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Chapter – II

RURAL DEVELOPMENT IN INDIA

2.1 Introduction:

Vast majority of India's poorest people are located in rural areas. The core problem of widespread poverty, growing inequality, rapid growth of population, growing and rising unemployment all find their origins in the stagnation and other retrogression of economic life in rural areas. Most social and economic indicators consistently show that rural areas compare unfavourably with urban areas. It is at the rural level that problems of hunger, ignorance, ill-health and high mortality are most acute.

Therefore, if development is to take place and become self-sustaining, it will have to be rooted in and started from the rural areas. Development of rural areas has been at the core of the planning process in the country. Rural development is a broad and inclusive term, which takes in its ambit socio-economic development of rural areas. The basic objectives of rural development programme have been alleviation of poverty and unemployment through creating basic social and economic infrastructure, training to rural unemployed youth and to provide employment to marginal farmers/labourers, so as to discourage seasonal and permanent migration to urban areas. Rural development also includes strengthening the democratic fabric of society through local level governments/institutions as well as provide the vast rural multitude 'voice

and choice' apart from measures to improve rural infrastructure, improve income of rural households and delivery systems pertaining to education, health and safety net mechanisms. Poverty alleviation is a key component of rural development.

For major part of the post independent development response, planners and policy-makers assumed that the State would provide the lead role in formulating and implementing an enabling policy for poverty alleviation. As experiences accumulated about working of the state, a new understanding began to emerge that improvement in living conditions of people cannot be brought about from above by outside agency but by the people themselves taking an active part in their development. It is generally agreed that if progress is to be achieved, it cannot be imposed from outside and must be based on small locally based and sustainable initiatives to effectively address issues of sustainability and equity. People centered and people controlled development has evolved as an alternative approach.

The present chapter is organized into four sections. The second section reviews the concepts definitions, indicators, objectives and theories of rural development; third section studies the role of NGOs in rural development and the last section presents the main conclusions of the chapter.

2.2 Meaning of Rural Development:

2.2.1 Concept and Definition:

Rural development is a multifaceted phenomenon. As a result, there is a host of definitions of which none is universally acceptable. It is, however, argued that regardless of the conflicting views about development, there exists a wide consensus that people are at the center of all development process (Okore, 1992). Thus, there has to be a positive and qualitative change in the economic, socio-political and cultural lives of the people for development to be said to have taken place.

The central idea of development as summarized by Sen (1999), is the enhancement of individual's abilities to shape their own lives. Madhu (2000) defines rural development as activities concerned with improvement of spatial and socio-economic environment of rural areas so as to enhance the ability of the individuals to cater to and sustain their well being.

Singh (1986) says that rural development connotes over all development of rural areas with a view to improve the quality of life of the rural people. World Bank (1975) defined rural development as implying the improvement in the living standard of masses of low income population residing in rural areas and making the process of development self-sustaining.

According to the Asian Centre for Development Administration (ACDA, 2004) "a process which leads to a continuous rise in the capacity of rural people to control their environment accompanied by a wider distribution of benefits resulting from such control is rural development".

2.2.2 Indicators of Rural Development:

ACDA (*Ibid*) identified the following indicators of rural development,

- Increase in agricultural productivity,
- Increase in rural employment,
- Equitable distribution of wealth and income,
- Fair distribution of power and influence and participation in decision making,
- Removal of social barriers to have access to public facilities,
- Welfare indicators such as levels in literacy, schooling, mortality rate, life expectancy, rural roads, electrification and level of nutrition, and
- Change in the values, beliefs and attitudes of people.

2.2.3 Objectives of Rural Development:

The specific objectives of rural development are:

- ❖ Raising the standard of living of people in rural areas,
- ❖ Alleviating poverty in rural areas and improving the quality of life of the people,
- ❖ Development of both farming and non-farming activities so as to generate gainful employment,
- ❖ Changing the attitudes of the rural people towards transformation of village community,

- ❖ Provision of social infrastructure such as drinking water, health-care, education, sanitation, housing, road, electrification, etc, and
- ❖ Maximum utilisation of local resources without adversely affecting the environment.

United Nations (1996) made the following suggestions for the successful implementation of rural development programmes.

- 1) Adopt institutional arrangements that promote collaboration and co-operation among key agencies and interests; build consensus, educate the public through community level campaign and mobilize local resources.
- 2) Adopt the concept of “think globally, act locally”.
- 3) Emphasize the role of partnership agreement – strengthening business and industry involvement and accountability.
- 4) Promote public participation in the planning and decision-making process with special reference to women and community based organizations.
- 5) Facilitate information dissemination, education, etc.

2.2.4 Theories:

A theory is expected to perform two major functions, namely, explanation and prediction of a phenomenon. There is no universally acceptable theory of rural development. Rural development is a subset of development. Hypothesis of development applies to rural development as

well. In the following paragraphs a brief overview of theories relating to rural development is presented.

A. Classical Economists.

An interesting argument of the classical economists was the concept of circularity and the interrelationship between technology, investment and profit. The circularity was inherent in their assertion that the level of technology depends on the level of investment, investment depends on profits, and profits depend partly on the level of technology.

The classical economists did not focus their attention on development or rural development *per se*, they, perhaps, assumed that economic growth would naturally lead to development.

B. Modernization Theory.

The dominant arguments of the capitalist school are embodied in what is known as the modernization theory or the “Free World” model of development. The essence of the theory was transfer of western technology and rationality, without changing class structure as a means of development, and removal of all social and ideological obstacles to such process (Alovi and Shanin, 1982:2).

In nutshell, the modernization theory presented, “American way of life”, as the epitome of modernity. It envisages that development can be achieved only through industrialization and urbanization along with technological transformation of agriculture.

In the context of rural development, the modernization theory offers quite a few useful insights, such as the inevitability of the use of modern technology for increasing in the agricultural production and the need for replicating traditional feudal institutions by new democratic ones, for a shift towards greater scientific temper, and secular values and norms. However, the theory has lost much of its appeal due to its failure as it did not foresee the adverse environmental impacts of the capitalist/free market model of development and its unsustainability.

C. Dependency Theory of the Marxist School.

The intellectual foundation of the new paradigm was rooted in the ideas of Karl Marx, Friedrich Engels and other Marxist thinkers.

The Marxists saw class struggle as the engine of social change and development. In the context of rural development, the theory provides a useful caveat that while identifying the determinants of rural development, we should critically examine various inter-sectoral linkages (both backward and forward) and interactions and determine whether they are beneficial to rural people or not.

D. Rosenstein – Rodon’s Theory of the “Big Push”.

According to this theory, there is a minimum level of resources that must be devoted to a development programme if it is to have any change of success. Launching a country into self-sustaining growth is a little-like getting an airplane off the ground. There is a critical ground speed which

must be attained before the craft can be airborne (MIT, 1957, 70). A minimum quantum of investment is necessary, though not sufficient, condition of success. Conceptually, this paradigm continues to be appealing to planners and scholars.

E. Leibenstein's "Critical Minimum Effect Thesis".

The central idea of Havey Leibenstein's thesis is that in order to attain sustained secular growth, it is essential that initial stimulant to development be of a certain critical minimum size.

This paradigm provides good clue as to the quantum of investment that is absolutely essential to make a programme to takeoff.

F. Lewis' Model of Economic Development with Unlimited Supplies of Labour.

W. Arthur Lewis (1954, 139-9) model is based on the fact that in many developing countries, there exist large reservoirs of labour whose marginal productivity is negligible, zero or even negative. This labour is available in unlimited quantities at a wage equal to the subsistence level of living, plus a margin sufficient to overcome the friction of moving from the "subsistence sector" to the "capitalist sector" which may be called "subsistence plus wage". As the supply of labour is unlimited, new industries can be set up and existing one can be expanded without limit at the ruling wage rate. The capitalist sector also needs skilled workers. But

Lewis maintains that skilled labour is only a temporary bottleneck and can be removed by providing training facilities to unskilled workers.

Since marginal productivity of labour in the capitalist sector is higher than the ruling wage rate, there results a capitalist surplus. This surplus used for capital formation, which makes possible employment of more people from the subsistence sector.

Lewis's model seems to provide a good framework to understand the process of economic development in labour-surplus developing countries like India. Its basic premise is that labour productivity in agriculture must increase substantially in order to generate surplus in the form of food to be used for development of the non-farm sector and to release the surplus labour from agriculture for meeting the growing needs of the non-farm sector.

G. *Gunnar Myrdal's Theory of Spread and Backwash Effects.*

Myrdal emphasizes the role of non-economic factors in development and highlights the backwash effects of growth brought out by the free play of market forces. The clustering labour, capital, goods and services in certain localities and regions leave the remaining areas mostly rural, more or less in the backwaters and accentuate regional inequality concentration of firms, capital and talented individuals in certain localities (growth points) at the expense of surrounding areas (the backwash) lower the level of economic development below what it would have been if growth points had never emerged.

Against the backwash effects there are, however, certain centrifugal “spread effects” of expansionary momentum from the centers of economic expansion to other regions. Empirical evidences show that “backwash effects” are neutralized by “spread effects” only at a high level of development. This is why rapid sustained progress becomes an automatic process.

H. Human Capital Model of Development.

This model emphasizes the importance of human capital investments in the process of economic and social development. It was Theodore Schultz (1964) who elaborated the concept of human capital and explicitly considered the investment in human capital as an important determinant of economic development.

This model seems most appropriate for labour-surplus developing countries like India, where a lot of underdeveloped human resources having high potential for development exist. Besides human resources are renewable and hence inexhaustible. Therefore, human capital can be substituted for exhaustible non-renewable physical capital in the process of development and thus relax the constraints on development imposed by inadequacy of physical capital to a large extent. Human resource development through nutrition, healthcare, appropriate education, training and empowerment deserve the highest priority now.

I. Gandhian Model of Rural Development.

Gandhiji's approach to India's rural development was holistic and people centered. The Gandhian model of rural development is based on some values and premises as follows:

- 1) Real India is found not in cities but in its villages.
- 2) The revival of villages is possible only when the exploitation of villages is stopped. Exploitation of villages by city dwellers was "violence" in Gandhiji's opinion.
- 3) Simple living and high thinking implying voluntary reduction of materialistic wants and pursuit of moral and spiritual principles of life.
- 4) Dignity of labour, everyone must earn his bread by physical labour and one who labours must necessarily get his subsistence.
- 5) Preference to the use of indigenous (Swadeshi) products, services and institutions.
- 6) Balance between the ends and means.

From the above analysis it becomes clear that, there is no universally valid theory of rural development. However, the various paradigms and hypothesis of development reviewed, provide many valuable insights into the processes and determinants of rural development.

The most suitable model for India rural development is a people-centered strategy, akin to Gandhian model. Human resources are inexhaustible and renewable and hence the only resources which can

sustain development ever. One axiom in the 21st century should be that the human beings are both the end and the means of development.

2.3 Approaches to Rural Development in India Since Independence:

Since 1951 till today, various approaches have been adopted by the Union Government to find a suitable strategy towards the achievement of rural prosperity, equality and employment of rural people. Table 2.1 gives the information regarding approaches to rural development in India.

Table - 2.1
Approaches to Rural Development in India

Sl. No.	Approach	Emphasis	Programmes
1.	Multi-purpose approach	All round development of villages based on self-help and self-reliance	Community development programme (1952)
2.	Sectoral approach	Intensive development of selected sectors namely, age/culture with concentration in area of comparative advantage	Intensive Agricultural District Programme (IADP) (1960)
3.	Target approach	Growth with social justice for promotion of weaker section of rural area	Small Farmers Development Agency (SFDA), Marginal Farmers Development Agency (MFDA), Antyodaya.(1971)
4.	Area development approach	Spatial planning and reduction of regional imbalance	Command Area Development Programme (CADP) (1974)
5.	Basic needs approach	Equalisation of social consumption	Minimum needs programme (MNP) (1972)
6.	Employment oriented integrated rural development	Removal of un-employment, poverty through sectoral and area integration	Integrated rural development programme TRYSEM, (1979) DWCRA, Jawahar Rozgar Yojana, (1989) Indira Awas Yojana, Employment Assurance Scheme, SGSY,(1985) DDP, DPAP, (1970) National Rural Employment Assurance (2006)

Source: Based on Lalith N. (2004)

2.3.1 Multi-purpose Approach:

In early fifties, rural development efforts began with multi-purpose approach which included activities related to agriculture, animal husbandry, co-operation, irrigation, village and small scale industries, health, sanitation, housing, transport and communication, welfare of women and rural employment. The Community Development Programmes (CDP) and National Extension Service (NES) initiated in 1952 fell under this approach. Though CDP, as a holistic approach, did not succeed as expected.

The impact of programme was ephemeral. It was said that the community development programme has been like film of butter spread over a large loaf, thus provide ineffective in a complex society. Hence, it could not make a dent into social fabric as was expected.

The critics also point out that;

- i) It brought about a great disparity between the rich and the poor,
- ii) It hardly touched the problem of meeting the felt needs of the people,
- iii) It failed to bring about the process of modernization through social education, and
- iv) Lack of people's participation.

In spite of the criticisms leveled against CDP and NES, the fact cannot be denied that the programme added a new dimension to the process of change and generated community consciousness to solve community problems.

The multi-purpose approach was a significant approach, which laid the foundation stone for the upliftment of rural India.

2.3.2 Sectoral Approach to Rural Development:

By 1960's the situation was rather critical on the food front. The need for great concentration on food production led to strategy for locating potential sectors and well-endowed districts and areas capable of yielding higher agricultural production. More attention was paid in improving productivity per acre than on extending the acreage. Thus, the Intensive Agriculture Development Programme (1960) (IADP) and later in 1963 intensive Agricultural Area Programme (IAAP) were launched.

Both IADP and IAAP constituted landmarks in the development of agriculture, indeed of the rural sector in India. The programmes placed agriculture on a qualitatively different footing with wide ranging repercussions on rural scenario. The programmes resulted in a spectacular breakthrough in total agricultural production and productivity per hectare but at the expense of social equality and social justice.

2.3.3. Target Group Approach:

In order to accommodate the lagging sectors/regions rural development was re-conceptualized to highlight the improvement of the social and economic life of a specialized group of people. The target group comprised of marginal and small farmers, landless agricultural labourers for whom special programmes such as Small Farmer Development Agency

(SFDA) and Marginal Farmers Development Agency (MFALDA) were started.

It was noticed that the target group approach showed a better results where information facilities were satisfactory and administrative and organizational arrangements were reasonably strong.

2.3.4 Area Development Approach:

Area development approach was for the correction of regional imbalance. In this connection, mention may be made of Tribal Area Development Programme (TADP, 1972), Hill Area Development Programme (HADP, 1974-75), Drought Prone Area Programme (DPAP, 1970), Desert Development Programme (DDP, 1977-78), and Command Area Development Programme (CADP, 1975).

These programmes were fairly successful in terms of implementation.

2.3.5 Basic Needs Approach:

The basic needs approach gives primacy to the need for a minimum standard of living of the poor as a central concern of development planning. It therefore contributes to the formulation of a development strategy, which aims at reducing poverty and inequality, promoting growth of employment and distributive justice. The basic needs concept is a wider scope covering personal and social consumption and also human rights, peoples participation, employment and growth with justice.

The Minimum Needs Programme (MNP) in India was introduced in 1974 during the first year of fifth plan period. The fifth plan proposed MNP with the objectives of establishing network of basic services and facilities of social consumption in all areas of upto nationally accepted norms within in a specified time frame. It is essentially a programme of investment in human resources development and seeks to improve the consumption of those living below poverty line and thereby improving productive efficiency of people and their quality of life. The main components of MNP are:

- (1) Rural health,
- (2) Rural education,
- (3) Rural roads,
- (4) Rural drinking water,
- (5) Rural electrification,
- (6) House sites for landless,
- (7) Environmental improvement in slums, and
- (8) Nutrition.

2.3.6 Employment-oriented Integrated Approach to Rural Development:

With a view to overcome the limitations of earlier approaches and to improve the quality of life of the poor living in the rural areas, a multi-level, multi-sector, with multi-section concept of integrated rural

development was launched in 1978-79. The different programmes were brought under single umbrella of Integrated Rural Development Programme (IRDP). It aimed at ensuring accelerated welfare and development of the poorest of the poor based on Gandhian concept of Antyodaya. Several programmes for providing employment to rural poor, namely, rural works programme, rural employment guarantee programme, IRDP, Training Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA) and Jawahar Rozgar Yojana (JRY) were introduced.

2.4 Local Level Institutions and People Participation in Rural Development:

Institution working at the grass root level, i.e. LLIs prepare the programme for people through people's participation. Participation means that people are closely involved in the economic, social, cultural and political processes that affect their lives (UNDP)

Thus, participation in development means how community members can be assured of the opportunity of contributing to the creation of the community goods and services.

But participation cannot be imposed on the people from above it should be voluntary and based on will to participate. It is a spontaneous process not super imposed by higher authority. Until or unless they are aware about their interest and importance in a particular action no "magical" involvement will be found. Here participation means direct

involvement of people and not indirect involvement through representation. People's participation, being one of the strong feature of local level institutions is very important to achieve socio-economic upliftment for all sections of people because of the following reasons.

- 1) Active involvement of the community helps in preparation and execution of effective development action plans by making assessment of the felt needs and constraints of the people easier.
- 2) Participation of community members in the development planning process helps in mobilizing resources for effective plan implementation. Besides, it also minimizes the cost of supervision and by eliminating irrelevant components in action plan. Apart from these, people's participation steps up the speed of implementation of the programme by mobilizing popular support and co-operation.
- 3) Community participation in development activities makes the tasks of monitoring and supervision more effective.
- 4) Involvement of people in the process of development planning also acts as "pressure group" from below, thereby creating conducive environment for formulation of effective plans and its better implementation.
- 5) The most important agenda for community participation in the process of development, plan formulation and its implementation is that it is primarily required to reduce unequal distribution of power and means of production between groups so as to "positively restructure" our

existing society in favour of the so far deprived sections. Since the generation of poverty is function of concentration of power in a few privileged class or groups in our society and poverty acts as a major obstacle to achieve the objection of development effort.

Community people must be involved in the consequent activities of project formulation, which effect every stage of a project. They should participate in the

- i) Decision making (problem identification)
- ii) Planning and implementation stage
- iii) Monitoring and evaluation
- iv) Sharing the benefits of development.

Therefore, people must be at the center of development. Development has to rotate around the people, not people should dance surrounding the development.

PEOPLE'S PARTICIPATION

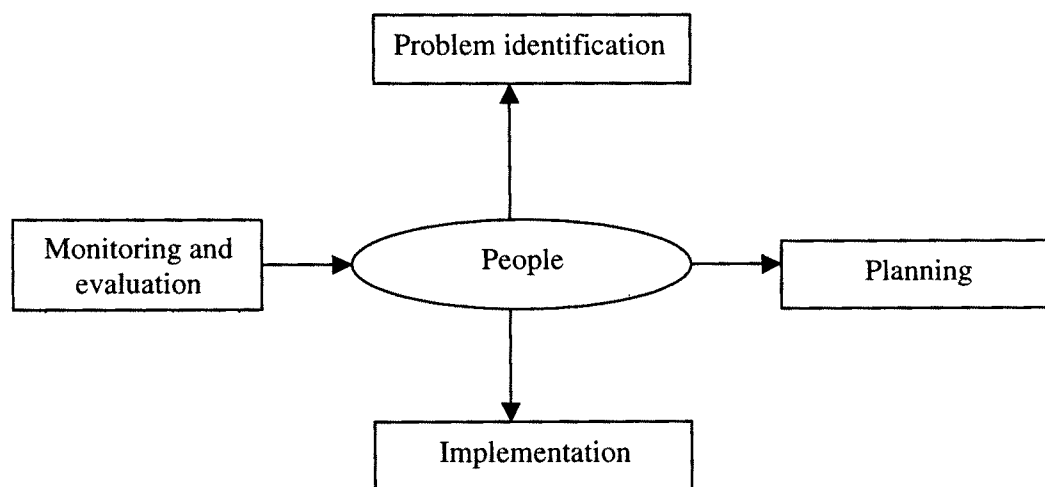


Chart - 2.1

2.5 Role of NGOs in Rural Development: Recent Trends:

Currently with the emphasis on people's participation the LLIs have emerged as a third sector in the country next to the government and the corporate sectors. During 1990, there was mushroom growth of NGOs. Most of them with rural focus are actively working. With failure of state in reaching the poor and marginalized, NGOs in India have come to play a very important role. As the part of civil society, the NGOs role in micro-macro linkage and policy advocacy have become a dominant feature now.

The role of the third sector assumes special significance. Substantial priority is given to NGOs in National Health Policy (1982), Seventh Five Year Plan, (1985-90) World Development Report (1993) National Population Policy (2000) and so on. They are preferred as the decision makers.

In spite of multi-faceted nature of NGOs, they are not similar in size, finds, nature of activity, and the ideological affinity. The only similarity of many of the organizations, they serve the people, down-trodden, economically weaker sections of the society.

Presently, the role of NGOs is very much a challenging one. In current scenario of the 21st century as observed by Edwin Cheria, (1999) the NGOs face dual task of collaborating critically with the state and at the same time fighting against the anti-people, anti-marginalized policy. NGOs sustained intervention will depend very much in future on their self-reliant capacity and the local resource mobilization.

In the era of globalization the NGOs of 21st century need to function as sensitive, critical and intellectual organization to protect the interest of the poor and with the 73rd Constitutional Amendment on Panchayat Raj Institutions (PRIs). New opportunities and challenges are opened up at the grass roots for the NGO. It provides a good opportunity for the NGOs to educate and enable the poor to enter into the local level governance with proper education, training and strategies. It is possible for the enlightened poor women and men to not only enter these bodies democratically but also give new dynamism to the bottom of development process. Strengthening of these grass-root democratic bodies will have a cumulative effect on the policy of the country.

The NGOs over the years have promoted vast social infrastructure of the poor, the women, and the dalits. The role NGOs play in the field of rural development generates mixture of lofty optimism and rhetoric (Hulme and Edward, 1995).

The voluntary organizational models and methods are credited with using innovation in experimentation and providing entry points for radical work. Their contribution in development, particularly, in the third world context is cherished and stress debated (Sundaram, 1986).

2.6 Conclusion:

Findings of the study reveal that there is no comprehensive integrated national policy for rural development. And rural development is

multifaceted in nature, the most suitable model or theory of rural development is Gandhian Model which presupposes the holistic approach and people center approach, local level institutions also advocates, the similar ideology to achieve rural development with people's participation.

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