribution of rural incomes and in rural-urban imbalances in incomes and economic opportunities; (c) the capacity of rural sector to sustain and accelerate the pace of these improvements."

Rural development implies both economic betterment of people as well as greater social transformation. It encompasses a spectrum of activities and human mobilization to make people stand on their own feet and break away from all structural disabilities which chain them to condition in which they may live in. The need for having a separate development programme for the rural areas lies in their relative deprivation. The problem of development in India is synonymous with the problem of rural development as two third of its population lives in rural areas.

According to Inayatullah, primary goals of rural development are: a- raising agricultural and rural productivity; b- raising community solidarity and c- institutionalization of equality.

Rural development is a comprehensive programme of activities which include agricultural growth, development of economic and social infra-structure, village planning, public health, education, functional literacy and communications etc. Rural development thus connotes overall development of rural areas with a view to improving the quality of life of rural people. It aims to integrate the growth of all the sectors of rural economy for increasing the purchasing power of the rural
poor and to provide them a better standard of living. It is a process which ensures higher income, larger employment, security of life and equity in social and economic hierarchies. The rural development approach emphasizes the total attack of all problems of rural areas and stresses the need to create change in the existing life styles, value orientation, attitudinal behaviour and the task base of the rural people.

However, rural development does not mean urbanization of rural areas. The real thrust of development is that people living in the rural areas develop the capacity to live well—a life pattern which keeps them in good health, have adequate means to eat, to cloth, a reasonable shelter to live and access to various requisites of life which modern science and technology has made it possible to have, to enjoy life. This does not mean copying urban style of life but one evolved in the socio-eco-cultural milieu, which they have inherited.

Therefore, content of rural development will vary from area to area. Thus, rural development is a multidimensional process which includes the development of socio-economic conditions of the people living in rural areas, and ensure their participation in the process of development for complete utilization of physical and human resources for better living conditions. It extends the benefits of development to the weaker and poorer section of rural society. It also enhances both the capacity and capability of administrative and socio-economic development agencies and agricultural marketing units working in the rural areas.

Rural development has remained a priority item through successive five year plan though there have been shifts in emphasis over a period of time. It is a concept whose contents have been of great variation.

The Government of India was committed to formulate various plans on rural development, and did so during the plan periods by formulating strategies for future plans and allocating substantial amounts to attain faster rural development.
This particular concept was given due importance in each and every Five Year Plan.

Planning and development policies for the eradication of poverty in rural India have started since the inception of the Five Year Plans. Though, the importance of rural development was recognised in the earlier plans, it was only from the sixth plan onwards due emphasis was laid on rural development. And over a period more and more emphasis was laid in building rural India as real India. For the first time, need of peoples participation at the grass root level was felt essential in the Seventh Five Year Plan, from there it went on to people's self managed institutions in the Eighth Five Year Plan with greater voice and choice.

During the Eighth Five Year Plan (1992-97), the emphasis was on building up of rural infrastructure. Priority for all weather roads, particularly in tribal, hill and desert areas, minor irrigation works and water harvesting structure schemes for soil conservation and social forestry. Participation of people in programmes through Panchayati Raj institutions, cooperatives and other self-managed institutions, provision of short term employment through TRAP and IRY.

The Ninth Five Year Plan attempts to make a serious effort to raise the level of agricultural and rural incomes. The ultimate objectives is to improve the living conditions of the poor and the various disadvantaged sections of the rural society. Priority is given to agriculture and rural development with a view to generating adequate productive employment and eradication of poverty, ensuring food and nutritional security for all, particularly the vulnerable sections of the society, ensuring environmental sustainability of the development process through social mobilization and participation of people at all levels, empowerment of women and socially disadvantaged groups such as scheduled castes, scheduled tribes and other backward classes and minorities as agents of socio-economic change and development, promoting and developing people's participatory institutions like Panchayati Raj Institutions, cooperatives and self-help groups are the other priorities.
Basing on the Five Year Plans the government framed and implemented various rural development programmes in our country from time to time to achieve balance development in the country. The following are the different kinds of programmes:

I. Community Development Programme CDP (1952).
II. Intensive Agriculture District Programme (1960).
III. Intensive Agriculture Area Programme (1964).
IV. Small Farmers Development Agency.
V. Marginal Farmers and Agricultural labour.
VII. Accelerated Rural Water Supply Programme (1972).
VIII. Desert Development Programme (1977).
IX. Command Area Development Programme (1974).
X. Tribal Area Programme.
XI. Hill Area Programme.
XII. Integrated Rural Development Programme (1980).
XIII. Training of Rural Youth for self-employment Programme (1979).
XIV. Crash Programme for Rural Employment.
XV. Pilot intensive Rural Employment Programme.
XVI. Food for Work Programme (1977).
XVIII. Minimum Needs Programme.
XIX. 20 Points Programme.
XX. Western Ghats Development Programme.
XXI. Special Programme for the North-Eastern Region.
XXII. Special Incentive Programme for the Industrially Backward Areas.
XXIV. Development of Women and Children in Rural Areas.
XXV. Wage Employment Programme.
XXVI. Jawahar Rozgar Yojana (1989).
XXVIII. Supply of Improved Tool Kits to Rural Artisans.
XXIX. Indira Awaas Yojana (1985).
XXX. Million Wells Scheme (1988).
XXXII. Ganga Kalyan Yojana (1997).
XXXIII. Sampoorna Grameen Rozgar Yojana.
XXXIV. Swarnajayanti Gram Swarozgar Yojana.
XXXV. Shelter for all by 2007.
XXXVI. Pradhan Mantri Gram Sadak Yojana.
XXXVII. Safe Drinking Water by 2004 for all villages.
XXXVIII. Total Sanitation Campaign.
XXXIX. New Watershed Development Projects.
XL. National Old Age Pension Scheme.
Many of the above said rural development programmes were started at different times during past five decades. Some of the programme were discontinued either because they have been replaced by other programmes or have been merged into new ones.

PANCHAYATI RAJ AND RURAL DEVELOPMENT

It is true that during the last fifty years of Indian Republic, socio-economic transformation in our rural sector has been intended to be brought about through a substantial improvement in the living conditions of the rural people, particularly the rural poor. When the Indian constitution was drafted for the new Republic, Article 40 was inserted among the Directive Principles of State Policy, according to which the State Governments assumed responsibility for organizing village
Panchayats so that they could provide the basic needs of life to the rural populace as they were endowed with such powers and authority as was necessary to enable them to function as unit of self-government.

As such, the Community Development Programme was launched on October 1952 with a view to revive and revitalize the social, political, economic and cultural life of the villagers with the help of active participation of rural people. Panchayati Raj or Local Self-government, is an exercise in decentralization of administrative authority. The Government appointed a Committee in 1977 under the chairmanship of Shri Ashok Mehta to review the functioning of the Panchayati Raj in India. The committee submitted its report in 1978. Among other things, the Committee recommended that the district should be the first point of decentralization. The dynamics of development require that a high level of technical expertise be made, available at the district level where planning of a more comprehensive and sophisticated kind can be undertaken, and concomitant administrative function can be discharged more fruitfully. Recommendations along the same lines were made by the G.V.K. Rao Committee in 1985 and the L.M. Singhvi Committee in 1986, as also at the chief Minister's Conference on Panchayats held in May 1989.

The L.M. Singhvi Committee wanted to vest Panchayati Raj with a constitutional status, saying that a separate chapter should be added in the constitution of India so as to make the identity and integrity of the Panchayati Raj Institutions reasonably and substantially inviolate. In response to the above suggestions, the Government incorporated with effect from April 24, 1993, the 73rd Amendment to the Constitution along with the Nagarpalika 74th Amendment (the state Assemblies were required to adopt this amendment in their respective Panchayati Raj Acts by April 25, 1994). The Constitution (73rd) Amendment proposed to add a new part relating to Panchayats in constitution to provide for among other things (i) Gram Sabha in a village or group of villages, (ii) direct election to all seats in Panchayats at the village and intermediate level, (iii) reservation of seats for scheduled caste and scheduled tribes in proportion to their
population for membership and office for chairpersons, (iv) reservation of not less than one-third of the seats for women, (v) fixing term of five years for Panchayats and holding elections within a period of six months in the event of super session of any panchayats, (vi) devolution by the state legislature of powers and responsibilities upon the panchayats with respect to the preparation of plan for economic development and social justice and for the implementation of development schemes, (viii) setting up of a finance commission within one year of the proposed amendment and thereafter every five years to review the finance of Panchayats and powers of state legislatures to make provision with respect to elections to panchayats under the superintendence, direction and control of the chief electoral officer of the state.

Thus, the 73rd Amendment has been an important milestone in the process of rural development and decentralization of village administration. For more effective implementation of rural development programmes, integrated Rural Development Programme, introduced in 1979-80, and superficial resemblance to the community Development Programme of the fifties in the sense that both are committed to integrated development. But the single most prominent difference is that the IRDP was aimed at ameliorating the lot of the weaker groups in rural society—indeed, of all those below the poverty line, including small farmer, marginal farmers, rural artisans, agricultural and non-agricultural labourers. While, the C.D. programme was open ended and did not close its doors to anyone. The IRDP was available only to the rural poor. Yet it was much more comprehensive in its coverage, and marked an improvement on Small Farmers Development Agency (SDFA) and the Marginal Farmers and Agricultural Labours Agency (MFAL).

The origin of IRDP dates back to 1975, when the Indian Science Congress decided to discuss a cross-disciplinary theme and selected “Science and Integrated Rural Development” for discussion at its next session in 1976. While addressing the session, Smt. Indira Gandhi, the then Prime Minister of India reminded the scientists of the Gandhian dictum, if village perish Indian-perishes too. She observed "our science should give itself a rural bias. Rural life should be so
enriched as to prevent the migration of people and resources from villages to town. Expedients worked out in countries where the agricultural population forms a small part of the work force cannot serve our country. There should be a greater attention to rural engineering. Rural electrification has made rapid progress but we have not yet succeeded in teaching villagers how to use power to advantage. Many farm implements lie idle for months owing to poor maintenance. She further pointed out that "our centres of science and higher technology should attach as much importance to man who takes science to the field as to him who publishes a thesis".

RURAL EMPLOYMENT AND RURAL DEVELOPMENT

Poverty alleviation efforts in India adopted several strategies. Employment generation programmes for rural development in rural areas through specific interventions is an important intervention. The first ever attempt at generating wage employment was the Rural Manpower Programme (RMP) launched in 1960-61 on a pilot basis. During the Fourth Five Year Plan, a Crash Scheme for Rural Employment (CSRE) was launched in 1971. These two schemes had limits focus and coverage and suffered from lack of planning and preponderance of building Kuccha roads. Most of the assets were non-durable in nature. 1972, another scheme, Pilot Intensive Rural Employment Programme (PIREP) was started in 1972 alongside CSRE. The Drought Prone Area Programme (DPAP) of 1970-71 and later, the Desert Development Programme (DDP) were also a part of employment generation strategy to begin with, before they become as Area Programmes. Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labour Scheme (MFAL) also addressed employment objectives. the year 1977 saw a more definite step with the launching of Food for Work Programme (FWP) as a new Plan Programme to augment the resources of state for maintenance of public work. These programmes could not make any significant dent as resources available were far below the committed level. Incorporating the lessons learnt in the past, the National Rural Employment Programme (NREP) was launched as a centrally sponsored programme form 1980. Three years later, Rural
landless Employment Guarantee Programme (RLEGP) was launched in 1983. Both NREP and RLEGP had achieved their physical and financial targets but failed to provide 100 days of employment to at least one member of Rural Landless family. The year 1989 saw the merger of NREP and RLEGP into Jawahar Rozgar Yojana (JRY) with 80:20 cost sharing between the centre and the states. JRY had several components like funds sent directly to Panchayats, Indira Awaas Yojana (IAY), Million Well Scheme (MWS), special allocation to backward Areas and innovative Employment Programme.

JRY was implemented throughout the country. This programme has since been converted into rural infrastructure programme with a new name Jawahar Gram Samridhi Yojana (JGSY). Learning from the Employment Guarantee Scheme implemented in Maharashtra and from a similar scheme formulated in Tamil Nadu, Employment Assurance Scheme (EAS) was launched in 1983 to cover the 1752 backward blocks in 257 districts and expanded in phases to cover the whole country in 1996. EAS aimed at providing 100 days of employment to two members of poor family in a year. Brief details of achievement under various employment programmes are given in Table-1.

Various studies by Programme Evaluation organization, concurrent evaluation by the Ministry of Rural Development and the National Institute of Rural Development had shown that employment generation figures were overstated in official records and percentage utilization under these programmes in the last three years of the decade in 1999 is on the decline. Taking the official figures as correct, the number of jobs created worked out to 241 million (both JRY and EAS together). Further, since most of the works/assets taken up under these programme were not productive thereby meaning, the jobs are not sustainable and fresh injection, of resources on a continuing basis is needed. Compared to the projected increase in the 15 and above age group in the labour force at 10.5 million per annum between 1997 and 2002, the ability of wage employment programme to provide job is, at best, about 23 percent.
Despite an expected reduction in the growth rate of population to 1.58 per cent per annum by the end of Ninth Plan, the labour force growth is likely to reach a peak level of 2.5 per cent. More worrisome feature is that the most active age group of 15-59 is likely to go up by 60 percent during the current Plan period while the labour participation rate (1993-94) in this group has declined substantially. Planning Commission projects that increase in absolute number of persons in labour force will peak in Tenth Plan period. Efforts are, therefore, required for creating conditions for absorption of the large number of workers in the Ninth Plan Period itself.

In the coming years agriculture will continue to be the sector providing work opportunities at around 60 percent of labour force while non-farm sector, despite higher growth rate, may not be able to provide work opportunities more than the present level of about 40 percent. Though the Ninth Plan projects an employment growth of 2.44 percent, if past trends are any pointer, this may be difficult and the unemployment may be more than the projected seven million. The rate of unemployment since 1983 has remained almost constant at 1.86 per cent and keeping to unemployment contained at 1.66 per cent by the end of Ninth Plan, as projected, would call for major shifts in prioritization and thrust towards employment oriented growth. Public investment in infrastructure, particularly roads, land development, water harvesting and management, which promise productivity improvement and employment generation should receive utmost priority. Multi-sector investment i.e., agriculture, power, roads, irrigation etc; has to go up considerably. Major problem of rural unemployment arises from the high level of illiteracy (55.5 percent) among rural workers particularly, female workers (78.6 percent). In agricultural sector the level of illiteracy is far higher. This fact has an important bearing on the quality of employment. Consistency in employment can be ensured, and work opportunities can be enhanced only when skills are improved and therefore, education is an essential factor in improving the human capital. The situation in 1993-94 does not show very encouraging prospects. Efforts and resource allocation in human capital development have to be doubled. Another area of concern is the gradual increase in the proportion of casual
Progress and Achievements Under Employments Programme

<table>
<thead>
<tr>
<th>Programmes</th>
<th>Objective in Brief</th>
<th>Target Area</th>
<th>Achievements</th>
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<tbody>
<tr>
<td>RWP (1961-66)</td>
<td>To provide 100 days of employment to rural areas</td>
<td>Rural areas</td>
<td>Expenditure (in crores)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>RMP (1966-69)</td>
<td>About 2 million persons for five years by creating community assets</td>
<td>Where unemployment is acute</td>
<td>26.4</td>
</tr>
<tr>
<td>CSRE (1971-74)</td>
<td>To generate 2.5 lakh mandays of employment in each of selected districts by creating productive assets and prospective irrigation</td>
<td>350 district mostly SFDA, MFPA, DPAP, District</td>
<td>127 (89.0)</td>
</tr>
<tr>
<td>FFW (1977-80)</td>
<td>Providing gain full employment to the poor by creating rural infrastructure and payment of part wages in food grains</td>
<td>In all the states and UTs</td>
<td>112 (10)</td>
</tr>
<tr>
<td>NREP (1980-89)</td>
<td>Providing gain full employment to the poor by creating rural infra structure and payment of part wages in food grains</td>
<td>In all the States and UTs</td>
<td>4774 (1-10)</td>
</tr>
<tr>
<td>PIREP (1972-76)</td>
<td>Provide employment to 1000 persons in a year in a district and to one person in a family in which nobody was employed by creating economic and social assets</td>
<td>In 15 select Blocks</td>
<td>9 (36.0)</td>
</tr>
<tr>
<td>RLEGP (1983-89)</td>
<td>Provide 100 days of employment to every rural landless by creating durable assets.</td>
<td>In all states and UTs</td>
<td>2797 (78.0)</td>
</tr>
<tr>
<td>IRY (1989-99)</td>
<td>Creation of additional gainful employment to rural poor. Creation of potential by strengthening rural infrastructure.</td>
<td>In all states and UTs</td>
<td>23991* (76.8)</td>
</tr>
<tr>
<td>EAS 1993 to till date</td>
<td>Providing 100 mandays of employment to 2 persons in a family who are in need of employment. Creation of economically productive assets.</td>
<td>In all states and UTs</td>
<td>4110* (75.5)</td>
</tr>
</tbody>
</table>


Figures in brackets are percentage achievement

* Up to December 1997.
labour from 23 percent in 1972-73 to almost 32 percent in 1993-94. This increase was mainly at the cost of self-employed. However, one heartening feature in the otherwise depressing scene is the rise in real wages of casual labourers between 1987-88 and 1993-94. Some argue that the implementation of massive wage employment programmes had its contribution in this respect. Nevertheless, even at the 1993-94 prices, the absolute wage level of Rs. 15 per day in rural areas and Rs. 22 in urban areas cannot afford a reasonable level of well being, let alone a reasonable level of social security to an average worker. The gender differentials in wage rate persist. Invisible under employment (some employed persons may still offer themselves for work as their income levels may not be sufficient) is also on the rise. The problem of under employment is seen more among usually employed females than males and in rural areas than urban areas.

Regional dimension of employment measured in terms of balance between labour force and work opportunities in the Ninth Plan indicate the likely worsening situation in Bihar, Kerala, Punjab, Rajasthan, Tamil Nadu and Uttar Pradesh. These states face the prospect of an increase in labour force outpaces the increase in work opportunities. In fact, the unemployed situation in Bihar, Rajasthan and Uttar Pradesh as projected by the Planning Commission is likely to worsen in the Tenth Plan period calling for accelerated work opportunities in these states. The fact that three fourth of job increase in these states come from agriculture and attempts should be made towards reorientation of agricultural growth in these states.

While various efforts towards generating employment in agriculture, non-farm and industrial sectors had to be stepped up, it any be necessary, simultaneously, that the wage employment programmes are reoriented by giving regional focus to concentrate the available resources in the areas where unemployment is likely to continue in endemic proportion. In fact, this was the basic principle of EAS and IRY, but somehow got diluted over the years. Do we have the necessary political will is a big question because these programmes have to come to be recognized as rural infra-structural programmes in every state.
Secondly, without these scheme resources most state governments may not be able to maintain even quarter of the existing resource allocation for rural development. An estimate of resource requirement made by Planning Commission for wage employment programmes in the three most chronic states viz., Bihar, Rajasthan and Uttar Pradesh indicate an annual allocation of Rs. 4370 crores rising to 6931 crores by the end of Ninth Plan for these three states alone. At the 1998-99 level of allocation, these three states will have to be allocated nearly two thirds and more resources under the Wage Employment Programmes. If the demand of other states have to be met, the annual allocation may have to be anywhere in the range of Rs. 10,000 crores. By any means this is a gigantic task.

The signals available from our achievements in the poverty front offer some valuable lessons i.e., any strategy for improving the quality of employment on a sustained basis will have to have effective measures for raising agricultural productivity without compromising on the employment intensity of agriculture as an integral part. While employment increased by nearly two per cent during 1983-93, the incidence of poverty reduced by 8.51 percentage point, bringing down the absolute number of poor by 0.78 per cent during the same period. States like West Bengal, Bihar, Karnataka, Kerala, Andhra Pradesh, Assam, Orissa, Rajasthan and Gujarat had an employment generating growth during 1983-94. Thus strategies should, necessarily, include interventions to promote employment generating growth and increase in agricultural productivity. Evaluation studies of 18 Innovative Employment Programmes in the country indicated that, land based and productivity augmenting projects offers substantial sustained employment generation. These schemes emanated from the bottom. Therefore, a sense of ownership prevailed and the employment generation efficiency in these schemes was higher than JRY and EAS. While continuation of such project initiatives would have been ideal, somehow the provisions have been suspended since 1999-2000.

There are however, limits to growth in employment from agricultural sector even at high and diversified rate of growth. Technological advancement and
institutional changes may, in fact, result in shrinking of employment potential. We may have to capitalize on one encouraging signal emanating from rural non-farm sector. The share of rural work force in non-farm sector has seen a steady rise since 1978 and has registered a rate of employment growth of around five per cent between 1987-88 and 1993-94. With suitable promotion policies, particularly by strengthening the infrastructure, the employment generating capacity of non-farm sector can definitely be augmented.

Another major employment effort initiated by the Government is the individual oriented self-employment Programmes. Important among them are Integrated Rural Development Programme (IRDP), (has since been restructured into Swarna Jayanti Gram Swarozgar Yojana -SGSY), Training of Rural Youth in Self - Employment (TRYSEM), Supply of Improved Toolkits to Artisans (SITRA) and Development of Women and Children in Rural Areas (DWCRA), which have since been merged into Swarna Jayanti Gram Swarozgar Yojana, SGSY. During the Eighth Plan a sum of Rs. 5551 crores were spent on these scheme covering about 14.5 million persons. Studies across the country had shown that achievement of self-employment objective of these schemes was less than 30 per cent and most of the activities were unlivable and unsustainable. Unless infrastructural bottlenecks, Particularly technology and marketing aspects are taken seriously and addressed, urgently the potential of the schemes to make a dent in rural employment and thereby rural poverty cannot counted be high. However, great hopes have been laid on the SGSY, which has addressed several of the shortcoming of the past.

Women group under DWRCA and savings and thrift group have shown promise in the area of self-employment through mobilizing and operating micro-credit. The successful experience of SEWA in Gujrat, Podupulakshmi in Andhra Pradesh, IFAD assisted Magalir Thittam (Women Development) in Tamil Nadu and many NGO sponsored projects offer lessons for enhancing self-employment opportunities for women. Though SGSY has rightly given emphasis for this
approach, inadequate provisioning for awareness building may leave the targets
unachievable in qualitative terms.

Streamlining the provisions to encourage community participation in public
works will ensure productive investments and improvement the employment
generation efficiency of both wage and self-employed schemes. Use of heavy
machineries for earth work and land development under IRY and EAS is widely
practiced across the states. Employment for rural labour is very minimal in these
works. Strict adherence to stipulations are feasible only through community
vigilance. Potential of the communities to contribute towards public works has not
been fully taken advantage of for resource mobilization. Janmabhoomi in Andhra
Pradesh, Namaku Naume (We for Ourselves) in Tamil Nadu, Apna Gaon Apna
Kaam in Rajasthan and Gokul Gram in Gujrat have demonstrated, that raising
resources from communities for public works is a feasible proposition, community
based organizations, user groups beneficiary committees etc. will ensure
qualitative achievement of programme objectives.

There is a school of thought that by strengthening road network and
improving connectivity in rural areas, employment and income objectives of
poverty alleviation efforts will be taken care automatically as market will facilitate
the process. There is substantial evidence to support this argument. In this respect,
the suggestion to embark more resources under the Wage Employment
Programme, Rural Infrastructure Development Fund of NABARD, etc.

In sum, Ninth Plan period faces serious challenges in employment front.
Innovative policy interventions, diversification, main-streaming rural traders and
occupations into market economy and high priority to fill the infra-structural gaps,
both physical and social are the need of the hour. Ensuring participation of local
communities in planning and execution of these programmes and also mobilization
of resources for local development are two areas that would need serious attention
to improve the efficiency and spread of these programmes on a sustainable basis.
In view of the observed trend in employment over a long period of time, expansion of employment in agriculture sector largely depends on overall rate of growth of economy and specific measures through which decline in employment elasticity can be checked. Employment growth strategies in agriculture sector have largely to be in the nature of diversification both region wise and crop wise. Particular attention needs to be paid to the agriculturally background region. Stress on high values and labour intensive crops such as fruits, vegetables and other horticulture crops (Like floriculture, spices, medicinal and aromatic plants) is to be given both from the point of view of employment promotion and export possibilities. Employment potential in horticulture crops has been estimated to be much higher (3 to 5 times) than other agricultural crops. Rightly so, during Eight Plan it was given high priority. Agro-processing industries have good potential to boost agriculture production and thereby increase in employment and income levels. Though crop production has been the largest activity for employment generation in agriculture yet growth of employment has been sluggish. A number of crop oriented schemes started by the Department of Agriculture with a view to increasing production employment and income needs should be implemented vigorously throughout the country. Irrigation schemes particularly minor ones have highest employment potential. The studies conducted on the alternative sources of irrigation also suggest that irrigation through tube wells is efficient in terms of water delivery and is economical for high water input crops as compared to other alternative sources. Better water management and measures like land reforms particularly consolidation of holdings, security to tenants, development of wasteland, land reclamation are highly labour intensive activities. This will increase agricultural productivity as well as employment potential. Employment can also be promoted by devising appropriate post-harvest strategies to reduce wastage of agriculture produce, to eliminate exploitation of producers and consumers of farm output and to facilitate value addition through processing and packaging of farm products near the location of farm production.

The National commission on Agriculture (1976) had rightly visualized the problem more than two decades ago. According to the commission, agriculture
development by 2000 A. D. would absorb only a part of the labour force that is expected to be in the labour market by that time. It has been estimated that more than 50 million additional employment opportunities will have to be created between 1971 and 2000 A. D. in rural areas - outside the purview of agriculture sector - to keep the additional rural labour force within the rural areas.

It has been observed that allied sectors have a very good potential to provide subsidiary activities to supplement employment and income generation through agriculture. The scope for development for production and employment generation in these activities is limited by the markets for these products and by the infrastructure for distribution. Some successful experiment like operation flood; which revolutionized milk production and distribution, have generated employment in a large scale. Similar attempts are being made in the case of poultry through programmes like the National Egg Coordinating Committee.

Some of the related activities which have a large scope for employment generation like milk processing and packing, marketing and distribution of milk and poultry products have also been taken up. The initiative in all such schemes implemented in rural areas has, however, come from the urban areas.

Non-farm employment generation in the rural areas through non-farm activities is not new. Concern for the development of non-farm activities and the need to integrate it with the farm sector development in rural areas figured explicitly in the first five year plan. Since then various programmes like the village and small industries development programme, rural industries programmes, rural artisan development programmes, integrated rural development programmes, with emphasis on integrated development of rural industries, agri-business and services were formulated and implemented.

Despite the serious concern for rural industrialization from the beginning of the planning era, the achievements are not very satisfactory and rural non-farm employment generation has not been able to make a significant dent on rural development. This necessitated the transformation of agriculture from agriculture
based single sector rural economy into multisector rural economy inter-linked and interdependent with the complex urban economic situation.

In the field of non-farm employment generation in rural areas, more than creation of opportunities and skill training related jobs, there is a need to build up confidence among rural entrepreneurs and job seekers to face the complexities of a multisector economy.

RURAL ENTREPRENEUR AND RURAL DEVELOPMENT

Development of the economy in any form is the outcome of human activity. This activity in a man envisages three roles as an organizer, worker and as a user of goods produced. Of these, the role of man in organizing the factors of production is very important. Unless the skills and resources provided by the nature are fully transformed into efficient production units, the man's labour will remain largely unproductive and keeps his level of consumption low. These considerations focus the attention on the importance of entrepreneurship in the development of any nation.

Historical development brought several changes in the economic development programmes of our country. India is in a peculiar situation where poverty is not acute but a chronic malady even in the presence of abundant natural resources, prevalence of chronic unemployment, under employment, poor quality of human capital (because of mass illiteracy), inadequacy of skills to meet the social problems, superstitious social taboos, low level of technology. poor economic organisations are some of the maladies the country is facing. Absence of entrepreneurial class willing to take risks and to undertake new ventures is yet another reason for our slow economic development. The development of indigenous entrepreneurship especially among the rural population is imperative for a country embarking on socio-economic development programmes. Thus, the country is looking forward for more and more entrepreneurs to build a strong national economy.
The concept of entrepreneurship:-

Work becomes part and parcel of one's life. People involve themselves in some work or the other. Some work for others and some are self-employed. The people who work for themselves are called “Entrepreneurs”. The word entrepreneur is derived from French word “entreprendre” meaning “to undertake”. The entrepreneur is thus a person who organizes and manages an activity / organization, undertaking the risks for fulfilling some of his needs. His job involves the quality of boldness, courage, dynamism and risks taking in sufficient measure.

Entrepreneurship is a purposeful activity indulged in initiating, promoting and maintaining economic activities for the production and distribution of wealth. The individual as an entrepreneur is a critical factor in economic development and an integral part of socio-economic transformation. Therefore, the basic concept of entrepreneurship connotes an effectiveness, an urge to take risks in the face of uncertainties and intuition. However, emergence of an entrepreneur in the society depends closely upon the inter linked social, economic, cultural, religious and psychological variables.

Entrepreneurship as an economic activity emerges and functions in sociological and cultural setting. It could be conceived of as an individual's free-choice activity or a social group's occupation or profession. In India's context entrepreneurs hail either from communities which are traditionally endowed with entrepreneurial qualities or those from traditionally non-entrepreneurial groups. Further, entrepreneurship may result in either basic, partial or total transformation in the client community. The entrepreneur is this context is defined as one who could start a new activity or a new enterprise which is a deviation from his traditional family occupation or profession. Entrepreneurship can also be taught of as a creative activity. The entrepreneur is an innovator who introduces something new into the economy - a method of production not yet tested, a product with which consumers are not familiar, a new source of raw material, or a new market neither unexploited and the other similar innovations.
The inadequacy of entrepreneurial talents is an inhibiting factor to accelerate the process of development in our country. Most of the Asian countries have, of late, adopted a deliberate policy of promoting and encouraging small enterprises. In a developing country, like ours, the growing percentage of unemployment is causing harm and is leading to frustration among the youth. If a proper outlet is not available for the Latent energies of youth disastrous situation may result.

While entrepreneurship remained a term to describe the activities of a set of people for a long time, today it has assumed a wider and more dynamic significance. The purely economic implications have expanded to include socio-political entrepreneurship implies a recognition of values of individual liberty, innovativeness, risk-taking and independence. In a developing country like India, promotion of entrepreneurship also implies an acceptance of ideas of equalization, balanced development and elimination of disparities.

The phenomenon of entrepreneurial activity, like any other social movement, as it is not going to be the exclusive sphere of any particular stratum of people. Yet another significant event is the shift is the focus of entrepreneurial activity. Entrepreneurial activity heither to mostly confined to urban metropolitan areas, has began to spread to semi urban and even rural areas. Diffusion of entrepreneurship activity into similar towns or larger villages will certainly result in greater heterogeneity of entrepreneurial characteristics as well as the nature of entrepreneurial activity. Therefore, in the context of India, entrepreneurial activity in small towns and rural areas has, to a large extent, to be on a small scale, and depends on less sophisticated technology and most importantly depends on local material and human resources. The concept of entrepreneurship, therefore, must be conceived covering people like farmers, weaker sections, tribal community and women.

In recent years, the policy planners have been emphasising to stimulate the dormant entrepreneurial capabilities among wider segments of the society. Systematic and successful attempts made to develop entrepreneurs among diverse
segments of the society have dispelled the classical thinking - entrepreneurs are born and not made. Of late, the Conventional Entrepreneurship Development Programmes (CEDPs) are modified as self-employment stimulators to train the unconventional and lesser known target groups - youth (literate, illiterate), poor (urban or rural), women, and the other disadvantaged sections of the society. Hence entrepreneurship development is regarded as the quick and tested rout to establish small enterprises both in the manufacturing and service sectors.

Development of micro-entrepreneurship at the grass root level is perceived as a powerful medium to ameliorate several socio-economic problems such as reduction of poverty, balanced regional development, provision of goods and services appropriate to the local needs, redistribution of both income and opportunities in the community in general. The redistribution of wealth and opportunity lead to decentralization of economic power within the community. In recent years in most countries of the world especially in developing countries, self-employment has emerged as a major source of employment creation. It was in the nineties the slow growth of wages and employment in the modern industrial sector has directed attention to the promotion of self employment as a means of solving the problems of unemployment, underemployment and poverty. Even the periods of more favourable economic growth the creation of wage employment could not match with the increase in labour force. The promotion of self employment in rural and urban sectors is therefore an important part of overall employment strategy. In the period of structural adjustment programme there is an even greater need to rely on the promotion of self-employment. Thus it is time to convert job seekers into job providers, so as to generate further employment opportunities in rural setting to check migration to urban centres.

While developing rural entrepreneurship, the organization engaged in this developmental initiative may adopt:

a) Individual or selective approach, and / or

b) Group entrepreneurship approach/ total or systems approach.
Under the first category the trainees are selected through various psychological tests, imparted training and their needs are met through institutional support where as the second approach beings with the assessment of physio, psycho, social-cultural and economic aspects of the client community and may end up with the marketing of the products manufactured by the neo-entrepreneurs. In the rural context, individual based EDP approach becomes highly relevant where the motivation and familiarization process coupled with promise of bank credit and support by way of escort services could persuade rural youth with certain basic skills of 'hands on technology' to start small enterprises. The underlying assumption in the REDPs are:

a. Rural EDPs could motivate the trainees and instill in them confidence to start new enterprises;

b. The EDPs could provide the necessary opportunity guidance so that trainees start their enterprises producing marketable goods and services on a commercial level;

c. The trained persons are able to solve the problems of production, management and link-ages and stabilise their business;

d. The new entrepreneurs are able to avail the credit facilities from the banks and available support services from the existing development organisations, and

e. Finally the new enterprises are able to generate employment opportunities for their family members and others.

The following components have been identified as essential features of a rural EDP.

a. Proper selection of persons with a basic aptitude for new ventures;

b. A Comprehensive training module incorporating:

• Achievement motivation
- Opportunity identification and guidance
- Important knowledge of supporting organizations and schemes.
- Preparation of project reports.
- Inputs for management of resources viz. Men, material and money; and
- Lastly market perception, market intelligence and marketing of the products/services feasible in the area from where the trainees are drawn.

c. A Commitment from the training agency to oversee the results of their efforts by a systematic follow up for a minimum period of two years and to build up records of their experience in this context.

However, the number of training days, training methodology and content differ from one training institution to another. Some may conduct awareness programmes of one or two days while others may engage themselves in full-fledged EDPs of 4 to 6 weeks and even more than six months.

**EDUCATION AND TECHNOLOGY FOR RURAL DEVELOPMENT**

Education plays a pivotal role in enabling a society to adopt and accept technology quickly is the proven fact. Education helps rural population not so much because it provides them with more information but because it enhances their ability to learn from their experiences or that of others. In the context of technology for rural areas the concept of technological determinism and transfer of technology are equally important. However, in a country as vast as India, with varying levels of educational standards and academic excellence to absorb and adopt technology it will be a tall order to presume that technological determinism would be so strong to become a cause of social change.
The importance of literacy as a key factor in capability building, and in enhancing the quality of life of an individual has been long accepted. It would be pertinent to refer to what Aldous Huxley had said in this context: "Every man who knows how to read has to magnify himself, to multiply the way in which he exists, to make his life full, significant and interesting". Since literacy is basic to the understanding of the working of a host of social, economic and political institutions, even primary level education performs an important part, particularly in rural areas. One cannot enter the new communication and social order if one is not literate. "An illiterate person has hundreds of enemies—epidemics, hunger, disorder and humiliation", said the Soviet Government's statement on elimination of illiteracy in 1920. Illiteracy makes one a victim of false information and false consciousness. Therefore, the key to progress is education which alone can uplift a Society.

The lack of reading and writing skills drastically limits the expansion of a person's overall capacities and abilities. The learning project report to the club of Rome, the Human Gap, 1979 says: "Most people think of waste in physical terms, such as waste of resources, energy, or money. Indeed the global problematic has focused attention on the wasteful misuse of non-renewable physical resources. But another kind of waste has an even more serious impact on a number of global problems: the waste of human learning potential. In this context, waste can result not only from the misuse that relegates people to marginal positions, but also from lack of use or neglect of human capacities. Unacceptably large number of people find themselves excluded from all but the most rudimentary, informal opportunities to develop their learning processes. Illiteracy, both a symptom and a cause of the downward spiral of ignorance and poverty, epitomizes the waste of human learning potential."

A number of eminent economists, development thinkers and policy makers world wide have emphasized the role of literacy and education as being pivotal for progress of the society. Nobel laureate Amartya Sen et al in India: Economic Development and Social Opportunity says: “Literacy is a basic tool of self defence
in a society where social interaction often involves the written media. An illiterate person is that much less equipped to defend herself in court, to obtain a Bank loan, to enforce her inheritance rights, to take advantage of new technology, to complete for secure employment, to get on the right bus, to take part in political activity, in short to participate successfully in the modern economy and society. Similar things can be said about numeracy and other skill acquired in the process of basic education. The basic education is also a catalyst of social change”.

The elimination of ignorance, of illiteracy and of needless inequalities in opportunities (is) to be seen as objectives that are valued for their own sake. They expand our freedom to lead the lives we have reason to value, and these elementary capabilities are of importance on their own.

It is widely perceived that education is critical for economic and social; development. It is crucial for building human capabilities and for opening opportunities. Without education development can neither is broad based nor sustained. Gray Becker in human capital 1993 says: Since human capital is embodied knowledge and skills and economic development depends on advances in technical and scientific knowledge, development presumably depends on the accumulation of human capital.

The contemporary society is characterised by the swift pace of change which affects our lives in diverse ways: rapid technological development, faster evolution and aggregation of knowledge, rising aspiration of the people toward a more fulfilling quality of life, increasing demand for qualified and trained man power. Today, besides the integration of the individual into the social system, it is equally essential that he equips himself with knowledge and skills imperative for a globalized economy in the 21st century.

It is important that education must be relevant to the needs of modern societies and to the demands of global markets, and it must be available to all members of society. The East Asian experience shows that importance of basic and technical education in building a stock of valuable and relevant human capital.
Empirical evidence shows further that there is no industrial society today with an adult literacy rate of less than 80 percent. No illiterate society has ever become an industrial tiger of any stripe or colour.\(^{123}\)

In the idealistic system of society and Governance every person child, youth and adult should be able to benefit from educational opportunities designed to meet their basic learning needs. These needs comprise both essential learning tools (literacy oral expression and numeracy) and the basic learning content (knowledge, skills, values and attitudes) required by human being to be able to survive to develop their full capacities and to live and work in dignity. The education system should provide both a solid basis for future learning and essential skills for living a constructive life within society.

That literacy and education play a pivotal role in enabling a society to adopt and accept technology quickly has been proved in number of cases. A person with a higher educational level is more attuned to adopt technological innovations more quickly and easily. Education helps farmers not so much because it provides them with more information but because it enhances their ability to learn from their experience or that of others. Some examples are:

a) Basic education for all and relevant technical skills were by far the most important factor responsible for creating the East Asian miracle. It has been estimated that over 75 percent of the real wealth of East Asian Countries are their human and social capital.

b) In India a one-year increase in the average number of years of primary schooling of the work force would raise output by 23 percent.

In the context of technology for rural areas the concepts of technological determinism and transfer of technology are equally important. Technological determinism, according to Rogers, is the degree to which technology is main cause of social change in the society. The adherents to this concept consider technology as a prime mover which help shape a society. In a country as vast as India, with varying levels of educational standards and academic excellence to absorb and
adopt technologies, it will be a tall order to presume that technological
determinism would be so strong as to factor as a cause of social change. It could at
the most be one of the factors for such a change and that too not always beneficial.

For reaching out benefits of technology transfer to rural areas, the
Government of India in 1987 put five key technological missions in place so as to
employ suitable technology to promote development. These missions were on
telecommunications, immunization, drinking water, literacy and oilseeds
development. In 1989, the oilseeds mission achieved its target a year ahead of
schedule, and the drinking water mission covered 70,000 villages out of 100,000 it
was projected to cover by 1990. The telecom mission was established during 1989
to direct India's telecommunication revolution. The lessons learned in the process
of adopting technological innovations should not be lost sight of. Technological
innovations open up vast new possibilities. However, they are not instant miracles
but tools to be introduced and used only after careful consideration is given to all
possible resulting ramifications. Each has particular potential, yet none is isolated.
They are parts of a total system, which should be planned and shaped keeping in
mind the impact such a technology is likely to create on society. Technological
innovations can often have negative effects, both economic and social, and may
distort directions and priorities for overall developmental activities. We have also
seen as to how certain communication technologies (particularly television, video
and cable television), which were presented as technologies for rural development
offering choices of programmes have proved to be technologies largely for the
entertainment. The report of the International Commission for the study of
communication problems, had in 1978, agreed that "The promise of cable
television (multiple channels, multiple choices for the viewers) may have been
oversold in the early development period. Similarly, the communication planners
and scholars are once again revisiting the benefits of satellite and a new
communication technologies.

Therefore, let a caveat be entered : Introduction of new technologies,
particularly in rural areas, need to be planned with abundant caution, not only with
respect to the economic and social costs involved but also keeping in mind long term impact such a step is likely to create in the village society.

To conclude, if rural development is intended to be meaningful for the lives of India's villagers, then the existing socio-economic order in which the power base lies with the rural rich needs to be radically changed to a new order in which power balance will favour the rural poor. The recent developments in regard to biological technology in agriculture have made the small peasant agriculture potentially viable. Likewise, new institutional innovations in the field of research, price support, credit supply, water management and other inputs are going to have immense impact on the totality of Indian agrarian structure. In the ultimate analysis, land reforms would improve future prospects in relation to raising farm productivity, income and employment through the creation of new incentives and opportunities for increased work and investment in rural areas. The rural development is a collective task. There is an urgent need to pool all the resources at hand to complete this task. Over the year, enough experience has also been gathered. Past experience and foresight can help in planning for the future. There is a dire need to sensitize various grass-root agents involved in the process of rural development. They are also expected to get familiarize with the new guidelines of different rural development schemes. This will help them in giving concrete shape to the intentions of different schemes at the field level. The following words of Jawahar Lal Nehru should become the guiding philosophy for all:- “The ambition of the greatest man of our generation has been to wipe every tear from every eye. That may be beyond us, but as long as there are tears and suffering, so long our task will not be over”.

The overall scenario that evolves now is that the bureaucracy is an integral part of the development process and has a significant role to play in this task. It would be a mistake if the importance of the bureaucracy (civil services) were not fully recognized by those involved in the development effort. More and more countries, especially developing ones, and the United Nations now attach too much importance to the civil service as a mechanism for nation building and socio-
economic progress. It is mainly through public organizations and their proper management that the goals and objectives of a developing country are carried out and achieved. The ideal bureaucracy provides the people with a clean and efficient administration. Using the term 'bureaucracy' as an instrument of change, Dey says: "when the major need of the society is creating a sense of 'nationhood' and national solidarity, the bureaucracy has to play, willy-nilly, what can be called an 'integrative' role, and not merely an 'instrumental' one."

Bhambri also subscribes to the view that the bureaucracy plays a decisive role in nation-building in modern societies and that on its performance capacity depends the success of failure of various programmes of socio-economic development.

Today the bureaucracy has not only to cope merely with the problem of maintaining law and order providing some limited public services, and the collection of taxes for the government, but also to devote its energies and time to time bigger and more important tasks of implementing plans and programmes for the socio-economic development of the state. It has to be specifically involved in the mobilization of resources and their allocation to a great variety of developmental activities on a large scale. The functions of the state are not limited to the maintenance of peace and administration of justice but cover a very wide range of functions from the provision of education to the building up of infrastructure for socio-economic development. To a very large extent the functions which were previously handled by voluntary institutions and organizations are now considered to be the prime responsibility of the state. As such, the functions of government these days have grown not only in size, magnitude and importance but also in complexity. It is needless to assert that the bureaucracy is the only instrument, which ensures administrative continuity in a developing democracy like India where the political executive changes according to the preference of the voters. In fact by virtue of its security of tenure and because of its crucial place in the power structure, the bureaucracy maintains continuity in government. The bureaucracies, especially the higher level
bureaucracies, are the link between the successive ministries and the repository of the principles and practices which endure Chief Ministers and other ministers come and go. Explaining the role of the bureaucracy, Dharam Vira, former Governor of Haryana observes: "for ensuring the continuity and smooth running of the administration the civil services were the only constant factor while governments came and went according to the change in the fortune of the political parties."126

The bureaucracy plays an important role in the development of a country, particularly in a country, which has recently moved on the path of socio-economic development. Earlier, the development was defined in terms of increase in Gross Domestic Product. But, of late it has been felt by the economists, planners and social scientists alike that increase in the GDP may not necessarily result in reducing the misery of common man. In this context, the case of Philippines, Indonesia, Brazil and Mexico can be cited, where, in spite of increase in Gross Domestic Product, the relatively poor sections of the society remained unaffected. Therefore, as initiated in Japan, the development is being, now measured in form of Gross National Welfare in place of Gross Domestic Product. This new concept of development, gives more emphasis on equal distribution specially with respect to poor section of society.

Immediately after independence, planning in India, mainly, aimed at the increasing rate of the Gross Domestic Product. As long as our objective was to increase the size of GDP, the bureaucratic organization was appropriate, but unfortunately it proved inadequate in changing context and composition of development. It was felt that the common man is left aside in the process of development. The need was, therefore felt to give opportunity for the involvement and participation of people in the process of development. Consequently more emphasis was placed on the development of the scheduled caste/scheduled tribes and other backward sections. In spite of many constructive and healthy endeavors, the bureaucracy is blamed for the poor implementation of development programmes by certain sections.
It is also said that several honest and sincere civil servants were kept aside and the corrupt and inefficient ones were involved in the implementation of the development programmes. But it is due to the fact that the corrupt and inefficient bureaucrats forge similar nexus with political leaders and fulfil their own selfish interests at the cost of people's welfare. Its consequences for development are that the objectives of these programmes are not achieved within time and the cost of project keeps on increasing day by day. It is also to be said that the Indian bureaucracy has not been able so far to shed its colonial attributes. The centralized structure, lack of spirit of initiative and tendency to shirk responsibility etc. are some of the elements, which are not conducive to effective, prompt and timely implementation of these programmes. However, in the light of the above discussion, it can be concluded that there is a need of some improvement in bureaucratic organization. Which are as follows:

a- Decentralization: increased role of grass root level institutions:

One of the major structural changes that has been effected in recent years has been the passing of the 73rd and 74th constitution Amendment Acts, 1992 by which local-self governments, both rural and urban, have been given constitutional status. More powers and functions have been devolved on these bodies. This will not only help in right-sizing the bureaucracy but also make it more responsive and accountable as the people at the grass root level will act as real watchdog.

b- Depoliticisation and need to preserve bureaucratic neutrality:

It is fact that political pressures will continue to be exerted on the bureaucracy given the present state of Indian politics. However, it is upto the bureaucracy to withstand these pressures and evolve its own code of ethics. The bureaucracy must at all costs uphold the rule of law and the guiding philosophy of the constitution. Further, victimization of bureaucracy in terms of mass transfers and punishment posting must be strongly discouraged and suitable institutional mechanism to regulate the same be evolved.

c- An urgent need to uphold integrity:
It is said that the bureaucracy has became synonymous with corruption in the absence of any effective control mechanism. Though some efforts have been made to redress this issue in the past like the creation of office of Central Vigilance Commission (CVC), Lok Ayuktas etc. And now greater and more effective powers need to be entrusted to them and more such institutions viz. The Lokpal. In addition, the bureaucracy must urgently evolve its own code of discipline which should be legally enforceable to act as a deterrent.

d- Right of Information: A need for transparent administration:

According to transparency International's Report, India has a very poor record as far as government dealing are concerned. The people must have the right to be informed about the actions of the administration which have a significant bearing on their lives. This will help in keeping the administration on its toes, check corruption and ensure greater accountability some steps have been taken to empower people in states like Goa, Karnataka and MP, but this should be institutionalized at the national level.

e- Attitudinal change: the cure to most of the ills:

All efforts should be concentrated on reforming and making more effective, efficient and people's oriented. The bureaucracy would be nullified if the structural changes as outlined above are not accompanied by a corresponding change in the outlook and behaviour of the bureaucracy. Traditionality will have to give way to modernity. Arrogance should be replaced by politeness, aloofness by participation, inertia by action, secrecy by transparency, adhocism by professionalism and centralization of authority by decentralization.

Time has come for a strong message to be conveyed that administration is for the welfare of the people and not for public servants themselves. There has to be a change of attitude and public servants should realize that their efficiency will be measured only in term of public satisfaction.
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CHAPTER – 3

NEW ECONOMIC POLICY AND HUMAN DEVELOPMENT

Soon after taking over as Prime Minister in 1985, Mr. Rajiv Gandhi outlined the new trends in economic policy of the Government. The recipe suggested led by him was: improvement in the productivity, absorption of modern technology and fuller utilization of capacity must acquire the status of the national campaign, the basic thrust of the new economic policy was a greater role for the private sector.

To provide larger scope to the private sector, a number of changes in policy were introduced with regard to industrial licensing, export-import policy, technology upgradation, fiscal policy, foreign equity capital, removal of controls and restrictions. Rationalizing and simplifying the system of fiscal and administrative regulation. All these changes were directed towards creating an uninhibited climate for private sector so that private sector investment could get a big boost to modernize the economy and usher in rapid growth. Professor K. N. Raj rightly sums up the focus of new economic policy: "There has been however a general agreement that a very distinctive feature of these policy changes taken as a whole is the greater scope for the unfettered expansion they offer to the private sector, particularly in the corporate segment of the manufacturing industry and the opportunities opened up to multi-national enterprises!"

Consequently, the new economic policy focussed its attention on the dismantling the edifice of controls so as to remove unnecessary hurdles in securing licenses, in adjusting output to the administered prices and in denying industrial licensing to MRTP (Monopolies and Restricted Trade Practices) companies.

Although economic reforms were introduced under Rajiv Gandhi regime, they did not yield the desired result. The balance of trade deficit, instead of narrowing down, increased. Whereas the average deficit in trade balance during the Sixth Plan...
(1980-1985) was of the order of Rs. 5,930 crores, it jumped to Rs. 10,840 crores during the Seventh Plan (1985-1990). There was also decline in the receipts on invisible account, from Rs. 19,070 crores during the Sixth Plan to Rs. 15,890 crores during the Seventh Plan. Consequently, the country was faced with a serious balance of payment crisis. Thus, India was forced to approach the World Bank and IMF to provide a huge loan of the order of about $7 billion to bail India out of the crisis. While agreeing to provide assistance to India, the World Bank, IMF insisted that the Government must put its economy back on rails.

The congress (I) Government, soon after resumption of office on June 21, 1991, adopted a number of stabilization measures that were designed to restore internal and external confidence. Monetary policy was tightened further through increase interest rates, the exchange rate of the rupee was adjusted by 22 percent and major simplification and liberalisation of trade policy was announced. The government adopted, as the centerpiece of the economic strategy, a programme to bring about reduction in fiscal imbalance to be supported by reforms in economic policy that were essential to impart a new element of dynamism to the growth process in the economy. In his memorandum on Economic policies submitted to IMF (International Monetary Fund) Dr. Manmohan Singh proposed: The thrust will be to increase the efficiency and international competitiveness of industrial production, to utilize foreign investment and technology to a much greater degree than in the past, to improve the performance and rationalize the scope of the public sector, and to reform and modernize the financial sector so that it can more efficiency serve the needs of the economy. The major areas of the second wave of economic reforms are:

(i) Fiscal Policy Reform
(ii) Monetary Policy Reform
(iii) Pricing Policy Reform
(iv) External Policy Reform
(v) Industrial Policy Reform
(vi) Foreign Investment Policy Reform
(vii) Trade Policy Reform
(viii) Public Sector Policy Reform

The goals of economic reform have been succinctly recapitulated in the discussion paper of the Ministry of Finance^3.

"The fundamental objective of economic reform is to bring about rapid and sustained improvement in the quality of life of the people of India. Central to this goal, is the rapid growth in incomes and productive employment. Hundreds of millions of our people are still trapped in abject poverty. The only durable solution to the curse of poverty is sustained growth of incomes and employment: in-farms, roads, irrigation, industry, power and above all, in people. And this investment must be productive. Successful and sustained development depends on continuing increases in the productivity of our capital, land and labour.

Investment in people and capital is necessary, but not enough for rapid productivity growth. We must also foster an environment which encourages full utilisation of our material and human resources and ensures that they are deployed in the most productive manner. What kind of economic environment will achieve this? Decades of development experience in dozens of countries show that a good economic environment combines the discipline of competitive markets with efficient provision of key public services, such as primary education, primary health care, transport and communication and, of course, law and order. Consumers gain from choice. And producers (Public or Private) are most productive when exposed to competition. Government should foster the maximum flowering of personal initiative and efforts, but it must also step in where markets fail or are abused by powerful sectional interests.
Fostering an economic environment, which promotes rapid, broad-based development, will not be easy. Old habits of thinking and working must be shed. Difficult decisions will have to be taken which hurt powerful vested interests. Reforms of broad policy will not be enough. They must be accompanied by reforms of laws, rules and procedures. But it can be done. We should ask ourselves why do millions of our compatriots and women who migrate abroad, prosper? Because the environments they go to, reward hard work, efficiency, discipline and social responsibility. Surely, we can cultivate such an environment at home, so that 100 million of us can also enjoy the fruit of prosperity without leaving our beloved land.

Within a generation, the countries of East Asia have transformed themselves. China, Indonesia, Korea, Thailand and Malaysia today have living standards much above ours. The proportion of poor in these countries has declined from 40 percent and higher in the early 1960s to below 10 percent. Their levels of life expectancy, nutrition, literacy, school enrolment and medical facilities are much higher than ours today. Though they were not so very different two or three decades ago. What they have achieved, we must strive for. To repeat, the goal of our economic reforms is to improve the living standards of all of our people, not just the rich and privileged. Reforms will be difficult and will take several years. But the alternative of continuing widespread poverty, unemployment, illiteracy, disease, malnutrition, rising inflation and stagnant production is unacceptable.

The New Economic Policy is an amalgam of several policy statements and measures, relating to devaluation, industrial policy, commerce and trade policy, banking policy, budgetary policy, etc. These steps constitute a package deal: devaluation, liberalisation, deregulation, privatisation, marketisation, globalisation, and so forth.

They were necessitated by the BOP (Balance of Payment) crisis, unprecedented liquidity crisis, fiscal crisis, and so on. They were intended to meet the IMF conditionalities. The economic reform that they purport to bring about is intended to
be structural, short of which the loans would not prove productive. Non-observance of those conditions had made loans taking inevitable. These essentially export and foreign investment-oriented measures are supposed to discipline the economy and augment its level of efficiency. It is assumed that accelerated growth, modernisation, and technological upgradation would remedy the problems of poverty and unemployment, would take care of the optimum rate of growth, would pare down inequality, would obviate economic disproportionalities and social contradictions. The reforms are being introduced in steps-more of them are yet to come.

The Economic Reform Policy has been formulated to provide a competitive stimulus to all sectors for building greater efficiency and growth with a view to surer attack on poverty and speedy alleviation strategies. The reform consist of basically three main strategies:

(i) Liberalisation,
(ii) Privatisation, and
(iii) Globalisation.

"The importance of sound macroeconomics management, for example, has seldom been questioned at least in India. If people have sinned, people have done so with regret and repentance. On microeconomics policies, there has been undoubtedly, good deal of miscalculation and even argument. But, most of the people would now endorse a shift away from planning to policy orientation, from discretionary government intervention to a greater acceptance of market forces, from controls to administered process to transparent incentives and disincentives from public to private ownership of the means of production and from increasing public investment towards some privatisation and lower taxation. Encouragement of competition in all markets and a hospitable attitude to Foreign Direct Investment (FDI) is now seen to be essential for economic efficiency. Moreover, liberal and competitive policies have, by
and large a positive impact on social equity, and the creation of a climate less conducive to corruption is in itself no small gain.

It is difficult to attempt a more elegant definition of liberalisation than what Dr. I. G. Patel has described in his speech at the 1993 World Bank conference on Development Economics. Over the last two decades, many countries—both developed and developing—have undertaken economic reforms which have involved a movement away from the command economy towards market-orientation. While in the widest sense, liberalisation has come to mean reduction in the state's control over economic processes it ranges all the way from such virtual withdrawal of the state from all economic activities, to a sectoral change comprising of mere abandonment of direct discretionary controls, or introduction of automatic regulation of price system, or substitution of quotas by tariffs in a sectoral sense. Liberalisation can also refer to opening up of imports or trade in general, capital movement, foreign exchange regime and of internal industrial policy. It is referring in this chapter, to liberalisation of the economy as a whole, which commenced in India in 1991.

In July 1991, India faced a deep economic crisis and was in danger of default on its external debt. Inflation ran at close to an analysed rate of 18 to 20 per cent and reserves were at an all time low. The government of India, under Mr. P. V. Narasimha Rao's leadership, which took office at this stage, started the present phase of liberalisation of the economy. While this programme encompassed the macro economy, it emphasised reform of governance, with special reference to the financial sector, trade policies, the fiscal system and the public sector. In order to appreciate the significance of this movement towards liberalisation, one has to note the backdrop of the Indian system of economic management. Over the years, starting from independence, the Indian Government had set up a massive web of controls over the whole spectrum of economic activities. This followed the general trend in the developing world and in parts of Europe, where the ideology of a socialist state had been accepted.
Even extreme advocates of a market-oriented economy will not, however, deny that state intervention although originally impelled by equity considerations, has played an important role in promoting new industrial activity in India. This was all the more essential because industrial development had been solely neglected in the colonial regime. New industries in steel, heavy engineering and so on would never have come up in India on the scale they did, but for state initiative. Considerations of interregional and interpersonal equity also made the state take an active role in directing capital investment as well as flows. As a result, control of stock market issues, such as timing, pricing and volume of the issue became part of the economic agenda of the government. Questions of monopoly power resurfaced during the late seventies due to growth of large industrial houses and this led to the introduction of a monopoly regulation system, with the passing of the Monopolies and Restrictive Trade Practices (MRTP) legislation. Some regions were perceived to be becoming wealthier. These developments led to the evolution of an industrial policy and licensing system. This system tried to divide the cake of industrial growth evenly and equitably between different regions. Contrary to the intention of its originators, however, obtaining of licenses became a rent-seeking economic activity by itself, and indirectly led to the creation of monopolies in some cases.

In spite of, or because of all this, export did not grow and the economy had a slow rate of expansion, and periodically foreign exchange crisis erupted. Except for an initial smooth phase, thanks to the sterling balances, which independent India had inherited and which were spent quickly in meeting, a pent up demand for imports, a recurrence of foreign exchange crisis has dominated the Indian economic scene over the years. The government's almost instinctive response to these successive foreign exchange crises fed by pessimism on exports, was the introduction of more restrictions, emphasis on import substitution and severe regulation of foreign investment and exchange outflows. Stricter regulation thus followed each crisis and was accentuated by each recurrence. Import substitution and import compression
became the accepted doctrine. In this, India followed the prevalent economic orthodoxy of many development thinkers, who discounted export-oriented growth. Foreign direct investment involving foreign exchange inflows was also looked upon with suspicion as potentially contributory to large outflows in future. A fear of industrial and financial expansionism, which derived from the Leninist thesis on imperialism as a last stage of capitalism, led to India's looking askance even at foreign direct and portfolio investment. Around this time, planning was becoming fashionable in most of the advanced countries, including the capitalist West. India was one of the early followers of this then respectable mode of economic development. Soon, Indian planning itself became a model for many developing countries. In the initial phase, the over-hang of Keyneianism\textsuperscript{6} led to deficit financing being a prop of Indian public finance and even being counted as a resource for the plan. Deficit financing, in turn, led to the phenomenon of what later came to be known as credit repression, which involved the state pre-empting a substantial part of bank credits in the macro economic system to finance central and state deficits. The development of the country proceeded at the relativity leisurely pace of roughly 3.5 per-cent per annum\textsuperscript{7}. In the beginning, however, there was a significant expansion of irrigation. New land was brought into cultivation and agricultural growth, as a result, was significant in the first decade after independence. Thereafter, the spurt in agriculture came as a result of the new agricultural strategy, which emerged, from the first three decades of independence with large industrial base, a significant reservoir of trained scientific manpower, a breakthrough in agriculture and improved living conditions of the bulk of its people. A relatively efficient, but not adequate, infrastructure was developed. Notably, all this had been achieved within a framework of political freedom and democratic values. However, there was dissatisfaction because economic growth had not kept pace with the needs of a growing population. Literacy remained low and backward areas remained outside the reach of modernisation. Although from the time of the third plan India was a pioneer among developing and developed countries in laying specific stress on the eradication of poverty, urban squaler and rural distress continued to mar...
the economic scene. When Mrs. Indira Gandhi came back to power in the early eighties, she recognised that business could not go on as usual. An incipient foreign exchange crisis and high inflation were among the serious problems that faced India at that time. Mrs. Indira Gandhi recognised that the unfinished agenda was long and critical. India approached the International Monetary Fund for assistance in 1980.

India's approach to the fund in the eighties was a decisive pre-emptive action, which enabled India to avoid a serious crisis, total collapse and to commence economic liberalisation. Reinforced by substantial reserves obtained from the IMF, a beginning was made to open up the economy. Among the important initiatives was liberalisation of industrial licensing and trade policy. Two committees which were set up - one under Mr. Narasimham, former Governor of Reserve Bank of India (RBI) and another under Mr. Abid Hussain, Commerce Secretary - considered and recommended the progressive replacement of physical controls by tariffs in the economy as well as the movement of the economic liberalisation of the trade policy regime. Prime Minister Rajiv Gandhi, who came to power in 1984, continued this process of liberalisation. However, the process was hesitant. As a result, fiscal deficit continued to remain high, and the trade deficit was increasing.

In early 1991, the twin deficits-fiscal and balance of payments (the latter brought to a crisis by the explosive developments in the Gulf) started seriously hurting the economy. This crisis, which saw the country teetering at the edge of default, concentrated the mind of government very sharply on economic issues. Experts, inside and outside the government, started focussing on the need to speed up the process of liberalisation, which had been hesitant so far. A number of bold decisions were taken by the Government of India, immediately on assumption of office by Prime-Minister P. V. Narasimha Rao. I propose to deal with certain important institutional implications of this phase of liberalisation in regard to financial sector reform, fiscal stability public sector trade policy changes, social sector and above all, governance.
The reform of the financial sector, which is an important key to a modern economy, is admittedly, difficult in all countries. Financial sector reform has been a sensitive issue even in developed economies. For instance, see the continuing struggle between reformers and advocates of the status quo in the United States of America, United Kingdom and France. Globalisation of the economy makes the task of financial sector reform more critical. As a result of technological changes, movement of funds between countries has become a matter of nanoseconds. Mutual Funds, many of which have almost no national identity, have become commonplace. Gross national flows of funds run into hundreds of billions of dollars, which is far larger than either bilateral or multilateral assistance, and can make or mar national economies.

The focus of financial sector reform in India naturally started with the banks. The government of India appointed a committee under the chairmanship of Mr. M Narasimhan, former Governor of RBI, to recommend various measures for the reform of the financial sector. A substantial part of the recommendations of the committee, including reduction of credit pre-emption by government through the statutory liquidity ratio, has already been implemented. Important amongst the reform measures was the acceptance of international norms for provisioning and for the capital adequacy for banks to make a stable banking system. A tentative beginning has also been made with regard to opening up of the financial sector to private banks. Already, a few banks have been opened by non-governmental entities, such as UTI and ICICI. Eight new private sector banks have been set up during 1995. The Security Exchange Board of India (SEBI) has been strengthened and placed on a statutory basis to act as a regulator to agencies for developing of security market. A National Stock Exchange has been established to handle transactions in stock and shares, utilising modern technological means. Broking houses and makers are being encouraged. The key institutional reform that is needed in this sector, is the modernisation of stock markets and removal of ambiguities in the areas relating to security transaction, to enable transparency and quickness in security deeds. This necessarily requires the movement
towards what is called "scripless" or "paperless" transactions. A beginning has been made in this regard with the opening of NSE.

An important element in the financial sector reform concerns the role of the central bank in the economy. The RBI has acquired a degree of autonomy over the years. While the government of India's stance in this regard is that total independence is not feasible, it stands by autonomy in functioning. Freedom to offer advice in respect of monetary policy, including that of determining interest rates, credit policy and exchange rate management is the crux of an efficient central bank in the Indian context. Conventions have to be evolved by which the central bank's advice is sought in all these important matters. While this has been the stated preference in India, it has to become more real in practice. The latest decision of the government of India to reduce, in a phased manner, government borrowing from the RBI in a period of three years, is a welcome measure—both as a necessary part of fiscal discipline and as a step towards central bank autonomy. This is not, however, sufficient. If we are serious about making the target of reduction of fiscal deficit a binding constraint, which does not need the trigger of a crisis or external leverage, it is desirable to have a statutory limit on the maximum borrowing from all sources by the central government. While this is not sufficient, it is an essential first step for nurturing fiscal prudence.

Monetary targeting has been a part of Indian economic management for the last eight years, since the publication of the Sukhomoy Chakraborti Committee report. The RBI has occupied a central role in monetary reform. Since the IMF programme of 1991, it has gained authority and prestige in this regard. The government has to ensure that the RBI is both equipped and empowered to fulfil this role as the real governor of the monetary policy. Importance of supervision of the financial system came to the fore, following the recommendations of the Narsimhan committee on financial sector reforms that there should be a separate body, the Board for Financial Supervision. This was further emphasised by the events of March-April 1992, when RBI uncovered the fraud and malpractices perpetrated by a few members of the financial community,
leading to an artificial stock market boom involving banks and investors in heavy losses. These events sharply focussed the attention of all on the need to strengthen supervision. The Government of India and RBI have undertaken a number of reforms in this regard. The need for consolidated supervision has been recognised, since many banks have become universal in nature, with functions ranging from investment to portfolio management. Co-ordination with SEBI has been recognised as important.

Financial sector reform has necessarily to involve and include appropriate exchange rate management. A critical decision taken by the government of India in 1992, was the movement towards a market-determined exchange rates. As a first step, in March 1992, the government undertook to introduce a partial convertibility on the basis of market rates, the liberalised exchange rate management system (LERMS) 60 per cent of the foreign exchanges realised by exports were sold at market rates and 40 per cent predetermined official rates. A system of fully market-oriented rates of exchange was introduced in March 1993. Convertibility at present is restricted to current account transactions. It has, however, been noted by observation that in respect of foreign portfolio investors, there are no restrictions for taking out capital, once appropriate capital gains tax is paid. The government's declared intention is to move towards a fuller convertibility once the fiscal deficit gets stabilised. Important to liberalisation, is the need to relax many of the remaining regulations on foreign exchange transactions. These restrictions affect the free flow of transactions, and hence impose an extra cost on foreign trade. A faster push to the removal of foreign exchange restrictions is necessary all the more, in the context of the substantial rise in level of reserves. Foreign portfolio investors have also many residual complaints, which need to be addressed. Chief among these is the clutter of custodial arrangements which are still inadequate, and the remaining risk arising in settlement transactions where transfer of securities and payments are not contemporaneous.

So long as the fiscal deficit remains high, financial sector reform will remain incomplete. One of the problems that India faced during the eighties was a high ratio
of fiscal deficit in relation to GDP. This deficit spilled over into balance of payments also. The first task of the new government under Mr. P. V. Narasimha Rao was to bring down the fiscal deficit. Reduction of fiscal deficit in a developing economy in which welfare measures and demand occupies a good part of expenditure, is not easy. To the credit of the Government of India, this difficult task has been undertaken and the central fiscal deficit has been brought down from 8.4 per cent of GDP to 6.0 per cent in 1991-92 and 5.7 per cent in 1992-93. There has been an unfortunate slip back in respect of this reform in 1993-94, partly due to revenue shortfalls and expenditure overruns.

The key actions in respect of fiscal reform have naturally to focus on the goal of reduction of fiscal deficits. To quote the Ministry of Finance's discussion paper on stabilisation, which pointed out government tightened monetary policies and attempted to reduce government fiscal deficit "rising fiscal deficit (in the 1980's) had created many problems. They had led to high levels of borrowing by the government from the Reserve Bank, with an expansionary impact of money supply leading directly to high rates of inflation. High fiscal deficits contributed directly to the large current account deficits in the balance of payments and thus aggravated the problem of external indebtedness. Large fiscal deficits also pre-empted a significant proportion of the savings of society to support the budget, with a consequent scarcity of funds for productive investment. This was reflected in very high interest rates facing the commercial sector, which discouraged new investment and also reduced our international competitiveness".

In this respect, the main direction of financial reform has to be reduce subsidies since the deficit on revenue account, the difference between the current expenditure and the current receipts, is the basic cause of the problem. While the government of India has undertaken measures to reduce subsidies on fertiliser, exports and food, there seems to be hard residue which is still not being tackled. The total amount of explicit and implicit subsidies in the central budget alone, even after the recent reduction,
comes to nearly Rs 20,000 crores. Fiscal reform in India can make no headway, unless these subsidies are brought down in a conscious measure. Subsidies which are equivalent to negative taxation, resist reduction in view of the large number of beneficiaries. The main political problem in reducing subsidies is that their cost is not easily perceptible to policy-makers at the political level. It is essential that the cost of every subsidy should be brought out explicitly and any enhancement thereof should be provided for mandatorily through a corresponding tax element. For instance, the cost of fertiliser subsidy should be made explicit by imposing a specific surcharge on income tax, customs, excise or all the three, specifically to pay for the subsidy. Populist lobbies will realise the cost of subsidy only when they realise its pain.

The Government of India appointed Dr. Raja Chelliah as the Chairman of the committee to look into the deficiencies of the tax system in India. Dr. Raja Chelliah and his colleagues put forward an innovative reform package, a substantial part of which has already been undertaken by the government. The main thrust of this package, which is to reduce tax rates and remove scope for evasion, aims at improving compliance by improving system efficiency. Customs tariff levels are proposed to be reduced over a period to internationally acceptable levels. Government has already embarked on this reform. Similarly, excise duties will have to come down within a range, which reduces the attractiveness of evasion. Coupled with these is the suggestion to introduce a VAT scheme, both at the centre and at the state-level. A radical restructuring of excise duties attempted in the budget for 1994-95, introducing modvat, for many goods earlier excluded from modvat, is significant.

Fiscal reform, perhaps, one of the most important aspects of liberalisation, is not proceeding as fast as it should, because of vested interests created by the earlier regime of high import duties and excises. Simultaneously with the reduction of tariffs, trade reform also has to be completed.

While import policy has been considered to be liberalised in the recent budget, there still remains scope for further elimination of import restrictions. Considering the
high level of reserves, bolder steps to eliminate these restrictions are now warranted. The time phasing of the programme which has been announced by the government, would ensure that once the measures envisaged for 1995-96 are implemented, India’s tariffs would decline to levels, close to those now prevailing in other developing countries in a relatively short period of four or five years. This would be remarkable achievement, considering that India began to reduce tariffs much later than other developing countries, started from a much higher level and most importantly, the share of tariffs in government revenues was much higher than other countries.

With the adoption of the policy of economic reforms, a searching 3rd look at the public sector became inevitable. The new strategy essentially involved refocusing not curtailing state activity and channelising resources and effort in high priority areas. This crucial shift in priority needs to be viewed in the backdrop of not merely the trends of liberalisation and globalisation but the performance of the public sector itself. Of the 236 operating Public Sectors Undertaking (PSUs) in 1990-91, on the eve of economic reforms, only 123 were profit making. The top 20 profit making PSUs accounted for 80% of the profits, implying that less than 10% of the PSUs were responsible for 80% of the profits. Of the loss making PSUs as many as 40 of them were earlier in the private sector and were taken over by the government to protect interests of the labour, and these accounted for nearly 60% of the losses suffered by the public sector. The return on public sector investment for the year 1991-92 was just over 2%. Further, the share of the public sector in the net capital stock (1992) was 46.2% and its share in the gross value added (1990-93) was just 26.8%. Yet another study indicates that while the public sector accounted for 55% of the total investment, it contributes only 15% of the output. It has also been estimated that of the 2.2 million employees in the public sector, nearly 25% of them were surplus. Thus, the principal charges against the public sector were: low rate of return on investment, declining contribution to national saving, poor capacity utilisation, overstaffing and bureaucratisation leading to excessive delays and wastage of scarce resources. Under
the NEP, refocusing of public expenditure has involved selective disinvestment in public sector industries. The goal of privatisation is to ensure a better and more effective use of capital and greater investment in the social sector on the one hand and to enhance the efficiency of public enterprises and help them integrate into a competitive environment of the other.

An assessment of the strategies adopted by successive governments after 1991 to initiate and carry forward the process of reforms in the public sectors indicates three critical dimensions involved in the process:

a) inter-sectoral dimension

b) efficiency dimension, and

c) fiscal dimension.

The intersectoral dimension of public sector reforms implies: the wider implications of these reforms on the financial sector on the one hand and the impact of the monetary and regulatory mechanism that have developed in the fiscal sector on disinvestment in the public sector, on the other, the multi-track impact and influence of public sector disinvestment also needs to be taken into account. The efficiency dimension implies the stress on better and more professional management of public enterprises as one of the goals of disinvestment. The fiscal dimension involves disinvestment in order to garner resources to bridge the budget deficit. All the three dimensions have influenced the disinvestment strategy of the government, with varying degrees of assertiveness. Issues relating to disinvestment revolve around three principle questions - why, how, and how much. The stress on disinvestment, as against privatisation is significant. Privatisation (as a process) aims at shrinking the role of the state in economic activities. Disinvestment on the other hand, has a much wider connotation as it could either involve dilution of government stake to a level that result in a transfer of management or could also be limited to such levels as would permit government to retain control over the organisation. Disinvestment beyond 50%
involves transfer of management whereas disinvestment below 50% would result in the government continuing to have a major say in the undertaking.

During the first five years of economic liberalisation (1991-96), the government sold shares of 45 selected enterprises (maximum of 20% in each) to mutual funds and investment institution in the public sector. Interestingly, the shares offloaded by the government continued to remain under its (government's) administrative control and did not strictly involve privatisation. During 1991-92, disinvestment yielded revenue of Rs. 30.38 billion. In the next year, though the budget projected Rs. 25 billion as the estimated earning from disinvestment, the actual figures were much lower Rs. 19.61 billion, for 1993-94, the budget made a provision for Rs. 35 billion from disinvestment. The actual earning from disinvestment were merely Rs. 18.66 billion. The government held unfavourable market conditions as the main reason responsible for this downward trend. In 1994-95, Rs. 50.78 billion was realised through disinvestment and in 1995-96, the disinvestment earning plummeted to Rs. 3.62 billion.

A few distinct trends can be discerned in the first five years of public sector reform. The spotlight of attention was very clearly on the process of disinvestment. The government had categorically stated that the funds available for disinvestment would be used for infrastructure development, upgrading technology in the public sector and investing in the social sector. In reality, much of the government earning through disinvestment was used to bridge the budget deficit of the Rs. 199 billion earned, between 1991 and 1995 through disinvestment over Rs. 73 billion was used to bridge the deficit. Many did argue that if resources raised through disinvestment were utilised for retiring past debts it would result in the reduction of the interest burden of the government. However, the impression did gain ground that all efforts at public sector disinvestment has as their aim, the reduction of the budget deficit and not the improving of the efficiency of these undertakings or reinvesting the funds so realised.
in the social sector. Political expediency and not sound economic management appeared to guide the disinvestment policy of the government.

The period 1996 to 1998 witnessed frequent changes in government at the federal level and its impact on the economic reforms process in general and public sector reform in particular was clearly apparent. Though the budget for 1996-97 estimated that Rs. 50 billion would be raised through disinvestment, the amount actually realised was merely Rs. 4.55 billion\(^1\). For 1997-98, while the budget projected Rs. 48 billion as the revenue to be raised through disinvestment, only Rs. 9.12 billion was realised. However, the government during this period- the two coalition governments - in the main initiated three major steps which were expected to have a long-term impact on public sector reform. Firstly, in August 1996, a Disinvestment Commission (DC) was constituted to advise the government on its long-term disinvestment policy and determine the extent of disinvestment in PSUs referred to it by the government\(^2\). Secondly, in 1997, the government appointed a committee to review the guidelines of the Bureau of Public Enterprises in the light of the new economic policy. Thirdly, the government proposed an, ‘autonomy package’ for the select PSUs\(^3\). The Disinvestment Commission (DC) suggested a three pronged strategy: either disinvest on as is where is basis or restructure and make them financially viable before disinvestment or close non-viable units. For protecting the interests of labour, the DC suggested retaining, re-deployment, an attractive Voluntary Retirement Scheme (VRS) and the creation of a disinvestment fund. The DC also laid down clear guidelines for the classification of PSUs into three categories: strategic, core and non-core. Strategic units in would be those ......................... in the critical defence and security related areas. It was against disinvestment in this sector. Core units would be those which were capital/technology intensive and where entry of the private sector may result in an oligopolistic market structure. The DC was of the view that in such units disinvestment to the tune of 49% would be appropriate but stressed on the need for effective regulatory mechanisms. The DC favoured 74% disinvestment
in non-core PSUs as, the withdrawal of the government from the sector they were involved in would have no adverse impact. The committee appointed by the government to review the guidelines for public enterprises suggested in its Report, that 762 of the 892 guidelines had become redundant and needed to be scrapped. Acting on the committee's recommendations, the government scrapped 696 of these guidelines. The autonomy package for select public enterprises proposed by the government was also seen as a positive step towards meaningful public sector reforms. However, the Government, which initiated this, proposal-collapsed before the scheme could be fully worked out and implemented.

With the coming to power of the present government in 1998, it was decided to constitute a Cabinet Committee on Disinvestment to speedily clear disinvestment proposals. The 1998-99 budget made a special provision for a 'liberal severance package' for workers of unrevivable public sector units, whose accumulated losses had completely eroded the units net worth. Eighty-four PSUs fell in this category and they employed 5.89 lakh workers. A linked development was the fact that as on 31st May 1998, 2.48 lakh public sector unit worker had opted for the Voluntary Retirement Scheme (VRS). To implement the VRS, the government had created the National Renewal Fund (NRF) to act as an effective Social Safety net. The government also decided to initiate Steps to sell 74% of its equity in all non-strategic PSUs. The government also brought forward a proposal titled, Privatisation, A fast track strategy, in which it visualised the creation of a national shareholding trust, called the Special Purpose Vehicle (SPU) whose objective would be to hold and sell non-strategic PSUs equity until government ownership came down to 49% in each public sector enterprise.

In its 1999-2000 budget Proposals, the government clearly stated that its strategy towards the public sector would, encompass a judicious mix of strengthening strategic units, privatising non-strategic ones through gradual disinvestment or strategic sale and devising viable rehabilitation strategies for weak units. The
government also announced that it would explore the possibility of extending the Voluntary Retirement Scheme (VRS) which was now largely restricted to employees of loss making PSUs to those working in profit making public sector units. As many profit making PSUs needed 'to reduce manpower to remain viable', the government announced that it would encourage such enterprises to 'raise money from banks against government guarantees'.

Whatever limited progress has been achieved in initiating public sector reforms has largely been linked to the process of disinvestment. Here too, the goal has fallen short of expectation and the disinvestment strategy has itself been bogged down by controversies. The impression has increasingly gained ground that the disinvestment process was primarily aimed at rescuing the government from the fiscal crisis it faced and the disinvestment procedure adopted has also been criticised. Efforts to disperse public sector share holding as widely as possible have not produced encouraging results. Public sector reform also needs to be viewed independent of the process of disinvestment. The 1991 economic reform package has specifically stated that the board of PSUs 'created a somewhat unequal playing field (for the PSUs) in an increasingly competitive environment'. Further, the reform package also held out a promise that a revival / rehabilitation scheme for sick PSUs would be formulated. Little progress was achieved on both fronts.

It is relevant to note in this regard that a Parliamentary Committee on Public Undertaking observed in its report that the performance of several PSUs had worsened after economic reforms as they were not equipped to face the challenges of economic liberalisation. The Committee of Disinvestment (1993) favoured meaningful delegation of powers to PSUs in order to create the right environment for ensuring creativity and the capacity to take calculated risks. The Disinvestment Commission also put forward a range of proposals to enhance the autonomy of PSUs and promote corporate governance. It suggested that the Board of Directors of the concerned PSUs take all strategies and important decision concerning PSUs. The government role
should be limited to the issue of written directions concerning broad policy matters. It also favoured a minimum level of delegation of power to all PSUs. The Disinvestment Committee suggested that stronger performers be accorded the highest degree of autonomy and the medium performers too be granted autonomy, though less than strong performers in order to induce them to do better. On the question of the composition of the Board of Directors of PSUs, the Disinvestment Committee opined the experts and professionals from outside the government should also be inducted. In the context of disinvestment, the Disinvestment Committee felt that even if the government was the largest shareholder, representatives of minority shareholders must be elected to the board.

The Disinvestment Committee recommended that the Chief Executive Officers (CEOs) of PSUs be appointed for a fixed term and the recommendations of the Public Enterprise Selection Board (PSEB) should, as a rule, be accepted by the concerned Ministry, without having to go to the Appointment Committee of the Cabinet. Though the government accepted these recommendations and came up with the autonomy package for Navaratras and MiniRatnas. It has largely remained unimplemented or ineffective and PSUs continue to be plagued by tight controls. Commenting on the attitude of the public sector management, a member of the Disinvestment Committee opined that ‘they are all for autonomy without accountability’.

Strategies for public sector reform have also focussed on the need to reduce the financial burden on PSUs caused by the employment of surplus staff. In the pre-liberalisation period, PSUs were often viewed as employment generation agencies resulting in many PSUs being forced to appoint staff (even when not required) on account of political interference. A linked development was the decision of the government (prior to economic reforms) to take decision of the government to take over sick private industrial units in order to protect the interest of the work force. As stated earlier, these units account for nearly 60% of the losses suffered by the public
sector. Studies have also drawn attention to the low level of motivation and efficiency in PSUs and the near absence of a meaningful system of accountability. As worker in the PSUs are accustomed to government protection, they appear to be simply not ready for the hard work that the market demands. Still opposition to public sector disinvestment especially when the interests of labour are involved has come from the extremely powerful and vocal trade unions.

The National Renewal Fund (NRF) which was created in 1992 has been used as a safely net to fund the Voluntary Retirement Scheme (VRS). According to reports, on 31st May 1998, 2,48 lakh PSUs workers had opted for the retirement under the scheme. The 1999-2000 budget had made a provision for profit making PSUs raising money from banks against government guarantees and interest subsidy to fund the VRS scheme.

A few trend with regard to the VRS need to be assessed. Firstly, it has been contended that those employees, who saw opportunities opening up in the private sector in the post liberalisation period, have exercised the VRS option. The 'deadwood' in the PSUs saw no benefit from the scheme. The consequences were that some of the most motivated and efficient staff in the public sector made the best of the opportunity and moved to the private sector. The PSUs were left with employees whose motivation level and performance record was extremely low. Besides, as part of the VRS package, no effort was made to retain employees to equip them with skills necessary to gain reemployment or self-employment. The Disinvestment Commission and the Parliamentary Standing Committee on industry have both drawn the attention of the government to this fact. Further, the nature of the work force in the public sector needs to be taken into account. It is estimated that for every 2.5 skilled workers in the PSUs there is one unskilled worker. The high percentage of unskilled workers in the labour force has important implications for success of any VRS package.

The 1991 economic reform programme being carried out by the Government of India is basically a shift from central planning to a market driven economy. The
reform programme does involve a more away from the centralised allocation of resources on some key sectors by government to allocation by market forces. In a large measure however, the reform involves removing distortions in the market that were already functioning or removing controls which had driven market forces underground. In fact a basic feature of the economic reform programme is the open recognition that many control were in fact not working and that others were distorting allocation rather than improving the performance of a free market.

National development can take place only if the growth rate of the economy sufficiently exceeds the growth rate of population. Thus if India grows at 6 to 7 per cent per annum, prosperity would definitely percolate down to the masses with the concomitant increase in the employment.

The rational and the basic ingredients of the economic reform programmes cannot in any sense be said to adversely affect the poor and the needy.

As the reform is carried out some protected groups will lose. For example large farmers thriving on subsidies as fertiliser, water and electricity and some industrial units will have to give place to new ones. The vast majority of people stand to gain in the medium and long term. Indeed the whole objective of the reform programme is to accelerate the rate growth of the economy as a means to make India strong and to abolish poverty. Another notable feature is that with the higher growth rate generated by the reform the strengthening of the social sector programmes will also take place.

With rapid economic growth it can not be denied that investment in education, health, family planning, women and children will increase. Better facilities and services can provided. The sea of humanity that lives in abject poverty in this country can only be uplifted by more investment and improvement in social sector and this is what the economic reforms aim at.

Socio-economic development of a country related to its human resource development, and education is the most important instrument for human resource
development. Lack of education implies lack of awareness and inability to assimilate information even if one has access to it. In a technologically and professionally advancing society, lack of education means not only reduction in the gross national productivity but also high probability of increased population growth ratio.

India has made remarkable progress in several human development indicators, particularly the indicators of health and of higher education. But unfortunately, its achievement in eradicating illiteracy and in primary level school education continues to be poor. Literacy creates motivation and awareness, which results in acquisition of skills necessary for development. Literacy provides a certain competence to the youth required for the productive participation in nation building. Literacy becomes the key to entire development effort.

The development of women and children constitutes an essential component in a country's total human resource development effort. There is a need to develop and protect these two vulnerable sections of the society. Today women's development and particularly education has assumed special significance. Despite widespread illiteracy and ignorance, women in recent years have gradually become conscious of the need for liberating themselves from suppression and economic dependence. A large number of women in different parts of the country are making significant moves for empowerment. These are, however, sporadic and inconsequential for these affect only a marginal section of the women.

By and large it is to be find women's access to education restrained by factors like early marriage, social ridicule and poverty. In view of the social and cultural handicaps that have operated against women's education, the need for adopting a set of objectives specific to women's education is imperative. There is an urgent need to eliminate illiteracy and measures have to be adopted for the retention of girls in schools. Substantial vocationalisation and diversification is needed so as to enhance the economic opportunities for the women. There is also a need to promote access to professional courses for women. Universalisation of elementary education (UEE),
adult education and development, vocationalisation of school education, consolidation of higher education, modernisation of technical education, empowerment of quality content and process of education at all levels continue to be themes of national endeavour in the field of education. The focus in the elementary any education has now shifted from enrolment per se to retention and achievement. The revised policy ensures that free and compulsory education of satisfactory quality is provided to all children upto fourteen years of age.

The pressure of population in our country makes the task of socio-economic and technological development more difficult. There is no doubt that yearly population stabilisation is not possible without raising the status of women through a combined strategy of providing better economic opportunities and education. An increase in literacy and educational status of women will have positive effect on population control, maternal morbidity, infant mortality, health care, nutrition sanitation and hygiene.

Mass illiteracy and lack of health education may be traced as true problem which stand at the grass root of all development especially that of rural population. Not merely poverty but ignorance is perhaps an important factor under lying poverty and malnutrition in our country. To improve the health status of the people especially in the rural areas, it is essential that women should have sound nutrition knowledge and dietary practices. The integrated Nutrition Programme for Child Development is a step towards solving malnutrition among children. India reaffirmed its commitment to the cause of children in keeping with the pledges of the world summit for children to which it is a signator, by drawing up for implementation a decadal National Plan of Action for Children. This plan identifies quantifiable target to be achieved by 2000 AD in the sphere of child health, nutrition, education and related areas. The children who are the future of this country need special care and attention and their development is top most on our agenda.
Women and children in the rural areas continue to suffer much more. Lack of resources and shortage of service centres have added to their problem. At time even basic medical attention is a distant dream. Women lack employment and in the rural areas only agriculture and allied areas are the target sector for women’s employment. In case of both agriculture and animal husbandry, development strategies have provided very little attention to women in comparison to their active involvement in both the sectors. Women's role has not been adequately recognised in agriculture development, land reform or rural industrialisation. Special schemes have been initiated for the uplift of women in the rural areas. The introduction of the DWACRA (Development of Women and Children in the Rural Areas) was a milestone in the uplift of the rural population. The programme aimed at streamlining the response of the state governments to integrating women into anti poverty programmes. Such approach can be continued until women acquire sufficient power to articulate their needs and demands and until such time as women concerns get to be internalised in the planning and administrative structures.

In the economic sphere and particularly in the rural sector the empowerment of women relates mainly to their access to means of production and control over the fruits of their labour. In implementation of the reform measures, potential women beneficiaries should be associated. Empowerment of women can take place only when they come to realise their potentialities. The recent Constitutional amendment making Panchayati Raj and Municipal Bodies a constitutional entity has provided a great opportunity for the women to be a part of the development process. Nearly 33 percent of the seats by direct elections have been reserved in favour of women. Today thousands of women have come to occupy important positions in these local bodies. With such a large representation of women in these bodies their role in decision making process is going to be much more affirmative. They would no more be passive participants in the development process. Now they have the opportunity to plan and implement schemes that helps in their uplift. The institutional and administrative
mechanism to reap the benefits of the new economic policies has been strengthened and no doubt the process of change will be visible very soon.

Today due to our economic policies, the world is looking up at us. Major investments are taking place in India and as reforms roll, the benefits are going to be shared by all sections of the society. The demand for new and trained manpower will enhance educational opportunities, which in return will lead to a greater investment in education. Health and family welfare will follow and more investment will take place. Technological advancement as a result of liberalised economy is going to play a major role in improving the health status of the people and particularly of the women and children. India is on the move and is getting ready to wage a major war against poverty, unemployment and exploitation.

The need for education is well appreciated, emphasised with and greatly understood. One needs to delve into the importance of utility of education as well as on its sociological and psychological impact. Education has an impact on the individual and society at large thereby contributing to the nation as a whole.

India has traditionally been a learned society wherein women too were active participants in all forms of social interaction including political participation. However, for various reasons cultural, political etc., over the years our cultural heritage in terms of education particularly women's education has been greatly eroded. We need to give a boost to women's education. It is widely expected and understood that a family with a literate women is distinctly above that of the uneducated women, purely in terms of the quality of life; not to delineate different indicators like awareness, emancipation, personal and social hygiene, upgradation of skill, child care etc. It is proved that family welfare is directly related to women's literacy.

There are examples that despite high economic development it has been proved that education has no direct relationship to economic well being. Quality of life as a
whole is what we all strive to achieve and it is only through education that this goal can be achieved.

Education for women is particularly necessary because by educating them and arming them with vocational and other skills we are directly making 50% of the population economically productive. This is not to undermine vast human resource potential and the related contribution that women make to society in their invisible manner.

Education and literacy shall be dealt as two entities. Firstly, literacy is directly seen as an instrument to gainful employment and as such, related to poverty alleviation. In the light of economic policy and the reforms, upgradation of skills vocational, traditional, technical and professional is needed. Being literate means being knowledgeable. By being literate a person has the capacity to assimilate and use information. Therefore, the entire essences of the literacy campaign is to make a person self-reliant. Secondly, literacy per-se is to be viewed as a welfare component, or as social commitment to a society. With education a person increases his level of awareness about his rights and becomes more assertive. She is aware of the duties, obligations and is confident of her existence as a respectable individual. Promotion of self-esteem is what education does. This is social component of empowerment.

The view has to be fully enclosed that education/literacy reflect multifaced development of a society and henceforth.

Universalisation of elementary education should be everybody's concern. There are number of government schemes for universalisation of elementary education but the said objective has not been achieved. The reasons are many, one of them is lack of potential will. Though our country is committed to achieve the goal of 'health for all' by the year 2000 AD, the health problems being faced by the people are highly complex and challenging. On the one side people have been struggling to combat communicable diseases like T. B., leprosy and malaria and on the other side people
have to cope with the challenges of post-transitional diseases like cataract induced blindness, diabetes, cancer and cardio-vascular diseases. The recent out-break of plague in some parts of the country and threat of new diseases like AIDS have further complicated the health scenario.

Though the health problems have been identified for priority attention and efforts made for maternal and child care services since the beginning of planned development, much remains to be done to improve the health of women and children both in qualitative and quantitative terms. There is need for a comprehensive integrated approach towards issues related to health, if there is to be a significant impact on the condition of the people.

It is the responsibility of the health organisation in the country to deliver the family welfare programmes. Economic liberalisation is very closely related to family welfare, as increase in population will nullify the effects of economic reforms. The problem with family welfare has been that we have tried to thrust the programme on the people without preparing them in terms of literacy, social status and change in their attitudes. The role of NGOs has been marginal except in selected pockets.

The institution at the grass-roots level are meant to cater both to the preventive and curative aspects of human health as well as carry on immunisation and family welfare programmes. The Alma- Ala declaration which set the Agenda for the World Health Organisation and its member states, defines primary health care as "essential health care based on practical, scientifically sound and socially acceptable methods and technology made universally accessible to individuals and families through their full participation and at the cost, that the community and the country can afford".

If one were to take stock of the achievement made in this area, a very disappointing dismal picture would emerge. People have allowed the health agenda to be dictated to the villagers and have, therefore, envisaged only a second rate primary health care system and remain satisfied by providing the services of an ANM at the
village level and cry hoarse that people have achieved health for all. This obviously is not enough for a developing country like ours. However, with the liberalisation of economic policies, a new and more ambitious primary health care policy needs to be adopted.

There has been a lack of commitment to invest in the health sector, which can be seen from the outlays earmarked for this sector over the successive plan period. Even with the sector urban health has gobbled up most of the available funds. Above all almost 80% of the allocations have gone into building institution of postgraduate studies and other institutions of higher learning. It should come as no surprise, therefore that people have not been able to put an effective check on our population and improve the health status of our citizens. This distortion investment has naturally led to a pronounced accent on the curative rather than the preventive aspect of public health. This has also resulted in an utter neglect of the traditional systems of medicine which otherwise could have supplemented the efforts made to raise the health status of the society particularly the more vulnerable sections.

In reality the Economic Liberalisation policy initiated in 1991 were crisis-driven. The crisis in the balance of payments and mounting fiscal deficits (both at the level of the Central and State Governments) promoted the congress-led Government under the stewardship of Mr. P. V. Narsimha Rao to initiate economic reforms.

During the post-economic reforms (1991-97), India has made some significant achievement in economic growth, industrial production especially capitalist agriculture. It is found that growth rates in some of the key sectors of the economy such as gross national product, per capita income, agriculture and allied activities, and domestic savings from corporate sector have risen in post-reform period. In external sector, also there is significant improvement in the post-reform period. The reforms introduced in 1991 have resulted in relativity impressive growth in 'materialistic development'. For instance, for the first time after independence, our GDP growth rose to 6% and the rate of industrial growth witnessed spectacular rate of growth to the
extent of 12.2%. Further, it got rid of 'over regulation'. In all, the focus of reforms of the first decade, both in terms of policy and popular perception has been on industry. Another corollary development of reforms has been the inflow of Foreign Direct Investment (FDI) in substantial quantity. Opening up of our economy to foreign investment has been praised by investors and they say that it neatly fits in with our policy. Therefore, it is imperative that government have to continue them. Further, the reforms have not at all improved human conditions. For example, agricultural productivity, water management, soil conservation, ecological balances, protection of environment and problem of de-forestation. The allocation for education and health, both in public and private sector during initial economic reform period was adversely affected, from the view point of promotion of 'human face of development' and this also makes a strong case for their continuation. 'Human face of development', is considered as 'social liberalisation', which is yet to take place in the new millennium.

It is the opinion that latter economic reforms have to give top priority to 'this sort of development' for two reasons. Firstly people have emphasise on it for people have neglected it hitherto. Secondly, unless it takes place, 'economic liberalisation' will not be sustained. That is why, A. K. Sen is sounding logical in his statement: "even well functioning markets (i.e. economic liberalisation) can't take care of problems posed by the shortfall in 'human capabilities'. These are caused by inadequate basic education, a low level of health services, poor ownership partners, skewed social satisfaction and gaping gender inequalities."

For the purpose of human face development, the former Finance Minister Yashwant Sinha in his budget speech 2000-01 stated very clearly that National Democratic Alliance (NDA) Government intends to carry forward the process of implementation of 2nd phase economic reforms. Elaborating on the philosophy of 2nd phase reforms he stated: "Growth is not just an end in itself. It is the critical vehicle for increasing employment and raising the living standards of our people, especially of the poorest. Sustained, broad-based growth, combined with all our programmes for
accelerating rural development, building roads, promoting housing, boosting knowledge-based industries and enhancing the quality of human resources will impart a strong impetus to employment extension. There can be no better cure for poverty than this in our country.\(^{34}\)

For implementation, the Finance Minister laid down the following objectives\(^{35}\):

(i) Strengthen the foundations of growth of our rural economy, especially agriculture and allied activities.

(ii) Establishment of Knowledge-based industries such as infotech, biotechnology and pharmaceuticals.

(iii) Strengthen and modernise traditional industries such as textiles, leather, agro-processing and the SSI sector.

(iv) Mount a sustained attack on infrastructure bottleneck in power, roads, ports, telecom, railways and airways.

(v) Accord the highest priority to human resource development and other social programmes and policies in education, health and other social services, with special emphasis on the poorest and the weakest sections of society.

(vi) Strengthen our role in the world economy through rapid growth of exports, higher foreign investment and prudent external debt management.

(vii) Establish a credible framework of fiscal discipline, without which other elements of our strategy can fall.

Evidence available about population below the poverty line underlines the stark reality that the reform process did not help to reduce poverty. Dr. S. P. Gupta, member, Planning Commission has underlined the inverse relation between poverty and GDP growth by pointing out that population below the poverty line, which was 35.07 percent in 1993-94 increased to 37.23 per cent in 1997\(^{36}\). This is a period when
GDP growth rate is around 6.9 per cent per annum the highest over witnessed consecutively for four years in India. Similar evidence has been provided by Dr. Gourav Datt of World Bank who has underlined the slowdown in poverty reduction during the reform period. He has highlighted the fact that while the urban sector appears to have continued its trajectory of growth and poverty reduction through the 1990's, rural poverty reduction was choked-off by lack of rural growth.

The World Development Report (2000-2001) has qualified that in India, in 1997(using $1 per day as the measure for International Poverty Line), 44.2 per cent of the population was living below the poverty line. This implies that 419 million persons are living in extreme poverty in India. Since the World Development Report has estimated that 1,199 million were living in poverty in the world, the share of India in the World's total poor works out to be 34.95 per cent- a very grim scenario indeed.

2nd phase economic reforms should spell out a clear strategy for poverty reduction. There are three facets of poverty:

(i) Removing income poverty by enhancing opportunity
(ii) Facilitating empowerment of the poor.
(iii) To provide security to overcome risks due to ill health, economic shocks due to natural disasters and violence.

World Development Report (1990) evolved a two-pronged strategy for poverty reduction: "Countries that have been most successful in attacking poverty have encouraged a pattern of growth that makes efficient use of labour and have invested in human capital for the poor. Both elements are essential. The first provide the poor with opportunities to use their most abundant asset-labour. The second improves their immediate well being and increases their capacity to take advantage of the newly created possibilities. Together, they can improve the lives of most of the world's poor". The excessive pre-occupation with GDP growth witnessed in the 50s and 60s was
replaced with human development approach. Human beings are not only instruments of production, but are also ends in human development. Investment in human beings by providing education, skill and better health improved their capabilities to contribute more to the process of GDP growth. Even the provision of adequate food by cutting down under-nutrition and malnutrition also helped to raise productivity. In this context the need for shelter was also considered as a basic input to improve the capacity of human beings to raise their life expectancy and also their lifetime earning. Thus, emerged the concept of basic minimum services. The Approach Paper of the Ninth Plan, therefore, included the concept of basic minimum services in its overall objective of "Growth with Social Justice and Equity". Basic Minimum Services included universal primary education, primary health care, safe drinking water and shelter for all. For this purpose, the concept of social sector became important and the state was expected to direct its expenditure (both plan and non-plan) on social sector (education, health and family welfare, water supply, sanitation, housing, rural development, social welfare, nutrition and minimum basic services). It would be of interest to understand as to how the expenditure on social services has changed in the post-reform period vis-à-vis the pre-reform period so as to examine the need for making correction in the 2nd phase economic reform.

By the year 1981, educational expenditure had risen to a level of 3.0 per cent of GDP as against 0.68 per cent in 1951 and 2.47 per cent in 1971. During 1981 to 1991, a gradual increase in educational expenditure was witnessed and it reached a peak level of 4.39 per cent of GDP in 1990. Thereafter, this percentage has shown a gradual decline from 4.39 per cent in 1990 to 3.76 per cent in 1994 and further to 3.62 per cent in 1997. This indicates a lower priority given to education in the post-reform period (1991-97) as compared with the pre-reform (1981-90), despite the fact that the government has been pro-claiming that it intends to increase it to 6 per cent of GDP.

Dr. V. R. Panchamukhi has calculated the average annual growth rate of per pupil expenditure in education in the pre-reform and post-reform period. Information
indicates that there has been a serious deterioration in per-pupil expenditure in education in all sectors of education. In the sphere of elementary education, the annual average growth rate of expenditure slumped from 6.9 per cent during 1985-90 to merely 1.2 per cent during 1990-96. In secondary education, there was zero growth rate of per pupil expenditure and in university education, this growth rate became negative to the extent of 4.4 per cent in the post-reform period.

A review of expenditure on education in the pre-reform and post-reform period reveals that:

(i) Instead of educational expenditure moving towards the target of 6 per cent of GDP, in the post-reform period (1991-97), it declined to 3.62 per cent

(ii) Per pupil expenditure at all levels, more especially at the elementary education level, has shown serious deterioration in the average annual growth rates.

These are unhealthy trends, more especially in view of the fact, quite a significant proportion of the children belonging to the middle, upper middle and affluent sections are going in for enrolment in public schools. Since the state is not required to make any expenditure for their education at the elementary level it could divert the amount thus saved in providing elementary education to these sections of the population to improve facilities in state-run schools. But alas! This does not seem to be happening.

Study reveals that investment in health which accounted for 3.33 per cent of total plan outlay in the first plan declined to 1.93 per cent in the Fifth Plan and further declined to 1.69 per cent in the Seventh Plan and improved marginally to 1.97 per cent in the Eighth Plan. As against it, investment in family planning, euphemistically described as family welfare, improved from 0.11 per cent in the second plan to 1.76 per cent in the Fourth Plan and then declined to 1.27 per cent in the Sixth Plan. It subsequently picked up 1.43 per cent and 1.45 per cent in the Seventh and the Eighth
Plan respectively. This implies that the family planning effort was strengthened at the
cost of expenditure on public health.

**TABLE-1**

**Percentage of Budget Allocation for Education.**

<table>
<thead>
<tr>
<th>Financial year</th>
<th>Total plan outlay (Rs. In Crores)</th>
<th>Expenditure on Education</th>
<th>% of plan layout</th>
</tr>
</thead>
<tbody>
<tr>
<td>1992-93</td>
<td>72,852.4</td>
<td>2,619.4</td>
<td>3.6</td>
</tr>
<tr>
<td>1993-94</td>
<td>88,080.7</td>
<td>3,147.3</td>
<td>3.6</td>
</tr>
<tr>
<td>1994-95</td>
<td>98,167.3</td>
<td>3,940.0</td>
<td>4.0</td>
</tr>
<tr>
<td>1995-96</td>
<td>107,380.4</td>
<td>5,355.7</td>
<td>4.9</td>
</tr>
<tr>
<td>1996-97</td>
<td>129,188.6</td>
<td>7,346.1</td>
<td>5.7</td>
</tr>
<tr>
<td>1997-98</td>
<td>139,625.9</td>
<td>8,208.2</td>
<td>5.8</td>
</tr>
</tbody>
</table>

**Source:** *Economic Survey (1998-99)*, Ministry of Finance GOI.

If health and family welfare are taken together as a group, investment in them
was of the order of 3.34 per cent in the First Plan, it declined to 3.12 per cent in the
Second Plan to improve to 3.89 per cent in the Fourth Plan. Therefore, there is
practically a stability observed around 3.1-3.2 per cent of the total plan outlay in the
Fifth, Sixth and Seventh Plans. In the Eighth Plan, this picked up to 3.42 per cent.

The trend of investment in various plans highlights, that sufficient attention was
not paid to health and family welfare and it is very regrettable that family planning
was promoted at the cost of public health. Safe drinking water is very essential for
human life. It helps as preventive measures against a number of water borne diseases. In this sense, it can be treated as a measure for promoting public health. Sanitation helps to improve environment climate and this helps to prevent the incidence of several diseases, besides providing a better quality of life. A study of public expenditure incurred on water supply and sanitation reveals that this was as low as 0.56 per cent of plan outlay during the First Plan and increased to 2.77 per cent during the Fifth Plan, to rise further to 3.64 per cent in the Sixth Plan and to peak to a traveled of 3.85 per cent of plan outlay in the Eighth Plan. As a consequence of massive public investment made in the water supply and sanitation, 92.5 per cent of the rural and 90.2 per cent of urban population has been covered with drinking water supply in 1998. But in sanitation facilities, much remains to be accomplished, since 49.3 per cent of the urban population and barely 5.1 percent of the rural population has been provided sanitation facilities.

If health, family welfare, water supply and sanitation are taken together as measures to improve the quality of health of the population, then total public expenditure incurred on them was of the order of 4.33 per cent of plan outlay during the First Plan, it was gradually raised to as level of 5.95 percent of plan outlay during the fifth plan and has further been improved to 7.1 percent of plan outlay during the Eighth Plan. As indicated earlier, increase in family welfare expenditure has been made at the cost of public health expenditure. There is an urgent need to improve the expenditure on public health services further.

UNDP, Human Development Report (1999) and (2000) has provided comparative data about expenditure on public health. HDR covers in Public expenditure on health, all recurrent and capital spending from central and local Government budgets, external borrowings and grants (including donations from international agencies and non-Governmental organisations) and Social health insurance funds.
Study indicates that India spend 0.6 percent of GDP on health during 1996-98, whereas in developing countries like Malaysia and Sri-Lanka, this percentage was 1.3 percent and 1.4 percent respectively. As against this, in high income countries, percentage of GDP spent on public health averaged 6.4 percent of GDP during 1996-98. India seems to be way behind high income countries in providing public health services. Even in developing countries, the public health expenditure averaged 2.2 percent of GDP. Thus, India has also to catch up with even some of the better performers among developing countries.

In this connection, it may be pointed out that the supply of information by the Minister of Health to UNDP is extremely unsatisfactory. Our apprehension is that UNDP Human Development Report has been provided data only about central Government expenditure on public health and it has not included the expenditure incurred by State Governments. Moreover, sanitation facilities should also be included as measure of public health. If the Government undertakes a reorganisation of the data to be sent to UNDP, the picture of expenditure on public health in international documents like HDR would not appear to be so dismal. As per our estimate, the expenditure on public health would be in the range of 2.2 to 2.4 percent of GDP.

Provision of shelter is another major component of the social sector. The census of 1991 estimated the housing shortage at 18.5 million dwelling units - 13.7 million for the rural areas and 4.8 million for the urban areas. The proportion of households living in Pucca houses was 41.6 percent, those living in semi-pucca houses was 30.9 percent and in kutcha houses was 27.4 percent.

The Ninth Five Year Plan has stated that as per 1991 census, the total rural household shortage was 13.72 million. Of these, 3.41 million were without shelter and 10.31 million were living in 'Kutcha unserviceable' houses. In addition, an estimated 10.75 million houses would be required on account of population growth during the period 1991-2002. It has also been estimated that 5.7 million units have been added to rural housing through the ongoing programmes of Indira Awas Yojana (IAY), State
Government, HUDCO and self help systems. The net housing shortage between 1997 and 2002 in 18.77 million of which 8.46 million are new houses and 10.31 million are kutcha unserviceable houses.

The overall housing shortage, however, does not adequately reveal the intensity of regional dimensions. The Ninth Plan mentions: "While houses shortage exists in almost all states, there is a large concentration in a few states with Bihar accounting for nearly one-third of the housing shortage in the country, followed by Andhra Pradesh, Assam, Uttar Pradesh and West Bengal which together accounted for another 44.65 percent. In each of the remaining states, the housing shortage is less than 5 percent: Therefore, in the backdrop of total housing requirement, the housing shortage in selected states is more acute." 

By the end of the Ninth Plan, 109.53 Lakh units will be constructed leaving a residual gap of 78.17 lakh units (i.e., 187.70 – 109.53 = 78.17 Lakh units). Out of 109.53 lakh units to be constructed, 92.48 lakhs will be new units and 17.05 lakh would be upgradation units. The Tenth Plan (2002-2007) shall have to work for upgradation of unserviceable and kutcha units and also to provide for additional demand due to population growth.

For Urban housing, for Economically Weaker Sections (EWS) and Low Income Groups (LIG) housing units, average cost will be based on Rs. 35,000 and 1 lakh respectively. For 7 Lakh Urban houses, this works out to be Rs. 4,000 Crore per year. Since urban housing was taken up during the second year of Ninth Plan, assuming that investment requirements remain constant over the plan period, urban housing is likely to cost Rs. 16,000 crores.

In the rural sector, the maximum ceiling of assistance under IAY has been raised from Rs. 14,000 to Rs. 20,000 in Plain areas and Rs. 15,800 to 22,000 in hilly areas/difficult areas. In the modified form, it is proposed to implement the IAY in two
components, namely (a) construction of new houses (at a unit cost of Rs. 20,000); and (b) upgradation of Kutcha and unserviceable houses (at a unit cost of Rs. 10,000).

Although the Government has raised the cost of providing a housing unit under IAY to 20,000 but considering the price of building materials like bricks, cement, wood, iron, etc, it appears that with this allocation, I would not be possible to provide a pucca house for the population below the poverty line. Consequently, these houses will remain vulnerable to natural disaster like cyclones and floods. The Government should, therefore, reconsider making a higher allocation for dwelling units for the poor so that the problem of repeated upgradation can be taken care of once for all.

Despite all this rural housing problem would still remain, though the Government hopes to spend Rs. 14,300 crores on rural housing during the Ninth plan. Provision of reasonable shelter for all does require more funds and better housing facilities like toilets, space for kitchen and living space for the poor. This aspect of the social shelter calls forth better deal of the poor.

Human Development Report (1999) states: "Competitive markets may be the best guarantee of efficiency, but not necessarily of equity. Liberalisation and privatisation can be a step towards competitive markets - but not a guarantee of them. And markets are neither the first nor the last word in human development."" When market goes too far in dominating social and political outcomes, the opportunities and rewards of globalisation spread unequally and inequitably - concentrating power and wealth in a select group of people, nations and corporations, marginalising the other."

Human Development Report has drawn attention to the fact that excessive faith in markets is not correct and markets as instruments should ultimately serve people and if they fail in this objective, societies will have to sharpen other instruments to do the Job.
The situation as it obtains in India has been highlighted by India Development Report (1999-2000) prepared by Indira Gandhi Institute of Development Research, Mumbai.

"One of every three persons in India is officially poor, and two of the three are under nourished. If we count those who are deprived of safe drinking water, adequate clothing or shelter, the number is considerably higher. Finally, if we also include people who are 'above' the officially defined poverty line but are vulnerable, in the sense of not being insured against rising prices, unemployment, illiteracy, declining incomes, old-age and disease, we get a huge majority."

This being the state of affairs, the need for rethinking on economic reforms becomes a necessity. Analysis about the working of economic reforms in India introduced in 1991 reveals that so far as spread of the reform process has been narrow, limited to the corporate sector of the India economy. It has neither touched agriculture nor small scale industry. Unless the 2nd stage of economic reforms enlarge their spread to agriculture and small industry, the much talked about expansion in employment will not be realised. It is only through expansion of employment and improvement in quality of employment that dents can be made on poverty reduction. For this purpose, instead of industry first strategy, agriculture and rural development strategy should get priority. However, from Table – 2 it is clear that the adoption of liberalisation policy, the opportunities in the organised sector or continuously deckling.

According to World Development Report (2000-2001), in India, in 1997 (using $ 1 per day as the measure for international poverty line), 44.2 percent of the population was living below the poverty line. In absolute terms, the number of poor was 419 million which works out to be 35 percent of the total poor in the world a very grim scenario indeed.
TABLE - 2

Growth Rates of Employment in Organised Sector

<table>
<thead>
<tr>
<th>Year</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>Total Organised</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>1.52</td>
<td>1.24</td>
<td>1.44</td>
</tr>
<tr>
<td>1992</td>
<td>0.80</td>
<td>2.21</td>
<td>1.21</td>
</tr>
<tr>
<td>1993</td>
<td>0.60</td>
<td>0.06</td>
<td>0.44</td>
</tr>
<tr>
<td>1994</td>
<td>0.62</td>
<td>1.01</td>
<td>0.73</td>
</tr>
<tr>
<td>1995</td>
<td>0.11</td>
<td>1.63</td>
<td>0.55</td>
</tr>
<tr>
<td>1996</td>
<td>(−)0.19</td>
<td>5.62</td>
<td>1.51</td>
</tr>
<tr>
<td>1997</td>
<td>0.67</td>
<td>2.04</td>
<td>1.09</td>
</tr>
<tr>
<td>1998</td>
<td>(−)0.09</td>
<td>1.72</td>
<td>0.46</td>
</tr>
</tbody>
</table>


Whereas policies will have to emphasise higher growth rates since they are essential for poverty reduction, it has to be simultaneously ensured that higher growth rate is accompanied by job creation at a rate higher than the rate of growth of labour force, for this purpose, labour-intensive sectors like micro-enterprises, small and medium entrepreneurs will have to be encouraged by providing credit and other support measures.

Another method of enhancing the capabilities of the poor by investing in their health and education can also enable them to take advantage of the newly emerging areas of employment. Special measures should be designed to promote skills among
the poor in information technology, biotechnology and other sunrise industries. In other words, conditions shall have to be created for pro-poor growth in India.

In the post reform period (1991-1997) expenditure on education declined to 3.62 percent of GDP, although it touched 4.39 percent of GDP in 1989. Besides this, per pupil expenditure at all levels, more especially at the elementary education level, has shown serious deterioration in the average annual growth rates.

Study about health expenditure indicates that family planning effort was strengthened at the cost of expenditure on public health plan expenditure in health improved from 3.34 percent in the first plan to 3.89 percent in the Fourth Plan and thereafter declined in the three plans to 3.1 - 3.2 percent to pick up to 3.42 percent in the Eight Plan.

Table – 3 and 4 clearly depicts the scenario, which is prevailing in the hole country.

**TABLE - 3**

<table>
<thead>
<tr>
<th>Category of Centres</th>
<th>Requirement for 1991</th>
<th>Functioning as on 30.06.1996</th>
<th>Gap</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub Centres</td>
<td>1,34,108</td>
<td>1,32,730</td>
<td>1,378</td>
</tr>
<tr>
<td>Primary Health Centres</td>
<td>22,349</td>
<td>21,854</td>
<td>495</td>
</tr>
</tbody>
</table>


A review of the economic reforms reveals that whenever expenditure reduction was undertaken social sector comprising health, education, housing and welfare of the poor had to bear the brunt because social sector is considered as a 'soft sector'.
**TABLE – 4**

Pattern of investment of family welfare (plan out lays) during different plan period in public sector. Centre, State and UTs

<table>
<thead>
<tr>
<th>No.</th>
<th>Period</th>
<th>Total Plan Development all Head</th>
<th>Health</th>
<th>Family Welfare</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>First Plan (1951-56)</td>
<td>1960.00</td>
<td>65.20</td>
<td>0.10</td>
</tr>
<tr>
<td>2</td>
<td>Second Plan (1956-61)</td>
<td>4672.00</td>
<td>140.80</td>
<td>5.00</td>
</tr>
<tr>
<td>3</td>
<td>Third Plan (1961-66)</td>
<td>8576.50</td>
<td>225.90</td>
<td>24.90</td>
</tr>
<tr>
<td>4</td>
<td>Annual Plan (1966-79)</td>
<td>6625.40</td>
<td>140.20</td>
<td>70.40</td>
</tr>
<tr>
<td>5</td>
<td>Fourth Plan (1969-74)</td>
<td>15778.80</td>
<td>335.50</td>
<td>278.00</td>
</tr>
<tr>
<td>6</td>
<td>Fifth Plan (1974-79)</td>
<td>39426.20</td>
<td>760.80</td>
<td>491.80</td>
</tr>
<tr>
<td>7</td>
<td>Annual Plan (1979-80)</td>
<td>12176.50</td>
<td>223.10</td>
<td>118.50</td>
</tr>
<tr>
<td>8</td>
<td>Sixth Plan (1980-85)</td>
<td>109291.70</td>
<td>2025.20</td>
<td>1387.00</td>
</tr>
<tr>
<td>9</td>
<td>Seventh Plan</td>
<td>218729.60</td>
<td>3688.60</td>
<td>3120.80</td>
</tr>
<tr>
<td>10</td>
<td>Annual Plan (1990-91)</td>
<td>61518.10</td>
<td>960.90</td>
<td>784.90</td>
</tr>
<tr>
<td>11</td>
<td>Annual Plan (1991-92)</td>
<td>65855.80</td>
<td>1042.20</td>
<td>856.60</td>
</tr>
<tr>
<td>12</td>
<td>Eighth Plan (1992-97)</td>
<td>434100.00</td>
<td>7562.20</td>
<td>6500.00</td>
</tr>
</tbody>
</table>

**Source**: *Ninth Five Year Plan (Draft) (1997-2002), Planning Commission, GOI.*
In the context of Indian planning, the development of social sector always been an area of prime concern for planners, social activists and academicians and has therefore figured at the core of five year plans since its inception. In fact its roots could be traced back to our rich glorious heritage where the state encouraged its subject to develop, progress and enhance their capabilities, irrespective of their caste, creed or gender, by providing ideal and conducive environment. However, the enslaving of nation, for a very long period, destroyed its rich cultural fabric.

After attaining political independence, efforts to develop social sector were also taken up and given equal weightage just like the economic sectors. The impact of planned efforts became more conspicuous on economic sectors where the nation emerged as a leader in many areas by achieving path-breaking success. Agriculture, science and technology, medicine, space research, to name few are some of the areas where the achievement level was simply astonishing. However, on the Social Sector front, the progress achieved was relatively slow and its impact a mixed one. In the case education or literacy, various field level studies show that though there has been an improvement in the overall levels of literacy, number of schools, number of students enrolled and number of teachers, but so has been the levels of drop outs of students at the primary and middle levels increasing marginalisation of socially disadvantaged groups, dilution in the quality education and the high proportion of illiterates are some of the illustrations that highlight the prevailing complex scenario, this discrepancy is not only confined to rural urban settings but has also percolated down to inter state levels. Likewise, for the health sector, it could be seen that though, there has also been a distinct improvement in the health indicators like the lowering of crude birth rate, crude death rate, infant mortality rate, enhancement in the life expectancy at birth, largely on account of expansion in the infrastructure and facilities unfortunately, this progress has, by and large, remained confined to urban areas only whereas the situation in rural areas still remains quite grim. Though several sub centres, primary health centres and community health centres have come up in rural areas during all
these plan periods but they are yet to be fully operationalised due to high incidence of absenteeism on part of doctors, paramedical and multi-purpose staff.

Similarly, the persual of the performance achieved in other social issues like poverty, housing, water supply, employment etc. was also quite disappointing and lopsided. The uneven growth, with distinct tilt towards urban areas, has also accentuated the regional problems: on one hand, and has also given impetus to the process of rural to urban migration on the other.

Economic development has also been seen as expansion of opportunities that the individual enjoys in a society. However, the expansion of human capabilities also depends upon many other influencing factors besides the economic growth. Therefore, the success of development could not be judged, merely, in terms of effect on income and outputs it should, at the basic level, also focus on the lives that the people lead. Besides basic education, gender relation and health care are also equally important factors for development and removal of the counter-productive government controls may finally lead for expansion of social opportunities. Whereas the neglect of basic education, health care, social security, land reforms, etc. could also be detrimental to economic and social development. The removal of barriers to using market can significantly enhance such basic capabilities including those associated with literacy and education, basic health, social security, gender, equality, lands right, local democracy, etc.

Low social development and high inter-regional and inter-state disparities have characterised India's performance. Social development is determined, largely, by three groups of factors viz. The demographic factors, literacy and educational attainment levels and economic indicators. There cannot be a tangible reduction in the birth rates without substantial improvement in the literacy rates. It could be said that initial push to literacy and demographic achievement may be a necessary condition for economic growth, but it cannot be a sufficient condition as states like Kerala and Tamil Nadu have proved it. Likewise, significant improvement in economic condition does not
necessarily ensure better social indicators and states like Punjab and Haryana have been best examples to illustrate.

The study of the profile of health sector from the traditional system in pre-independence period to the health care in past independence period shows that there has been a decline in the health care system has been mainly on account of the country failure to use justly its resources to, provide basic health care to the majority of its population. Though there has been a marked expansion in infrastructure for health sector, yet it fails to match the growth of population which neutralizes the improvement in health sector in India. The factors that influence the performance of health sector have been the proportionate declining share of investment on health as compared to total plan outlay and lack of political will to give prioritise to this sector in the planning process.

The limited success attained in social sector could largely be attributed to the fact that it dealt primarily with the set of indigenous factors and values and their internationalisation with human beings. The process, by its nature, is painfully long and slow. Therefore, social development takes relatively longer time to become conspicuous than economic development.

Unless the tasks of poverty alleviation and social objectives are placed high on the national agenda by mobilising the requisite resources and mustering the necessary will for social engineering, it would be difficult to prevent the market forces, unleashed under the existing package of the economic reforms, from further marginalising the weaker section.

In a seminar Late Shri Madhavrao Scindia (when he was a minister for Human Resources Development (HRD) GOI,) stated, "the rational and basic ingredients of the current economic reform programmes cannot in any sense be said to adversely affect the poor and the needy."
But for the maximum benefit of economic reforms to the poor some more steps should be taken by the government.

The first phase of economic reforms launched in 1991 were essentially crisis driven. The second phase of economic reform should concentrate on consensus driven reforms. The foremost second phase economic reforms should be to ensure the fiscal discipline by an act of legislature so that present level of wasteful expenditure is saved, especially by curbing the over-manning of public sector units and reducing subsidies. These subsidies can be reduced by a target-oriented approach so that the poor are protected. The most important reform should be to redefine the role of the state. In this new role, the state needs to play a more focussed role in the fields of education, health and environmental protection. The state will also have to play a critical role in promoting transparency and good governance. The second phase of economic reforms should correct some of the bad effects of the initial economic reforms, especially on social sectors. During the initial economic reform period, the rural poverty ratio has increased from 35.04% in 1990-91 to 45.25% in 1998. The total poverty ratio has also increased from 35.11% to 43.01% during the same period. During the initial economic reform, the growth rate was not trickling down. During the period, the poverty has increased by 2.7% with an average growth rate of 1.1%. The poverty alleviating programmes such as PDS, IRDP, IRY, etc. should be strengthened especially in the short run in the later economic reforms. The targeted poverty alleviation programme should be launched to directly help the poor to improve their economic, physical and social condition. Government should allocate larger amount of funds for these programmes. At present, effectiveness of these programmes is very low. There is a need for involving panchayats, NGOs, self-help groups, community organisations for strengthening government employment programmes. To strengthen the effectiveness of anti-poverty programmes, the government should:
(I) Encourage the panchayati raj institutions in anti poverty programmes, and (II) to involve NGOs and self-help groups (SHG) for credit mobilisation and implementation of government schemes.

For the reduction of the rural poverty, agricultural growth should be improved in the later economic reforms. The later economic reforms should increase the employment opportunities in agriculture sector by accelerating the rate of growth in agriculture.

After the overall discussion now it is clear that economic reforms are meant for the development of human resources. These reforms should state how one can have better access to education, health, and family welfare. In short economic reform should aim at greater social development.
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CHAPTER 4

PEOPLE'S EMPOWERMENT
Two major initiatives have been taken by the Government of India a decade before in the area of public administration. These are economic liberalisation under the New Economic Policy (July 1991) and empowering people through decentralisation of power, called Panchayati Raj Act April 1993.

The goals of economic reform have been succinctly recapitulated in the discussion paper of the Ministry of Finance. "The fundamental objective of economic reform is to bring about rapid and sustained improvement in the quality of life of the people of India. Central to this goal, is the rapid growth in incomes and productive employment. Hundreds of millions of our people are still trapped in abject poverty. The only durable solution to the curse of poverty is sustained growth of incomes and employment in farms, roads, irrigation, industry, power and above all, in people. And this investment must be productive. Successful and sustained development depends on continuing increases in the productivity of our capital, land and labour.

Investment in people and capital is necessary, but not enough for rapid productivity growth. People must also foster an environment which encourages full utilisation of our material and human resources and ensures that they are deployed in the most productive manner. What kind of economic environment will achieve this? Decades of development experience in dozens of countries show that a good economic environment combines the discipline of competitive markets with efficient provision of key public services, such as primary education, primary health care, transport and communication and of course, law and order. Consumers gain from choice. And producers (public or private) are most productive when exposed to competition. Government should foster the maximum flowering of personal initiative and effort, but it must also step in where market fail or are abused powerful sectional..."
interests. Fostering an economic environment, which promotes rapid, broad-based development will not be easy. Old habits of thinking and working must be shed. Difficult decisions will have to be taken which hurt powerful vested interests. Reforms of broad policy will not be enough. They must be accompanied by reforms of laws, rules and procedures. But it can be done. People should ask ourselves why do millions of our countrymen and women who migrate abroad, prosper? Because the environments they go to, reward hard work, efficiency, discipline and social responsibility. Surely, people can cultivate such an environment at home, so that 1000 million of us can also enjoy the fruits of prosperity without leaving our beloved land.

Within a generation, the countries of East Asia have transformed themselves. China, Indonesia, Korea, Thailand and Malaysia today have living standards much above ours. The proportions of poor in these countries has declined from 40 percent and higher in the early 1960s to below 10 percent. Their levels of life expectancy, nutrition, literacy, school enrolment and medical facilities are much higher than ours today, though they were not so very different two or three decades ago. What they have achieved, we must strive for.

To repeat, the goal of our economic reforms is to improve the living standards of all of our people, not just the rich and privileged. Reforms will be difficult and will take several years. But the alternative of continuing widespread poverty, unemployment, illiteracy, disease, malnutrition, rising inflation and stagnant production is unacceptable. Another side the objectives of empowering people through people’s participation in decision making process and decentralisation of power (Panchayati Raj) have been clearly enunciated in the prime-minister’s letter to Panchas and Sarpanchas in May 1993. “You would be glad to know that democracy and devolution of powers to Panchayats have now become part of the most sacred document of this nation: The Constitution of India, no one can now snatch democratic practices from your panchayat. Panchayats cannot be kept arbitrarily suspended or dissolved now. No one will be able to take away the powers, responsibilities and
finances devolved upon the Panchayats. The constitutional changes will prove to be a major landmark in the history of development of rural areas of the country.

This Act will ensure that real power will go back to you only and you will be expected to play a much greater role in the development of your area and people. It should be possible to ensure the participation of poorest of the poor in this process and no section of society should have a feeling of being left out.

Village Panchayats will very soon become living institutions on permanent basis and will consist of representatives of the people elected by them. These institutions will run various programmes for their welfare and will also involve people in their planning. They will be vibrant institutions performing necessary development, regulatory and general administrative functions. Agriculture, Land Improvement, Animal Husbandry, Village and Cottage Industries, Health, Sanitation, Family Welfare etc. will necessarily be the concern of the village Panchayats. They must be able to provide for the day-to-day common needs of the people, besides protecting their well being in different ways.

Development of our nation can only be achieved if our vast rural areas are developed. People living in rural areas have been suffering from poverty and unemployment and they do not have adequate purchasing power. In some of the areas the plight of the poor people is multiplied by the vagaries of nature. Excessive problems are created for the poor people due to failure of monsoon and some of the areas are chronically drought affected. In these areas you are expected to play a much greater and responsive role so that relief could be provided to the needy people. Recently, I have toured the drought affected regions in the states of Bihar, Madhya Pradesh and Orissa. It is my firm belief that relief programmes can be administered in a better and systematic manner only with the involvement of Panchayats’.

“Empowerment means that people, especially the poor people, are enable to take more control of productive assets as one key element. Participation,
Decentralisation and Empowerment enable local people to exploit the diverse complexities of their own conditions and to adapt to rapid change. Similar to the concept of participation, it appears that much ambiguity surrounds notions of ‘empowerment’. Empowerment is a term, which is widely used but not properly defined. Empowerment is often a very loosely employed term. The most important thing to understand about empowerment is that, in a sense, no one empowers anyone else. In the way it is used in relation to development, true empowerment is achieved by people themselves, through their own efforts. Karl says, “empowerment is a process and is not, therefore, something that can be given to people. She further says that, “the process of empowerment is both individual and collective, since it is through involvement in groups that people most often being to developed their awareness and the ability to organise to take action and bring about change.”

Just as economic growth means little unless it is translated into improvement in human lives, so also democracy can be merely an empty ritual of periodic elections unless people actively participate and are aware and empowered, in all the institutions of civil society. People everywhere want to determine their own destiny. Democracy has its own problems when it comes to managing competing claims of different classes, ethnic groups and political factions. Developing countries are especially vulnerable because the State Controls a big part of resources and when these are allocated by Government decisions the reward for influence can be very high.

Decentralising governance from the “Centre” to states, Towns and villages – can be one of the best means of promoting people’s participation and efficiency in working. In India Local government is widely known as Local Self Government (LSG). This term originated when the country was under British administration and did not enjoy and tinge of Self-government either at the centre or at the state level. When a decision was taken by the British government to associate Indians in administering local affairs, it only meant a slice of self government for the people.
The important local bodies today are District Boards, Municipalities, Improvement Trusts, Development Boards and Panchayats. Their administrative functions cover a wide field like education, medical aid, public health, water supply, communication, lighting, sanitation, drainage, construction of roads, bridges and culverts etc.

There are many establishments like Railways and Defence departments which provide separate roads, transport, systems, water and electricity works, educational and recreational facilities in deed virtually the whole range of affairs which are customarily looked after by local government. Yet they can not rigidly be called local government. The essential attributes of a local government are firstly statutory status, Secondly its power to raise finance by taxation in the area under its jurisdiction, thirdly participation of the local community in the decision making in specified subject and their administration; fourthly the freedom to act independently of central control; and lastly its general purpose approach in contrast to single purpose character.

The constitution’s 74th Amendment Act, 1992 on Municipalities had come into existence, stooping towards delegating the powers to people at the grass root level. Subsequent to the 74th Amendment to the constitution, the Municipal government / Local government has attained a special status as the government at the third level, after the two levels of Central and State governments. Local Self-Government (LSG) with an electoral body and people’s participation is the essence of the 74th Amendment. Consequent upon the Act, the LSG envisaged the composition of Municipalities, constituent Ward Committees, financial provisions and the functions of District and Metropolitan Planning Committees. The composition of Municipalities Stipulates direct elections from territorial constituencies in Municipal area, also known as wards. The state legislature may, by law, provide for representation of persons in the municipality, who may be having special knowledge or expertise in the field of municipal administration and the Members of the House of the People and the Members of legislative Assembly of the state representing constituencies which comprise wholly or partly the Municipal area.
Decentralisation can take place in several forms: it might be for example horizontal or vertical. Horizontal decentralisation disperses power among institutions at the same level; for instance a government spending decisions instead of being concentrated in Finance Ministry might be taken at the level of different Ministries. On the other hand, vertical decentralisation allows some of the powers of central government to be delegated downwards to lower tiers of authority to states and the further down to local governments or so. Vertical decentralisation of the government can itself take 3 forms:

a- Deconcentration
b- Delegation and
c- Devolution.

Deconcentration is limited to passing down only administrative direction to local offices of central government ministries etc. Although it does result in some dispersal of power, few decisions can be taken without reference to the centre.

Decentralization, in its deconcentration aspect, is spurred by what are essentially functional considerations, for example preventing the central system from becoming too unwidely; securing speed and economy in delivery of public goods and services. Deconcentration, through the process of decongestion and localization improves common man’s access to public services by relocating services to various serving sites instead of confining at one central point.

Delegation, on the other hand, involves passing some authority and decision making powers to local officials.

Devolution is the strongest from of decentralization-granting decision making powers to local authorities and allowing them to take full responsibility without reference back to central government. This includes both the financial powers as well as the authority to design and execute local development projects and programmes. Political devolution in its present day connotation means much more beyond its
conventional sense. It is not simply Local Self Government Institution (LSGI) but the LSGI with vibrant local level assemblies so that not only the elected representatives but the entire adult population gets associated through active participation in decision making process. The closer to the grass-root democracy is extended, the brighter would be the chances of accountable governance. The two effective wings political decollation are sub local for a of political devolution is one of the told of collective political action as strategy for reforms, seeking people’s participation in the governance process.

In most of the developing countries, decentralization has been limited to decontraction. Wherever the decentralization has gone beyond the extent of devolution, the resources which are controlled by the local government, municipalities etc. are generally very small.

In the Indian Context, the panchayats as institutions of self-government are expected to manage their resources and to plan and implement schemes for socio-economic development and social justice. Much depends on how the elected representatives use the available resources for the benefit of the community and how skillfully they perform the functions and also how vigilant and active the Gram Sabhas are. The Gram Sabhas can be regarded as the ‘base’ on which the pyramid of PRIs rests. Since it is the Gram Sabha whom the PRIs represent and to whose needs they must respond to and to whom they must be accountable, therefore, it is incumbent upon the Gram Sabha in turn to be watchful about the general functioning of the PRIs as without the participation of the Gram Sabhas, the PRIs have no way to succeed village people now have a forum in the Gram Sabha for direct participation in managing their own affairs. Focus on Gram Sabha has to sharpened to make it functional and participatory adequately.

As regards the urban local bodies, the 74th Amendment Act, 1992, provides for establishing District Planning Committee (DPC) under section 243ZD. It is accordingly required to constitute in every state, District Level Planning Committees
for consolidating the plans prepared by the Panchayats and the Municipalities of the concerned District. The draft development plan for the District as a whole has thus got to be prepared by the DPC.

Every DPC is required to take note of many considerations while preparing the draft development plan namely, matters of common interest between the Panchayats and Municipalities including spatial planning, sharing of natural resources, integrated development of infrastructure and environmental conservation, the extent and type of available resources financial or otherwise.

A Metropolitan Planning Committee (MPC) under section 243ZE has to be constituted in every Metropolitan area, for the purpose of preparing the draft development plans of the Metropolitan areas. Now with the MPCs formulating the preparation of the development plans for the Metropolitan area, obviously the functions of the Urban Development Authorities (UDA) and State Town Development Authorities (STDA) will become ineffective and redundant. The existence of multifarious authorities would more over pose difficulties for coordination for local planning in an integrated manner. For the consumption of MPC, the roles of the Development Authorities (DA) and STPA have to be integrated for preparing the development plan of both Panchayats and Municipalities.

Not less than four-fifth of the total numbers of members of DPC shall be elected by and from amongst, the elected members of the Panchayats at the District level and of the Municipalities in the District; in the case of MPC, however, not less than two-thirds of the Members shall comprise the elected strength.

Reservation of seats is done for the scheduled tribes under section 243T of the 74th Amendment Act, 1992. Thus the LSG would have greater participation of weaker sections. Women have also been covered within the ambit of reservation, by this way the women are also expected to have an active role to play in functioning of LSG administration.
The 74th Amendment Act has given mandate for creation of elected ward committees and zonal committees in the larger cities (with a population of 3,00,000 and above).

Administratively, it is important that the civil services, which any community of people would need, are planned, programmed and integrated in terms of region or area inhabited by them. Local government involves distribution of work on a territorial basis. Local government is necessary precisely because some public requirements at least are totally local in their intensity, character and scope or in other words they are not common to all the areas and the degree of their intensity shows marked variations from region to region. Such local matters can be overcome by evolving local solutions only for which local government exists.

"True democracy cannot function through the twenty people sitting in the centre. It should be from base level and by the people of village", the above statement of Mahatma Gandhi reflects the importance of public participation and people’s empowerment in decision making process. Public participation can be assured through Panchayati Raj or democratic decentralisation. Fortunately, India has adopted the ideas of Panchayati Raj in the country. Rajasthan has the honor of being the first state establishing Panchayati Act on 2nd September 1959 for the first time in India. Late Prime Minister Pt. J. L. Nehru inaugurated Panchayati Raj system on 2nd October 1959 at Nagaur district or Rajasthan.

The Panchayati Raj has become backbone of our democratic setup. On the recommendations of B. R. Mehta Committee three-tire system of Panchayati Raj was adopted with Gram Sabha and Gram Panchayat at village level, Panchayat Samiti at block or Tehsil level and Zila Parishad at the district level were constituted. Panchayati Raj Institutions are elected bodies and have to work in cooperation with each other. The people of the village take part in their elections. All social and economic activities of villages are governed through panchayats. The employees of these institutions work under elected public representatives. They have vast powers to
mobilise resources and organise public meetings. These institutions are responsible to
execute the programmes and plans related to village development. The basic ideology
behind Panchayati Raj is that the people of the villages should shoulder the
responsibility of their administration.

Democracy is introduced to grass roots of the country through Panchayati Raj. Even the common people of the country are associated with administration through these institutions. Through Panchayati Raj Institutions, local people not only determine policies but they also guide and control the administration for the execution of these policies. The importance of Panchayati Raj System lays in the fact the expansion of democracy at the grass roots and public participation in government programmes and development activities is possible only through this system.

The 73rd Constitutional Amendment Act10 was passed which provided constitutional status to PRIs and enhanced its power for better functioning.

The main features of the Act are as follows:

a- A three tier system of Panchayati Raj for all states having population of over 20 lakhs;
b- Panchayat elections to be held regularly every 5 years;
c- Reservation of seats of SC/ST and women (not less than one third of seats);
d- Constitution of State Finance Commission to make recommendations as regards the financial powers of the Panchayats, and
e- Constitution of District Planning committees to prepare development plans for the district as a whole.

With the enactment of this amendment the PRIs have been endowed with such powers and authority as may be necessary to function as institutions of self-government and contains provisions of devolution of powers and responsibilities upon panchayats at appropriate level with reference to:
a- Preparation of plans for economic development and social justice.

b- Implementation of such schemes for economic development and social justice as may be entrusted to them.

As per Article 243-H of the constitution, State Legislatures have been empowered to enact laws:

a- to authorise a Panchayat to levy, collect and appropriate some taxes, duties, tolls and fees;

b- to assign the Panchayat, some taxes, duties and tolls levied and collected by the State Government;

c- to provide for making grants-in-aid to the Panchayats for the Consolidated Fund of the state; and

d- to provide for constitution of such funds for Panchayats for crediting all money received by or on behalf of Panchayats and also the withdrawal of such money there from. The tenth Finance Commission, made an adhoc provision of Rs. 4381 crores to the PRIs for the period 1996 – 2000. The Eleventh Finance Commission has recommended Rs. 1600 crores per annum for rural local bodies and out of total grants, an amount of Rs. 197 crores has been earmarked for development of data base on the finance of the Panchayats. The commission has also recommended that in cases where elected local bodies are not in place, the Central Government shall hold the grants for local bodies in trust on a non-lapsable basis during 2000 – 05 and that the Central Government may also withhold a part of the recommended grants in case of such bodies whose functions and responsibilities have not been developed. Besides, the commission has recommended that audit of accounts of the local bodies be entrusted to C and AG who may get it through his own or by engaging outside agencies.
A conference of Chief Ministers under the Chairmanship of Prime Minister was held on 2nd August 1997, to review the functioning of PRIs. Based on detailed discussions the conference recommended setting up of two committees – (a) the committee of ‘Panchayat and Tribal development’ ministers of 8 states to examine and give recommendations to enact the state legislation in consonance with the Central Act 1996. (b) the committee of Chief Ministers under the Chairmanship of Prime Minister to examine the issues regarding the devolution of powers, functions and responsibilities upon PRIs and to recommend measures to streamline the Panchayati Raj System.

The important recommendation of the committee of Chief Ministers are as follows:

- Leave selection of beneficiaries to Gram Sabha.
- Waive requirement of technical sanction for works up to Rs 10,000
- Innovate to provide adequate manpower support to the Gram Panchayats
- Delegate total control over such manpower to Gram Panchayats.
- Make Zilla Parishad Chair persons the Chairpersons of DRDAs.
- Provide reasonable opportunity to hearing to the PRIs before suspension / dismissal.
- Expenditious constitution of District Planning Committees.

The role of Gram Sabha is, perhaps, the most important in ensuring the success of PRIs at the village level. The role of local people in conducting social audit and fixing responsibility on Panchayat functionaries will be effectively ensured with the Gram Sabha becoming active. It is essential that the village community perceive meetings of the Gram Sabha as useful. The most important factor for that is the empowerment of the Gram Sabha.
Another important factor for the success of the PRI is the need for transparency in the functioning of these bodies. Panchayats being closer to the people, their right to information and accessibility to the Panchayats must be ensured. The Government of India had urged the States, that all relevant information on development schemes taken up by the Panchayat along with budget for them should be displayed prominently in the Panchayat office. Panchayats should make relevant records available for inspection by members of the public. Photocopies of documents such as muster rolls, vouchers, estimates, etc can be made available to the public on payment of a nominal fee.

The Government of India observed the year 1999 – 2000 as the “Year of Gram Sabha”. This is in recognition that the Gram Sabha is potentially the most decentralised democracy. All the states have been requested to initiate measures to energise Gram Sabha with minimal package during the year in tune with the following points\(^15\).

a- The relationship between the Gram Sabha and Gram Panchayat may be the same as between the legislature and the government. The panchayat should be accountable to the Gram Sabha in unequivocal terms. The members of the Panchayats should hold office only so long as they enjoy the confidence of Gram Sabha.

b- The Gram Sabha has full powers for determining the priorities for various programmes in the village and approval of budget. Prior approval of Gram Sabha should be made mandatory for taking up programmes and certification of expenditure.

c- Consultation with Gram Sabha should be made mandatory before acquisition of land for public purpose and other forms of land transfer.

d- The management of natural resources by any authority should be made subject to the concurrence of the Gram Sabha.
e- The Gram Sabha should be vested with full authority to manage all affairs concerning intoxicants including total prohibition, if so desires.

f- Participation of women, SC and ST members in the Gram Sabha should be made mandatory with suitable provision for their presence in the quorum of Gram Sabha meetings.

g- The Gram Sabha should have the power to evolve its own procedure for conducting its business. The rules and regulations which may be issued by the Government in this regard from time to time should be deemed to be as guidelines.

h- There are 3.45 million elected representatives at all level of Panchayats. Out of them about 33 percent belongs to the weaker sections of the society. The constitution has placed vast responsibility on the gram Panchayats to formulate and execute various programmes of economic development and social justice. Thus, elected members should be trained for enhancing their skill through appropriate orientation. Therefore, a time bound and systematic training programme for elected members is considered to be the most important prerequisite for the success of PRIs. The Ministry of Rural Development extends financial assistance to the states in their effort to train and create awareness among the PRI elected members and functionaries.

DECENTRALISATION AND WORLD BANK

The International Bank for Reconstruction and Development or the World bank was setup in 1946 and began operations chiefly to finance productive projects to further the economic development of member nations. The World Bank has undergone a shift in its focus since its inception after the United Nations Monetary and Financial Conference in Bretton Woods\(^{16}\). The shift is clearly visible in its approach to development. From being an exclusive and an increasingly market driven

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capitalist mode of functioning, the Bank’s metamorphosis in the past few years to being people friendly, community conscious is something remarkable. Of late the bank is becoming a keen player in the process of decentralisation, particularly among the developing countries of the World. It is noteworthy that the Bank’s rethinking on decentralisation has begun to catch the attention of the development managers and policy makers. Interestingly, the World Bank realises that decentralisation is a ‘political reality’ and despite it being a complex phenomenon, has to be seen and analysed within a framework in consonance with a more institutionally sensitive perspective within the context of different countries. The bank in its new agenda is emphasising the importance of the element of decentralisation in its projects. From 1993 the Bank has in its projects sectoral decentralisation strategies as an important component. Moreover, 12 percent of the projects completed between 1993 – 97 have involved decentralising responsibilities to the lower levels of government, one of the project states being Andhra Pradesh.

One of the main reasons cited for bringing decentralisation to the centre stage according to the latest document ‘Rethinking Decentralisation in Developing countries’, authored by Jennie Litvack, Junaid Ahmad and Richard Bird and Published by the World Bank is “its cross-cutting reform that relates to such important Bank concerns as the relation between fiscal and financial development; macro-economic stability; poverty alleviation and the social safety net; institutional capacity, corruption and governance; investment in infrastructure; and the provision of social services. All these are closely and directly related to local self-government systems all over the World; especially for developing economic management for which end the process of decentralisation is crucial to understand and explicate. Will it augur well for the developing countries or is it just a face-saving exercise in the light of the result of the harsh conditionalities imposed on the countries of eastern Europe and the countries of the former Soviet Republic for which they are now paying a huge price, remains to be seen. Students of Social development in developing countries would ask. Is it World Bank rhetoric or banking with a human
face? But going by the recent documentation of the World Bank on the subject and studies conducted by it, there is no doubt that the Bank with a human face could be a reality in the developing World.

The Bank's initiative is to address the inherent weakness in the institutional infrastructure in developing countries that constrains flow of information, and a proper system of accountability that are the bare essentials in the decentralisation process.

The World Bank views decentralisation as the assignment of fiscal, political and administrative responsibilities to lower levels of government and views the process as a global phenomenon and its implementation will ensure the stability, efficiency and equity of the economic system.

Decentralisation per se for policy makers at the Bank revolves around 3 key elements; fiscal decentralisation, political decentralisation and administrative decentralisation. To discuss them briefly, fiscal decentralisation involves the setting up and collection of taxes; political decentralisation refers to "the extent to which political institutions map the multiplicity of citizen interest onto policy decisions". Here the focus apart from the conventional meaning of political decentralisation – centre to the state and then to the districts – is on the individual and community and their primary role in effecting policy changes within their immediate social environment. This is effective through strengthening democratic institutions at the local level. Administrative decentralisation deals with mainly the distributive element, involving both fiscal and political powers. However, it maintains that all this may be possible only if the implementation is carried our with a sound knowledge of the local institutions.

The Bank reiterates that a serious review has to be initiated keeping in mind the vagaries in the form and content of decentralisation patterns followed in different countries. Hence, more studies and research need to be undertaken to view in a crystallised manner the context – specific nature of decentralisation. However,
learning from the experience of India, what is important is political decentralisation. India has gone ahead with it and now the second and the third stages, namely administrative and fiscal decentralisation are in the offing. Of course it is not easy, there is virtually a struggle by about 3 million elected representatives to the panchayats and municipalities in India (out of which one million are women), for these two aspects to become a reality. In many states administrative machinery is not transferred to the local bodies.

The bank’s document on ‘Rethinking Decentralisation in Developing countries’ gives example of several countries successfully attempting decentralisation. Mention may be made of south Africa, India and Colombia. In Colombia for example it highlights the success of decentralisation in 16 municipalities. It underlines the basic principle of a demand driven (bottom up) approach to public services than supply driven (top down). Through this process there is a new liveliness in politics, more extensive community participation, ensuring that “people are getting what they want rather than what some one in the capital thinks they should want”. Studies show that people trust the local government more than the national government to deliver goods and services. Colombia also has the ‘co-participation’ system, (equivalent of Shramdan in some panchayats in India); local communities provide labour and local materials for new projects. The newly empowered and responsive local governments sincerely attempt to satisfy people’s local needs. After the constitutional sanction given to the local bodies in India, they are on the same path of these municipalities in Colombia, and some states like Kerala and West Bengal are far ahead than other states in this respect. As mentioned earlier the World Bank has been conducting studies and research in the field of decentralisation. One of the recent publications of the Bank is authored by Prof. James Manor of the Institute of Development Studies in Sussex, U.K. Prof. Manor who has been closely studying the decentralisation processes in India with special reference to Karnataka, in his latest analysis provides an overview of the decentralisation initiatives in various countries and addresses their impact in the
narrowing of regional and economic disparities. It examines from a political economy perspective, the origins of the current wave of decentralisations in less developed countries, and its implications, especially its promise and limitations for rural development. Drawing extensively from the experiences of India, Prof. Manor cites the necessity of deep-rooted democratic traditions for a successful experiment in decentralisation. It is a matter of satisfaction that India has come a long way to fulfil this criterion.

After more than fifty years, the World Bank has indeed seriously taken up the cause of decentralisation and this new agenda, given top priority will bring positive results in the new millennium for the developing countries.

WOMEN’S EMPOWERMENT

Democratic decentralisation would be rendered meaningless unless gender-equity is ensured. The pace of development in any civil society would be slow if women who constitute about 50 percent of the population are not facilitate to participate in the development process. India with a female population of over 450 million possesses a vast reservoir of women power, which exceeds the combined total population of the South-East Asian Countries.

The 73\textsuperscript{rd} Amendment to the Indian constitution is epoch-making inasmuch as for the first time in the history of Indian Polity, it provided for a minimum number of seats and political offices in the panchayats for women. In the context of meagre representation of women in the state and national legislatures vis-a-vis their population, reservation of not less than one-third of the total number of seats, and chairperson of panchayats should be considered a significant landmark in the process of political empowerment of women. Clause (3) of Act 243-D inserted in the Indian Constitution by the 73\textsuperscript{rd} Amendment Act provides that “not less than one-third (including the number of seats reserved for women belonging to the Scheduled Castes...
and Scheduled Tribes) of the total number of seats to be filled by direct election in every panchayat shall be reserved for women and such seats may be allotted by rotation to different constituencies in a panchayat. Similarly, clause (2) of the same Article provides that "not less than one-third of the total number of seats reserved (for the Scheduled Castes and Scheduled Tribes) shall be reserved for women belonging to the Scheduled Castes or, as the case may be, the Scheduled Tribes." Moreover, the proviso under clause (4) of the said Article which deals with reservation of offices of the chairpersons in the panchayats for the Scheduled Castes and Scheduled Tribes and women stipulates that "not less than one-third of the total number of offices of chairpersons in the panchayats of each level shall be reserved for women."

The 73rd Amendment to the Indian Constitution has greatly contributed to the political empowerment of the women and marginalised communities in the rural society and has thrown open political opportunities in the panchayats to these disadvantage sections. There were of course skeptics who are not favourably disposed to the proposition of women leadership. Guided by their traditional dominance in a patriarchal society, the males used to cite some of the disabilities of women like illiteracy, family responsibilities, poverty, lack of experience, exposure, awareness and communication skills etc., as the inhibiting factors for effective participation of women in the decision-making process at the local level. Similar arguments were also made in regard to the reservation of political officers to the Scheduled Castes and the Scheduled Tribes. The upper class/caste males were indeed apprehensive of the very idea of political empowerment of women and weaker sections, and were frantically in search of methods through which their traditional hold in the rural sector could be retained. Even the women and the marginalised communities in the rural sector were not initially very confident of their abilities to assume leadership in the panchayats.

Obviously, the leadership that emerged as a result of the empowerment of women had to cope with several problems due to their traditional socio-conditioning.
After overall discussion it is understood that empowerment is as a process to change the distribution of social power in favour of the down-and-out in the arena of interpersonal relations and in societal institutions. In Paulo Freire’s sense empowerment involves enabling the oppressed to become active and reflective about their reality to create social capacity to struggle to transform existential reality. Thus empowerment is essentially a process which involves confrontation as it is based on redistributionist – transformationist plank. In the Gramschian sense it refers to understanding and challenging the hegemony.

The colonial rulers were, as expected, interested in maintenance, consolidation and expansion of the regime. Empowerment of the people did not therefore form part of the colonial policy. After the Sepoy Mutiny, which had caused a serious crisis to the colonial exchequer, the British rulers became interested in local government as a measure of replenishing the exchequer. During Ripon’s time the question of empowerment of the people had gained some significance but it was primarily for the colonial interest and marginally for the people of India. His attempt to develop local government as an instrument of political instrument of the masses was not successful.

Gandhiji had realised the need for empowering the countryside. He wanted village swaraj to be the starting point of the post-colonial state structure. Nehru did not share his views. The constitution of India did not accept the significance of the countryside in India’s governing design.

The post-colonial India state had embarked on community empowerment through community development efforts in 1950s but it failed because of the lack of interest on the part of the community. The community was invited to participate in the development process dominated by the bureaucracy.

Following the recommendations of the Balvantry Mehta Committee the state again tried to empower the rural community by developing three-tired grassroots democratic institutions. But the institutions did not grow primarily because of the lack of political will. Added to it were the factors like unfavourable socio-economic
reality. In 1980s the realisation dawned on the leaders that no efforts of rural development would bear fruit unless and until the community was empowered. In fact, it was time when the development theorists were emphasising it as development facilitator. It is based on the philosophy that once empowered poor people who had previously been powerless, can become agents of their own development.

Rural sector on a micro-space has acquired considerable power in the Indian Polity over the last two decades. There has been a significant increase of rural representation in India’s Parliament. Rural mobilisation on prices, subsidies and loans dominated non-party political processes in the 1980s. All political parties support rural demands for remunerative agricultural prices and for higher investment in the countryside.

But the power of the rural sector is not unconstrained. The size of the rural population, as the Harvard University Scholar, Asutosh Varshney remarks, cuts both ways; it makes the countryside powerful in democratic political system but checks this power economically. Universal franchise and competitive democracy in a primarily agrarian India have led to the empowerment of the countryside. But the crosscutting nature of rural identities and interests is a constraint on it. Policies based on economic interests can potentially unite rural India, but politics based on caste, ethnicity and religion divide the countryside and thus adversely affect the process of empowerment.

The capitalist Indian State may also use empowerment as a subtle way of co-opting the masses to top down dictated development. It can also take empowerment initiatives for the purpose of legitimising its coercive authority or regaining its lost legitimacy.

It is against this background one has to understand the recent state-sponsored initiatives for empowering the countryside. Such initiatives, as the experience suggest, can be of two types – empowerment through participation and empowerment through education and conscientisation.
Empowerment through participation has taken the form of constitutional amendment. As noted earlier, the state had tried to develop grassroots institutions for people's participation in late 1950s and the attempt was unsuccessful. The 73rd constitutional amendment came in the wake of suggestion that constitutionalisation of panchayats would alone strengthen them. The amendment inter alia stressed on holding of elections at regular intervals, participation of the weaker sections including women through reservation of seats in panchayats and creation of Gram Sabhas as the lowest tier of the system.

The holding of elections at regular intervals offers the people an opportunity to empower themselves by bringing about a change in the social base of the system. Research suggests that the traditional power holders attempt to stay on in power either by refusing the people the right to elect their leaders at regular intervals or by manipulating elections. The constitutional amendment has empowered the state to foil the first attempt. The recent panchayat elections in Tamil Nadu had shown that caste and religion did not play as significant roles as they did in earlier elections.

The constitutional amendment has facilitated the presence of a significant percentage of the weaker sections in the panchayat bodies. But study suggests that weaker sections find it very difficult to discharge their assigned functions. Such cases are not few and far between in many north India states. The study conducted by Participatory Research in Asia, Scholars (PRAS) indicates that in Uttar Pradesh the backward caste heads of panchayats have very little say in decision-making processes. The scholars have observed that when discussions are held on various sensitive issues like crime, encroachment on land only the influential members participate and decide. The representatives from the weaker sections are crowded out by the rich and upper caste.

The same has been the case with the women for whom the posts of chairpersons have been reserved. The Participatory Research in Asia Scholars (PRAS) study reveals that in states like Himachal Pradesh, Uttar Pradesh, Haryana, Madhya
Pradesh and Gujarat in the case of female headed panchayats their husbands preside over the meetings. In Haryana, for example, out of six female headed panchayats the meetings were presided over by the husband in one panchayat.

Gram Sabha is a body consisting of persons registered in the electoral rolls relating to a village. The study conducted by Participatory Research in Asia Scholars (PRAS) in states like Madhya Pradesh, Himachal Pradesh, Haryana, Gujarat, Rajasthan and Uttar Pradesh indicates that organizing gram sabha meetings has turned out to be a more formality. Second, most of the gram sabha members are not fully aware of the need for such a forum. Third, the meeting are held without proper notice. Fourth, the gram sabha members who work as daily wage labourers, cannot forgo their day’s earnings. Fifth, the members feel disappointed to attend meetings because they have found that decision taken are not properly implemented.

A research team studying gram sabha meetings in Karnataka, has noted that women remain passive observers in the meetings and the elders remain mute. Most of the members were not familiar with act. Many were hesitant to confront elected representatives and the officials.

In West Bengal there are both gram sabhas and gram sansads, the former for every panchayat and the latter for every electoral constituency. All eligible voters are members of both the bodies. The gram sabha and gram sansad meetings are held almost regularly. But people’s participation is much below the desired level. Attendance in the meetings is also not encouraging. Meetings have however been most successful in places where parties have taken been interest and where attempts have been made to synchronise meetings with local traditions.

According to scholar like Webster People’s participation in West Bengal has turned out in effect to be party participation. Subrata Sinha and Arun Ghose have argued that political organisations shun community empowerment for fear of losing influence. They think that unfortunately this is today the reality in West Bengal, which has otherwise made good progress on the rural front.
The studies indicate that creation of institutions at the door-step of the people by itself cannot ensure participation and thus empowerment certain condition have to be created in society and among those who participate apart from genuine will to ensure participation on the part of those who control the institutions. People have to be motivated. People themselves will be motivated if they realise that their voice is meriting attention of those who matter.

Empowerment of people through participation in panchayats can become meaningful if the panchayats are endowed with powers, functions and responsibilities and if the wings of the political interference are clipped. But this has not happened. In Punjab, for example, elections were held after a long gap because of constitutional compulsion. But the panchayats do not have adequate powers and functions. The second method of empowering the people in the context of the third World countries like ours is the spread of literacy and access to resources and information. The launching of the literacy mission has been one of the most significant events after independence. Literacy campaign has spread in various parts in India, though success has not been commendable. At present, India spends about 30 percent of the gross national product on education but the literacy rate is awfully low. It has the largest number of illiterates in the world even when it is poised to have the highest number of graduates by the turn of the century. Only 40 percent of India’s population above 15 is literate. The national literacy mission had a mandate to make 100 million people in the age group of 15 – 35 literate by 1996. Only two thirds of the children complete primary schooling and a half-complete upper primary education.

The weaker sections of the society, namely, Scheduled Castes and Scheduled Tribes are in a more pitiable condition insofar as their literacy is concerned. For example, literacy rate among the SCs and STs in Madhya Pradesh is little over 25 percent the rate plummets to 10.73 percent among women of STs and 18.11 percent among those of SCs. The state had launched the education guarantee scheme for the tribals in 1996 but things have not changed much. It is estimated that half of the world’s illiterates would be residing in India by the turn of century.
Though the literacy campaign has not been very successful, the spin offs from
the campaign as noticed in some states include the women’s antiliquor agitation in the
Andhra Pradesh and movement for women’s rights in Tamil Nadu.

One wonders if the ruling classes in India are serious about the spread of
literacy. It may be recalled that after the anti-liquor agitation in Andhra Pradesh
inspired by a book for neo-literates the government had issued an order requiring that
all reading material to be used in the campaign had to be approved at the highest level
of the state government.

Empowerment of the relatively powerless has inherently limited possibilities
under conditions of capitalism. In today’s world situation where the world bank-led
structural adjustment programmes are in operation in most developing countries, there
is widespread concern about reduction of budgetary allocation for the social sectors
including health. In our country, as the International Labour Organization’s Study had
shown allocation for the social sectors stagnated in real terms and declined as
proportion of GDP, although there was an increase in nominal terms. Based on
priority allocations rations calculated for 15 states it has been found that in
comparison with 1990-91 the general trend was that of a decline in allocation for the
sectors of social priority between 1990 and 1993-94. An in view of the leakage’s
allocation alone may not get translated into benefits for the poor

Structural adjustment has led to an increase in poverty. Patnaik and Chandra
Shekhar have cited Tendulkar’s and Jain’s computations to conclude that the
increase in poverty in undeniable. According to them by insisting on a reduction in
the food subsidy, elimination of all input subsidies into agriculture and requiring that
prosperous farmers should not only get remunerative prices but international prices,
SAP necessarily ensures that the price of food in terms of the wage unit, especially in
the unorganised sector, goes up. Under such a situation the rise of rural poverty is an
inevitable phenomenon. This socio-economic reality cannot facilitate empowerment
of the poor.
The empowerment model rests on the idea of self organization of the poor for collective action. Self organization helps create collective strength to articulate demands and put pressure on the state. Psychological empowerment is the consequence of taking part in collective action and in gaining greater control over the means of one’s livelihood.

The greatest problem in India stems from the fact that the primary producer at the grassroots have hardly control over the means of production nor any say in its pattern. Most of the poor in the country sides survive on the common pool resources and they have proved to be the custodian of the CDR. In the field of social forest management the mode of local societal involvement has yielded good result. Panchayats properly backed up by powerful peasant organizations and movement have to be developed as instrument of planning and development. While West Bengal has made some progress in this regard lessons have also to be drawn from Kerala’s people’s campaign for decentralised planning.

Empowerment through institutions depends primarily on the class background of the leaders who control the institutions. The institutions in the hands of the rich cannot empower the poor. It will lead to the gradual alienation of the poor from the institutions and thus work against empowerment.

The working of panchayats has to be transparent while holding of gram sabha meetings at regular intervals will go a long way in increasing the transparency, the people have to be empowered by giving them the right to information about the inner working of panchayats. Rajasthan has shown the way following the agitation organised by the national campaign for peoples participation the state government has amended the panchayat act. The amended section of the act says that any person or any voluntary organisation can inspect records of the construction works in a panchayat area on a deposit of Rs.5. It also permits noting down of the details on a sheet of paper. The rule allows taking copies or extracts of details of documents on depositing a fee at the rate of Rs.2 for every 200 words. The precondition of proper
exercise of this right is however education of the people. And unfortunately literacy in Rajasthan is very low.

Empowering the countryside is therefore a very complicated task calling for multi-pronged action by the state and non-state agencies. Conscientisation which is an essential component of empowerment, cannot be left to the hands of the state exclusively. The non-government organisation can play a meaningful role in this regard. The mass organisations of the poor people such as peasant organisations and grassroots people’s movements like the Chipko movement in the Uttar Pradesh hills, the Kerala silent valley protest, narmada bachao andolan can conscientise the poor and sensitise them to the social reality around them and thus act as a facilitator to the processes of their empowerment.
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CHAPTER 5

CONCLUSION
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It is a well accepted principle that in any democratic government, the bureaucracy has an important role to play for successful implementation of policies laid down by the government in power.

In other words bureaucracy concentrates on the machinery for the implementation of public policies as given rather than on making them. Although policy making and policy implementation are two distinct functions of government, they are closely interrelated. Policy is laid down by the legislature or political authorities who are vested with the power of giving policy the legal authority. The legislature lays down policy in general terms which is usually expressed in the form of acts and laws. In order to give a more precise expression to these acts and laws, the bureaucratic arm of government plays an important role in policy making also. Even in recent years, the role of bureaucratic arm of government in policy making has grown in importance. Therefore, it seems strange that policy making as well as policy implementing have come into the hands of the bureaucrats.

Under the Indian Constitution the top level bureaucrats have a constitutional responsibility to advice on policy option. The secretaries to the Government of India, for example, take or advise ministers to take, decision that arise within the framework of existing laws or policy which otherwise cannot be dealt with by routine procedures. Such decisions clarify the scope of a policy and finalise its application in new and special situations. Further, they are extensively involved in preparing explanatory material for ministerial use about the operation of existing policies. They also advice on the financial and administrative implications of different policy alternatives. Thus, the top level bureaucrats, particularly secretaries to the Government of India and state governments, play more than an advisory role in the public policy formulation process.
However, in a developing country, the role of the bureaucracy becomes more prominent, because very often bureaucrats have also to perform the role of a change agent. The Indian bureaucratic system is unique in many respects because apart the role it is expected to play in the democratic polity that is India, the bureaucrats perform roles at various levels— in the districts, in state governments and in the Government of India. The Indian bureaucratic system is one of the few organised system anywhere in the world where officers move from state government to the central government and back, and apart from that, at times perform roles in public sector undertakings. This bureaucracy, which is a successor to the old Indian bureaucratic system, has moved from the law and order and revenue collection functions to activities which would have been unthinkable in 1947, when India attained Independence. The role of Indian bureaucracy has in fact changed dramatically during the last two or three decades and it is now poised for another big change because of the economic liberalization programmes and people’s empowerment programmes through democratic decentralization (PRLs) now under way in India.

One of the consequences of economic liberalization in India, has been delicensing and deregulation. Many of the controls, which were in existence pertaining to industrial licensing, location clearances, etc. have been done away with. Consequently, the role of the Ministry of Industry in the Government of India has been drastically curtailed. The office of Director General, Technical Development has been wound up. Centralized purchases through Directorate General of supplies and Disposals have been discontinued. In the capital market segment, office of the controller of Capital Issues has been abolished. The important side effect of these measures has been that the role performed by bureaucracy, has been whittled down making it unnecessary for industrialists and businessmen to approach bureaucracy for necessary permission or licenses. Inevitably, some of the middle level and senior bureaucrats, who have a “taste of power” in the regime of control and Licensing, may not take kindly to this apparent “loss of power”. This is nothing unique, because similar symptoms have been noticed all over the world wherever the government has changed their track.
drastically, curtailing the role of government to a substantial degree in industry and finance.

It however, need to be noted that delicensing or deregulation dose not mean absence of regulation in any manner. On the contrary, it is in an economic system where full freedom is made available to an entrepreneur that regulations have to be formally in place and regulators put in position for objective and impartial enforcement. It is, however, not always easy to change the bureaucracy from the role of a license giver in a controlled regime to the role of a regulator in a liberalised set-up. As the premier bureaucracy in India, shifting the role of bureaucrats from a controller to a regulator is one of the important tasks which will have to be faced by bureaucratic system in India in the coming years.

An important segment of economic liberalization in public sector reforms now a days is that public sector managers do not have the kind of freedom necessary to enforce the doctrine of accountability in the public sector. The political as well as bureaucratic leadership will have to consciously exercise self-restraint and shed some of their power and control vis-a-vis public sector undertakings, if these undertakings are to have autonomy both in letter and in spirit. There is also the painful decision to be taken to close down totally unviable public sector undertakings, which politically speaking, is not an easy decision to take. At the same time, the drain on the public exchequer, because of the sustained loss-making undertakings cannot be allowed to continue year after year, if the fiscal deficit of the government is to be kept under reasonable control.

Over the years bureaucrats have faced several challenges. In the early part of independent India, it was law and order, refugee relief and rehabilitation, food scarcity, etc. From a purely law and order and revenue collection mind-set, bureaucrats got transformed into the mindset of a development administrator. In the 60's for example, bureaucrats well called to play an important role in food management, public distribution network, scarcity relief work, etc. Along with development orientation towards rural development, extension network in the agricultural sector, family planning, etc. It is to the credit of this premier
bureaucratic system, that the transformation was effected without much pain or dislocation. This was partly due to the high quality of the bureaucracy and the support it enjoyed at the top level. Partly it was also due to the enlightened political leadership, which saw the effectiveness of bureaucracy, particularly in development administration. The transformation which is now underway in the 90’s may not be that easy to achieve, because the social environment is more difficult and the tasks ahead more complex. Nowhere is this more acute than in the case of district administration.

Historically, district administration has played an important role in the public administration set-up in India. The pinnacle of district administration was reached during the British rule in India when the Collector and District Magistrate heading the district administration became a very important functionary for the colonial rule. Apart from maintaining law and order and collecting revenue he became the principal coordinator for all government activities in his district. For the common man he was literally the government and consequently, he was the court of last resort in the bureaucratic set-up in the district. After India attained Independence in 1947, and the mantle of the India bureaucracy in the district set-up, initially continued to enjoy the same power and privilege as was conferred on district collectors during the colonial rule. Slowly, however, the perception started to change because in a democratic government where elected representatives like MLAs and Members of Parliament have their own role to play for articulating the interests of the general public, it was no longer possible to confer unfettered power or privileges on a district official. Initially, however, there was a tendency in many states to use the institution of state level bureaucracy for pushing through development activities pertaining to agriculture, rural development, etc. The underlying idea was that with the power and prestige attached to his office, it would be possible for the district level bureaucracy to coordinate and push through development activities in his district in the manner desired by the government in power. While many district level bureaucrats did rise to the occasion and could successfully carry out the functions of revenue collection and law and order on one side and developmental activities on the other, it soon became apparent that this
was throwing an intolerable burden on the institution of district level bureaucrats and there were inherent limitations on the role which could be performed by a district level bureaucrat as a change agent. In fact, the pressure on the district level bureaucrat today is many times more than it was in the colonial days. Gone are the days when a district level bureaucrat could ride from village to village, camp with his entourage whenever fancy took him, and spend days on end getting to know the villagers, their customs, rituals etc and also their problems. At the same time, he has to ensure that all the central and state sponsored schemes are implemented well in his district, regularly monitored and reports are dispatched to various quarters as desired by some organizations and departments. All these tasks hardly leave the district level bureaucracy with any time or scope for an in depth study of local problems so as to devise any long-term developmental strategy for his district. It would also be just to state that revenue collection, because of which he got his title, is far from the mind of a district level bureaucrat in the above situation.

The above realization resulted in the idea that it is better to separate some developmental functions from the functions of a district level bureaucrat and entrust or empower these to a separate agency altogether. And it is also realized that the success of any developmental programme largely depends in the active participation of the people. It was in this context that democratic decentralization, as a concept, took root in the countryside of India. Rajasthan was the first state which introduced a democratically decentralized set-up with panchayat on one tier, Panchayat Samiti in the middle tier and Zilla Parishad at the district level as the top layer. The Basic intention was that these should be elected by the general public through a democratic process, and the President of the Zilla Parishad as well as the chairperson of a Panchayat Samiti should supervise the functions of these bodies assisted by a local bureaucracy. The functions to be entrusted to Zilla Parishad as well as Panchayat Samiti were also spelt out clearly through a separate legislation. This experiment was picked up subsequently in the states of Maharashtra and Gujrat which also introduced a more or less three tier system of democratic decentralization. However, a refinement in these two states was that
the chief executive officer in the Zilla Parishad set-up was made to be district level bureaucrat on deputation, to work under the general superintendence and control of Zilla Parishad. These state consequently came to have two senior bureaucrats in the district hierarchy one functioning as a collector and the other functioning as chief executive officer of the Zilla Parishad. The functions allotted to these officials were clearly demarcated so that there was no conflict as to their "turf". The fact that in these two states, this pattern continues to exist even today shows that this arrangement has stood the test of time and has proved to be a satisfactory working arrangement in the district administration of these two states. Recently, by the 73rd and 74th amendments in the constitution, the central government enacted a model legislation providing for a three-tire set-up and indicating clearly the manner of elections to these democratically elected bodies. While it is open to state government to adopt this model with suitable modifications suited to their situation, it is clear now that as a policy framework, the intention is to have a democratically elected decentralized set-up in the district administration with clearly demarcated powers and functions. Consequently, this is a step in the right direction because considering the continental size of the country, a democratic decentralized set-up, as an important segment of district administration, appears to be a desirable institutional arrangement.

In a democratic set-up politicians set goals and broad strategic directions, but sound institutional arrangements can determine whether the vision of political leaders get translated into effective policy priorities or not. The rules and norms embedded in the policy making process should be so designed that it curbs the political pressures that can lead to poor decision making and bad outcomes. Evidence across a range of countries has shown that well functioning bureaucracies can promote growth and reduce poverty. They can provide sound policy inputs and deliver critical public good and services at least cost.

There can be no government without the bureaucracy. This is everywhere. Therefore, however much it is to wish to the contrary, this institution cannot be
done away with. As long as there is a government and the state, the bureaucracy is expected to be one of the indispensable organs of modern democracies.

Popular participation is the cornerstone of democracy. People's participation in development means playing a significant role in the developmental decision-making process. Effective grassroots democracy as well as decentralized development depend a great deal on people's involvement or cooperation. One of the important objectives of people's participation is empowerment of the people in local, rural and urban governmental agencies. This is the reason why empowerment is seen as a means for strengthening democratic ideals and attaining developmental goals. This being the case, what are the means of achieving or channeling participation?

The means lie in decentralization. There is a whole debate in social sciences about it. It is as old as the discussion on good governance, good administration, federalism, and democracy in political science, the main debate in sociology on pluralism and voluntarism; and in economics, on the consumer's interests and different modes of production.

Decentralization in the context of India takes the form of Panchayati Raj Institutions and other similar institutions at the rural level, Panchayati Raj is the Indian model of rural local self-government. The subject of decentralization is the most vital in the Third World today. In the 1950s and 1960s, when Central Planning was being implemented, people became disappointed and disillusioned with its process and procedure. This system is the antithesis of decentralization.

There has been a shift in thinking from centralization to decentralization of planing and development in all Third World countries, including India. Central planning under the auspices of the Five-Year Plans has so far failed to achieve the objectives and goals of planned development in our country. Thus like other Third world nations, the political leadership, planners and policy-makers in India have begun to seriously raise questions about how best to decentralize the planning
process. It is in this context that the interface between the bureaucracy and the elected representatives should be discussed.

Coming specifically to the Indian scenario, soon after independence two fundamental changes were sought to be introduced through the constitution. First, the adoption of parliamentary democracy within the framework of a federal polity. Second a need was felt for attitudinal, structural and behavioural changes in the bureaucracy at all levels. In particular, emphasis was placed on skills to deal with the citizens and representatives, and the development of institutions of parliamentary democracy in the civil service. The bureaucracy being responsible for the implementation of development plans and programmes, it had to acquire the dynamics of development administrations its techniques, strategies, methods and so on.

These changes were expected to take place immediately after independence, following the adoption of the constitution. According to the political leadership of the country, this did not call for a major transformation in the structure of the bureaucracy that India inherited from the British colonial regime. India’s political leadership did not think it necessary to replace the old administrative structure by either a party bureaucracy or a new system of administration. But the system gave ample scope for administrative reforms.

However, concrete steps in this direction were taken only in 1966 when the Administrative Reforms Commission (ARC) was set-up. It brought out more than two dozen reports on various aspects, facets and dimensions of public administration in India including planning and decentralization.

What is being emphasized here is that the working of the constitution in the last fifty five years has not come up to the people’s expectations. Power remains concentrated in the hands of the legislature or the members of the cabinet and has not devolved to the people. People exercise their franchise once in five years which does not seem adequate for a developing democracy like India.
India should aim to develop into a participatory democracy even within the framework of parliamentary democracy. This can be achieved through Panchayati Raj. That is, democracy which has been established by the constitution at the federal and the state levels has to percolate down to the grassroots level both in urban and rural areas, in the true spirit of the 73rd and 74th Amendments. Together they will establish grassroots democracy. Decentralization will give power to the people who are the real sovereigns. People have to play an active role because India is a developing country and development is the life breath of the nation. People either develop or die, progress or perish. People ought to become both the objects and subjects of development. And people include both men and women.

India has been engaged in the process of planned socio-economic development and nation-building within the framework of a democratic polity and federalism for the last fifty years. However, it is only now that the country has moved towards, with some degree of success, decentralization of political power in theory through the establishment of Panchayati Raj Institutions. But functionally they have left a lot to be derived. What went wrong? Absence of elections, prolonged super session of the elected Panchayati Raj Institutions, and inadequate representation of weaker sections.

So far the bureaucracy has concentrated all the powers in its hands for initiating, formulating and evaluating development plans, programmes and projects in all the states under the command system of planning. Every plan mentions the need for decentralization to facilitate people’s participation in development, but it only amounts to lip service. It is for the first time that the 73rd and 74th Amendments have at least given hope that people’s participation in development will become a reality.

The bureaucracy has to learn to share power with the elected representatives at the respected levels and be accountable to them for their acts of omission and commission. Decentralized development calls for multi-level planning. There must be planning at the state, district, block and village levels on the one hand, and at the nagarpalika, municipal, metropolitan and town levels on the other. All these
types of planning are called for so that people at each level can, in a decentralized manner, prepare the development plans and projects, implement them with the help of the concerned bureaucracy, and also evaluate and monitor the progress of implementation. This is real empowerment and true decentralized development.

It can be concluded from the above discussion, that bureaucracy has not fulfilled all the expectations of the people. And it will also be improper to say that bureaucracy doesn’t want to empower people at grass root level, and benefit people from the New Economic Policy. It is a fact that, policies and programmes are prepared by secretaries (senior bureaucrats) of related ministries, then how, without bureaucratic will New Economic Policy and Democratic Decentralization Policies or any people oriented policies have been drafted or prepared? But there is no doubt that both the policies of the government of India i.e. New Economic Policy and People’s Empowerment through Democratic Decentralization (PRls), could not get satisfactory result, but for this failure only bureaucracy is not responsible. There are so many factors behind this:

a) POLITICIANS

It is to be noticed that in the functioning of bureaucracy, there is a lot of political interference in day-to-day administration, which ultimately affects the administrative functioning and sometime even demoralizes the administrators.

Political neutrality is the hallmark of our bureaucracy. A bureaucrat is precluded from indulging in activity of political nature. He is under an obligation to serve which ever political party is in power and tender advice to political masters without any fear or favour.

However, after the Nehruvian era the politico-administrative scenario began to change for the worse. The bureaucrats increasingly became pliant tools in the hands of their political masters. Bureaucracy is being forced to be influenced by political parties through various means like promotion and prized postings to favourites and punishment postings to those who failed to fall inline.
This deterioration has become more pronounced in some states like Uttar Pradesh, Bihar and Gujrat. The entire bureaucratic structure has undergone a sea-change and the politics of caste and religion has taken over. Postings and promotions in important districts are made according to the castes of the officers.

In recent times in Gujrat some bureaucrats resigned due to political pressure to isolate themselves to stop communal violence.

More or less it is generally accepted that so many politicians from top to bottom have criminal backgrounds.

Thus the entry of criminals into politics and the linkages of criminals with some bureaucrats and other political leaders from top to grass roots level have crippled the fabric of all democratic institutions in India. Therefore bureaucrats are being forced to work according to their (politicians) ideology and will.

There are so many incidents that people's representatives assaulted the officials and even beaten them.

Specially at the grassroots level, so many people's representatives are totally uncultured, uncivilized and illiterate.

Unfortunately, there is no political party ready to accept totally criminal free electoral process. In recent times, Supreme Court issued a directive to Election Commission to assure a free and fair electoral process and criminal free political system. But in all party meeting, there is no single party, ready to accept the directives of the Supreme Court and election commission. All these drawbacks ultimately affects the administrative functioning and even demoralize the bureaucrats.

b) STATE GOVERNMENT

The constitution enjoins on the state to make appropriate provisions in the law on panchayats, developing powers and functions on them in such a way as to enable them to function as “institutions of self-government”. It is difficult to say what will constitute an optimum or even minimum package of powers and
functions for local self-governments throughout the country. However it is clear that, the state governments are not serious to devolve appropriate power and functions to panchayats. There are no regular panchayat elections in so many states. After a gap of 15 years, and after the intervention of Patna High Court, Panchayat election was held in Bihar last year.

c) **LACK OF FUNDS**

Panchayats are always suffering from lack of funds. There is no system of proper funding to Panchayats in so many states.

d) **GENDER ENEQUALITY**

It is a great obstacle in the path of socio-economic development and people’s empowerment through decentralized democracy (PRIs). Women’s poor economic and social status is a major hindrance in contesting elections. People’s disinterest’s in participation, illiteracy, lack of information, lack of expertise etc. are also the great hindrance in the path of people’s empowerment and socio-economic development.

During the past few years, especially after the introduction of the New Economic Policy and Democratic Decentralization Programme (PRIs) in India both the Central and state Governments have initiated programmes in bureaucratic reforms, as a strategy towards achieving developmental goals. This is also due to the realization and recognition that there is an urgent need for bureaucratic reforms to increase the capabilities of the bureaucratic systems in carrying out goals for economic and social development. It has also been observed that the deficiencies in the bureaucratic machinery constitute some obstacle in the effective implementation of development plans. In the given context, the concept of bureaucratic reforms includes both the structural and behavioural changes or institutional and attitudinal changes. Changes in the bureaucratic apparatus generally rests on the assumption that there is always a better alternative to the status quo.
Therefore, in the process of implementing deliberate and planned social actions, the established bureaucratic system is transformed to achieve maximum efficiency and organizational effectiveness and responsiveness in the delivery of services to the people. The efforts are aimed at increasing the capability of the bureaucratic system for accelerating the attainment of development goals.

The weakest point in the reform cycle is not diagnosis or formulation but implementation. The follow up of reforms is of immense value in the scheme of reforming efforts, if the reforms are not remain a paper exercise. In the following pages, we will be discussing some of the areas where reforms are urgently needed to make the whole system much more accountable and citizen friendly.

a) **TRANSPARENCY AND RESPONSIVENESS**

The citizen’s perception of the state and its functionaries is primarily based on its role as a service provider, law enforcer and regulator. Improving the quality of bureaucracy and providing a responsive interface between the citizens and the bureaucracy requires a number of initiatives. Perhaps the most important is the introduction of greater transparency in the functioning of bureaucratic departments and public bodies.

For bureaucracy to be more effective, they must have the trust and confidence of the people they are meant to serve. Bureaucratic institutions must operate free of bias and establish a fair, predictable set of rules around which people can organize economic and social enterprise.

b) **OPEN GOVERNMENT AND ACCESS TO INFORMATION**

Information is power. In a democratic system of governance, people are expected to participate in the process of governance. For effective people’s participation, access to information is a condition. Access to information is one of the ways to make democratic scrutiny of the process of functioning of the bureaucracy and thereby check possibilities of corruption, abuse, and misuse of power and exercise of power on irrelevant considerations.
c) PUBLIC GRIEVANCES

The increase in public grievances is a cause of worry. Public grievance primarily arise out of the inaccessibility of bureaucrats, failure to even acknowledge applications, non-enforcement of any kind of time limits, insensitivity and unsympathetic attitude of bureaucrats at various levels.

So there is a need to create a effective and responsive machinery to see public grievances.

d) NEED TO STRENGTHEN LOCAL GOVERNMENTS

People around the world are demanding greater influence in the decisions of their government. People’s empowerment through decentralization itself is neither good nor bad. It is a means to an end, often imposed by political reality. Successful decentralization improves the efficiency and responsiveness of the public sector while accommodating potentially explosive political forces.

e) DEPOLITICISATION AND NEED TO PRESERVE BUREAUCRATIC NEUTRALITY

It is a fact that political pressures will continue to be exerted on the bureaucracy given the present state of Indian politics. However, it is up to the bureaucracy to withstand these pressures and evolves its own code of ethics. The bureaucracy must at all cost uphold the rule of law and the guiding philosophy of the constitution.

Further, victimization of bureaucracy in terms of mass transfers and punishment posting must be strongly discouraged and suitable institutional mechanism to regulate the same be evolved.

f) POLITICAL REFORMS

It is really important that all the political parties should come to a decision that the Lok Pal institution should be immediately passed. And the Prime Minister should be included within the jurisdiction of Lok Pal. The election Commission
should tighten the rules persons in such a way that the persons having criminal or any doubtful background are not able to contest in the election. The entry of criminals and illiterates into politics must be stopped, the day bureaucrats and politicians realise that they are people’s representatives only, and there develops a feeling of respect between politicians and bureaucrats, the major problems will be solved.

Apart from the above discussions, it can be said that, bureaucrats play a crucial role in plan implementation. Perhaps it is the bureaucracy on which the success of implementation depends. In principle individual ministries and regional administrators have the responsibility for executing their own plans. But the bureaucrats in the ministries and departments implement the strategies and goals outlined in the plan. And with out people’s participation, no development plan can become a success. So that people at each level can, in a decentralized manner prepare the development plans and projects, implement them with the help of the concerned bureaucracy, and also evaluate and monitor the progress of implementation. This is real empowerment and true decentralized development.
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