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DEVELOPMENT ADMINISTRATION IN INDIA

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SYLLABI-BOOK MAPPING TABLE
Development Administration in India

CONTENTS

INTRODUCTION

Development administration is concerned with plans, policies, programmes and projects which focus on nation building and socio-economic development. It aims at achieving socio-economic goals through the talents and expertise of administrators or bureaucrats. Unlike the traditionalist view of strict observance of rules and regulations, it concentrates on the results to be achieved. Thus, development administration is result oriented. As development is eventually aimed at the people, all development functions should be people oriented. If the development functions have to be effective and people oriented, there must be emphasis on the participation of people in formulating plans, implementation and sharing the benefits derived, i.e., citizen governance should be encouraged. In other words, development administration needs to be focused on 'planning with people' and not 'planning for people'. Development administration has two concepts, namely administration of development and administrative development.

The study of development administration includes a study of the role and functions of government bodies, international aid, the evolution and different levels of administration, and the newer issues related to the field and its practice. Government policy and implementation refers to the development of public policy decisions about the issues the government chooses to address, the strategies it employs, the resources it commits and the actions it takes to carry out these decisions.

This book, *Development Administration in India*, is divided into fifteen units that follow the self-instruction mode with each unit beginning with an Introduction to the unit, followed by an outline of the Objectives. The detailed content is then presented in a simple but structured manner interspersed with Check Your Progress Questions to test the student's understanding of the topic. A Summary along with a list of Key Words and a set of Self Assessment Questions and Exercises is also provided at the end of each unit for recapitulation.

BLOCK - I
BASIC CONCEPTS AND APPROACHES OF DEVELOPMENT

UNIT 1   CONCEPT OF DEVELOPMENT

Structure

1.0   INTRODUCTION

Development administration is mainly concerned with an action-oriented, goal-oriented administrative system. The major hallmarks of the administration are institution building, modernization and socioeconomic development. In contemporary times, development administration is associated with the creation and execution of plans, legislations, programmes and projects. Hence, the political and economic aspects of development are the major concerns in developing countries. The key aim of the democratic government is to give a better quality of life to its citizens. As a result, these states, irrespective of size or status, work hard to achieve the goals of good governance and development planning.

The study of public administration in developing countries has embraced a variety of approaches in terms of development administration. According to some academicians, development administration has a narrow and precise meaning, whereas some use the term in order to emphasize the inadequacy of the established discipline of 'public administration'. To some scholars, it is nothing but a field which merely applies the traditional study. Some use this concept in the sense of 'the administration of development', whereas others use it as development of administration.

1.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the concept of development, administration and development administration
- Discuss the emergence of development administration
- Explain the implications of the rise of the concept of development administration for developing countries.

1.2 CONCEPT OF DEVELOPMENT-DEFINITION

In order to be able to appreciate the topic under review in a better manner, it becomes pertinent to understand the concepts of development, administration and development administration.

1.2.1 Development

Development is the latest buzzword being talked about by almost everyone — be it a politician, a political scientist, a bureaucrat, a philosopher, a manager, an economist, a sociologist or a social scientist. The notion of development as such or its objectives and approaches have developed and progressed over the years. It is a global phenomenon. In contemporary times, the concept of development has assimilated a wider and more wide-ranging implication. This concept covers not only human development but also political development. Human development includes both social and civil development. Social development includes the provision of social services like education, health and recreation, and provision of righteousness for the socially underprivileged groups such as scheduled castes, backward classes and women. Civil liberties and political rights fall under the provision of civil development. This is apparent from the evolving human rights perception on development. This term is characterized by scientific progress, industrial advancement, capital speculation and technical knowhow.

'Underdeveloped', 'undeveloped' and 'developed' are the terms that denote social and economic conditions of the people in a particular nation or state. It is an all elusive term. It includes not only the conditions of life but also the goals and objectives that one has to attain and its ability to propagate, change and develop. However, there is not a static point at which people, state or nation pass from underdevelopment state to a development state. The comparative condition of development is relative and ever changing. It varies according to what is needed and what is desired. A nation which employs its resources effectually is considered to be more developed than a nation which does not. The two objectives of development are as follows:

i. Elimination of poverty

ii. Sustenance and respect for the rights of human dignity and liberty

Hence, the purpose or objective of development is to provide best conditions so that each individual can enjoy maximum benefits from the state. The citizens of a country are vital for development.

Therefore, it is considered as the interaction of populaces with the natural resources available to them, i.e., people's use of their resources. In many countries, people are regarded as the target of development. The drive for development is to improve their conditions, first by guaranteeing the level of sustenance acceptable to them and second by increasing the choices they have for living their own survival up to their optimal expectations. It totally depends upon people to decide what standards of living and choices in life are suitable. It is up to the individuals of the state to get involved in setting the goals of development programmes. The various goals of development can be achieved with the rigorous participation of the individuals. The effectiveness of the policies and the methods of development of the several projects can be seen if they are accomplished within a specific time frame.

Besides people, the next important element in the process of development is the institutions. They are regarded as the system of action. Institutions have a concrete organizations and instruments which offer the capacity and support for action. Some of the institutions like bureaucracy, church, academic institutions like schools and colleges, hospitals and jails provide with the system of action. They form the agency with indispensable qualities. These institutions are well recognized in the society. The progression of development can take place if these institutions work proficiently. The organizational functions can be conceded through proliferation of authority and initiative. There should be appropriate synchronization among all the agencies involved in the development process.

The concept of 'development' has further evolved with the emergence of two new concepts, namely Sustainable Development and Ethno-Development. The notion of sustainable development gained popularity in the 1980s following the importance put on it by the World Commission on Environment and Development (known as Brundtland Commission framed by the United Nations in 1983). In general discourse, sustainable development refers to development that is not damaging to ecology and the environment. Though the United Nations' ingenuity for sustainable development has created consciousness for economic development policy in terms of defending the ecology for the present and future peers, other policies like liberalization, privatization and globalization in the 1990s raised a critical debate over development policy. These policies shrunk the role of the state in the development procedure to the least.

The concept of Ethno-development states that development of a country cannot be separated from the socio-cultural veracities and philosophy of its society.

Ethno-development highlights a native mode of development, well-matched with the socio-cultural spirit of a society.

Eminent scholar Michael Todaro sees development as a multi-dimensional process involving the reorganization and reorientation of the entire economic and social system. Looking into this definition, Todaro looks into the drastic alterations in institutional, social and managerial structures as well as in prevalent outlooks, customs and belief. This definition of Todaro is useful whenever the relations to different countries are discussed.

Development is an ongoing process which helps achieve sustainable growth of a country. It also helps in achieving political, social and economic growth and coping with new challenges. Growth is an important ingredient required for development. However, one cannot assume that growth alone can make the economy grow. There are a number of other important areas where development can take place like education, health, etc. It is easy to achieve economic growth but economic development is not easily achievable. When it comes to economic development, production should be more technical savvy and institutionalized, and its distribution should be equal among every individual.

1.2.2 Administration

The term 'administration' is derived from the Latin words — Ad and Ministrare. Administration means to assist or to manage. It is the act of managing something in the public or private spheres. Administrative system can be viewed in the following manner:

- An environment that motivates the administration as well as be a recipient of its activities
- The inputs transferring incitements from the social settings to the administration
- The outputs transmitting the outcomes of administrative act to the environment
- The procedure of conversion, which changes inputs into outputs
- Feedback, which is an important ingredient in the conversion process from output to input

If you look into the definitions given below, you will be able to understand that administration is taken as a universal process accepted by various public and private organizations. You find administration in varied organizational settings, such as corporate firm, trade unions, ecclesiastical institutions, charitable organizations, educational institutions and governmental units. Some of the important definitions of administration are as follows:

- E.A. Nigro says, 'Administration is the organization and use of men and materials to accomplish a purpose'.

- L.D. White says, 'The art of administration is the direction, coordination and control of many persons to achieve some purpose or objective'.
- According to Herbert A Simon, 'Administration can be defined as the activities of groups, cooperating to accomplish common goals'.
- Prof. John A. Vieg says Administration '….is the systematic ordering of affairs and the calculated use of resources, aimed at making those things happen which we want to happen and simultaneously preventing developments that fail to square with our intentions'.
- Luther Gulick says, 'Administration has to do with getting things done, with the accomplishment of defined objectives'.
- According to J.M. Piffiner and R. Presthussay, 'Administration is the organization and direction of human and material resources to achieve desired ends'.

A brief analysis of the definition listed above states the two crucial mechanisms of administration — (i) cooperative effort and (ii) pursuit of common purposes. After looking into the various views of the scholars regarding Development Administration, let us look into the dual view of the administration.

If you look into the administrative activities of administration, you will come across two views. One is that all activities, corporeal, psychological, clerical and administrative which are commenced to achieve a purpose. This is an all-encompassing or integral view of administration. The 'Managerial View' is considered as the other view vis-à-vis the nature of administration.

It means that administration is concerned only with the organization, direction, control and supervision of human beings who are functioning to attain a purpose. Hence, appropriate institution and direction of men and material to attain some preferred objectives is termed as administration.

Some of the major characteristics of administrative practices are as follows:

- Hierarchy: Institutions form a chain of superiors ranging from the highest status to the lowest-status manager.
- Unity of command: Personnel receiving orders from one superior.
- Chain of command: Organizations are separated into various functional units and departments.
- Span of control: Supervisors are given power and responsibility over the number of subordinates that they can have.

You should not get confused with the term 'management' and 'administration'. Both the terms are different.

Administration	Management
It deals with the formation of goals, strategies and policies.	It means accomplishing the things through and with individuals
It is a thoughtful process	It is a doing process
It is a uppermost level of management function	It is a subordinate-level management function
The decisions are affected by external environment such as social, political, legal etc.	Its decision are affected by internal factors such as ethics, principles and ideas
The term is often allied with governmental programs.	The term is extensively used in the world of commerce.

In short, the role or function of the administrative in the institution is mainly concerned with the determination of the goals and policies. However, 'management' is mainly concerned with the implementation of programmes and strategies within the parameters set up by the administration.

1.2.3 Development Administration

Development administration is a recent branch of public administration. 'Development administration' is the expression that is used to indicate the intricacies of agencies, administrative systems and the processes of a government. Development administration, which is regarded as the public apparatus, was established in order to achieve the social and economic objectives of a nation. Hence, it reflects the 'Four P's' — policies, programmes, projects and purposes. It is portrayed by its purpose, its reliability and its outlook. The key purpose of development administration is to encourage and assist defined programmes of social and economic progress. Though development administration is unique in its nature, it is dependent on the stream of public administration. Besides looking into the maintenance of law and order in a country, it looks into the various other essential services provided by the state apparatus. Some of the services include education facilities, health centres, transportation and communication facilities and public utilities. The comprehensiveness and efficacy of these services sustain and reinforce the environment for development.

The broader view of development administration means that it embraces the variety of methodologies and points of view that mark the study of public administration in developing countries. It deals with procedures, programmes, policies and development ventures which concentrate on nation building and socio-economic development. Its main target is to achieve socio-economic goals through the aptitudes and knowledge of bureaucrats. According to some supporters, this is the unique form of administration according to which the key duty of the government in a developing country is to lead, inspire and centrally synchronize the country's total development effort. As compared to traditional administration which focuses on strict rules and procedures as well as adheres to hierarchy system, development administration focuses on the results.

The word 'development administration' was coined in the late 1950s. The term was used to signify the intricate organizations, administration systems and process of government. It is the public apparatus set up to transmit the numerous mechanisms of development in order to articulate and achieve national, social and economic goals.

Some of the variables which are essential for development administration are reconstruction of society, socio-economic development, institution building and formation of an assimilated political community. The main aim of development administration is societal change in the direction of modernity.

When we talk about the direction of modernity, it does not mean drastic transformation of society into a contemporary western society. The main focus is on native development which is justifiable and which looks into the welfare and needs of its citizens. It should focus on bringing about strategic changes in order to meet the nation's broad political, cultural, economic and social objectives. It strives to work for establishing social justice through equitable distribution of social and economic benefits for the upliftment and betterment of various social groups in the society. Various modern and scientific techniques are employed in order to achieve the development objectives.

In order to meet the challenges of the developing countries, the development administration needs to deal with the political development of a nation. It also tries to bring about changes in the ideals and outlook of people. The development administration also needs restructuring of the administration, i.e., the formation of new administrative arrangements and reorientation of the present ones. Then only it is possible to have effectual development programmes. Thus, we see that development administration focuses on improving an entire society with political, economic, social and administrative components interconnected for the purpose of change. Hence, it is the process of organizing and administering public agencies to aid and assist the implementation of development programmes.

During the 1950s and 1960s, development administration was swayed by the early theoretical approaches towards development. Bureaucrats or the high level administers believed that:

- Development was necessary.
- Poverty could be eradicated by improving the magnitude of public goods and services.
- Impediments to development could be overcome.

Earlier, development was viewed in terms of economic development, and development administration was largely economic administration, with little or no concern for an equitable dissemination of social benefits. Hence, there is an acute difference between administration of development and other systems of administration within the state such as police, military and judiciary. Each of these systems has its own unique outlook, requirements and techniques. These systems

have major impact on development administration. The repressive police and military system will be least considerate towards people development and their needs. Whereas on the other hand if they are liberal, then they can encourage the socio and economic development activities through their own constituted agencies.

Hence, the main function of development administration is to achieve the defined development purposes. If the purpose of administration is accomplished then the administration is considered to be good; if the purpose is inadequately achieved then it is termed as bad administration. A good or bad administration, hence, depends upon the delivery of result. The success of development administration depends upon how the administration provides the delivery for capital, material and services that are required for the productive process, be it in public, private or in mixed economies.

In order to discharge mammoth responsibility and to carry out diverse and multifaceted functions of social and economic development, development administration had founded various new agencies and reorganized the existing ones.

Some of the important definitions on development administration are as follows:

- **George Gant:** 'Development Administration is that aspect of public administration in which the focus of attention is on organizing and administering public agencies in such a way to stimulate and facilitate defined programmes of social and economic progress. It has the purpose of making change attractive and possible'. He further stated: 'Development administration denotes the complex web of agencies, management systems and processes, a government establishes to achieve the development goals. Development administration is the administration of policies, programmes and projects to serve development purposes.'

- **Donald Stone:** 'Broadly, Development Administration is concerned with achieving national development.'

- **Merle Fainsod:** 'Development administration is a carrier of innovating values. It embraces the array of new functions assumed by developing countries embarking on the path of modernization and industrialization. Development administration ordinarily involves the establishment of machinery for planning, economic growth and mobilizing and allocating resources to expand national income.'

- **Jose V. Abueva:** 'Development Administration is the administration of development programmes in the economic, social and political spheres, including the programmes for improving the organization and management of the bureaucracy as a major instrument for national development.'

- **K. R. Hope:** 'Development Administration in contextual and operational terms implies efficient organization and management of the development activities of a nation to attain the goals of development.'

- **Katz:** 'Development administration' is generally similar to the traditional 'public administration' in its concern with how a government implements its rules, policies, and norms. It differs, however, in its objectives, scope, and complexity. Development administration is innovative, since it is concerned with the societal changes involved in achieving developmental objectives.' Then, in spite of his first sentence, he adds: 'It follows... that the administrative functions of decision, specification, communication and control may take different forms in development administration as compared with traditional public administration.'

- Esman says of development administration '…central core is the role of governmental administration in inducing, guiding, and managing the interrelated processes of nation building, economic growth, and societal change.'

- Prof. S. R. Maheswari: 'The administration of developmental programmes designed to promote nation-building and socio-economic development and the concomitant development of administrative practices and institutions necessary for the implementation of such programmes.'

Looking into the various definitions of development administration, one can look into its various hallmarks:

- Development administration is not narrow. Rather, it is more universal in its approach. It lays stress on new inventions. It lays prominence on new methods, policies, programmes and procedures which would provide assistance to accomplish the developmental purposes with the greatest possible expedition.

- It aids in planning the policy to meet the varied experiments and challenges of administration. It concentrates on such devices to be carved out whereby competence and efficacy are shaped for achieving the goals at hand.

- It is a useful mechanism in institutional building which concentrates on planning and building of new organizations and accordingly fetching variations in values, functions and technical know-how.

Check Your Progress

1. What are the two objectives of development?

2. What is sustainable development?

3. When was the term 'development administration' coined?

1.3   EMERGENCE

The word 'Development Administration' is very new. It was first devised by an Indian Civil Servant, U.L. Goswami in his article 'The Structure of Development

Administration in India' in 1955 in the background of Community Development Programme, and was propagated later on by renowned scholars like Fred W. Riggs, Edward W. Weidner, Joseph La Palombara and Albert Waterson. In public administration, the term 'development administration' was incorporated to reflect the changes in policies, projects and programmes in order to improve the social and economic conditions of the society. Unquestionably, the conception has been useful. It has served as a reconvening point for academicians and experts concerned about public administration in developing countries.

After the end of World War II, 1945, colony after colony flung away the imperial bondage. Various countries succeeded in liberating and establishing an administrative autonomy. This fresh status gave assurance of sovereignty and liberty and self-determination in administrative systems of archetypal democracy. Independence and self-determination gave high hopes for individual freedom, equality of treatment in the society, higher national and per capita income, a quick rise in standards of living, and an escalation in individual prospects. Even those countries which were not directly controlled by the imperial powers but were administered by the authoritarian governments took the shelter of development administration in order to improve their political, social and economic conditions. New governments and their bureaucracies, their managerial organizations and procedures, were projected to give reality to these predicted fruits of independence and liberty.

Looking into the Third World Countries, the colonial rulers, for their own profit and advantage had exploited their natural resources. The imperial powers had shown little concern for their growth or well-being and consequently those countries under colonial rule had become stranded preys of paucity, malnutrition, ignorance, discrimination and retrograde. The main agenda of the Third World countries, after attaining their liberation was to get out of this progression of paucity and backwardness, and quicken the speed of their economic, social and political development.

After World War II, the advent of international and bilateral strategies has played a key role in the development of the concept of development administration. With the help and assistance of the United Nations and the US foreign aid, during the 1950s and 1960s, various economic and technical assistance schemes were efficaciously carried out in the developing countries. However, these programmes were futile to yield any desired results. This elucidates the constant attention shown by the American academicians in the administrative structures of the developing nations. Hence, the rise of former colonies into sovereign nations, copiousness of research studies with the Comparative Administration Group and monetary and procedural assistance under the US AID programmes led to propagation of development administration as a device for accomplishment of socio-economic development and nation edifice in the so called Third World. Moreover, certain incidents in history like the disastrous influence of the Great Depression of the 1930s, post-World War II challenges and lessons learnt from Marshall Plan and

the UN determination to improve the socio-economic status of the developing countries influenced the growth of the concept of development administration. Development administration was seen as concerned with the will to organize prevailing and new assets and to generate adequate administrative capabilities to attain agreed-upon developmental objectives. Thus, development administration developed into an action-oriented administration indicted with the responsibility of answering the requirements of the people.

During the period of the 1960s, the affiliates of the Comparative Administrative Group of the American Society for Public Administration carried out a study in the field of Development Administration. The study discovered that the Western developmental models and perceptions of Public Administration may not be suitable or practicable for the developing countries. In order to enjoy the technical assistance given by the Western countries, these newly independent countries needed to alter their administrative system. This led to a search for a new administrative model which met the developmental requirements of the developing nations. Since the 1960s, in the developing states, the notion of deliberate change to carry out the rapid socio-economic transformation has become a kind of administrative ideology.

In order to meet the development requirements of developing countries, there arose a distinctive genre of administration called development administration. However, it will be incorrect to believe that development administration is exclusively concerned with the management of developing countries. One cannot deny the fact that the developed western countries, also encounter the complications of continuing socio-economic and political development. Even they are in dire need of development administration. Moreover, confining the concept of development administration to developing countries will diminish its effectiveness.

In short, the main causes for the birth and growth of the notion of development administration are as follows:

- The advent of new decolonized states in Asia, Africa and Latin America after World War II,
- The rise of international and American economic and technical plans for assisting of developing nations; and
- The establishment of the Comptroller and Auditor General (CAG) and the attentiveness shown by its members in developing nations and their managerial systems.

Due to the above stated factors, since the 1960s, development administration has become the dominant issue and attained a massive importance in the developing countries. In the developing countries of Asia, Africa and Latin America, the necessity of such an administration has been well acknowledged as a means of executing policies and plans that are focused on nation–building and ensuring socio economic progress. However, the developing states did not comprehend that the most vital

component in the process of development was going to be the contribution of foreign proficiency and assets.

During the 1970s, a number of techniques for the development process were popularized. Some of them were, five year planning, community development programmes and administrative reforms. Moreover, the period saw ups and downs in both North and South countries. Turmoils and fragmentation proliferated in the countries of Asia, Latin America and Africa. The events of energy crisis, and growing economic recession had further dampened the spirit of development administration.

During the period of 1980s, the groundwork of the development administration archetype was ruthlessly questioned. The New International Economic Order became a significant icon in the arena of development. It demanded a basic readjustment of the global economy, through vicissitudes in trade. Aid and technological transfer were valued but generally overlooked by the wealthy benefactor nations.

During this period, the developing nations became disheartened when they found out that instead of being beneficiary of capital from the West, they were forced to make net transfers of their meager assets to the developed countries. In order to make provisions for their debts, several developing nations became almost penniless. Constricting trade practices banned the developing countries from exporting their goods and services. Famine, poverty, disparity and oppression became the order of the day in most of the developing nations.

In the present scenario, the role of development administration has changed enormously. While earlier it was limited to distribution of foreign aid, development administration in contemporary times is focused on planned change to meet the nation's broad political, economic and social purposes. If we take a look at any institution, be it religious, cultural or non-governmental agencies, they all are increasingly getting involved in development administration. In recent times, we see that there has been a considerable shift in the development administration theory from a blue print approach to learning process approach. The former basically deals with a closed and inflexible system and is unable to respond to the needs of the changing environment. The latter deals with an open-ended system and can adapt itself to the needs of the changing environment. They work in collaboration with the people. They lay emphasis on empowerment of people, equality, self-reliance, and so on. According to the World Development Report, the intense focus on the state's role today is reminiscent of an earlier era, when the world was emerging from the ravages of World War II and much of the developing world was just gaining its independence. Development at that time seemed a more easily surmountable and largely technical challenge. In the changing scenario of administration, we find that administration has become more decentralized and market-friendly in nature. This 'market-friendly' administration was championed by the Ronald Reagan and George Bush administration in the US, by Margaret Thatcher's government in England and by various other European governments.

The market-friendly approach stands for minimum functions to the state and permits more free play in the market.

Development Administration in Third World Countries

The end of colonialism had led to the greatest structural adjustments of government in the Third World Countries. As the countries declared themselves independent one after another from the colonial subjugation, they asserted various plans for comprehensive societal change. Independence of these Third World Countries required substantive adjustments in almost all spheres of life. The demand for better standards of living, improvement in both agrarian and industrial sectors had led to the adoption of development administration. Being vibrant, innovative and result-oriented, development administration is considered as an appropriate system for the underdeveloped countries where every policy and plan is development-oriented.

Development has become a crucial factor in almost all the countries. However, the immediate need was felt in the developing countries. In order to carry out comprehensive plans and policies of development, state was regarded as the best choice for coordination and bringing about changes and innovations in the society. Keeping this in mind, a chain of experiments has been carried out by well-known multilateral agencies to provide assistance to low income group countries and underdeveloped countries. However, the anticipated results have not mirrored as required. The Third World Countries have the following characteristics:

i. In most of the underdeveloped countries, there is a lot of diversity in their societies and their organization.

ii. People are indifferent toward development. There is a lot of overlapping in development undertakings, the main reason being illiteracy and embryonic infrastructures. Also, a number of development agencies are working in the same sector and geographical areas.

iii. There is formalization in the process of development administration. The common people cannot taste the fruits of government services as the civil servants follow stringent rules and procedures, lengthy processes and official procedures. As a result, the disadvantaged section of the population is always at the burning end.

iv. Due to the lack and non-availability of resources on time, there may occur hindrances in the implementation of plans and policies. The tedious efforts carried out by planners for nation building and the bureaucrats, for effective implementation of the policies are brought to naught.

v. The unstable government in developing countries hinders the progress of development. The bureaucratic structure in such countries is feeble. As a result, development does not get the projected output.

Immediately after achieving political independence, the developing countries were brought face to face with the gigantic problems of nation building. Some of the conspicuous problems faced by them were as follows:

- Improvement and development of the rudimentary infrastructural facilities
- Provision of social service to the people
- Stress on national security
- Social and economic development
- Agricultural intensification and a look into the problem of land degradation
- Nation building and modernization
- Restructuring of the bureaucratic machinery

The one and only institution that can handle these gigantic problems was the government. The government took upon itself the responsibility of finding solutions. This step was a drastic retreat from the colonial government whose main function was to provide law enforcement, accumulate revenue from the colonized people and arrange for such services that were essential for the working of the administration.

It was crystal clear that the traditional public administration could not manage the emerging new role and increased undertakings of the government. In order to cope with this mammoth task of politico-economic and socio-cultural development, there was a need for a system of governmental administration which was vigorous, avant-garde and development oriented. Thus, this development administration came into existence. The greatest responsibility for achieving the well-being of its citizens lies with the government. If we look into the arena of health, the doctor does the operation but it is the nurse who takes care of the patient; so is the case with respect to the well-being of the nation. Amongst the two divisions of politics and administration, the latter is more accountable for the achievement of direction with dynamism and devotion. Hence, importance is given to the training programmes for administrators. These programmes will instruct not only the technical know-how of the particular problem but they will also attain a sense of national prophecy. Development administration must generate social change and introduce modernization.

Criticism of development administration

Criticism against development administration is varied. Some of the important ones are as follows:

i. It tends to disrupt public administration as a homogeneous discipline. There is an artificial differentiation between development and non-development administration. There is a lot of overlapping and interdependence between the cognate arms of administration.

ii. It only scrutinizes the role of bureaucracy in the Third World countries. The development list has over-exaggerated the role of bureaucrats and tends to forget other forms of public management. Hence, this despotic approach of the bureaucrats will not stimulate the individuals to vigorously participate in fulfilling the plan programmes.

iii. Development administration just serves the ideological purpose of covering the true nature of the Third World Countries.

iv. Development administration has been found to be feeble and inefficiently equipped to lookout for evolving challenges. Decision-making procedures and professional methods followed are slow and infuriating to those people who are affected by them. Corruption is severe and defies solution. Political intrusion in administrative paperwork is another aspect constraining the socioeconomic growth of the developing countries.

Check Your Progress

4. What are some of the prominent techniques used for development in the 1970s?

5. State any two problems faced by developing countries after independence.

6. What are the criticisms levied against development administration?

1.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The two objectives of development are as follows:
   - Elimination of poverty
   - Sustenance and respect for the rights of human dignity and liberty

2. In general discourse, sustainable development refers to development that is not damaging to ecology and the environment.

3. The word 'development administration' was coined in the late 1950s.

4. During the 1970s, a number of techniques for the development process were popularized. Some of them were, five year planning, community development programmes and administrative reforms.

5. Some of the conspicuous problems faced by developing countries after independence were as follows:
   - Improvement and development of the rudimentary infrastructural facilities
   - Provision of social service to the people

6. Criticism against development administration is varied. Some of the important ones are as follows:

- It tends to disrupt public administration as a homogeneous discipline. There is an artificial differentiation between development and non-development administration. There is a lot of overlapping and interdependence between the cognate arms of administration.

- Development administration just serves the ideological purpose of covering the true nature of the Third World Countries.

1.5 SUMMARY

- The concept of development covers not only human development but also political development. Human development includes both social and civil development. Social development includes the provision of social services like education, health and recreation, and provision of righteousness for the socially underprivileged groups such as scheduled castes, backward classes and women. Civil liberties and political rights fall under the provision of civil development.

- In many countries, people are regarded as the target of development. Besides people, the next important element in the process of development is the institutions. They are regarded as the system of action.

- The concept of 'development' has further evolved with the emergence of two new concepts, namely Sustainable Development and Ethno-Development.

- Development is an ongoing process which helps achieve sustainable growth of a country. It also helps in achieving political, social and economic growth and coping with new challenges.

- The term 'administration' is derived from the Latin words — Ad and Ministrare. Administration means to assist or to manage. It is the act of managing something in the public or private spheres.

- The role or function of the administrative in the institution is mainly concerned with the determination of the goals and policies. However, 'management' is mainly concerned with the implementation of programmes and strategies within the parameters set up by the administration.

- The key purpose of development administration is to encourage and assist defined programmes of social and economic progress.

- The word 'development administration' was coined in the late 1950s. The term was used to signify the intricate organizations, administration systems and process of government. It is the public apparatus set up to transmit the numerous mechanisms of development in order to articulate and achieve national, social and economic goals.

- The main function of development administration is to achieve the defined development purposes. If the purpose of administration is accomplished then the administration is considered to be good; if the purpose is inadequately achieved then it is termed as bad administration.

- The end of World War II and the independence of several countries brought focus upon the concept of development administration.

- The end of colonialism had led to the greatest structural adjustments of government in the Third World Countries. As the countries declared themselves independent one after another from the colonial subjugation, they asserted various plans for comprehensive societal change.

1.6 KEY WORDS

- **Sustainable Development**: It refers to development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

- **Administration**: It means to assist or to manage. It is the act of managing something in the public or private spheres.

- **Development administration:** It is the public apparatus set up to transmit the numerous mechanisms of development in order to articulate and achieve national, social and economic goals.

1.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. Define the term 'administration'.
2. What are the main characteristics of administrative practices?
3. Differentiate between the terms 'management' and 'administration'.
4. What are the main causes for the growth of development administration?

Long-Answer Questions

1. Discuss the concept of development, administration and development administration.
2. Explain the emergence of the concept of the concept of development administration and its implications on developing countries.

NOTES

1.8 FURTHER READINGS

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UNIT 2 CHARACTERISTICS OF DEVELOPMENT ADMINISTRATION-TRADITIONAL ADMINISTRATION

Structure

2.0 INTRODUCTION

The concept of development administration gained prominence in the 1950s. The end of World War II and the emergence of a post-colonialism further augmented the need for a new system of administration. There was an increased stress on innovated and people-oriented approach. This unit will discuss in detail the characteristics and function of development administration. The difference between traditional administration and development administration will also be explained.

2.1 OBJECTIVES

After going through this unit, you will be able to:

* Understand the characteristics of development administration

* Explain the functions of development administration

* Discuss the differences between traditional administration and development administration

2.2 CHARACTERISTICS OF DEVELOPMENT ADMINISTRATION

Development administration lays importance on decentralization of authority so that the native political authority can take the independent decisions quickly. It is ecological in nature, i.e., it is affected by its environment be it social, political or economic. It is influenced by the environmental factors. It is closely linked with the political processes in a society. As most of the changes come from political leadership, development depends on the know-how of the political management. It stresses on independence and participation of the individuals in developmental undertakings. It emphasizes on responsible management of developmental plans, procedures and policies.

Physiognomies of development administration

Development intrinsically is change oriented. It discards status quo. According to Pai Panandikar, Development Administration is mainly the administration of planned change. The essence of development is holistic change undertaken through integrated, organized and properly directed action. Planned development is intended to achieve explicit results within a fixed time-frame.

Every single development programme has a specific goal to be accomplished. For example, the aim of economic development is to improve the quality of life, such as better literacy rate, life expectancy and decreasing poverty lines. In order to achieve the goals of development, planning and organizing the development programmes and policies in a systematic manner is necessary. Hence, development is result-oriented as changes need to be brought about promptly and within a specific time frame.

Development administration has an innovative component; it is malleable enough to incorporate new approaches, techniques, and procedures which would save time, increase efficacy and quality of the administration.

The personnel administrators under development administration are required to be dedicated to the policies, plans and programmes. The dedication or commitment need not be to the political parties who endorse the policies, but to the morals and beliefs that an administrator sustains in his/her profession. Hence, in order to realize the objectives of development, it becomes necessary that development administration involves a firm commitment, a sense of participation and concern on the part of bureaucrats.

As the main focus of development is people, it should accord preeminence to the public. The administration should be client-oriented. For the development functions to be operative and for it to be people oriented, a lot of emphasis is laid on the involvement of people in formulating plans, and executing and sharing the benefits derived. Thus, development administration should concentrate on 'planning

with people' rather than 'planning for people'. It should be people-centric rather than production centric,. Therefore, it should focus not on maximizing production, goods and services but in addressing the needs and necessities of people. It deals with the development of a country's economy and the social order. This is associated with the optimistic change of the society. Hence, the system of development administration depends on the socio-economic system prevailing in the country, which in turn, depends on socio-economic factors.

Assimilated and holistic process: Development administration is an interrelated and holistic process of change. It deals with the structure, organization and behaviour essential for the execution of schemes and programmes of socio-economic change commenced by the governments of developing nations.

It reflects two important dimensions of development. (i) It refers to the administration of developmental programmes, the approaches used by large-scale institutions, particularly governments, to implement policies and plans intended to meet developmental goals. (ii) Development administration implicates the strengthening of administrative capabilities. These two aspects are interwoven in development administration.

Much wider in scope of operation: Traditional public administration was narrow in its functioning, i.e., it was restricted in maintaining law and order. But the scope of development administration is much wider. It looks into social, political and economic aspects of life.

Stress on planning: It is a planned change. The administrative capabilities are reinforced to attain developmental goals. This objective is linked with planning. The planned development is intended to achieve specific results within the specified time.

Staunch supporter of decentralization: It is progressive and vibrant in thought and action.

Hence, development is a crucial aspect in the life of people. It fulfills the basic requirements and necessities of the people. As a result, it has become a major focus of administrative activity in the country today. It is much wider in scope as it covers people from all walks of life.

According to J.N. Khosla, the major functions of development administration are as follows:

    i. Formulation of development goals and policies;

    ii. Programme formulation and programme/project management;

    iii. Reorganization of administrative structures and procedures;

    iv. Evaluation of results;

    v. People's participation in the development effort; and

    vi. Promotion growth of social and political infrastructure.

2.2.1 Innovation and Reform in Development Administration

The concept of 'development administration' developed in the 1950s. The main objective of 'development administration' is to represent different aspects of public administration and changes in public administration. These changes were required to make policies, projects, and programmes to improve social and economic conditions in the Third World countries. After the attainment of independence by several countries of the world after the Second World War, this approach was further researched. The newly independent countries began to practice their own development administration and policies for the progress of their own nation. It included various innovations and adaptation of technology and policies from the developed nations of the world. The adaptation of new policies and programmes for the overall development of the nation through development administration has given significant improvement in the local conditions as far as the improvement and socio-economic conditions of the population is concerned. The implementation of new policies and programmes after the independence created many expectations among the population for higher national and per capita income. It also helped in the process of rapid rise in standards of living, and an increase in individual opportunity. The innovation in development administration aimed at the creation of new ideas to achieve the ultimate goal of development administration and upliftment of the living standard of the population. Innovation means generation of new idea or the modification in the existing ideas for the betterment of the present.

Characteristics of Development Administration

As far as the innovation and development administration is concerned, the few characteristics of development administration have to be understood clearly. Without understanding the basic characteristics of development administration, it is difficult to estimate various aspects of development administration. Following are some of the important characteristics of development administration that will help in our understanding of the innovation required today:

- **Change orientation:** Development Administration helps in understanding and bringing socio-economic changes.
- **Goal orientation:** The orientation of the goals has to be framed properly so as to achieve the social, economic, political and cultural goals.
- **Commitment:** The innovation of the implementation of the innovations depends on the commitment of the administration. The administration development team must have commitment towards the goal.
- **Citizen participation:** Any innovation or any programme is not successful without the active participation of the stakeholders. The development administration aims at citizen participation.

Innovativeness: The development administration has to adopt innovative oriented approach that helps in identifying new strategies to help achieve development

objective with greatest possible facilitation. The motivation to the entire team should be insured by generation of several new ideas. It is clear from the various definitions of the development administration that, the development administration is focused on the 'action-oriented, goal-oriented administrative system.' Scholars of this specific field have recognized that the administration of development and development of administration are functionally interrelated to each other. Riggs has given following argument in this regard:

The reciprocal relatedness of these two sides of development administration, involves a chicken and egg type of causation. Administration cannot normally be improved very much without changes in the environmental constraints (the infrastructure) that hamper its effectiveness; and the environment itself cannot be changed unless the administration of development programs is strengthened (Riggs, 1970).

2.3 DEVELOPMENTAL ADMINISTRATION VS TRADITIONAL ADMINISTRATION

The emergence of development administration had led certain scholars to make a distinction between development and traditional administration. However, some scholars are a bit apprehensive about making a distinction between the two. The reason is that if we make a distinction between the two, then the government servants working under the system of traditional administration will be labelled as unsuitable employees and will be regarded as men of orthodox attitudes. Moreover, the term development is not correctly analysed in its association with the prevailing governmental machinery. The other word for traditional administration is general administration. The distinction between the two can be made on the following lines:

- Traditional administration did not respond to the demands of socio-economic development, especially in colonies such as Thailand and Ethiopia. They were not expected to be quick to respond to legislature or other representatives of the people. Development administration responds to the socio-economic and political needs of the people.

- Traditional administration is a creation of industrial revolution, whereas development administration is a product of post-colonial and post World War II.

- Development administration has more emphasis on approachable administration in contrast to traditional administration.

- Development administration has more rigorous and all-encompassing interest in planning, whereas traditional administration has partial concern in planning.

- Traditional administration is supervisory and status quo-oriented, while development administration is evolving and change oriented.

- Development administration is much more revolutionary and innovative than traditional administration.

- Traditional administration focusses on chain of command-oriented structure, whereas development administration lays emphasis on group orientation.

- Development administration is more evolved, whereas traditional administration is more consolidated. The bureaucracies were highly centralized. The authority was concentrated at the centre level only. The top officials did not like to share their power with their juniors.

- Development administration is vigorous in nature, while traditional administration is not.

- Traditional administration is limited, while development administration is participatory and involved in its nature.

- Traditional administration is more inner looking, while development administration is outer looking.

Check Your Progress

1. Why is development administration considered innovative?

2. What are the two important dimensions of development?

3. What is the main objective of development administration?

4. Why did scholars avoid defining the differences between development administration and traditional administration?

5. What is traditional administration also known as?

2.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Development administration has an innovative component; it is malleable enough to incorporate new approaches, techniques, and procedures which would save time, increase efficacy and quality of the administration.

2. There are two important dimensions of development. (i) It refers to the administration of developmental programmes, the approaches used by large-scale institutions, particularly governments, to implement policies and plans intended to meet developmental goals. (ii) Development administration implicates the strengthening of administrative capabilities. These two aspects are interwoven in development administration.

3. The main objective of 'development administration' is to represent different aspects of public administration and changes in public administration.

4. Some scholars were apprehensive about making a distinction between the

traditional administration and development administration. The reason is that if we make a distinction between the two, then the government servants working under the system of traditional administration will be labelled as unsuitable employees and will be regarded as men of orthodox attitudes.

5. The other word for traditional administration is general administration.

2.5 SUMMARY

- Development administration lays importance on decentralization of authority so that the native political authority can take the independent decisions quickly.

- Development intrinsically is change oriented. It discards status quo. Planned development is intended to achieve explicit results within a fixed time-frame.

- As the main focus of development is people, it should accord preeminence to the public. The administration should be client-oriented.

- Development administration is an interrelated and holistic process of change. It deals with the structure, organization and behaviour essential for the execution of schemes and programmes of socio-economic change commenced by the governments of developing nations.

- The concept of 'development administration' developed in the 1950s. The main objective of 'development administration' is to represent aspects of public administration and changes in public administration. These changes were required to make policies, projects, and programmes to improve social and economic conditions in the Third World countries. After the attainment of independence by several countries of the world after the Second World War, this approach was further researched.

- The development administration has to adopt innovative oriented approach that helps in identifying new strategies to help achieve development objective with greatest possible facilitation.

- The emergence of development administration had led certain scholars to make a distinction between development and traditional administration. However, some scholars are a bit apprehensive about making a distinction between the two. The reason is that if we make a distinction between the two, then the government servants working under the system of traditional administration will be labelled as unsuitable employees and will be regarded as men of orthodox attitudes.

2.6 KEY WORDS

- **Third World Countries:** The term was originally used for nations that were neither aligned with the West (NATO) nor with the East, the Communist

bloc. Today, the term is often used to describe the developing countries of Africa, Asia, Latin America and Oceania.

- **Bureaucrats:** The term refers to officials working in an organization or government department.

- **Innovation:** It means generation of new ideas or the modification in the existing ideas for the betterment of the present.

2.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What are the major functions of development administration?
2. What are the characteristics of development administration?
3. Why is development administration considered people-oriented?

Long-Answer Questions

1. Discuss the importance of innovation in development administration.
2. Explain the differences between traditional administration and development administration.

2.8 FURTHER READINGS

Goel, S.L. 2009. *Development Administration: Potentialities and Prospects.* New Delhi: Sujanya Book Publishers.

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UNIT 3 VARIOUS APPROACHES TO THE STUDY OF DEVELOPMENT ADMINISTRATION

Structure

3.0 Introduction
3.1 Objectives
3.2 Public Administration and Development Administration
3.3 Significance of Development Administration
3.4 Answers to Check Your Progress Questions
3.5 Summary
3.6 Key Words
3.7 Self Assessment Questions and Exercises
3.8 Further Readings

3.0 INTRODUCTION

Development Administration is a branch of Public Administration that deals with a wide array of activities and responsibilities for the overall administration in the country. It is concerned with the utilization and allocation of resources as per the formulated plans for carrying out development activities. A number of approaches have been formulated for development administration over time such as initial approaches and modern approaches, the former of which includes economic approach, diffusion approach and psychosomatic approach. This unit focuses on the dimensions, aspects and approaches of development administration.

3.1 OBJECTIVES

After going through this unit, you will be able to:

- Analyze the approaches of Development Administration
- Discuss the significance of Development Administration

3.2 PUBLIC ADMINISTRATION AND DEVELOPMENT ADMINISTRATION

If we look into public administration, we find that it is the study of various activities carried out by the government. It is nothing but the administration of the government. It is mainly concerned with maintenance of law and order, collecting revenue and

application of rules and procedures. On the other hand, development administration deals with the overall administration of the government. It is much wider in scope. It is involved in utilization of resources and their distribution to a great variety of developmental activities. It is the most recent and the vast branch of public administration. Public administration deals with POSDCORB principles, i.e., planning, organizing, staffing, directing, coordinating, reporting and budgeting. Development administration deals with the four P's, i.e., planning, policies, programmes and procedures.

Approaches of development administration

The various approaches of development can be categorized under two major headings, i.e., Initial Approaches and Modern approaches.

1. **Initial approaches:** The scholars who supported the development theory during the era of the 1950s and the 1960s view the term in the western context. They believed that the developing countries and under developing countries had to progress in a western way. The promoters of this approach have confidence that the Western developed societies have attained administrative proficiencies that are transferable to underdeveloped or developing countries. The supporters of this approach were of the view that if the bureaucratic changes can be brought about then the political development will be achieved more easily. If such a change is accomplished, then the political and economic development can proceed more rapidly. According to them, the indicator for the development is Gross National Product through which the development of the Third World countries can be measured. The following approaches fall under this ambit:

   - **Economic approach:** According to this approach, the underdeveloped countries should save more and invest it as a capital. Economic progress is possible only through the process of industrialization. The promoters of this approach are Keynes, J.S. Mill and Adam Smith, among others.

   - **Diffusion approach:** According to this approach, the third world countries tried to embrace capital, technology and social structure from westernized countries. Hence, development is explained in terms of diffusion. It was propounded by R.S. Edari and E. M. Rogers. In the work, Diffusion of Innovations', Rogers defines diffusion as the process by which an innovation is communicated through certain channels over time among the members of a social system. He also emphasized industrialization for development.

   - **Psychosomatic approach:** This approach laid emphasis on individual personality mannerisms like accomplishment-enthusiasm and change orientation. The chief exponents of this theory are David McClelland, Everett Hagen and Inkeles. Hence, this approach emphasizes governmental reforms in administrative structural arrangements, personnel

management, administrative organization and tax and revenue collection.

2. **Modern approaches**: During the 1970s and 1980s, the development theorists laid emphasis on context-based approaches to development. There is no single concrete theory of development.

It looks into the following features:

- Widespread involvement, information sharing

- Independence and objectivity in development

- Restrictive growth of population

- Greater equality in dissemination of development aids

Check Your Progress

1. What is public administration mainly concerned with?

2. What are the four P's that development administration deals with?

3. Name the promoters of economic approach of development administration.

3.3 SIGNIFICANCE OF DEVELOPMENT ADMINISTRATION

There are two schools of thought that basically deal with the scope of development administration.

These are as follows:

(i) Narrow view of development: This basically deals with the programme-oriented approach given by Fainsod and John Montgomery; and

(ii) Broader view of development: This deals with the action-oriented approach given by Lucian Pye, Riggs and Edward Weidner.

With regard to the first approach, Merile Fainsod observes that development administration is a carrier of innovating values. It embraces the array of new functions assumed by developing countries embarking upon the path of modernization and industrialization. It ordinarily involves the establishment of machinery of planning, economic growth and mobilizing and allocating resources to expand national income. John Montgomery said that: Development administration is one which carries out planned change in the economy, in agriculture, industry or the capital infrastructure supporting either of these and to a lesser extent in the social services of the state, especially education and public health.

The scholars who stood for the action-oriented approach are Lucian Pye, Riggs and Weidner. According to Edward Weidner, Development administration is directly concerned with goal oriented tasks and emphasizes on nation building and socio-economic progress. According to Fred Riggs, Development

Administration is characterized by both administrative problems and governmental reform. The problem relates to governmental tasks connected with agricultural, industrial, educational and medical progress.

By taking into account the functional approach, Merla Fair Soul, an eminent scholar, has explicated the notion of development administration. This administration clasps the new range of functions assumed by developing countries boarding on the path of modernization and industrialization. It encompasses the establishment of apparatus for planning economic growth and mobilizing and distributing resources to increase the national income.

Thus, modernization, industrialization and institution building for planned economic growth and development create some vital dimensions of development administration.

The notion of development has two essential facets. First, it looks into the process through which a public administration system guides socio-economic and political change in the social order, it measures the growth in the administrative capabilities; second, it studies the crescendos of alteration within the administrative system, i.e., to administer as a mechanism of national development. The former refers to the administration of development, while the second is related to administration development.

Development of administration or administrative development: The administrative capabilities are vital elements for effective and responsive administration. Administrative development denotes the enhancement, growth and formation of administrative capability. It presumes administration to hold aptitude to regulate new stimuli or transform by referring to compliance, self-sufficiency and consistency in administrative maneuvers. The development of administration is conceivable through the following ways:

- The outlook and values of the bureaucratic employees entrenched in hierarchal authority need to be changed.

- Generalization of rules and procedures in public functioning is an imperative measure.

- Administrative re-organization and rationalization.

- Eliminating or reducing bureaucratic immovability and widespread corruption.

- Forming a strong group of administrators who can offer leadership in thought-provoking and supportive programmes of social and economic enhancement.

Administration of development: In simple terminology, it means managing the growth or development. This is acknowledged with organizational expansions – administration departments, public inventiveness, monitoring agencies and public corporation. The government mechanism is accountable for accomplishing wider socio-economic and political objectives. The utilities of administration of development are as follows:

- Equal pay for equal work
- Participation of workers in the management of undertakings, organization in any industry
- Deconcentration of wealth and means of production
- Right to work, to education and to public support in cases of unemployment, old age, sickness
- Justifiable distribution of material resources to subserve the common good
- Effective and effectual use of scarce resources
- Emphasis on social development and human capital as a major resource.
- Emphasis on development at the grass root level.

The above concept can be better understood with the help of Figure 3.1.
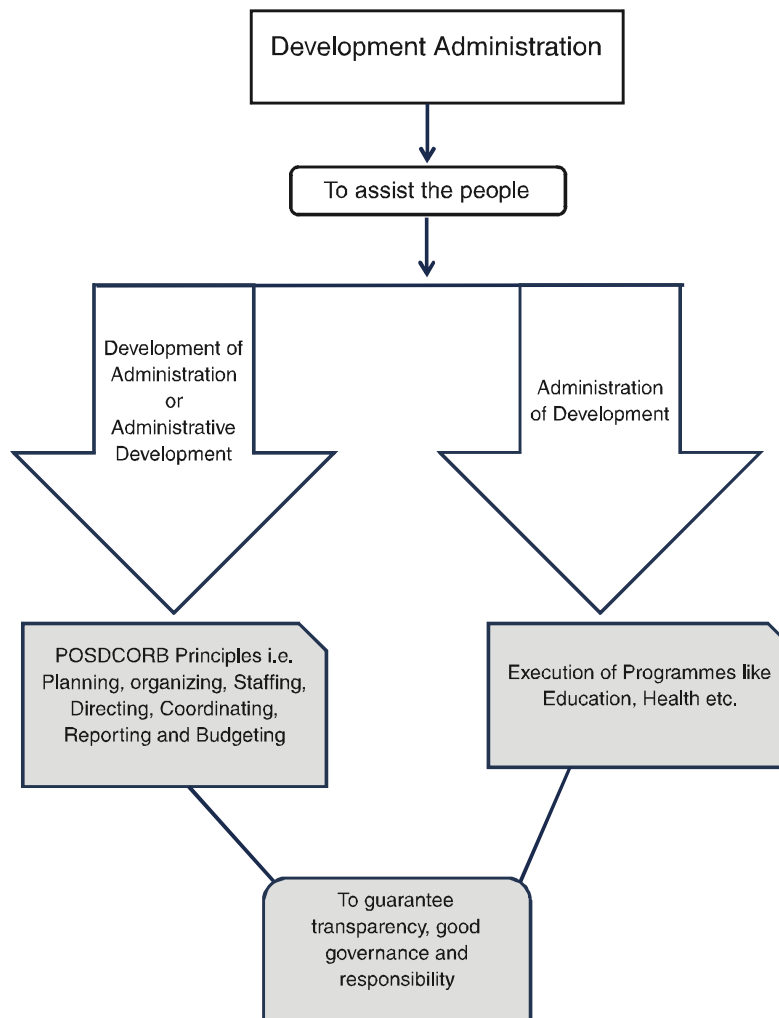
Fig. 3.1 *Scope of Development Administration and Administration of Development*

The major scope of development administration is as follows:

(i) It is related with the democracy and development. It plans its policies of development for the upliftment of a country's economic, political and social situation.

(ii) The role of the government has been expanding. In order to meet the high expectations of the people, the government is working in joint collaboration with privatized companies and in partnership with NGOs for development.

(iii) In the case of India, one comes across the Five-Year Plan that was undertaken by the Government after its Independence. The plan was basically adopted to improvise the economic development and to achieve the targets in time. The Five-Year Plan was based on the socialistic pattern of society. In order to achieve this, reservation in jobs was introduced which helps bridging the gap between rich and poor. Panchayats have been vested with power and authority for democratic decentralization.

(iv) For effective implementation of development plans, it is vital to carry out the effective research activities. It reveals the ways and procedures as to how to carry out the developmental activities effectively.

(v) The crucial responsibilities of development administration are as follows:

- To arrange for skilled personnel at each level
- To organize training
- Make actual use of proficient managers and bureaucrats
- Embrace enhanced devices of planning and management.

Check Your Progress

4. List two ways through which development administration is conceivable.

5. What does administration of development mean? How is it acknowledged?

6. Why was the Five-Year Plan adopted?

3.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Public Administration is mainly concerned with maintenance of law and order, collecting revenue and application of rules and procedures.

2. Development administration deals with the four P's, i.e., planning, policies, programmes and procedures.

3. The promoters of the economic approach are Keynes, J.S. Mill and Adam Smith, among others.

4. The development of administration is conceivable through the following ways:

   - The outlook and values of the bureaucratic employees entrenched in hierarchal authority need to be changed.

   - Generalization of rules and procedures in public functioning is an imperative measure.

5. In simple terminology, administration of development means managing the growth or development. This is acknowledged with organizational expansions –administration departments, public inventiveness, monitoring agencies and public corporation.

6. The plan was basically adopted to improvise the economic development and to achieve the targets in time.

3.5 SUMMARY

- If we look into public administration, we find that it is the study of various activities carried out by the government. It is nothing but the administration of the government. It is mainly concerned with maintenance of law and order, collecting revenue and application of rules and procedures.

- Public administration deals with POSDCORB principles, i.e., planning, organizing, staffing, directing, coordinating, reporting and budgeting.

- The scholars who supported the development theory during the era of the 1950s and the 1960s, view the term in the western context. They believed that the developing countries and under developing countries had to progress in a western way.

- According to the diffusion approach, the third world countries tried to embrace capital, technology and social structure from westernized countries. Hence, development is explained in terms of diffusion. It was propounded by R.S. Edari and E. M. Rogers.

- Psychosomatic approach laid emphasis on individual personality mannerisms like accomplishment-enthusiasm and change orientation. The chief exponents of this theory are David McClelland, Everett Hagen and Inkeles.

- The narrow view of development basically deals with the programme-oriented approach given by Fainsod and John Montgomery.

- According to Edward Weidner, Development administration is directly concerned with goal oriented tasks and emphasizes on nation building and socio-economic progress. According to Fred Riggs, Development Administration is characterized by both administrative problems and governmental reform.

- The administrative capabilities are vital elements for effective and responsive administration. Administrative development denotes the enhancement, growth and formation of administrative capability.

- In simple terminology, administration of development means managing the growth or development. This is acknowledged with organizational expansions –administration departments, public inventiveness, monitoring agencies and public corporation.

- For effective implementation of development plans, it is vital to carry out the effective research activities. It reveals the ways and procedures as to how to carry out the developmental activities effectively.

3.6 KEY WORDS

- **Public Administration:** It is the implementation of government policy and also an academic discipline that studies this implementation and prepares civil employees for working in the public service.

- **Decentralization:** It is the process by which the activities of an organization, particularly those regarding planning and decision making, are distributed or delegated away from a central, authoritative location or group.

3.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What does public administration deal with?
2. Write a short note on the economic approach of development administration.
3. How does E.M. Rogers define diffusion?
4. What are the two essential facets of the notion of development?
5. State the crucial responsibilities of development administration.

Long-Answer Questions

1. Discuss initial approaches of development administration.
2. Elaborate upon the main features of the programme-oriented approach.
3. Examine the utilities of administration of development.

3.8 FURTHER READINGS

Goel, S.L. 2009. *Development Administration: Potentialities and Prospects.* New Delhi: Sujanya Book Publishers.

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BLOCK - II
BUREAUCRACY AND DEVELOPMENT

UNIT 4   VIEWS OF FRED W. RIGGS ON DEVELOPMENT ADMINISTRATION

Structure

4.0 Introduction
4.1 Objectives
4.2 Views of Fred W. Riggs on Development Administration
     4.2.1 Critical Analysis
4.3 Answers to Check Your Progress Questions
4.4 Summary
4.5 Key Words
4.6 Self Assessment Questions and Exercises
4.7 Further Readings

4.0   INTRODUCTION

Fred W. Riggs was an eminent political scientist accredited with the conception of the Riggsian Model of society. According to this model, societies progress from a situation where there is no differentiation in administrative functions to a scenario where the functions come to be differentiated and diffused to a high degree. The three main characteristics of a prismatic society are heterogeneity, overlapping and formalism. This unit provides an analysis of Riggs' views and models on development administration.

4.1   OBJECTIVES

After going through this unit, you will be able to:

- Discuss Fred W. Riggs' views on Development Administration

- Analyze Riggs' 'Prismatic Model' of society

- Examine Riggs' concept of Diffraction

4.2 VIEWS OF FRED W. RIGGS ON DEVELOPMENT ADMINISTRATION

In recent times, we saw that development administration is a new facet of public administration. It is a vibrant notion which brings about political, cultural, social and economic changes in society. Edward Weidner is a notable protagonist of development administration. His writings include *Development Administration: A New Focus for Research, Theory of Development Administration, The Elements of Development Administration; Development Administration in Asia*, etc.

Edward Weidner: According to Weidner, the former administrative theories have lots of loopholes and problems. Too much of emphasis was given to the means of administration and the goals to achieve the desired results were underemphasized. According to Weidner, Public Administration has glorified the means and forgotten ends. Good administration and good human relations have become ends in themselves, quiet apart from the achievement of other values that may or may not facilitate. Weidner had introduced the concept of goal-oriented development administration which was not there in the earlier administrative theories. For him, the process of development should be towards nation building and for socio-economic progress. He rightly points out that development is never complete; it is relative, more or less of it being possible. According to him, in order to achieve the development objectives, development administration should distinctively concentrate on administrative enquiry. This is necessary to comprehend the managerial roles, practices and managerial arrangements. The main emphasis of development administration is the focus on administrative rudiments for attaining public policy aims and objectives and recognizing conditions under which the maximum level of development can be achieved.

He has observed development administration in government as 'the process of planned or intended change in the direction of modernity or nation building and socio-economic change.

Fred W. Riggs: One of the eminent scholars of the subject, comparative public administration, Fred W. Riggs, has made a qualitative contribution in the arena of development administration. His works include *Frontiers of Development Administration, The Idea of Development Administration* and *Administration in Developing Countries*. According to Riggs, 'development' can be seen as a procedure of accumulative autonomy of social structures made possible by an increasing level of diffraction. He was of the view that such autonomy demonstrates itself in the form of augmented ability of human societies to contour their cultural, social and physical settings. He has offered an ecological view of development. Riggs has reflected differentiation and integration as two significant components in the process of development. According to him, a high level of differentiation

combined with a high level of integration creates a diffracted society. A low level of differentiation with an equivalent level of integration creates a prismatic society. Hence, diffraction leads to development.

The higher the level of differentiation and integration, the greater the level of development and the lesser their level, minor is their development. For the study and inquiry of transitional societies, Riggs developed an archetypal, i.e., 'prismatic society'. He referred to a popular approach known as structural-functionalism. It is common knowledge that whatever type of society we may take as an example, they all perform certain functions, be it of settling disputes or making rules and procedures or doing welfare functions for its residents. The organizations by which the functions are consummate differ massively from society to society. Western countries, by contrast, maintain a massive number of structures with very precise functions. The procedure of transformation, from this perception, encompasses amassed structural differentiation.

For administration in developing countries, Riggs presented the idea of 'prismatic society' to elucidate the distinctive circumstances and the undercurrents of politics and administration in developing countries.

Riggs presented his 'prismatic model' based on the allegory of a prism. This term is used in physics where the light is seen in the form of diffracted beams. When white light passes through a prism it is diffracted into diverse colours, i.e., it forms a rainbow. Similarly, Riggs says that in the progression of development, societies travel from a fused genre in which slight or no differentiation exists to a diffracted situation in which there is an elevated degree of functional specialization. If we look into the administrative terms, we will find that there is a drastic change from a situation in which a few organizations execute diverse functions, as it happens in underdeveloped countries, to one in which numerous specific organizations execute specific functions, as in developed countries of the West. The concept can be better understood with the help of a diagram (refer Figure 4.1).

FUSED   PRISMATIC   DIFFRACTED
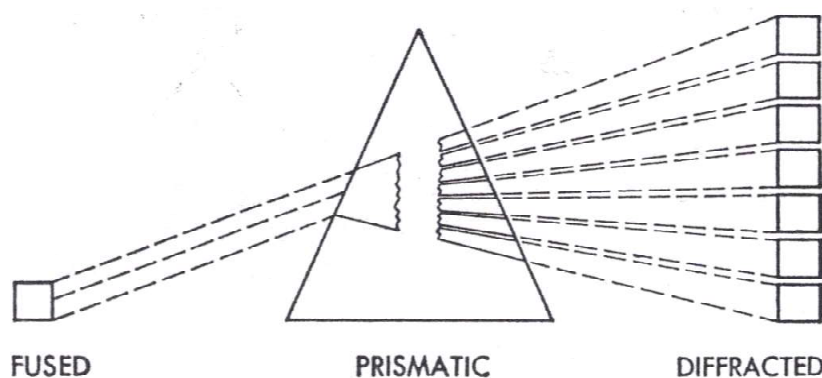
The Prismatic Model: Conceptualizing Transitional Societies

Fig. 4.1 *The Prismatic Model of Riggs*

For Riggs, the prismatic model was not a temporary state of shift between traditional agriculture and modern industrialization. It established a distinct model in its own right, a third kind with its own procedures and ethos. According to Riggs, the prismatic situation was neither traditional nor modern, but it contained novel elements generated by the juxtaposition of old and new social structures. Riggs was of the view that in order to comprehend public administration in a prismatic society, one had to apprehend the specific features of that situation.

The three main characteristics of the model of 'prismatic society' are as follows:

- Heterogeneity denotes the co-existence and blend of both contemporary and traditional structures. Here the contemporary notions are super levied upon the outmoded one.

- Overlapping refers to those two sorts of structures executing alike functions. The administrative structures are intermixed with the socio-economic, cultural and political aspects of society.

- Formalism refers to a gap between prearranged rules and procedures and actual practice. Hence, the existence of discrepancy between the formally prescribed norms and their practice is known as formalism. Hence, there is a wide gap between administrative plans and their execution. It intensifies to administrative ills like rigid official procedure, inefficiency and bribery.

Riggs defined development as a process of increasing autonomy of social systems, made possible by rising level of diffraction. He deliberated differentiation and integration as two significant ideas in the procedure of development. Riggs has made the biggest contribution in popularizing comparative administration movement at the global level. However, he stresses on the necessity for development management and international comparisons for enhanced public administration.

While Edward Weidner explored development administration as an action-oriented, goal-oriented administrative system with societal change as the crux of development, Riggs considered development administration with regard to both administrative problems as well as governmental reforms. As Riggs observed: Administration cannot normally be improved very much without changes in the environmental constraints (the infrastructure) that hamper its effectiveness and the environment itself cannot be changed unless the administration of development programme is strengthened.

4.2.1 Critical Analysis

F.W. Riggs has been primarily interested in conceptualizing the interactions between administrative systems and their environment. He maintains that an administrative system operates in the context of its socio-cultural, political and economic environment, and there is a continuous interaction between the environment and the administrative system, both influencing mutually.

This ecological model is the focal point of Riggsian analysis and has been one of the most creative models in analyzing the administration of developing countries. In presenting his concepts; he has taken the help of structural functional systems, and ecological approaches. The structural functional approach considers structures as patterns of behaviour which have become standard features of a social system. Functions represent the interrelationships among various structures or the consequences of one structure over other structures. In Riggsian terms— the less number of functions a structure performs, the more *diffracted* it is, and conversely, the more functions a structure performs, the more *fused* it is. A combination of both creates *prismatic* structures.

A **social system** is a vast network of interrelated parts, each one of which can be understood in relation to other parts and to the whole system. Accordingly, Riggs suggested that administrative structure and behaviour being integral and interacting parts of the entire society, could be comprehended properly only in the context of the social system in which it is embedded. The environment influences the system in the form of *inputs* which are converted into *outputs* by the system. Through a process of feedback, outputs cause the emergence of new inputs. The interaction between a system and its environment is characterized as an *ecological* interaction.

Using the ecological approach, Riggs considers public bureaucracies as one of the several basic institutions in a society that interact with other sub-systems in a society, viz., the political, the economic, the social and cultural systems. Riggs has particularly studied the differences in social, cultural, historical or political environment and their effect on administration. He has also studied as to how an administrative system affects the society of which it is a part. This interaction of the environment with administration has been termed by him as *ecology* of administration.

Development, according to Riggs, is a process of increasing autonomy (discretion) of social systems, made possible by rising levels of diffraction. The development level of a society is reflected in its ability to make decisions in order to control its environment. This decision-making capability is based on the level of diffraction in a society. Diffraction in turn, is a function of differentiation and integration. A high level of differentiation coupled with a high level of integration makes a society or a system diffracted. However, a low level of differentiation with corresponding level of integration makes a system *fused*. Lastly, a high level of differentiation with a low level of integration makes a society prismatic.

Riggs views development administration as a goal-oriented administration; an administration which is engaged in the task of achieving progressive political, economic and social goals. In this context, Riggs has presented the concept of *administrative development* which refers to the increase in the capabilities of an administrative system to achieve the prescribed goals. Riggs has been primarily interested in social change and in understanding the process of transition in

developing societies. Here, a reference will be made to two of his typologies, first, the *agraria-industria* typology and second, the *fused-prismatic diffracted* typology. In the first model, Riggs differentiated two types of societies: (i) societies where agricultural institutions dominated, and (ii) societies where industrial institutions were predominant.

Riggs has identified certain structural features of agrarian societies, as follows:

- There is a dominance of a descriptive, particular and diffuse patterns.
- The local groups are stable and there is very limited spatial mobility.
- Occupational differences are very simple and stable.
- There exists a differential stratification system of diffuse impact.

The chief features of an industrial society are the following:

- There is a dominance of universal, specific and achievement norms.
- The degree of social mobility is higher.
- Occupational system is well developed and cut off from other social structures.
- There is an egalitarian class system based on generalized patterns of occupational achievement.
- Associations are functionally specific and non-descriptive in nature. The transitional society represents a transitional stage of society between the agrarian and the industrial.

On the basis of empirical research, Riggs later came out with his second model which constructs two ideal polar types:

(i) A refracted society, where every function has a corresponding structure that specializes in its performance.

(ii) A fused society which a single structure performs all functions.

For example, in developed societies, the family performs certain social functions, the market performs the economic functions and the legislature and political parties perform political functions. In traditional societies, it is not unusual to see few structures such as a family or a leader performing a whole set of functions like rule-making, rule adjudication, economical location, and even health administration. As society grows and develops, specialized structures increase in number, each one of which becomes engaged in specific functions. So, differentiation structures are often viewed as the essence of development.

Riggs talked of the *prismatic society* as a mid-point between the two ideal types, combining the features of both, fused and refracted, that are characterized by heterogeneity (the simultaneous presence of quite different kinds of systems, practices and viewpoints); formalism (the extent to which discrepancy exists between formal structures and actual modalities, between the prescriptive and the descriptive, between impressions and real practices); and overlapping (the extent

to which what is described as administrative behaviour is actually determined by non-administrative criteria).

In a prismatic society, pressure for change is external as well as internal, when it is external, it is termed *exogenous* and when internal, it is termed *endogenous*. Riggs is of the view that greater formalism, heterogeneity and overlapping are likely to exist in an *exo-prismatic* society in comparison with an *endoprismatic* one. Problems of formalism, heterogeneity and overlapping are faced by prismatic or transitional societies in their bid to assimilate social change in the shortest possible time.

The Riggsian approach tries to provide an integrated perspective on public administration in so far as he maintains that an administrative system operates in the context of its socio-cultural, political and economic environment and that the process of interaction between the environment and the administrative system is a continuous one. Both interact with and influence each other. He makes it very clear that, administration is different in different social settings. He thereby focuses on the obvious nexus between the administrative system and the society in which it is embedded. Riggs has since changed his original views about the prismatic society. In his later publication entitled *Prismatic Society Revisited* (1975), he considers his earlier conceptualization as a mistaken *one-dimensional approach* and suggests a new definition of prismatic society based on a *two-dimensional approach*.

The original dimension was degree of differentiation, and along this dimension societies were classified into three types: (i) fused, (ii) prismatic and (iii) diffracted. In his new formulation, Riggs has introduced the second dimension of degree of integration among structures in a society that is differentiated (a fused society is, by definition undifferentiated and hence, integrated).

The possibility of mal-integration or lack of coordination among social structures accompanies the process of differentiation. According to Riggs, differentiated social systems can be ranked on a mal-integrated scale. The two basic societal models of diffracted and prismatic (where differentiation can be found) are further subdivided into finer types on the basis of degree of integration. Accordingly, diffracted societies are re-conceptualized as eco-diffracted, ortho-diffracted, and neo-diffracted. Prismatic societies are similarly fine grained into eco-prismatic, ortho-prismatic, and neo-prismatic.

This reformulation means that the prismatic model would include any society that is differentiated but mal-integrated. Also, a diffracted model refers to any society that is differentiated and integrated. Prefixes (eco, ortho, neo) are attached to both the prismatic and diffracted types to suggest stages in the degree of differentiation. The two-dimensional approach, as Riggs claims, has the advantage of conceding that *prismatic* conditions need not be confined to less developed countries only, but may occur in societies at any level of differentiation including those in developed nations.

In the three principal models, the bureaucracies are correspondingly unique. In the *fused* model, traditional bureaucracies were functionally diffuse. Each official typically performed a wide range of functions, affecting political and economic as well as administrative functions. At the other end of the spectrum, the differentiated societies (especially well-integrated ones that are re-conceptualized as neo-diffracted) have bureaucracies that are much more functionally specific as the chief–though by no means the only agents for performing administrative tasks. In the transitional prismatic societies (the ortho-prismatic models), the bureaucracies are neither diffuse nor narrowly specific, but are intermediate as to the degree of functional specialization. They do not blend well with the other institutions within the political system, and thus tend to fuel the forces of mal-integration. Prismatic societies, thus, suffer from a serious lack of balance between the rates of political and bureaucratic growth. Due to bureaucratic hegemony, the bureaucrats often encroach upon the jurisdiction of the politician and try deliberately to affect the political process.

While acknowledging the pioneering enterprise of Riggs, it needs to be admitted that the prismatic-sala model has lost its specificity, as Riggs himself has later conceded that it is not meant or exclusive application to the developing countries alone. The Riggsian model suffers from over generalization, as the so-called *developing countries* are not a homogeneous category. Any meaningful conceptualization has got to reckon with the subtle peculiarities of the new nations in terms of their culture, history, administrative tradition, economy and geography.

Check Your Progress

1. Name some works of Edward Weidner.
2. Which concept had Weidner introduced?
3. What did Riggs develop for the study and inquiry of transitional societies?
4. What do 'Functions' represent?
5. List two structural features of agrarian society as given by Riggs.
6. How are diffracted societies re-conceptualized?

4.3 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Some works of Edward Weidner are: *Development Administration: A New Focus for Research, Theory of Development Administration, The Elements of Development Administration; Development Administration in Asia*, etc.

2. Weidner had introduced the concept of goal-oriented development administration.

3. For the study and inquiry of transitional societies, Riggs developed an archetypal, i.e., 'prismatic society'. He referred to a popular approach known as structural-functionalism.

4. 'Functions' represent the interrelationships among various structures or the consequences of one structure over other structures.

5. Riggs has identified certain structural features of agrarian societies, as follows:
   - There is a dominance of descriptive, particular and diffuse patterns.
   - The local groups are stable and there is very limited spatial mobility.

6. Diffracted societies are re-conceptualized as eco-diffracted, ortho-diffracted, and neo-diffracted. Prismatic societies are similarly fine grained into eco-prismatic, ortho-prismatic, and neo-prismatic.

4.4 SUMMARY

- According to Weidner, Public Administration has glorified the means and forgotten ends. Good administration and good human relations have become ends in themselves, quiet apart from the achievement of other values that may or may not facilitate.

- According to Riggs, 'development' can be seen as a procedure of accumulative autonomy of social structures made possible by an increasing level of diffraction. He was of the view that such autonomy demonstrates itself in the form of augmented ability of human societies to contour their cultural, social and physical settings.

- The higher the level of differentiation and integration, the greater the level of development and the lesser their level, minor is their development. For the study and inquiry of transitional societies, Riggs developed an archetypal, i.e., 'prismatic society'.

- Riggs says that in the progression of development, societies travel from a fused genre in which slight or no differentiation exists to a diffracted situation in which there is an elevated degree of functional specialization.

- Overlapping refers to the scenario where contemporary and traditional structures execute alike functions. The administrative structures are intermixed with the socio- economic, cultural and political aspects of society.

- In presenting his concepts; Riggs has taken the help of structural functional systems, and ecological approaches. The structural functional approach considers structures as patterns of behaviour which have become standard features of a social system.

- Using the ecological approach, Riggs considers public bureaucracies as one of the several basic institutions in a society that interact with other sub-

systems in a society, viz., the political, the economic, the social and cultural systems.

- Riggs views development administration as a goal-oriented administration; an administration which is engaged in the task of achieving progressive political, economic and social goals.

- As society grows and develops, specialized structures increase in number, each one of which becomes engaged in specific functions. So, differentiation structures are often viewed as the essence of development.

- In a prismatic society, pressure for change is external as well as internal, when it is external, it is termed *exogenous* and when internal, it is termed *endogenous*. Riggs is of the view that greater formalism, heterogeneity and overlapping are likely to exist in an *exo-prismatic* society in comparison with an *endoprismatic* one.

- According to Riggs, differentiated social systems can be ranked on a mal-integrated scale. The two basic societal models of diffracted and prismatic (where differentiation can be found) are further subdivided into finer types on the basis of degree of integration.

- A diffracted model refers to any society that is differentiated and integrated. Prefixes (eco, ortho, neo) are attached to both the prismatic and diffracted types to suggest stages in the degree of differentiation.

- In the transitional prismatic societies (the ortho-prismatic models), the bureaucracies are neither diffuse nor narrowly specific, but are intermediate as to the degree of functional specialization. They do not blend well with the other institutions within the political system, and thus tend to fuel the forces of mal-integration.

- The Riggsian model suffers from over generalization, as the so-called *developing countries* are not a homogeneous category.

4.5   KEY WORDS

- **Theory of Prismatic Society:** It is based on an analogy of a fused white light passing through a prism and emerging diffracted as a series of different colours. In prismatic societies, 'traditional' and 'modern' values and behaviour coexist in the same organization.

- **Diffraction:** It is a function of differentiation and integration. A high level of differentiation coupled with a high level of integration makes a society or a system diffracted.

- **Formalism:** It refers to a gap between prearranged rules and procedures and actual practice. The existence of discrepancy between the formally prescribed norms and their practice is known as formalism.

- **Fused Society:** It is a society where a single structure performs many functions.

4.6 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. Name some works of Fred W. Riggs.

2. What, according to Riggs, do a high level and low level of differentiation create?

3. List the two types of societies differentiated by Riggs in the *agraria-industria* typology.

4. What functions do families, markets and political parties perform in developed societies?

5. Write a short note on the characteristics of a prismatic society.

6. What is the advantage of Riggs' two-dimensional approach?

Long-Answer Questions

1. Describe Riggs' 'prismatic model' of society**.**

2. Discuss the three main characteristics of the model of 'prismatic society'

3. Analyze the chief features of an agrarian society as given by Riggs.

4. Explain the types of bureaucracies in fused, differentiated and prismatic societies.

4.7 FURTHER READINGS

Goel, S.L. 2009. *Development Administration: Potentialities and Prospects.* New Delhi: Sujanya Book Publishers.

Bhatnagar, S. And S.L.Goel. 2009. *Development Planning and Administration.* New Delhi: Sajanya Book Publishers.

Sapru, R.K. 2008. *Development Administration.* New Delhi: Sterling Publishers Pvt. Ltd.

Sharma, Suresh Kumar. 1971. *Development Administration in India: Theory and Practice.* Michigan: International Book Company.

UNIT 5   INDIAN BUREAUCRACY AND DEVELOPMENT

Structure

5.0   INTRODUCTION

In this unit, you will learn in detail about bureaucracy and development. You will learn how urgency of development has brought about a change in the role of the District Collector, Block Development Officers and other important officials.

Bureaucracy and development have been significantly discussed in the field of public administration. There has been a discussion on whether bureaucracy, characterized by economic values of the West, could be seen as suitable for the administration in developing nations or not. William Delany and Joseph La Palombura have categorically specified that the Weberian model of bureaucracy could not be useful for developing traditional societies.

It has been observed that bureaucracy is the arrangement of the State through which the implementation of policies is carried out and whose functioning is based on the principle of standardization and codification. Development, on the other hand, is a concept based on the values of dynamism. Developing nations were encouraged to carry out more development-related programmes so that economic activities in the nation can be enhanced and people in the country can be blessed with improved per capita income and better standards of living. In order to pursue the objectives of development, it was necessary to have a well-organized machinery. Bureaucracy was seen as the only organized institution for a developing nation.

5.1 OBJECTIVES

After going through this unit, you will be able to:

- Define the term Bureaucracy
- Analyze the meaning of Bureaucracy as given by different authors
- Examine the position of the District Collector
- Describe the changing role of the Block Development Officer
- Discuss the functioning of other Development Officials at district and block levels

5.2 AN OVERVIEW OF BUREAUCRACY AND DEVELOPMENT

The term 'bureaucracy' refers to a multifarious, specialized organization which consists of non-elected, highly-skilled professional administrators and clerks employed on a full-time basis to implement administrative services and tasks efficiently. Further, this is subdivided into specialized departments or ministries in the bureaucratic organizations, each of which is assigned responsibilities for pursuing various official goals and policies established by the government – those falling within a single relatively narrow functional domain. The departments or ministries are broken up into divisions that are each designated more specialized work for accomplishing certain portions or aspects of the department's overall assignments, and these divisions are, in turn, composed of several agencies or bureaus with even more minutely specialized functions and many a times, their own subdivisions. Such is the hierarchical functionality of these organizations.

According to Prof. Merle Fainsod, improvements in the effectiveness of development administration depends on the quality and training of public servants who man it and on a social and political environment which liberates their energies. Structural adjustments can work no developmental miracles where administrative manpower is inadequate or the ill to develop is lacking. The secret of development is not concealed in the interstices of governmental or administrative structures. Development takes place where skill is supported by commitment and the human material resources exist to translate dreams into actualities.

Bureaucracy refers to the rational-legal authority. It runs the governmental machinery with professional skills, discipline, precision and reliability. It is a mechanism for achieving the goal laid down by those who control it. Sociologist Max Weber, in his 1922 book *Economics and Society*, initiated the classic social scientific analysis of bureaucracy. Weber, like the good German he was, mentioned in his book the belief that 'a permanent, well-educated, conscientious, "non-partisan", Prussian-style bureaucracy professionally committed to implementing

whatever decisions the legitimate rulers of the state might arrive at was the best organizational form yet discovered for the rational and efficient pursuit of collective social goals in a modern society with a specialized and highly complex division of labour.'

According to Weber, the organizations characterized by specialization of tasks, employment by merit, provision of career prospects for members and impersonal organizational climate is bureaucracy.

Bureaucratic methods also have their dark side, despite having a number of advantages for efficiently and effectively handling routine, recurring troubles in a fairly stable and foreseeable environment. Largely hired and promoted on the basis of educational qualifications and safeguarded by civil service personnel practices formed to provide a high degree of job security, bureaucratic officials often tend to be protected from accountability for the external consequences of their decisions as long as they are formally within the fixed rules or procedures of the organization.

Sociologists such as Robert K. Merton and Michel Crozier have shown that there is pressure on officials for stringent conformation to stated rules and procedures. The personal gains such as salary and promotion prospects of the officials employed in large bureaucracies almost do not depend upon major success or efficiency by the organization in achieving higher goals. As any deviation from the established routine always asks for permission from remote higher authorities of the hierarchy, bureaucratic organizations tend to be unproductive and cumbersome in making important policy decisions. They are quite inefficient in designing a mechanism which recognizes and responds to the consequences of major changes in economic, social and technological policies and situations outside the organization. In other words, individual officials working under bureaucratic reinforcing systems always find it easy and convenient to adhere rigidly to and follow internal rules and procedures in a ceremonial fashion. They inherently behave as if proper procedures are above the larger goals for satiating the needs of their clients or the general public they are supposedly designated to accomplish (The 'Red Tape' phenomenon).

Therefore, in the modern world, bureaucracy is the dominant form of organization. It satisfies the needs of the society. Bureaucracy has become a part and parcel of the public life. It is an indispensable machinery for the implementation and execution of policies, programmes and governmental decisions.

5.3   CONCEPT OF BUREAUCRACY

Bureaucracy can be referred to as a group of officials within an institution or a government who draw up rules and regulations to control a number of activities. The group consists of non-elected officials and act as the backbone to the entire framework of the State. Planning is also done only through them. Some of the important definitions of bureaucracy are as follows:

- According to Pfiffner, "Bureaucracy is the systematic organization of tasks and individuals into a pattern which can most effectively achieve the ends of collective efforts."

- According to Herman Finer, "Bureaucracy is a professional body of officials, permanent, paid and skilled."

- According to Louis Coser and Rosenberg, "Bureaucracy may be defined as that type of hierarchical organization which is designed rationally to coordinate the work of many individuals in the pursuit of large scale of administrative tasks."

- Some of the most vital features of bureaucracy are standardized procedure (rule-following), chain of command, formal relationships and division of powers. There are four structural concepts which are central to any definition of bureaucracy. These are as follows:

    (i) A distinct division of administrative labour among people and offices;

    (ii) A personnel system with constant patterns of recruitment and stable careers;

    (iii) A strong hierarchical systems so that the authority and position are differentially dispersed among actors; and

    (iv) Formal and informal linkages that unite organizational actors to one another through different tides of information and patterns of cooperation.

Examples of personnel administration include governments, corporations, hospitals, courts and schools. There are different types of bureaucracies that exist throughout the world, such as:

- Merit bureaucracy: The recruitment is done purely on merit basis. It establishes the hierarchy of officers. Its main aim is "career open to talent".

- Guardian bureaucracy: The conduct of officials is directed towards the welfare of its citizens.

- Caste bureaucracy: The recruitment is on the basis of caste. It is prevalent in oligarchic political system.

- Patronage bureaucracy: Recruitment is based purely on the principle of favouritism.

Origin of the Concept

The word 'bureaucracy' is a derivative of the French word 'bureau', meaning an office — a place where officials worked in the early 18th century. It came into usage shortly after the French Revolution of 1789, and later, widely spread to other countries. This word was coined by Jean Claude Marie Vincent de Gournay. According to him, 'We have an illness in France which bids fair to play havoc with

us; this illness is called bureaumania.' He characterized it as a fourth or fifth form of government. In 1798, the Dictionary of French Academy acknowledged the word in its dictionary and defined it as 'power, influence of the heads and staff of government bureaux'. The word became popular in Gaetano Mosca's writing in the Ruling Class, where he considered bureaucracy as being vital to the governing of great nations. He observed that the political system could be classified as either feudal or bureaucratic. It was, however, Max Weber, who established the modern sociological study of bureaucracy and stressed its indispensability for rational attainment of the objectives of an organization. Thus, bureaucracy is an official organization manifest by a clear hierarchy of authority, the existence of written rules of procedure, having a full-time salaried staff and officials, and endeavouring for the efficient attainment of administrative goals.

Development of Bureaucracy

Bureaucracy is viewed as one of the ancient organizations of government and administration. It is very difficult to time down as to who the first bureaucrat was or where this institution of bureaucracy had emerged. However, looking into the history of Sumer (the first Mesopotamia civilization), we find that their scribes talk about bureaucrats who first arose as professionals in their cities. The Sumerian script was so difficult to decipher that they required the help of trained personnel who could read and write them. These scribes were in total monopoly of the bureaucrats. They were directly responsible to the King.

In the Persian empires, the government with strong bureaucracy had expanded its functions. The Persian Empire was further divided into administrative provinces led by satraps (the governor of an enormous territory with tremendous power in political, civil, judicial and military administration).They were appointed by the king and were given a broad range of authorities, functions and powers. The Persian bureaucracy was gigantic, centralized and professionalized.

Max Weber on Bureaucracy

German sociologist, Max Weber, gave a renowned theory on bureaucracy. He described the ideal type of bureaucracy in a positive connotation. His analysis of bureaucracy is connected with the impact of rule of law upon the functioning of bureaucratic organizations. The following principles display the functioning of a bureaucratic organization:

- Official business is accomplished with strict accordance to work in terms of impersonal criteria.
- Necessary authority is given to the official to carry out his assigned functions.
- Conditions regarding the use of power are strictly defined and the means of coercion at the official's disposal are strictly limited.
- Official business is conducted on a continuous basis.

- With respective rights of supervision and appeal, every official's responsibilities and authority are part of a vertical hierarchy of authority.
- Private and official income as well as business are strictly separated.
- Officials are accountable for their use of these resources, but do not own the resources necessary for performance of their assigned functions.
- Offices cannot be appropriated by their incumbents (sold, inherited, etc.).
- Generally written documents are used to carry out official business.
- The work of bureaucratic officers is a full-time occupation and their appointment and job assignment are reliant upon their technical qualifications. Their work is rewarded by salaries and promotions. Officials will be responsible only for the assigned tasks and they should not let their personal judgment interfere with the official duties.

Criticism

- Vertical hierarchy of authority could be disturbed.
- Corruption, political infighting, nepotism and other degenerations can counter the rule of impersonality. Moreover, there is a possibility of creating a system of promotion and recruitment which is based on oligarchy, not meritocracy.
- Officials try to avoid accountability and seek anonymity by avoiding documentation of their procedures (or by creating extreme amounts of confusing and chaotic documents).
- There may be conflicts of competence. Authority could be unclear and used contrary to the spirit of the law.
- It could be insensitive to popular desires and demands.

American Usage

Woodrow Wilson, in his writing as an academician, professed:

Administration in the United States must be at all points sensitive to public opinion. A body of thoroughly trained officials serving during good behaviour we must have in any case: that is a plain business necessity. But the apprehension that such a body will be anything un-American clears away the moment it is asked. What is to constitute good behaviour? For that question obviously carries its own answer on its face. Steady, hearty allegiance to the policy of the government they serve will constitute good behaviour. That policy will have no taint of officialism about it. It will not be the creation of permanent officials, but of statesmen whose responsibility to public opinion will be direct and inevitable. Bureaucracy can exist only where the whole service of the state is removed from the common political life of the people, its chiefs as well as its rank and file. Its motives, its objects, its policy, its standards, must be bureaucratic.

According to Webster's New World Dictionary of the American Language, 'bureaucracy is governmental officialism or inflexible routine'. Roget's Thesaurus gives equally demeaning synonyms for bureaucracy: 'officialism', 'officiousness' and 'red tape'.

Check Your Progress

1. Give Pfiffner's definition of bureaucracy.

2. What are the different types of bureaucracies that exist throughout the world?

3. From which word is 'bureaucracy' derived?

5.4 HISTORICAL BACKGROUND OF INDIAN BUREAUCRACY

Public administration is as old as civilization itself. Since ancient times, monarchy is using the public administrative form of government. The history of Indian system of administration commenced from the Vedic times and accordingly continued up to AD 1000 AD, till the establishment of the Mughal Empire. In the history of the development of Indian administration, numerous administrative organizations rose and fell, but its two specialists continue till the present time. From this, we can say that the present administrative system is developed from the old one. In other words, we can say that modern public administration is established on the fundamental pillars of the old public administrative system. We can catch glimpses of the old administrative system in the Mahabharat, Ramayana and Manusmriti, to name a few.

In ancient India, the power of controlling the State was in the hands of the King, but in Vedic times, the King was aided by numerous officers. As observed by the famous historian Beni Prasad, the King was assisted by his friends and principal officers. The Empire was divided into provinces, and the provinces were further divided into districts. The districts were then divided into departments of urban and rural development. In Vedic times, the number of such departments was limited, but later, the same department was extended and their jurisdiction was also evident in different departments. There was great emphasis on observation and inspection. Some of the principal departments during that time were the Place Department, Army Department, Department of External Affairs, Revenue Department as well as the Department of Treasury, Industry, Commerce and Justice.

In Ancient India, there were different ranks and positions among government officers. In the Mauryan Dynasty, there were three classes of such officers, namely, City Officers, Military Officers and Village Officers. They were controlled by the Advisor or Minister. At that time, members of the exclusive groups were given special privileges. The King, the prime minister and the purohit formed a committee

which is similar to the modern day public service commission. With reference to the olden times, the Indian administration may be studied under different heads, such as Ancient Indian Administration, Rajput Period Administration, Sultanate Period Administration, Mughal Period Administration, British Period Administration and Administration after Independence.

Ancient Indian Administration

During ancient times, there were various forms of government in different periods. In the Indus Valley Civilization, there were planned roads and drainage system in the cities. There was also a municipal government which looked after people's requirements and laid down a methodical procedure for the cities.

Rig Veda

The Indus Valley Civilization was succeeded by the Vedic period. The preliminary part of this period belongs to the Rig Vedic period which was followed by the post Vedic period. In the Rig Vedic period, administration units were referred to as 'Kul', 'Gram', 'Vish' and 'Nation'. 'Gram', or the village, consisted of the neighbouring households. In the administrative system of the Rig Vedic period, the smallest unit and the most basic entity was the family.

Post Vedic Period

This period witnessed the upsurge of influential and prevailing kingdom. There was an ordinary escalation in the number of officers aiding the King in his administration. The King took administrative advice from the council of ministers. The chief was known as the 'Mukhyamatya'. For administrative purposes, numerous departments, like the finance and defense departments, were created.

Period of the Epics

Ramayana and Mahabharat are very old epics of our country. In the Ramayana period, there was a system of monarchy. Administration was adequately advanced. As a consequence, the people were prosperous and happy. At the apex of the administration was the king. There used to be ministers and councillors to advise him regarding the management of the state and government. The foremost purpose of the state was to fulfil its duties, encourage morality as well as increase opulence and contentment of the people.

Buddha Period

A reading of Buddhist literature depicts the advent of Gautam Buddha, and during his lifetime, shows the existence of 'Mahajanpadas'. During the period of the Buddha, numerous republics were established. However, it is important to note that along with these republics, there were four big kingdoms, namely, 'Magadha', 'Avanti', 'Vats' and 'Kaushal'.

Saptanga Theory

Kautilya considered the state as crucial and in its absence, total anarchy would prevail. The only law known during that time was survival of the fittest or 'Matsya Nayaya', in which the smaller fish was swallowed up by the bigger ones. He did not propound any logical theory of the state, its origin and end, but he appeared to believe in the social contract theory, according to which, the state came into existence after such a contract between the King and the people. Moreover, he considered the state a result of human nature and its necessity. Therefore, it was natural and advantageous. The offices of the prime minister or purohit did not come under the seven structures. They were distinct and independent. The seven structures gave stability to the state and were responsible for its survival and existence.

The Rajput Period Administration

The predominant form of the government during this period was monarchical, and to help the King, there used to be a council of ministers. The state was divided into smaller units, the biggest of which was 'Prant'. It should be noted that during this period, the popular control over the government had decreased and their importance was reduced as the system of government during this period was based on that of the Gupta period. However, the old institution has lost its importance.

Sultanate Period Administration

The Sultanate administration was basically military and its rulers were self-willed despots. However, as no one can administer the state alone, the Sultanate rulers also needed assistance and advice. Therefore, from the beginning, the Sultanate period established systematic administration. He was also accountable for judicial administration. The Sultan took recommendation from his advisors but was not bound to it.

In the beginning, the Turkish administration was completely military-based. The country was divided into regions, each of which was handed over to the principal general. The King, in addition, had to advise him, but there was no deftness in the ministers. The head of these ministers was known as the Wazir, who headed the entire administration. He had his own secretariat and there was a chain of officers to help him. Urban administration was under the guidance of a centralized bureaucracy, but the villagers had some sort of self-rule.

Mughal Period Administration

This period can be described best as the Muslim period. Even though the first Muslim invader, Mahummad Bin Kasim had conquered Sind in the 18th century, the end of the Hindu period is usually placed at 1000 AD. The period can be subdivided into the Sultanate period, beginning with the defeat of the Chauhan King, Prithvi Raj, at the hand of the Mohammad Ghor in 1192. It was the Ghori provincial governor, Qutubuddin Aibak, who ascended the throne in 1206.

We shall now attempt a brief description of the salient feature of the Mughals' rule, governance and administration. This can be done best under certain specific heads—the Mughal emperors as conquers and consolidators, the nature of Islamic rule, the king emperor, nobility, public services and bureaucracy. Thus, Ain-i-Kbari, Tujuk-i-jahangiri, Tarikh–i-Shahjhani and the written accounts of foreigners like Bernier, Thomas Roe and the Hawkins throw enough light on the administration during the Mughal period.

Nature of the Islamic Rule

It is very essential for an understanding of the Muslim rule to keep in mind the nature of Islam. Islam aimed at the realization in practice of a city where only the law of God prevailed. These laws were contained in the Quran, Hadith and Shariat. They recognized the possibility of any change in society.

This explains fundamentalism in Islam which does not believe in compromises. As a consequence, Islam never envisaged a society which was dominated by non-Muslims.

The King Emperor

The King was the head of the Mughal Empire and its administration. As early as 1526, Babur had proclaimed himself as 'Badshah', and his successor followed suit. The term 'Pad' denotes stability and over lordships and the term 'Shah' means ruler. Thus, the Mughal rulers prided themselves on owned allegiance to no one. Such a ruler was the head of both the political state and religion which pervaded almost every field. As such, the emperor was invested with all political and religious authority. He was also the supreme commander of the armed forces. He could amend any law and was vested with ultimate judicial authority. He was also the supreme commander of the armed forces. It is noteworthy that Islam did not recognize such divinity.

The Mughal ruler lived in luxury and his lifestyle was magnificent and prosperous. They enjoyed certain prerogatives which were special rights like sitting on the throne showing every morning to address the people, ordering death penalties, organizing elephant fights as well as lion and tiger hunts, conferment and distribution of titles regarding 'Kubota', issuance of coins in their names and putting the royal seal on government documents. However, the king led a well-regulated life and scheduled life. There were elaborate rules of etiquette to be observed by all who attended the durbars.

Nobility

Two characteristics of the baronial class deserve attention. The class of nobility was a heterogeneous body composed of diverse elements like Turks, Tartars, Persians and Indians. The second feature of nobility was that it was purely official in nature and was not hereditary. The 'Jigar' of the nobility was thus escheated to

be crowned on his death and the titles and endowments could usually be transmitted on hereditary basis. This system had both positive and negative points and it prevented the rise of a class which could challenge the royalty and rise in rebellion against the King.

British Period Administration

The existing system of administration in India can be traced back to the East India Company rule in the country. The company entered the Indian subcontinent as a commercial corporation and it subsequently changed into a state of government with the motive to establish British parliamentary control over the company government. The final liquidation of the company rule in 1858 and the taking over of the government directly by the Crown in Britain are the most interesting parts of constitutional, political and administrative history.

The new constitution, however, came into force on 26 January 1950, a day remembered for the famous resolution on independent for India, passed at the Historic session of the Indian National Congress at Lahore in 1929. The new constitution embodied in its preamble the solemn resolve of the people.

The evolution of civil services in India could be traced back to the times of the Company. The covenanted services under the company were the first organized civil services that worked in the country. The first organized covenanted service under the Company in 1675 had the following hierarchy:

Senior Merchant

↑

Junior Merchant

↑

Factor

↑

Writer

↑
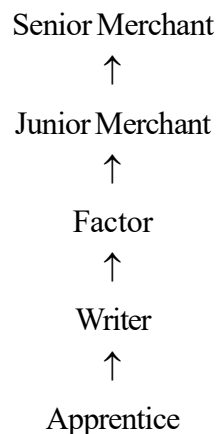
Apprentice

Apprentice was the entry point with first formal position of writer, whereas factor was the factory in-charge. The services under the Company before the Regulating Act of 1773 were organized under the director of courts. This Act was seen as a landmark event that guided the organization of services under the company. The Regulating Act of 1773 clearly provided for a distinction between the services of mercantile and non-mercantile nature. It also provided a distinction between revenue collection functions and adjudication functions. It prohibited the servants of the Company to receive any sort of gifts. It also barred the non-merchant servants of the company from carrying out trade. This Act also gave the Crown the right to recall any servant of the company posted in India back to England.

The Pitts India Act, 1784 provided for filling up of seats in the Governor General's Council by covenanted civil servants. This Act provided an entry age to the covenanted services under the Company for the first time. The Act also provided the need for filling up the vacancies in the presidency from the company's servant working in that presidency only.

The Charter Act of 1833 provided a limited competition for the entry to services under the company. It specifically provided that nobody could be prevented from entering into the service on the basis of race, colour and place of origin if the person had proven his skills. It placed merit as the sole basis for recruitment.

The Macaulay Report of 1854 is seen as highly significant in the shaping of civil services in India. The report provided for the following:

- Recruitment to the services shall be based on merit through an open competitive examination.
- The examination shall be conducted by a Public Service Commission.
- The candidate shall be tested for some real undertaking in the subjects and those with superficial knowledge shall be eliminated.
- There shall be an essential period of probation before the final placement of the person under the company.
- The College at Haileybury was to be abolished.

Administrative System: 1858–1919

The first important result of the enactment of the Government of India Act, 1858 was that the control of the Indian government was transferred from the company to the crown. The secretary of state as a new office was created and many powers were formally exercised by the court of directors and the boards of control. The Act gave power to the secretary of state to superintend, direct and control all acts, operations and concerns relating to the government or revenues of India. He was assisted by a council under the direction of the secretary of state who conducted the business transferred in the United Kingdom in relation to the government of India and its correspondence with India. The secretary of state was given an office called the India Office to enable him to discharge his function well. The expenses incurred due to the establishment of the secretary of state, including his own salary, were charged to the revenue of India.

Centralization

One of the important features of the pre-1858 secretarial system was federal concentration of all authority in the hands of the supervision of India. This feature remained unaffected throughout this period and was statutorily reaffirmed by the Consolidate Act of 1915, which lay in section 45. In financial matters, all powers had been rigorous in the hands of the head general since 1833. The all-preserve authority of the central government was correctly described by the Montague

Chelmsford Report of 1918. About a decade earlier, the transfer charge of 1909 had observed the necessary points to be borne in mind. At present, even in matters primarily assigned to the provisional government, these points act as agents of the Indian regime, who exercise a very thorough and constant check over their dealings. The Indian Council Act of 1909, popularly known as the Morley-Minto Reform, carried the above policy still further.

The Act increased the size of the legislative and parliamentary council. It expanded the Governor General's Council and Legislative Assemblies. However, they still remained merely deliberative bodies.

Local Self-Government

The conglomerate of Madras came into being in 1688, and in 1726, charters setting up similar metropolitan bodies for Calcutta and Bombay were issued. In 1840, the principal of election was introduced to a very limited intent. With regard to the rural character-governmental agency, the prehistoric village system was known to be very popular and efficient, at least in the presidencies of Bombay and Madras. However, during the nineteenth century, notwithstanding the constitutional provision of panchayat as petty courts in Bombay and Madras, they received lacking support from the district authorities. Yet, the government of India Resolution of 1864 admitted that the people of the country are capable of administering their own local affairs. A further step in the bearing of local self-government was taken in 1870 when Mayo government, in their resolution, referred to the necessity of taking further steps to bring local interest and supervision to bear on the management of funds. A New Municipal Act was passed in various provinces between 1871 and 1874. The Act extended the discretionary principle. It would, however, appear that the money motive in this fresh attempt to build up local institution was to relieve the burden on grand finances by leaving local rates.

The Indian Council Act of 1861 provided reservation of the seats in the Governor General's Executive Council. It provided that certain seats in the Governor General's Council shall be filled by covenanted servants of the company in India. The Act provided that it shall be necessary for covenanted servants to learn the regional languages of that place where they were posted under the Company. In 1879, statutory civil services were established in order to ensure increased participation of Indians in the civil services. It provided for 1/5th to 1/6th positions to be filled by Indians in the statutory civil services.

The Aitchison Commission was appointed in 1886 to make recommendations for improving the setup of civil services. It was set up under the chairmanship of Sir Charles Umpherston Aitchison. The Commission made the following recommendations:

- The seats reserved in the Governor General Executive Council were to be reduced.
- The Statutory civil services created in 1879 should be abolished.

- The civil services exams were to be conducted only in London.
- The Commission was in favour of creating a local civil service, called the Provincial Civil Service.
- It set the minimum and maximum age limits for Indians as 19 and 23 years, respectively, in the open civil service examinations.

The Islington Commission (1912–1915) - A royal commission was appointed under Lord Islington, the then Governor General of New Zealand, for providing recommendations through which Indianization of services could be made possible. The Commission made the following recommendations:

For entry into civil services, the following two schemes shall be adopted:

- Recruitment for the superior posts should be made partly in England and partly in India.
- Examinations conducted in England shall be open to all Europeans and Indians.
- Higher positions in the services, at least to the proportion of 1/5th, shall be filled by Indians.
- Every year, the number of Indians recruited in the services shall be increased.

Administrative System: 1919–1937

It has been stated in the previous section that the characteristic features of the organization of the Indian Government prior to 1919 was the centralization of all power and authority in the Governor General's Council. A major change in this feature took place with the passing of the Government of India Act, 1919.

The foreword to the Act states that it is a declared policy of the legislative body to provide for the increasing number of Indians in every branch of Indian administration and for the gradual development of character-governing institutions with a view to progressive realization of responsible supervision in British India as a basic part of the Empire.

There were three concepts on which the new design was based. Firstly, the Central and Provincial sphere be demarcated and distinguished from each other with greater clarity and precision. Secondly, the provinces were measured to be the most suitable unit for opening the research of self-governance.

Thirdly, an attempt was made to give a more valuable voice to the public in conduct of the central government, though no part of responsibility was introduced into this sphere. The Centre became responsible for both policy and advice, and the use of provincial government as an agent in this bubble showed a steady tendency in the direction of diminish. Thus, instead of policy hidden with the Centre and administration with the provinces, large steps were taken towards the situation where the Centre and the provinces were responsible for both policy and government, but in different parts of the field.

The provincial subjects were further divided into transferred and reserved. Some of the important transferred subjects were local self-administration, public health, medical relief, education, public work and excise. The main reserved subjects were administration of justice, police, prison, control of newspaper and finance.

Growth of Local Self-Government

Under the reform of 1919, local self-rule became a provincial and transferred subjected under a responsible Indian minister. All the provincial management displayed great zeal for the growth of local institution and many Acts were passed towards that end. The all-purpose trends of these Acts were practically the same. They aimed at lowering the voting requirement and growing the strength of the designated member to the extent of making it the direct arbiter of policy in local affairs. Laws were passed in every province for growth of the village panchayat. On the whole, the endeavour was to reduce the official control in order to make the local bodies congress of the people and to endow them with adequate rights.

Charges at the Centre

The Scheme of legal reforms was introduced in 1919 and did not extend to the sphere of Indian administration. However, a challenge was made to give a more effective voice to the public in demeanour of the central regime. Thus, the figure of Indians on the Governor General's Executive Council was increased to three. The total number of elements of the council was also increased from 5–6 before 1919 to 8–12 under a new Act. The central governing body was named as the legislative assembly and its political leanings were increased to 140, with as many as 100 elected members. The franchise was also widened in the process. The get together was given more power and part of the budget was made voteable. Lee Commission of 1923—A royal Commission was appointed for superior civil services under Lord Lee of Fareham. The Commission made the following recommendations:

- A threefold classification of civil services shall be made, i.e., All India Services, Central Services and Provincial Services.

- The appointing authority of the officials to All India Services will be the Secretary of State.

- The direct recruitment should be in equal proportion for Indians and Englishmen.

- A Public Service Commission, as proposed in the Government Act of 1919, should be established.

Administrative System: 1937–1947

The two basic concepts underlying the Government of India Act, 1935 were central self-government and All India Confederacies. The simple part of the Act was inaugurated on 1 April 1937, but for numerous reasons, the federal provision could not be introduced at the same time. For one thing, the prescribed least

number of princes had not given their consent to join the confederacy till before the declaration of war in 1939. Another reason was that the federal part of the new constitution evoked serve criticism from all political parties in India, though for different reasons. After the declaration of the war, it was decided that prologue of the federal scheme should be pending during the war period. Even the provincial part of the Act could not be operated for long. In the wake of joint declaration of war by the Viceroy and head general on behalf of India, the Indian National Congress decided to withdraw its cooperation, and by the end of 1939, the Congress ministers complied. This led to the deferment of the constitution in large majority of the provinces and the governor's rule was introduced under section 93.

Provincial Autonomy

The introduction of outmoded autonomy in 1935 was the highlight of the process of pronouncement initiated in 1861. This Act carved out separate fields for the Centre and provinces. In addition, a third general field was created for their parallel command and action. In accordance with this threefold sphere, three break-up lists of subjects were in material form in the Act. Three subject lists, the Union list, the State list, and the Concurrent list, define the legislative powers of each level of government. The Union government reserves the right to make laws in areas specified on the Union list, the state governments are allowed to make laws in areas specified on the State list, and laws in areas listed on the concurrent list may be made at either a state or federal level.

The Act also took a key step in the direction of introduction of the answerable government in the provision. The diarchal structure introduced by the Act proved to be a failure. Therefore, the new Act abolishes the system by putting an end to the division between reserved and transferred subjects.

Under the Act, the exclusive authority of the province was exercised on behalf of the governor. There was no obligation to consult the minister in the former sphere, while in the latter sphere, the governor was not bound to follow the minister's advice even though it may be sought and given. Undoubtedly, this provision put serve constraints on an effective and responsible regime. However, it remains standing that in the years of the working of Congress ministries, the governor chooses to act by and large as the unconstitutional head.

Changes by the Centre

The Act of 1935 had envisaged three vital changes at the Centre. By far, the most momentous change introduced by the new Act was the provision for the company of an all India grouping, which included the British Indian Provinces and the princely state. It would have turned the entire subcontinent into one political, legal and undemocratic entity—a grand theory never before realized in the long history of India.

After Independence, civil services in the country were reorganized to shape them for responding to the challenges of development in independent India. All India services during the British regime have attracted a lot of criticism against them.

Check Your Progress

4. What were the administration units referred to in the Rig Vedic Period?

5. Name the four important kingdoms established during the 'Buddha period'.

6. What are the main features of the Sultanate period administration?

7. In which year was the Aitchison Commission established?

5.5 CHANGING ROLE AND FUNCTIONS OF THE DISTRICT COLLECTOR

The District government in India is a British bequest with the District Collector at its apex as the head. During the British rule, the district as a unit of administration had been drawn as follows:

> 'Apart from extraordinary areas such as the Job towns, every inch of soil in British India forms part of a "District", and at the head of every District there is an office known in some provinces as the Collector and in others as the Deputy Commissioner – who is in the eyes of most of its occupants "the Government".' The co-ordination has some roots in the past. Akbar for instance, sub-divided all Bengal into Sarkars. But until the institution of British rule, there never existed the settled administration, discipline and strong supervision which are needed if single officials are to be placed in charge of areas as large as Indian districts. The scope of his functions has varied from time to time. The conception of his office, as it became established in Bengal after many experiments, and as it was extended throughout British India, is expressed in the following quotation: "It is the Lieutenant-Governor's wish," wrote Sir George Campbell, the Lieutenant governor of Bengal in 1872, "to render the heads of districts no longer the drudges of many departments and masters of none, but in fact the general directing authority over all departments in each district … he has, therefore, striven to make the Magistrate-Collector of a great Bengal district, generally comprising one and a half to two and a half millions of inhabitants, the real executive chief and officer of the tract of county steadfast to him, and supreme over everyone and everything except the proceedings of the Courts of Justice." '

The district as a unit of administration was placed under the charge of a district officer called the 'Collector'. The office of the Collector has been described by the Indian Legal Committee (1930) as follows—'The position of the Collectors in the districts may be swotted from two aspects: the part which they are expected

to play in the organization of their districts, and the status they occupy in the eyes of the people of the Districts.'

The office of the Collector or District Magistrate owes its allegiance to the British rulers who formed an office that could represent the Crown in small provinces. The office was regarded as the eyes and ears of the government. These officers were trustworthy and were never questioned by the government. To support the District Magistrate, the police force, under the command of a Superintendent of Police at the district level, was formally placed under the control of the District Magistrate. The office of the District Magistrate was adopted as it is in independent India as well. Since independence, its role has become increasingly multidimensional. With the emergence of new departments and the strong Panchayati Raj institutions, the position of the office of District Magistrate has undergone a huge transformation. Terrorism, smuggling, migration, communalism and other offences have added to his burden. He acts as the agent of the judiciary.

The District Collector is still the head of the Land Revenue and Records department at the district level, which functions directly under his control, unlike other departments of the government for which the Collector has only a coordinating role. The wide range of a Collector's duties has been noted by every writer on Indian direction and is thus described in the Joint Report:

The district officer has a dual capacity: as Collector he is head of the proceeds organization, and as Magistrate he exercises general regulation over the inferior courts and in particular, directs the police work. In areas where there is no permanent revenue clearing, he can at any time be in touch through his returns subordinates with every inch of his territory. This organization in the first place serves its peculiar purpose of accumulating the revenue and of keeping the peace.

But because it is so close knit, so well-known and so thoroughly understood by the people, it simultaneously discharges easily and efficiently an immense number of other duties. It deals with the process, alteration, and partition of holdings; the settlement of disputes; the management of indebted estates; loans to agriculturists; and above all, starvation relief. Because it controls revenue, which depends on agronomy, the supreme interests of the people, it naturally attends also as the general administration staff … Several other specialized amenities exist with staffs of their own … but in varying degrees the district officer stimuli the policy in all these matters, and he is always there in the background to lend his support, or, if need be, to mediate between a dedicated service and the people.

The Commission has made the following notes regarding the eminence of a Collector during the British rule:

It is difficult to convey how great is the standing of the Collector of a District among the residents whom he serves. To most of them, as we have said, he is the byword to Government. The authority which he stems from his statutory power is better by the constant exercise of advice in direction in matters where he is expected to give a lead. He wields large powers of patronage; he is guilty for making a vast

number of minor appointments, for instance, of village headmen and accountants, of revenue officials and office clerks. His recommendations for honorary magistrate ships and nominated membership of all local self-governing bodies are ordinarily accepted. He can grant seats at ceremonial functions such as "durbars" (much prized as social distinctions), and the coveted Indian titles and honors, and other rewards, are usually conferred at this suggestions. The preservation of this influence is of the utmost concern to the Administration. Many everyday matters which might involve merely tedious disputes, or even civil action, quickly reach conclusive settlement were brought before the Collector. The same influence becomes of manifest public advantage when more serious conflict threatens. It is not by his success in putting down communal riots that a Collector is judged so much as by his success in preventing their occurrence.

Functions of the District Collector

Irrespective of its genesis and the practices prevailing during pre-independence era, the office of the District Collector has now become a uniform institution throughout the country. The contents of the functions may vary to an extent, but by and large, the functions of a Collector are similar in all States, except, of course, with regard to development functions in which the pattern varies significantly. However, it is possible to have a broad categorization of functions that a Collector performs. These categories are as follows:

1. Land administration
2. Revenue administration
3. Magisterial functions
4. Civil supplies
5. Elections
6. General administration
7. Relief and crisis management
8. Development administration

5.5.1 Changing Role of the Collector in Post-Independence Period

Although we had started with the issues of the past, reforming district administration was a necessity identified in all five-year plans. The Community Development Programme (CDP) and national extension services came in the context of these policy objectives. The Planning Commission and the Grow More Enquiry Committee (1952) emphasized on the importance of establishing a nationwide extension service which called for a reorientation of outlook and reorganization of district administration to meet the demands of the welfare State.

It was the Balwant Rai Mehta Committee (1957) which envisaged the role of the Collector as the head of the team of officers of all departments and suggested that the office of the Collector should be invested with such powers that would

enable him to coordinate between different departments, bring efficiency in their work and facilitate understanding among the people. However, the administrative and organizational structure at the district level and below remained with two parallel competitive forces, i.e., democratic and bureaucratic.

A shift from regular functioning of revenue, law and order of the Collector was included in the First Five Year Plan. A steady support to the system of administration of development programmes was documented in the First Five Year Plan. The Second Five-Year Plan stressed the relative importance of the administrative system of democratic government. The reorganization of district administration, integration of activities of various development departments, merging of local self-governing institutions with administrative agencies, regional coordination and supervision of the district development programmes as well as strengthening and improvement of machinery of general administration were made in the Second Five Year Plan. This exercise was continued in the Third Five-Year Plan. However, the plan called for more intensive effort and a greater sense of urgency towards strengthening equality of opportunity and the socialistic pattern of society. In the course of the Fourth and Fifth Five Year Plans, organizational dimension of district administration for development, which valued new pattern of relationship between the district officer and the officer of the technical department, between the administration bureaucracy and democratic bodies and between the district officer and the State department, emerged.

During the Fourth Plan period, the Planning Commission recommended to all the State governments the establishment of regional/district planning units equipped with qualified and competent technical staff. As a result, the office of the Collector was further strengthened as the head of the planning machinery at the district level besides being an overall co-coordinator of different departments.

The district level administration acquired greater complexity during the Sixth Five-year Plan. It strengthened the district with the appointment of a District Development Officer having complete authority and responsibility in respect to development work and enjoying the same status as the Collector. Apart from provision of adequate co-coordinating mechanism and decentralization of the administration machinery at the local level, involvement of people at every stage of planning and implementation was also felt necessary. Therefore, an institutional mechanism for this purpose was adopted by bringing in representatives. Some State governments established the system by entrusting the development work to an officer holding the rank of District Collector as the Chief Executive Officer (CEO) of the Zilla Parishad.

The Seventh Plan launched large-scale multi-sector countrywide programmes of rural development, aiming at creation of assets in the rural areas. This further executes the delivery mechanism at the district level. The strategy adopted under this Plan applied considerable degree of rationalization in Panchayati Raj and substantial autonomy in the implementation of programmes by the Collector.

The team observed that in spite of multifarious functions which the Collector had been called upon to release, the collector had done well so far and had been able to provide coordinating leadership required for the development administration in the district. However, in this process, certain essential 'looking after' functions like maintenance of land records suffered due to inadequate attention. Making up law and order as well as land revenue brought the Collector into conflict with various forces in the district, and as a result, both preservation and development administration has suffered in the process. This also led to the tenure of a Collector being shortened by quick transfers. Keeping in view the various responsibilities assigned to the Collector and taking note of the fact that the district running has become complex, it recommended the establishment of major operational machinery for enactment in the district development plan.

It soon became obvious that the underlying problem was not so much a matter of simplifying procedures but was basically of a systematic nature. Hence, a series of 'Workshops on Responsive Administration' were conducted all over the country to focus on the fundamentals of the problems between district administration and the people. With the downfall of the Panchayati Raj Institutions (PRI), the administration got isolated from the people, undermining the sensitivity of the people's needs. The main focus of administration was on development. There was widespread concern at the declining powers and authority of the district collector. Rajiv Gandhi, in his address to different Workshops, outlined the positions of the Collector as follows:

> 'The second and, perhaps, even stronger impression was of the faith and belief of the DMs in our democratic institutions and the involvement of the democratic institutions in the development process. This is quite in contrast to the attitudes of administrators 30 years ago, 25 years ago, certainly before Independence, when administrators looked at democratic institutions as meddling in the affairs of development without really knowing about it. The task of development, in their view, was a preserve of the administrator and democratic institutions only interfered in the speed and the value of development that took place. Quite in contrast to that, I found that in our younger generation of administrators there is a totally new perspective of seeing a valid role for the democratic system and, in fact, interacting strongly with it to get the best, the most rapid and, perhaps, the most wholesome development. I found that DMs now readily acknowledge and, perhaps, even enthusiastically seek the harnessing of the people's cooperation in their work. It is only with the co-operation we can have economic development with social progress, which is really the essence of our development work.' (Hyderabad – February 13, 1988)

> 'Since the achievement of Independence, and more particularly, since the advent of planned development, the country has looked to the district administration to serve as the principal instrument for the country's development. The administration is the vehicle of delivery. Its efficiency determines whether development really reaches the

people. It is also the perspectives and approaches of the district administrators which, in many ways, determine the content of development. Whether development concentrates merely on rapid economic growth or extends to social reform, distributive justice and human resource development, depends in good measure on the attitudes of the district administration. That is why it is essential that district administrators relate the details of their daily tasks to the larger national goals of democracy, socialism, secularism and non- alignment. That is also why it is important that our administrators be imbued with the essential values of our millennial traditions: truth and non-violence; tolerance and compassion; one humanity and one world. I have explained in previous inaugural addresses at Bhopal, Hyderabad and Imphal this broader context in which I would like you to consider the specific tasks of evolving a more responsive administration. Those speeches have been circulated to you. Today, I propose to be more pointed and specific.' (Jaipur, April 30, 1988)

'The office of District Magistrate has declined in significance and importance because it has not adapted itself to the changing realities. The major reality of post- Independence India is the assertion of the people's will. The position of the District Magistrate can be restored only if it reinforces the democratic process and is responsive to the people. The attempt to preserve the office of District Magistrate as a kind of island of benevolent paternalism rising above the surging waves of democracy is what has resulted in the District Magistrate's island being eroded. The basic task before you is to see how the pristine powers and authority of the office of District Magistrate can be meshed into and harmonized with the processes of democratic decentralization so that the forces of democracy reinforce the prestige and powers of the District Magistrate, even as the prestige and powers of the District Magistrate are so exercised as to reinforce the processes of democracy.' (Coimbatore – June 18, 1988)

The efforts made in the series of Workshops on responsive administration led to the establishment of the new Panchayati Raj System in 1993. A sense of urgency created an impression that the reintroduction of Panchayati Raj with the Collector and the bureaucracy cannot be seen in isolation. It is a crucial part of the political process. However, the position of the Collector, by and large, continued without much change in the country. As expected by the planners, the process of democratic decentralization has not proved to be responsive administration in true sense of the word. Democracy is not merely devolution of power—it should also comprise devolution of responsibility. There are basically two major responsibilities, which the democratic institutions must exercise. These are as follows:

- The first is financial discipline. Authorities who rarely spend can never be financially responsible.
- The second responsibility is safeguarding the interest of the people, generally the weaker sections of society.

For the achievement of these two major goals, local self-governing institutions require expertise in planning and implementation of development programmes. Every state in India gives importance to the office of the Collector. He is fully or partly involved in district planning. His role is different from state to state, and at times, district to district. The strengthening of the Zilla Parishad affected the traditional position of the Collector in states like Gujarat and Maharashtra in the 1960s. However, in the 70s and 80s, the Collectors continued to occupy the key position.

The integrated rural development programme, literacy programme and other employment-oriented schemes knowingly brought the Collector back to the key position. The introduction of DRDA (District Rural Development Agency) once again brought the Collector squarely back into the picture. Keeping in mind the government's responsibilities towards the poverty-ridden section, which constitutes a major part of the country's population, the rising percentage of politicians commissioned the position of the Collector more in the direction of target achievement. Presently, he is being seen as a trouble-shooter, grievance redresser and government machinery at the district level for both state and centre. The unstable pattern of rural development programmes, directly funding the villages and the constitutional status to the panchayats under the Constitution's 73rd Amendment, are expected to bring more changes in the role of the collector.

5.5.2 Role of Collector in the Panchayati Raj Set Up

Democratic decentralization, with its three-tier pattern of popular administration, was the result of efforts made by the Balwant Rai Mehta Committee (1957). The acceptance of these recommendations and consequent introduction of the system of Panchayati Raj gave a strong foothold to a trend which had started well before 1929 and turned into a recognizable set up in 1952. The varying forms of decentralization efforts in different states resulted in a change in the fundamental character of district administration. The most obvious change was in the approach and style of his office from the position of authority to a people-friendly and development-oriented top official functionary at the district level. Though the Mehta Committee had already advocated retention of the traditional position of the Collector in the Panchayati Raj framework, at least two states decided to have an independent IAS officer to take care of the Panchayat set up at the Zilla Parishad level.

One common pattern that has emerged in all the states is that the executive agencies are eventually controlled by the government, and with increased decentralization and delegation of powers, the need for agency to coordinate the work of the agencies has increased. There have been different opinions on the executive agency which can best deal with the programmes of democratic institutions at the base.

Panchayati Raj is the backbone of administration and is a means of decentralization of the authority of implementation of development programmes in

the field. As the area of operation of a Collector clashed with the area of the Zilla Parishad, he automatically came into the picture as the informer of the government. What needs to be seen is whether there is a purposeful utilization of the Collector in the administration of the district. One argument is that with the increasing concentration on development in district administration, the Collector cannot find time to look after the ever increasing development activities adequately, and that his association with development in addition to his traditional duties may lead to the neglect of or inadequate attention to both. Therefore, it is argued that district administration would be better served if the Collector was left free to look after regulatory aspects of administration and a separate officer of the same rank is made available to attend to development functions exclusively.

In most of the states, a Chief Executive Officer has been appointed exclusively to deal with developmental functions, while the Collector continues to be in charge of law and order, land revenue, excise, registration, etc. At the same time, the Collector continues to be intimately associated with development programmes through his positions in agencies such as DRDA. In most states, the Collector is ex-officio chairman of DRDA. He is also connected with the Zilla Parishad and District Planning Committee in some form or the other. Recent measures to merge DRDA with the Zilla Parishads in some states have, however, hardly affected his authority. However, there are states such as West Bengal where the District Magistrate stays to practice a larger share of responsibility in facilitating the functioning of Panchayati Raj Institutions, ensuring coordination at the district level between the Zilla Parishad and the technical officers, ensuring close links between the second and the block level as well as controlling from branches at the state level.

A study of the government statutes related to the Panchayati Raj would show that the Collector, in view of his special position status, may curb the efflorescence of the autonomous spirit. There is a line of thought which argues that the Collector is laden with multiplicity of works along with physical margins of time and energy, and thus, would be not be able to do justice to the mammoth tasks of Zilla Parishad. Therefore, it is suggested that he may be kept out of it. In terms of status of the Collector visà-vis the Panchayati Raj, some basic arrangements are observed across the states. Some people think that the Zilla Parishad needs practice and guidance from the Collector, who could, as Chairman, give fillip to the intact programme and promote matched efforts of the official and elected agents. In some states, they have employed a full-term officer from the Indian Administrative Service as Chief Executive Officer to entirely deal with anti-poverty programmes as well as changing schemes of the state. In such states, the Collector is left with merely adjusting with imperious powers.

The pattern of relationship between the Collector and PRIs can be conveniently studied in four heads, namely:

- Control over the staff of PRIs
- Powers to suspend the resolutions of Panchayati Raj bodies
- Powers to remove office bearers
- Powers to suspend and dissolve the PRIs

1. Control over the staff of PRIs

It may be cited that the intermediate tier and Zilla Parishad have two groupings of staff at their disposal. Firstly, they have the Chief Executive Colonel and various extension officers whose services are placed at their approval by the parent department. Secondly, they have the members of the block (intermediate tier) Panchayat and Zilla Panchayat package. The control and movements for enquiry would automatically be different in case of these two categories. The question of control, in the present context, would relate only to the executive officers, as the control over the staff of Panchayati Raj Institutions is mostly implemented by their chief management officers or by the right heads of sectors from which they are on deputation.

The disciplinary controller over the executive officers of the Panchayati Raj bodies might take the form of:

(a) Writing of personal report

(b) Authority to inflict various punishments

In Maharashtra (in the case of Zilla Parishads), the Divisional Representative has the power to inflict minor retributions on the executive officers. In Maharashtra, the power to suspend the resolutions of a Panchayat rests with the Commissioner, whereas this power is used by the Director of Panchayats in Kerala and the State government in West Bengal. The powers are also drilled by the Collector in Maharashtra. Thus, it is clear that there is a general disposition in the direction of granting powers of suspending a resolution of Panchayats or Panchayat Samiti to the Collector, whereas the power of the authorities suspending a resolution of the Zilla Parishad largely depends on the State Government.

2. Powers to suspend and dissolve the PRIs

In the case of Panchayats, these powers rest with the state governments in Kerala and Maharashtra. In case of a Panchayat Samiti, the state advisers have the powers to split it up Maharashtra. The powers to thaw a Zilla Parishad rest with the state direction in Maharashtra. One can state that the Collector is freestanding the Zilla Parishad.

3. Power to remove office-bearers of PRIs

In the case of Panchayats, these powers rest with the state governments in Kerala (for Sarpanch and Upa-Sarpanch) and Zilla Parishads in Maharashtra. The powers to remove the Chairman in the Zilla Parishad ideally should be assigned to the

state government. Appeals against the orders of authorities below the state level should be given to the next higher authority.

4. Power to suspend and dissolve PRIs

A number of State Panchayati Raj Acts have made the Collector the key officer to take decisions with regard to the suspension and conclusion of PRIs. Though the number of such states may not be very high, but the fact that the Collectors have been designated to take such far-reaching judgements on behalf of the government only affirms his position in the overall organizational set up at the district level.

Check Your Progress

8. What is the key role of a Chief Executive Officer?

9. List the two major responsibilities of democratic institutions.

5.6 CHANGING ROLE AND FUNCTIONS OF BLOCK DEVELOPMENT OFFICER

The Block Development Officer (BDO) is the Secretary and officer-in-charge of the Panchayat Samiti. In most of the states, he belongs to the state amenities and is deputed to the Panchayat Samiti. In other states, these are stimulated officers, formerly from the subsidiary services in the state. Moreover, in certain states, a post of BDO is reserved for partisan sufferers and public workers. The BDO's role in the PRIs is characterized by multi-functionality, such as:

1. BDO as in-charge of Panchayat Samiti Office (PSO)

The BDO receives as well as attends to the post as the Panchayat Samiti Officer (PSO). He maintains administrative control over the Panchayat Samiti personnel and can appoint class four employees in his office. He sanctions tour programmmes and travelling allowances of the staff along with certifying the manuscript of the Panchayat Samiti. He is expected to inspect the PSO at least twice a year. Furthermore, he is in charge of all arrangements like boarding and provision of jeep for higher officials commute within the block. Notably, a BDO helps the Panchayat Samiti acknowledge that revenues are being acquired on time and that the disbursement conforms to the budgetary provisions. Besides, he gives a detailed account of the income and disbursement in front of the Panchayat Simiti. The BDO confirms maintenance of the list of people who have been given loans by the Samiti through the Panchayat, VLW's and the extension officers. Besides, he ensures that the funds are applied for the welfare of the Samiti.

2. BDO as the Captain Extension Officers Team

In almost every Panchayat Samiti area, there are about four to eight extension officers, working on deputation from the state government. They are mostly posted

to junior positions in various government departments as they are subject specialist in areas such as agriculture, education and health. They provide technical advice and assistance to Panchayat Samitis. They all work under the supervision and control of the BDO who has to coordinate the activities of these officers and act as the link between them and the district administration. It also prepares the confidential reports of the extension officer's sanction or cancels their leave, gives them necessary guidelines and conveys government instructions to the respective district levels officers.

The Control or authority of the BDO over extension officers has resulted in a problem which could cause a deadlock at the Samiti level. The administrative control of these officers is under the supervision of the BDO. However, regarding technical matters, the extension personnel continue to function under the control of their respective district level department. The extension officers have to serve different sets of orders issued by the BDO and by the 'parent' department which might lead to ambiguity and delay. Therefore, it is imperative for the BDO to meet the extension offices regularly, and as far possible, refrain from giving them orders which are inconsistent which those issued by the technical departments.

3. BDO as Managers of Development Programmes

At the central, state, district and block levels, the various government departments and agencies formulate plans and programmes for the socio-economic upliftment of the rural population. It is the BDO's responsibility to check that the tasks delegated to the Panchayat Samiti in this regard are completed on time.

Furthermore, he is expected to ensure that the constitution activities undertaken by the Samiti are completed within the stipulated period. Moreover, he keeps an eye on disbursement incurred on these programmes and reports to the Panchayat Samities, Zilla Parishads, DRDA, Collector and fretful district level officers on the delay in the activities.

4. BDO as the secretary of the Panchayat Samiti

The BDO is also the clerk and chief policy making general of the Samiti. He issues notices for the meeting of the Samiti as well as its committees and prepares their agenda. He participates in these meetings and answers queries. He also maintains a record of the proceedings of the Simiti meetings. Besides, the maintenance of all important records regarding the salaries and growth of the Samiti to the Pradhan is also his responsibility. He draws and distributes money from the Samiti funds and helps the Panchayat draw up enlargement plans and programmes.

5.7 OTHER DEVELOPMENT OFFICIALS AT DISTRICT AND BLOCK LEVELS

Besides the District Collector, there are other important officials who help in developmental activities. Some of the officers are as follows:

- The District and Session Judges
- Civil surgeons
- Superintendent of police

- PWD and Public Health Engineering Department
- District social welfare officers

Following are the important officials who help in day-to-day activities of the District Collector:

(a) Additional Deputy Commissioner/Additional District Magistrate

The office of ADC/ADM was created in order to assist and support the Deputy Commissioner in his daily work. Their powers are derived from:

- The law;
- Delegated by the order/notification of the State government; or
- Administratively delegated by the Deputy Commissioner under the rules.

In reality, they do not possess any powers or authority that is exclusively conferred upon them.

They derive their powers, be it statutory or otherwise, from the office of the Deputy Commissioner. They exercise the same only in consultation with or as delegated to them by the Deputy Commissioner.

(b) Sub Divisional Officers (Civil)

The district has various sub divisions. The district division is based purely on territorial basis and not on functional basis. Every sub division is led by the Sub Divisional Officer (Civil) who is usually a member of the State Civil Services. The duties and powers of the Sub Divisional Officer (Civil) are alike those of the Deputy Commissioner within the district. The powers of the Collector/Assistant Collector under the Revenue Laws Act and other Civil/Criminal Acts have been vested upon the Sub Divisional Officer (Civil).

This office also looks after diverse development activities in the sub division and is also accountable for coordinating the work of different departments where required. Besides looking after the work of Revenue Administration, the SDO (C) also is the Sub Divisional Magistrate under Cr.P.C, and is, therefore, involved in safeguarding of law and order with the support of the Police. He also looks after the grievances of the public and attends to the predicaments arising out of natural calamities.

He is chiefly accountable for everything that happens within his territorial division and must act accordingly. Though his decisions are independent, they are definitely under the control, guidance and supervision of the Deputy Commissioner. He a direct subordinate of the District Magistrate. He enjoys numerous powers under sections 107/151, 109, 110, 133, 144 and 145 of the Cr.P.C. in order to help maintain order in his area.

(c) Tehsildar/Naib Tehsildar

The Revenue Officer (Tehsildar or Naib Tehsildar) is in charge of tehsils and sub tehsils in the districts. The key difference between the SDO (C) and Tehsildar is that the former has multifarious functions to perform for the purpose of development, revenue and coordination, whereas the latter is concerned only with revenue work and does not have much to do for coordination of activities and work. The Tehsildar/ Naib Tehsildar enjoy the powers of Executive Magistrate, Assistant Collector and Sub Registrar. He is the in-charge of the Tehsil Revenue Agency and is responsible for appropriate preparation, maintenance and updating of the tehsil revenue records and accounts. He is also accountable for recovery of government dues under various Acts. Therefore, they are called Revenue Officers.

(d) Kanungo

He is the revenue inspector who is basically responsible for revenue administration of the Tehsil/Sub Tehsil. His duties mainly require supervision. He supervises the work of Patwaris and usually a Kanungo circle will consist of about 20-50 patwar circles. He also acts as a bridge between the Patwari and the Tehsildar. The kanungos institution consists of field, office and district kanungos. They also assist the court of law in examination of revenue records.

(e) Patwari

The village level revenue officer or Patwari is the most significant functionary of the state at the village level. No proficient revenue administration of a district is feasible if the Patwari staff is not strong or appropriately trained and austerely supervised. In simple terms, he is regarded as the village accountant.

He is known as Talati in Mahatrashtra, Lekhpal in Uttar Pradesh and Karnam in Tamil Nadu. He usually has one or two villages under his charge. Patwari is the custodian of the record of ownership of the village's land called 'Shazra Kishtwar' Mutation Register, Village Statistics Book (Lal Kitab) and other records of the village. The patwar system was first initiated during the reign of Sher Shah Suri and was further enhanced by Emperor Akbar. With slight amendments, the British Colonial system retained the system.

A Patwari has the following duties:

  (i) Maintenance of land record and documentation of the crop grown at every harvest.

 (ii) Keeping the record of rights up-to-date by the punctual record of mutations and other changes related to possession or ownership of land including the record relating to land recoveries.

(iii) Preparation of statistical returns, embodying the information derived from the harvest inspections, register of mutation and record of rights.

(iv) It is the responsibility of the Patwari to immediately inform about severe natural calamities affecting people, property, land or the crops.

(v) The Patwaris are responsible for safe custody of all records and maps along with measuring equipments of their respective circles. He assists in carrying out the orders related to spot partitions of land between interested parties.

Patwari is not only the principal revenue official at the village level but is also the government's informant at the village level. It can easily be understood that in a county where land is the principal source of livelihood of nearly 75 per cent the population, the work outlay for management and administration of land records is perhaps the most important government function from the public's point of view.

Check Your Progress

10. Who helps the District Collector in his day-to-day activities?

11. What is the difference between the Sub Divisional Officer (Civil) and the Tehsildar?

12. Who are 'Kanungos'?

13. List some of the important duties of a Patwari.

5.8 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. According to Pfiffner, 'Bureaucracy can be defined as the systematic organization of tasks and individuals into a pattern which can most effectively achieve the ends of collective efforts.'

2. The different types of bureaucracies in the world are as follows:
   - Merit bureaucracy: The recruitment is done purely on merit basis. It led to the hierarchy of officers. Its main aim is 'career open to talent'.
   - Guardian bureaucracy: The conduct of officials is directed towards the welfare of citizens.
   - Caste bureaucracy: The recruitment is on the basis of caste. It is prevalent in oligarchic political system.
   - Patronage bureaucracy: Recruitment is based purely on the principle of favouritism.

3. 'Bureaucracy' is derived from the French word 'bureau', meaning an office.

4. The administration units were referred to as 'Kul', 'Gram', 'Vish' and 'Nation' in the Rig Vedic Period.

5. The four important kingdoms established during the 'Buddha period' were 'Magadha', 'Avanti', 'Vats' and 'Kaushal'.

6. The main features of the Sultanate period administration are as follows:

   - It was basically military-based.

   - Its rulers were self-willed despots.

   - The sultan took recommendations from his advisors but he was not bound to them.

7. The Aitchison Commission was established in 1886.

8. The key role of a Chief Executive Officer is to deal with developmental functions while the Collector continues to be in charge of law and order, land revenue, excise, registration, etc.

9. The two major responsibilities of democratic institutions are as follows:

   - The first responsibility is financial discipline. Authorities who rarely spend can never be financially responsible.

   - The second responsibility is safeguarding the interest of the people, generally the weaker sections of society.

10. The officials who help the District Collector in his day-to-day activities are the Additional Deputy Commissioner/Additional District Magistrate and Sub Divisional Officers.

11. The key difference between the Sub Divisional Officer (Civil) and Tehsildar is that the former has multifarious functions to perform for the purpose of development, revenue and coordination, whereas the latter is concerned only with the revenue work.

12. 'Kanungos' are the revenue inspectors who are basically responsible for revenue administration of Tehsil/Sub Tehsil. Their main duty entails supervision.

13. Some of the important duties of a Patwari are as follows:

    - Maintenance of land record and documentation of the crop grown at every harvest.

    - Keeping the record of rights up-to-date by the punctual record of mutations and other changes related to possession or ownership of land including the record relating to land recoveries.

    - Preparation of statistical returns, embodying the information derived from the harvest inspections, register of mutation and record of rights.

    - It is the responsibility of the Patwari to immediately inform about severe natural calamities affecting people, property, land or the crops.

    - The Patwaris are responsible for safe custody of all records and maps along with measuring equipments of their respective circles. He assists in carrying out the orders related to spot partitions of land between interested parties.

5.9 SUMMARY

- The term 'Bureaucracy' refers to a multifarious, specialized organization which consists of nonelected, highly-skilled professional administrators and clerks employed on a full-time basis to implement administrative services and tasks efficiently.

- Some of the most vital features of bureaucracy are standardized procedure (rule-following), chain of command, formal relationships and division of powers.

- There are four structural concepts which are central to any definition of bureaucracy. These are as follows:

    (i) A distinct division of administrative labour among people and offices

    (ii) A personnel system with constant patterns of recruitment and stable careers

    (iii) A strong hierarchical systems so that the authority and position are differentially dispersed among actors.

    (iv) Formal and informal linkages that bind organizational actors to one another through different tides of information and patterns of cooperation

- The word 'bureaucracy' is derived from the word 'bureau', meaning an office — a place where officials worked in the early 18th century. It came into usage shortly after the French Revolution of 1789, and later, widely spread to other countries.

- Bureaucracy is viewed as one of the ancient organizations of government and administration.

- In the Persian empires, the government with strong bureaucracy had expanded its functions. The Persian Empire was further divided into administrative provinces led by satraps.

- German sociologist, Max Weber, gave a renowned theory on bureaucracy. He described the ideal type of bureaucracy in the positive connotation. His analysis of bureaucracy is connected with the impact of rule of law upon the functioning of bureaucratic organizations.

- Public administration is as old as civilization itself. Since ancient times, monarchy is using the public administrative form of government.

- Modern public administration is established on the fundamental pillar of the old-style public administration.

- In ancient India, the power of controlling the State was in the hands of the King, but in Vedic times, the King was aided by numerous officers.

- During ancient times, there were various forms of government found in different periods. In the

- Indus Valley Civilization, there were planned roads and drainage system in the cities and there was also a municipal government which looked after the requirements of people and laid down a methodical procedure for cities.

- The Indus Valley Civilization was succeeded by the Vedic period. The preliminary part of this period belongs to the Rig Vedic period which was followed by the post Vedic period.

- The post Vedic period beheld the upsurge of influential and prevailing kingdom. There was an ordinary escalation in the number of officers aiding the King in his administration.

- Ramayana and Mahabharat are very old epics of our country. In the Ramayana period, there was monarchy and administration was adequately advanced.

- During the period of the Buddha, numerous republics were established. However, it is important to note that along with these republics, there were four big kingdoms, namely 'Magadha', 'Avanti', 'Vats' and 'Kaushal'.

- The King was the head of the Mughal Empire and its administration. As early as 1526, Babur had proclaimed himself as 'Badshah' and his successors followed suit.

- The first important result of the enactment of the Government of India Act, 1858 was that the control of the Government of India was transferred from the company to the crown.

- The Aitchison commission was appointed in 1886 to make recommendations for improving the setup of civil services. It was set up under the chairmanship of Sir Charles Umpherston Aitchison.

- Under the reform of 1919, local self rule became a provincial and transferred subjected under a responsible Indian minister. The provincial management displayed great zeal for the growth of local institution and many acts were passed with that end in view.

- A royal Commission was appointed for superior civil services under Lord Lee of Fareham, known as the Lee Commission. The Commission made the following recommendations:

  (i) A threefold classification of Civil services shall be made, i.e. All India Services, Central Services and Provincial Services.

  (ii) The appointing authority of the officials to the All India Services will be the Secretary of State.

  (iii) Direct recruitment should be in equal proportion for Indians and Englishmen.

  (iv) A public Service Commission as proposed in the Government of India Act 1919 should be established.

- The two basic concepts underlying the Government of India Act, 1935 were central self-government and all India confederacies.

- The District Collector is still the head of the Land Revenue and Records department at the district level which functions directly under his control, unlike other departments of the government for which the Collector only has a coordinating role.

- Irrespective of its genesis and practices prevailing during pre-independence era, the office of the District Collector has now become a uniform institution throughout the country.

- It was the Balwant Rai Mehta Committee (1957) which envisaged the role of the Collector as the head of the team of officers of all departments and suggested that the office of the Collector should be invested with such powers that would enable him to coordinate between different departments, bringing about efficiency in their work and understanding with the people along with reputation for integrity.

- A shift from the regular functioning of revenue, law and order of the Collector was included in the First Five Year Plan. A steady support for the system of administration of development programmes was documented in the First Five Year Plan.

- During the Fourth Plan period, the Planning Commission recommended the establishment of regional/district planning units equipped with qualified and competent technical staff to all State governments.

- Democratic decentralization with its three-tier pattern of popular administration was the result of the efforts made by the Balwant Rai Mehta Committee (1957). The acceptance of these recommendations and consequent introduction of the system of Panchayati Raj gave a strong position to a trend which had started well before 1929 and turned into a recognizable set up in 1952.

- Panchayati Raj is the backbone of administration and is a means of decentralization of the authority of implementation of development programmes in the field.

- The Block Development Officer (BDO) is the Secretary and officer in charge of the Panchayat Samiti. In most states, he belongs to the state amenities and is deputed to the Panchayat Samiti.

- The BDO receives as well as attends to the post as the Panchayat Samiti Officer (PSO). He maintains administrative control over the Panchayat Samiti personnel.

- In almost every Panchayat Samiti area, there are about four to eight extension officers, working on deputation from the State government. They are mostly posted to junior positions in various government departments as they are subject specialists in areas such as agriculture, education and health.

- At the central, state, district and block level, various government departments and agencies formulate plans and programmes for socio-economic upliftment of the rural population.

- The BDO is also the clerk and chief policy making general of the Samiti. He issues notices for the Samiti's meetings and creates its agenda.

- Besides the District Collector, there are other important officials who help in the developmental activities. Some of the officers are the District and Session Judges, Civil Surgeons, Superintendent of Police, PWD and Public Health Engineering Department as well as the District Social Welfare Officers.

5.10 KEY WORDS

- **District Collector:** He is an officer who is in-charge of a district, the basic unit of administration, in India

- **Panchayat:** It is a basic village governing institute in Indian villages. It is a democratic structure at the grass-roots level in India. It is a political institute. It acts as cabinet of the village.

- **Patwari:** It refers to a state officer in the revenue department at village level.

- **Sarpanch:** It refers to a democratically elected head of a village level statutory institution of local self-government.

- **Zilla Parishad:** It is a local government body at the district level in India.

5.11 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What was the role of the Regulating Act and Pitts India Act in formulating the office of civil services in India?

2. Write a brief note on the Saptanga Theory.

3. Write a short note on the significance of the Islington Commission.

4. How are the Panchayati Raj Institutions still affected by the State power and controlled by bureaucracy?

5. What are the various reforms required for Indian bureaucracy?

6. What is the role of a Block Development Officer?

Long-Answer Questions

1. Critically examine Max Weber's views on bureaucracy.

2. Discuss in detail the Mughal Administrative System in India.

3. Describe the developmental role of the District Collector in context of the 73rd Constitutional Amendment Act.

4. Discuss in detail the history of Indian bureaucracy.

5. Analyze the changing role of the District Collector.

6. Examine the role of the Collector in the Panchayati Raj set up.

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BLOCK - III
RURAL DEVELOPMENT AND PLANNING

UNIT 6   RURAL DEVELOPMENT PROGRAMME KEY FEATURES: ISSUES AND CHALLENGES IN INDIA

Structure

6.0   INTRODUCTION

Rural development is one of the important phenomenon characterizing the developing world. The developing nations are essentially agricultural and their mainstay lies in the villages. The phenomenon in its ambit includes three very important elements irrespective of the geographical location, culture and historical state of development of a society. Absence of the elements that comprise rural development stalls the entire process that includes fulfilment of basic necessities, self-respect and freedom. This unit provides an analysis of the concept and scenario of rural development in India in addition to the rural development programmes in the country.

6.1   OBJECTIVES

After going through this unit, you will be able to:

- Understand the concept of Rural Development

- Analyze the current scenario of Rural Development in India

- Discuss the Rural Development Programmes in India

6.2 CONCEPT OF RURAL DEVELOPMENT

To understand the concept of rural development, it is imperative to understand the words 'rural' and 'development' separately.

A lot has been written on the term rural. It has been referred by several as a geographical concept, i.e., a location with specific boundaries on a map, while several others have considered it as a social representation, meaning a community of interest, a culture and way of life.

Debates also concern the definitions of the term while making it distinct from urban areas geographically. The functional relationships, lifestyle, occupation etc. also become a point of difference.

The first ever use of the term rural can be dated to 1874, when the U.S. Bureau of the Census defined it as population of a country representing exclusively of any cities or towns with 8,000 or more inhabitants.[1]

The term, however, cannot be solely defined in a limited way as the quantitative definitions based on census have attempted to do.

Deavers and Brown (1985) have developed seven categories of rural areas based on social, demographic, and economic information. Economic categories include agriculture, manufacturing, mining, and government; social dimensions include persistent poverty and growth of retirement population; proportion of land in federal ownership comprises the final category.[2]

Horn (1985) looks at values, socioeconomic factors, political structure, locus of control, and priorities for schools.[3] Croft (1984) suggests that an ecological approach comprised of cultural values, number of people, and ambiance can be used to work toward a definition of the term rural.[4]

A review of several definitions of the term rural, therefore, refer to it as including:

- An area marked by style of living which is non-urban in nature;
- Characterized by non-urban occupational structure hereby being noticeably agricultural and dependent on farming, animal husbandry, horticulture etc;
- Characterized by non-urban settlement pattern consisting of villages and homesteads; and
- Characterized by non-urban social organization signifying higher interdependence between each other, strong community connection and slow moving life.

The term development is one of the highly contested one in academic literature. It has been put to various uses and is complex, ambiguous and elusive. The Oxford dictionary describes the word 'development' as growth or advancement. In its most generic form, 'Development' is any activity or progress

which increases the well-being of humans and the environment. Very often, it is accidentally or deliberately confused with the concept of growth (particularly economic growth including consumerism and commercialism). But growth isn't always development, which must include things like reduction of poverty and increased quality of life, modernization, equity, health, democracy, freedom, fair trade and conservation.

The word is used in different contexts, and one such context being the development of nations or societies. Traditionally, a developed country is a country that is technologically advanced and that enjoys a relatively high standard of living. In most cases, countries with high per capita GDP are 'developed countries', while a developing nation is the one which progresses towards achieving this growth so as to give the same standard of living to its citizens. In simple terms, the word development can refer to the process of bringing about social change that allows people to achieve their human potential.

Gran (1983) defines development as a social and practical process which aims at the liberation of human potential so that people acquire the maximum socially feasible and practical control over all the available resources needed for the realization of basic human needs and security.[5]

Highlighting development as a people centred process, Korten (1990) defines it as a process by which the members of a society increase their personal and institutional capacities to mobilize and manage resources to produce sustainable and justly distributed improvements in their quality of life consistent with their own aspirations.[6]

Todara (1994) defines development as a multi-dimensional process involving the reorganization and reorientation of the entire economic and social systems. He furthers that development is a physical reality and a state of mind in which society has, through some combinations of social, economic and political process, secured the way of obtaining better life.[7]

According to UNDP (1990) development is 'a process of enlarging people's choice' which encompasses, among others, opportunities for being creative and productive as well as to acquire self-actualisation and self-respect. To understand the concept of 'enlarging the people's choice' one needs to bear in mind that 'human beings are borne with certain potential capabilities and functioning.[8]

Following the description and understanding of the terms rural and development, rural development can be referred to as bringing about positive changes in the lives of the rural communities including social, economic, technological and natural. It is considered as overall development of rural areas with an objective to improve the quality of life of people living in rural areas.

The concept of rural development can be conceptualized as a process, a phenomenon, a strategy and a discipline. As a process, it refers to the commitment and engagement of rural communities to fulfil their goals of enhanced well-being. As a phenomenon, rural development is the outcome of several interactions that

takes place between various physical, technological, economic, social and institutional factors. As a strategy, it is the combination of various ways that leads to overall development of the rural areas, people and communities. Chambers (1983) confirms, rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children, more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless.[9]

As a discipline, rural development is multidisciplinary that covers a wide range of fields including agricultural, social, economic, technological and management.

Check Your Progress

1. When was the term 'rural' used for the first time?

2. What do economic categories of rural areas include?

3. What does rural development refer to?

6.3 CURRENT SCENARIO OF RURAL DEVELOPMENT IN INDIA

In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing programs for rural development. The ministry is actively involved in implementing a wide range of programs that focus on poverty reduction, employment generation, infrastructure development and social security. As of now, the ministry is implementing Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Deendayal Antyodaya Yojana – National Rural Livelihoods Mission (DAY-NRLM), Deen Dayal Upadhyay – Grameen Kaushalya Yojana (DDU-GKY), Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY), Shyama Prasad Mukherjee National RURBAN Mission and National Social Assistance Programme (NSAP) to bring desired development in the rural areas of the entire country.

The section below provides a snapshot of rural development schemes introduced in the Union Budget 2020:

- **Housing:** Under the aegis of Ujjwala and Saubhagya Yojana, the government has assured to provide electricity and clean cooking facility to all willing rural families by 2022. The Pradhan Mantri Awas Yojana – Gramin (PMAY-G) has also earmarked 1.95 crore houses to eligible beneficiaries. The provisions also exist to provide facilities like toilets, electricity and LPG connections. Also the new guideline proposes to complete a single unit in 114 days as against 314 days.

- **Sanitation:** The much talked about Swachh Bharat Mission gets a new push to undertake sustainable solid waste management in every village.

- **Digitalization**: Digitalization has become very important in the recent years and rural villages cannot be left out. To give boost to connectivity, the BharatNet program is set to assure internet connectivity to local bodies in every panchayat.

- **Connectivity:** Connecting the villages is very important for speeding the development discourse. It has been proposed to upgrade 1,25,000 kilometres of the road over the next five years under Pradhan Mantri Gram Sadak Yojana (PMGSY) Phase III.

- **Rural Economy:** India is an agrarian society and giving a boost to its rural economy is a must. Over the years, the contribution of rural villages in national economy has grown steadily. Several schemes have been launched to strengthen the rural economy. For instance the Scheme of Fund for Upgradation and Regeneration of Traditional Industries' (SFURTI), aims at establishing Common Facility Centres (CFCs) to facilitate cluster-based development during 2019-20 with special focus on Bamboo, Honey and Khadi. Similarly, the Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship' (ASPIRE), Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) are to be established with an objective of developing entrepreneurs in agro-rural industry sectors. Under Pradhan Mantri Matsya Sampada Yojana (PMMSY) the aim is to create robust fisheries management framework to give boost to fisheries.

- **Water Conservation Schemes:** Water is the mainstay of human life. While access to water for various kinds of consumption, is not as difficult in the urban areas as compared to rural areas where people struggle to acquire water from far-off places. Various schemes including Jal Shakti Abhiyan, Atal Bhoojal Yojna, Jal Jeevan Mission and Samagra Shikha Jal Suraksha are being proposed. Focused on 256 water stressed districts and 1592 blocks, the Jal Shakti Abhiyan aims at water conservation including the rainwater harvesting; renovation of traditional and other water bodies; water reuse and recharge; watershed development and management and intensive afforestation. Covering 78 districts, 193 blocks and more than 8,300 gram panchayats the Atal Bhujal Yojana will be launched in Gujarat, Maharashtra, Haryana, Karnataka, Rajasthan, Uttar Pradesh and Madhya Pradesh. The main objectives of the scheme include groundwater recharge and storage for agricultural usage and the revival of surface water bodies to increase the groundwater level. With an estimated budget of 3.5 lakh crore, the Jal Jeevan Mission aims at providing drinking water connections to all homes by the end of 2024. The project also aims at providing access to water and toilets to women. Samagra Shikha Jal Suraksha project focuses on

students' participation in creating awareness about water conservation. It aims to connect more than 10 crore students with the program.

- **Sabki Yojana Sabka Vikas:** India is home to the world's largest democratic system. At the heart of it lies the Panchayati Raj System which provides power to local self- governance structures and processes. The country houses 2,48,160 Gram Panchayats, 6284 Block Panchayats and 595 District Panchayats with 31 lakh elected representatives at all levels of Panchayats. The scheme aims at strengthening the role of 31 lakh elected Panchayat leaders and 2.5 crore SHG Women under DAY-NRLM in Gram Sabha and to connect rural people to the mainstream development.

- **Deen Dayal Upadhyay Grameen Kaushalya Yojana:** With an outlay of INR 1500 crore, the Deen Dayal Upadhyay Grameen Kaushalya Yojana focuses on enhancing employability for the target youth between 15- 35 years of age. The scheme is operational in 21 states and union territories across 568 districts and 6215 blocks. According to recent data, close to 690 projects are being implemented by 300 partners and over 2.7 lakh candidates have been trained till now with 1.34 lakh candidates linked to jobs in their respective trades.

- **Roshni:** It is a Skill Development Scheme for Tribals focused on developing skills of tribal youth in 24 Naxal affected districts and offers them employment. The project is targeted to provide training and employment to an anticipated 50,000 youth in the age group of 10-35 years, for a period of three years. Also half of the beneficiaries of the scheme will be women only.

- **National Rural Livelihoods Mission:** India has a long history of several poverty alleviation programs. National Rural Livelihoods Mission is a poverty alleviation program that was launched in the year 2011 with an objective to promote self-employment and organization of rural poor. The scheme was renamed Deendayal Antayodaya Yojana (DAY-NRLM). The program's strategy includes mobilization and organization of rural women into self-managed community institutions such as self-help groups, village organizations, cluster level federations, producer groups/companies, in a phased manner.

- **Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS):** Launched in 2006, the Mahatma Gandhi National Rural Employment Guarantee Scheme is an Indian labour law and social security measure that aims to provide 'right to work' to the people falling Below Poverty Line. The scheme ensures a minimum 100 days of employment in a year to the local village people with fifty per cent work reserved for women. The scheme is one of the largest schemes and 90% of the funding is borne by the central government and 10% by the state government.

- **National Rural Health Mission (NRHM):** Health is a very important sector. It contributes immensely towards development of productive human capital. Healthy people shall always build a better and stronger nation by contributing more with their hard work. The National Rural Health Mission (NRHM), which is now initiated under National Health Mission, is a Central government's Mission with an objective of providing accessible, affordable and accountable quality health services even to the poorest households of the rural areas.

- **Sarva Shiksha Abhiyan (SSA):** It is a flagship program of Government of India that focuses on the achievement of Universalization of Elementary Education (UEE). The program as mandated by 86th amendment to the Constitution of India provides free and compulsory Education to the Children of 6-14 years age group. The program includes opening of the new schools, strengthening existing school infrastructure, provisioning additional teachers, providing training aids, developing teaching learning material etc. The program has special focus on girl child education and children with special needs. It also provides computer education to reduce the digital divide in rural areas.

Several other schemes are also playing an important role in promoting rural development across the nation. The satisfactory evaluation of the programs and schemes infuse a new hope, especially among the rural communities.

Check Your Progress

4. Which ministry is responsible for rural programme implementation in India?

5. Name any three schemes being implemented for rural development at present.

6. Which schemes are to be established with an objective of developing entrepreneurs in agro-rural industry sectors?

7. What is the main objectives of the Atal Bhujal Yojana?

6.4 RURAL DEVELOPMENT PROGRAMS – ISSUES & CHALLENGES IN INDIA

India has a long history of experimenting with rural development initiatives. Since independence, the country has launched several programs for the development of the communities that reside in rural locations. It has witnessed programs and schemes in almost every aspect of development including agriculture, rural economy, rural livelihoods, health, education, environment, natural resources, livestock, infrastructure, women, men, youth, children and the elderly. A review of resources earmarked for the rural development interventions shall clearly highlight the gargantuan investment all the governments and administrative machinery has made

to bring the difference. However, as we look back the results look not that great. The rural landscape of the country poses several problems and challenges before those involved in undertaking the challenging interventions for the betterment of rural landscape.

The issues and challenges for rural development in India stems from the characteristics of the rural sector itself. These include:

- Excessive dependence on nature
- Prevalence of small and uneconomic land and livestock holdings
- Low capital – labor ratio
- Low Factor Productivity
- Low gestation and low rate of turnover
- High poverty
- Predominantly Illiterate and unskilled workforce
- Lack of Basic Infrastructure

Excessive Dependence on Nature: The mainstay of rural economy is agriculture and allied activities. The dependence therefore lies heavily on nature including weather and climatic conditions. Natural calamities like drought, flood etc. affect activities in the rural area and not much can be done to mitigate the risks associated with them.

Prevalence of small and uneconomic land and livestock holdings: The rural sector is also characterized by small and uneconomic land and livestock holdings. The fragmented holdings of small and marginal farmers in the country are highly unproductive and not financially viable. The high number of small and marginal farmers in the country is a challenge for the policy makers.

Low capital – labour ratio: The capital – labour ratio in the country is very low thereby affecting the productivity negatively. A large amount of public and private investment therefore, is the key requirement to facilitate development of any kind which, at times, is highly challenging.

Low Factor Productivity: Low factor productivity is yet another challenging issue that affects the rural development programs. Inadequate capital for production inputs, raw materials, machines and equipments etc. adversely affects and do not complement the rural development process in many instances.

Long Gestation & Low Rate of Turnover: Most of the activities in the rural sector are characterized by long gestation period and low rate of turnover. The slow output often restricts the return on investment and poses a challenge.

High Poverty: Rural poverty has posed serious challenges in realizing the dream of better life for rural India. The data from NSSO survey reveals that poverty continues to be the biggest challenge in rural areas.

Predominantly Illiterate and Unskilled Workforce: Rural sector is also plagued by illiterate and unskilled workforce. The higher level of illiteracy and lack of skills are a serious impediment to rural development.

Lack of Basic Infrastructure: One of the most serious challenges faced by the rural sector is that absence of basic infrastructure. Over the years, several attempts have been made to create basic infrastructure in the rural areas. Schemes like MNREGS, NRHM, SSA, etc. have made it possible to a great extent. However, the lack of basic infrastructure in rural areas cannot be unaccounted for and is a challenge for the rural development landscape.

Check Your Progress

8. Mention the aspects in which India has witnessed the implementation of programmes and schemes.
9. List three characteristics of the rural sector in India.

6.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The first ever use of the term rural can be dated to 1874, when the U.S. Bureau of the Census defined it as population of a country representing exclusively of any cities or towns with 8,000 or more inhabitants.

2. Economic categories of rural areas include agriculture, manufacturing, mining, and government.

3. Rural development can be referred to as bringing about positive changes in the lives of the rural communities including social, economic, technological and natural.

4. In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing programs for rural development.

5. Pradhan Mantri Awaas Yojana – Gramin (PMAY-G), Pradhan Mantri Gram Sadak Yojana (PMGSY) and Shyama Prasad Mukherjee National RURBAN Mission are three schemes being implemented for bringing desired development in the rural areas of the entire country.

6. The Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship' (ASPIRE), Livelihood Business Incubators (LBIs) and Technology Business Incubators (TBIs) are to be established with an objective of developing entrepreneurs in agro-rural industry sectors.

7. The main objectives of the Atal Bhujal Yojana include groundwater recharge and storage for agricultural usage and the revival of surface water bodies to increase the groundwater level.

8. India has witnessed programs and schemes in almost every aspect of development including agriculture, rural economy, rural livelihoods, health, education, environment, natural resources, livestock, infrastructure, women, men, youth, children and the elderly.

9. The characteristics of rural sector in India are:

- Excessive dependence on nature

- Prevalence of small and uneconomic land and livestock holdings

- Low capital – labour ratio

6.6 SUMMARY

- The term 'rural' has been referred by several as a geographical concept, i.e., a location with specific boundaries on a map, while several others have considered it as a social representation, meaning a community of interest, a culture and way of life.

- Development' is any activity or progress which increases the well-being of humans and the environment. Very often, it is accidentally or deliberately confused with the concept of growth (particularly economic growth including consumerism and commercialism).

- In most cases, countries with high per capita GDP are 'developed countries', while a developing nation is the one which progresses towards achieving this growth so as to give the same standard of living to its citizens.

- Todara (1994) defines development as a multi-dimensional process involving the reorganization and reorientation of the entire economic and social systems.

- The concept of rural development can be conceptualized as a process, a phenomenon, a strategy and a discipline. As a process, it refers to the commitment and engagement of rural communities to fulfil their goals of enhanced well-being.

- In India, the Ministry of Rural Development (MORD) is responsible for conceptualizing and implementing programs for rural development. The ministry is actively involved in implementing a wide range of programs that focus on poverty reduction, employment generation, infrastructure development and social security.

- Under the aegis of Ujjwala and Saubhagya Yojana, the government has assured to provide electricity and clean cooking facility to all willing rural families by 2022.

- Covering 78 districts, 193 blocks and more than 8,300 gram panchayats the Atal Bhujal Yojana will be launched in Gujarat, Maharashtra, Haryana, Karnataka, Rajasthan, Uttar Pradesh and Madhya Pradesh.

- The National Rural Health Mission (NRHM), which is now initiated under National Health Mission, is a Central government's Mission with an objective of providing accessible, affordable and accountable quality health services even to the poorest households of the rural areas.

- A review of resources earmarked for the rural development interventions shall clearly highlight the gargantuan investment all the governments and administrative machinery has made to bring the difference. However, as we look back the results look not that great.

- The rural sector is also characterized by small and uneconomic land and livestock holdings. The fragmented holdings of small and marginal farmers in the country are highly unproductive and not financially viable.

- One of the most serious challenges faced by the rural sector is that absence of basic infrastructure. Over the years, several attempts have been made to create basic infrastructure in the rural areas.

6.7   KEY WORDS

- **Development:** It is a process that creates growth, progress, positive change or the addition of physical, economic, environmental, social and demographic components.

- **Gross Domestic Product (GDP):** It is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period. As a broad measure of overall domestic production, it functions as a comprehensive scorecard of a given country's economic health.

- **Rural Development:** It is the process of improving the quality of life and economic well-being of people living in rural areas, often relatively isolated and sparsely populated areas.

6.8   SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What is a developing country?
2. How does UNDP define development?
3. Write a short note on the SFURTI scheme.
4. What is the Jal Shakti Abhiyan aimed at?
5. Write a short note on Sarva Shiksha Abhiyan.

6. What does the strategy of Deendayal Antayodaya Yojana include?

7. Write a short note on low capital labour ratio in the country.

Long-Answer Questions

1. Elaborate upon the concept of rural development.

2. Discuss any three rural development schemes introduced in the Union Budget 2020.

3. Examine the issues and challenges encountered while implementing rural development programmes in India.

4. Explain any three basic characteristics of the rural sector in India.

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UNIT 7 URBAN TRANSPORT-HOUSING DEVELOPMENT IN INDIA

Structure

7.0 INTRODUCTION

Urbanization has increased rapidly in India. The last few decades in the country have witnessed a growth of 3 percent in urban population every year. Demographic projections indicate 38 percent of Indians living in cities by 2026, with urban population close to 530 million.[1] According to the United Nations estimates, urbanization in India will increase to 52 percent with 875 million people living in cities by 2050. With such an increase in the urban population in India, several challenges shall emerge.

The challenges of providing efficient urban transport and housing facilities will intensify. Urban transport facility is essential as people in urban areas need to travel far and wide for purposes such as work, health facilities and recreation. Similarly, housing facilities and accommodation for the surging urban population must be increased too to absorb the migrating people. In this unit, an analysis of urban transport and housing has been provided.

7.1 OBJECTIVES

After going through this unit, you will be able to:

- Analyze the state, problems and policies of Urban Transport in India

- Discuss Urban Housing development in India
- Examine the challenges and policies of Urban Housing In India

7.2   URBAN TRANSPORT IN INDIA

Efficient and reliable transport plays a very vital role in economic growth of a country. Good physical connectivity in urban and rural areas is essential for economic growth and India's growing economy has witnessed a rise in demand for transport infrastructure and services since independence. Planning for transport is complex especially when it comes to transport that caters to the needs of world's second populous country. The rapid urbanization and lack of proper planning have already put the urban transport system under great stress. Urban areas in India, which include a wide range of mega cities, cities, towns etc. are not all that lucky in terms of intra-city transportation. Economic well-being of urban centers and that of urban inhabitants are directly influenced by presence or absence of mobility.

Urban transport in India is of great significance as it contributes significantly in reduction of poverty, through improved access to labor markets and thus increasing income in poorer communities.[2] Several services and manufacturing industries are seen to concentrate around major urban areas, and therefore require efficient and reliable urban transport systems to provide mobility to the labor force and connect production facilities to the supply and logistics chain. Mobility flows have become a key dynamic in the rapid urbanization process of Indian cities with urban transport infrastructure constituting the skeleton of the urban form.[3] Though the levels of urban mobility in India have increased, access to places, activities and services is becoming increasingly difficult in terms of convenience, cost and time. In fact, present levels of urban mobility are already generating a crisis situation characterized by high levels of congestion, environmental pollution, traffic fatalities and inequity eventually leading to a situation of undesired accessibility crisis.[4] Also with over a quarter of India's urban population below the poverty line, the mobility problems of the poor are of special concern.[5] The unaffordable private transport and inadequate public transport options impact poor the most. With growth in Indian cities and the population within these put the poor at a disadvantage, and refrain them from employment, recreational, educational, medical and other activities that this part of population needs access to. The urban transport therefore must be designed and developed taking into consideration needs and requirements of all the sections that live in the cities.

The design and development of transport policy is a tricky affair. India has made sincere attempts to develop transport policy twice. The first attempt was made in 1966 and the second in 1980. The establishment of State Transport Undertakings (STUs) proved to be a landmark between 1960s and 1970s in connecting cities and villages across the country. However, with rapidly increasing urbanization, the urban transport system needed an overhaul that is still awaited.

Check Your Progress

1. What is good physical connectivity essential for?
2. Why does urban transport hold great significance in India?
3. When were the first and second attempts to develop transport policy made?

7.3 TRENDS FAVORING URBAN MOBILITY FOR BETTER TRANSPORT

There are several trends that favor urban mobility for better transport. Some of these are:

- **Rapid Urbanization:** The urban population in India has seen a sharp rise with close to 35 percent as of 2019 and is expected to rise further up to 40 – 42 percent by 2025. Such an increase in urban population shall create a demand for an extremely efficient and more reliable yet affordable urban transport system in place. Also the system must support in reducing traffic congestion which is a deterrent in business and commercial activities and it should also aim at reducing accidents and pollution which have become rampant in the recent past.

- **Rapid Motorization**: One of the important reasons favoring urban mobility in India is the rapid motorization. The motorization in the country is growing faster than population registered through increased automobile ownership rates.

- **Declining Share of Non-Motorized Transportation:** With increasing number of cities in India, the share of non-motorized transportation (NMT) is declining steadily. Non-Motorized Transportation (NMT), includes walking, bicycling, other variants such as small-wheeled transport (push scooters, skates and hand carts), and wheelchair travel. Decrease in NMT exerts pressure on other means of urban transportation including both private and public.

Check Your Progress

4. What demand shall an increase in urban population create?
5. What does non-motorized transportation include?

7.4 URBAN TRANSPORT PROBLEMS

Majority of urban transport is characterized by high usage of road transport, barring few metropolitan likes Delhi/NCR, Kolkata, Mumbai, Bangalore which have Metro

or Rail connectivity. Also despite the presence of extremely efficient and well networked metro or local rail network, the road transport still has its own significance for local urban mobility. Several problems exist in Indian cities in reference to road transport that are listed below:

- **Road Congestion:** With increase in populations in cities, the average travel distance and time will increase. For instance, Bangalore, which also features the world's worst traffic congestion, has the average travel length of 8 km. Traffic congestion in Bangalore alone costs the city approximately 5 percent of its economic output. For other metro cities, the same average is 6 km. The travel length and time is expected to increase as more and more people migrate to cities for education, employment and other activities.

- **Parking Problems:** One of the other problems in urban transport management is that of parking space. With increased reliability on private transport and diminishing non-motorized transport, the urban centers have started witnessing severe parking issues which are expected to increase manifold in the years to come. Available data shows that a high proportion of Indian streets are faced with on-street parking issue.[6] The problem is all the more heightened especially in smaller, compact Indian cities. Delhi has 14 per cent of road lengths used for on-street parking while Surat has almost 60 per cent of its road lengths blocked by on-street parking.[7]

- **Air Pollution:** Air pollution is a serious threat to country's health. The number of cars on India's roads has been doubling every 8-10 years—and it's costing the country. A WHO study from 2014 found that 13 of the world's 20 most polluted cities are in India. Air pollution in Indian cities is the fifth leading cause of death in India. Annually, about 620,000 premature deaths occur due to air pollution in Indian cities.[8]

- **Weak Road Safety:** Absence of a strong urban infrastructure and rapid growth in motorization has resulted in deteriorating road safety. The country experiences 120,000 deaths per year due to traffic fatalities, more than any other country. Also according to a study undertaken by World Health Organization (WHO), the poor migrant population that is dependent on non-motorized transport modes like walking and cycling often end up mixing with traffic in common roads in the absence of pedestrians and cycling tracks and are prone to an increasing number of fatalities and road accidents.[9]

Check Your Progress

6. Why have urban centers started witnessing severe parking issues?

7. What is the fifth leading cause of deaths in India?

7.5 URBAN TRANSPORT POLICIES

Urban transport issues are plagued by several challenges. Of many few include:

- Gaps in Laws and Regulations,
- Fragmented Institutional Frameworks,
- Distorted Land Markets Affecting Transport Infrastructure Development,
- Lack of Comprehensive Design Standards for Transport Infrastructure,
- Absence of Reliable Transport Data, and
- Human Resource Challenges

Despite the challenges, the government has been striving hard to address the issues that the sector faces and is making sincere attempts to arrive at efficient and reliable transport system for its urban centers.

The urban transport issues have always been part of planning commission. The First Five-Year Plan stressed on the need of intercity transportation of different modes and created rail, road and air infrastructure to meet the demand. Since the Sixth Five-Year Plan, the importance of transportation infrastructure for sustained economic growth was acknowledged. However, it was only during the Eighth Five-Year Plan that the creation of a unified coordination body and a separate financial institution for addressing urban transport problems was thought of. The Eighth Five-Year Plan also focused and delineated a distinct role for the Ministry of Railways to plan and provide metro rail systems. However, the responsibility of urban transport policy was handed to MOUD in 1986.

The Ninth Five-Year Plan focused on developing urban transport institutions and establishing strong collaboration between central, state and local governments to tackle the issue of urban transport and related problems. It was during this plan that mass transit systems in metro cities were conceptualized as the solution to urban transport problems and financing metro projects became evident.

The Tenth Five-Year Plan saw a recommendation to enact legislation for mass transit projects, especially the metro systems, along with a financing strategy in cities with three million-plus population. It enlisted to have clear responsibilities and collaboration amongst Indian Railways, urban development authorities and state governments concerned with urban transport. The plan also proposed setting up of National Urban Transport Development Fund.

The Eleventh Five-Year Plan was instrumental in proposing improved productivity and efficiency of urban transport systems through technological upgrading and modernization. A strategic long-term framework to strengthen public transport in Indian cities was thought of and intermodal fare integration and automatic fare collection systems were key highlights of the plan. Also in order to address the issues of road safety, the National Road Safety and Traffic Management Board (NRSTMB) and Inspection & Certification (I&C) centres were constituted across

the country with an objective to regulate, promote and optimize modern and effective road safety and traffic management systems and practices on national highways.

Urban transport in the Twelfth Five-Year Plan, focused on "Managing Urbanization" and addressed the issue over a long-term vision of 20 years for the first time. The metro rail systems were highly valued and spoken of. The plan aimed at allocating budget for strengthening the MOUD and starting urban transport departments within each state, supporting transit (especially metro) and NMT infrastructure development, wider use of ITS technologies, commission for addressing safety issues and policies to finance transport infrastructure through PPP model.

Check Your Progress

8. List three challenges plaguing urban transport.
9. Which need did the First Five-Year plan stress on?

7.6   URBAN HOUSING DEVELOPMENT IN INDIA

Rapid urbanization in India has brought to the forefront a growing concern for country's urban planners to accommodate 900 million people by 2050 to Indian cities. The sharply increasing urbanization with people from rural villages traveling to urban centers in search of better opportunities has put strain on the urban infrastructure. With urban housing shortage evident in the country, especially for the poor, the policies have to be framed and implemented in the most inclusive way.

According to a report submitted by a technical committee to the Ministry of Housing and Urban Poverty Alleviation (MHUPA), India's urban housing shortage is estimated at nearly 18.78 million households in 2012. The same report cites that 80 percent of those living in obsolescent houses, live in congested houses and are in requirement of new houses. Moreover, one million households are living in non-serviceable katcha houses, while over half a million households are in homeless conditions.[10]

Housing is a very important aspect of living for human beings. Housing is an important activity that contributes towards economic growth of a nation. Housing and urban development go hand in hand and therefore, both have been one the thrust areas of economic planning in India. The sector has always been considered with utmost attention in the nation's Five Year Plans.

7.6.1   Challenges in Urban Housing in India

Given below are some of the challenges faced in urban housing in India.

- **Unavailability of Land in Urban Areas:** One of the greatest challenges that urban housing faces today is the unavailability of land in urban areas.

With rapid urbanization, the availability of land in metro cities is scarce. Owing to this problem, accommodating people has become very difficult.

- **Delays in Approvals from Different Local Authorities:** Delays in approvals from different local authorities makes it very difficult for real estate development to function smoothly. Unnecessary delays result in additional 20-25 percent of cost which gets reflected in the customer's budget.

- **Rising Construction Costs:** Rising construction costs are yet another challenge that urban housing faces today. In metro cities like Delhi, Mumbai, Bangalore, Kolkata, Hyderabad etc. the housing projects cost way too high.

- **Financing Constraints for Low Income Group:** Several financing constraints exist for low income groups that make urban housing out of reach for many. Commercial banks and other traditional means of housing finance typically do not serve the low income groups who are characterized by varying income patterns.

7.6.2 Housing Policy in India

The housing policies in India can be divided into four phases. The first phase comprising of first two decades (1950s to 1970s) where the policies were taking shape that focused more upon integrating all sections of the society. The second phase (1970s to mid-1980s), focused on economically weaker section (EWS) of the society. The third phase (1980s to 2000s), focused more on physical provision of housing as well as housing finance mechanisms. The last phase (2000s to present) shifted the role of government as facilitator of housing.

The era of mixed economic planning from 1950 – 1990, witnessed a housing policy driven largely by the approach of welfare state. The government's main role was to address the housing needs by providing them on its own. It was during this phase that government focused on fulfilling housing needs of various socially disadvantaged groups in both urban and rural areas. The period catered primarily to the middle and low income groups in both rural and urban areas.

Post the economic reforms for 1991 when India liberalized its various sectors, the housing sector no longer remained a thrust area for the government. The open market forces therefore, were given greater opportunities to invest in housing. The role of government shifted from that of "provider" to that of "facilitator".

The housing reforms in India can be considered with the onset of Jawaharlal Nehru Urban Renewal Mission (JNNURM), launched in 2005. The program was launched with an objective to improve the state of infrastructure in cities. The program also included two sub-missions namely, Basic Services for Urban Poor (BSUP) designed with an objective of upgrading and improving the existing conditions of slums by giving them access to basic amenities like water and sanitation, health care and education etc. The second sub-mission, Integrated Housing and Slum Development Program (IHSDP), was designed to tackle the poor housing for urban slum dwellers as per 2001 Census.

Launched with a vision to build a slum free India, the Rajiv Awas Yojna (RAY) in 2011 was one of the important schemes related to urban housing. Under the scheme, central support up-to 25 percent of cost of civic infrastructure (external and internal), whichever is lower was provided. The first component of RAY involved redevelopment of existing slums and second proposed to curb the creation of slums.

The Affordable Housing in Partnership (AHP) a part of the second component of RAY made provision for public private partnership for affordable housing. The state's implementing agencies were to make effort to ensure that at least 25 percent of the total built up/constructed area of the projects proposed is for EWS/LIG units. For facilitating private investment in this sector, Government had allowed 100% FDI in housing sector and the budget (2014-15) has gone one step further in this direction by listing slum redevelopment as an accepted component under the Corporate social responsibility (CSR)[11] to attract more private funds (GOI,2014-15).

Pradhan Mantri Awas Yojna - Urban launched by the BJP government in 2015 envisages 'Housing for All' by 2022. The flagship mission under the Ministry of Housing & Urban Affairs (MoHUA), Government of India aims to achieve Transformative, Inclusive and Sustainable development through planning, development and reforms.

The Mission compromises of four components:

- In situ slum redevelopment by using land as a resource. Slums located on government land/ ULB land or private land are covered under in-situ slum redevelopment for providing houses to all eligible slum dwellers.

- Promotion of Affordable Housing through credit linked subsidy for beneficiaries include economically weaker section (EWS), low-income groups (LIGs) and Middle Income Groups (MIGs).

- Affordable Housing in Partnership with Public & Private sectors, where the private sector and public sector join together to produce the required housing stock.

- Subsidy for beneficiary-led individual house construction /enhancement for families who want to construct their own house or make addition to the existing housing unit.

Check Your Progress

10. What has put a strain on urban infrastructure?

11. What did the second and third phases of housing policy focus on?

12. What does the flagship mission, Pradhan Mantri Awas Yojana (Urban) aim to achieve?

7.7 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Good physical connectivity in urban and rural areas is essential for economic growth.

2. Urban transport in India is of great significance as it contributes significantly in reduction of poverty, through improved access to labour markets and thus increasing income in poorer communities.

3. The first attempt to develop the transport policy was made in 1966 and the second in 1980.

4. An increase in urban population shall create a demand for an extremely efficient and more reliable yet affordable urban transport system in place.

5. Non-Motorized Transportation (NMT), includes walking, bicycling, other variants such as small-wheeled transport (push scooters, skates and hand carts), and wheelchair travel.

6. With increased reliability on private transport and diminishing non-motorized transport, the urban centers have started witnessing severe parking issues.

7. Air pollution in Indian cities is the fifth leading cause of death in India.

8. The challenges in urban transport are:
   - Gaps in Laws and Regulations,
   - Fragmented Institutional Frameworks,
   - Distorted Land Markets Affecting Transport Infrastructure Development

9. The First Five-Year Plan stressed on the need of intercity transportation of different modes and created rail, road and air infrastructure to meet the demand.

10. The sharply increasing urbanization with people from rural areas traveling to urban centers in search of better opportunities has put strain on the urban infrastructure.

11. The second phase (1970s to mid-1980s), focused on economically weaker section (EWS) of the society. The third phase (1980s to 2000s), focused more on physical provision of housing as well as housing finance mechanisms.

12. The flagship mission under the Ministry of Housing & Urban Affairs (MoHUA), Government of India aims to achieve Transformative, Inclusive and Sustainable development through planning, development and reforms.

7.8 SUMMARY

- Good physical connectivity in urban and rural areas is essential for economic growth and India's growing economy has witnessed a rise in demand for transport infrastructure and services since independence.

- Several services and manufacturing industries are seen to concentrate around major urban areas, and therefore require efficient and reliable urban transport systems to provide mobility to the labor force and connect production facilities to the supply and logistics chain.

- With over a quarter of India's urban population below the poverty line, the mobility problems of the poor are of special concern.

- The urban population in India has seen a sharp rise with close to 35 percent as of 2019 and is expected to rise further up to 40 – 42 percent by 2025.

- Majority of urban transport is characterized by high usage of road transport, barring few metropolitan likes Delhi/NCR, Kolkata, Mumbai, Bangalore which have Metro or Rail connectivity.

- Air pollution is a serious threat to country's health. The number of cars on India's roads has been doubling every 8-10 years—and it's costing the country. A WHO study from 2014 found that 13 of the world's 20 most polluted cities are in India.

- The urban transport issues have always been part of planning commission. The First Five-Year Plan stressed on the need of intercity transportation of different modes and created rail, road and air infrastructure to meet the demand.

- The Tenth Five-Year Plan saw a recommendation to enact legislation for mass transit projects, especially the metro systems, along with a financing strategy in cities with three million-plus population.

- In order to address the issues of road safety, the National Road Safety and Traffic Management Board (NRSTMB) and Inspection & Certification (I&C) centres were constituted across the country.

- Rapid urbanization in India has brought to the forefront a growing concern for country's urban planners to accommodate 900 million people by 2050 to Indian cities.

- Delays in approvals from different local authorities makes it very difficult for real estate development to function smoothly. Unnecessary delays result in additional 20-25 percent of cost which gets reflected in the customer's budget.

- The era of mixed economic planning from 1950 – 1990, witnessed a housing policy driven largely by the approach of welfare state. The government's main role was to address the housing needs by providing them on its own.

- The Affordable Housing in Partnership (AHP) a part of the second component of RAY made provision for public private partnership for affordable housing.

- Pradhan Mantri Awas Yojna - Urban launched by the BJP government in 2015 envisages 'Housing for All' by 2022.

7.9 KEY WORDS

- **State Transport Undertakings:** It means any undertaking providing road transport service. It refers to a special responsibility to provide road-based passenger mobility in the country.

- **Non-Motorized Transportation (NMT):** It includes all forms of travel that do not rely on an engine or motor for movement. This includes walking and bicycle, and using small-wheeled transport (skates, skateboards, push scooters and hand carts) and wheelchair.

- **Corporate Social Responsibility (CSR):** It is a type of international private business self-regulation that aims to contribute to societal goals of a philanthropic, activist, or charitable nature by engaging in or supporting volunteering or ethically-oriented practices.

7.10 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What is the crisis, created by present urban mobility levels, characterized by?

2. Write a short note on road congestion in India.

3. What has resulted in deteriorating road safety?

4. What did the Ninth Five-Year Plan focus on?

5. Write a short note on the efforts made for improving urban transport in the Twelfth Five-Year Plan.

Long-Answer Questions

1. Discuss the trends that favour urban mobility for better transport.

2. Elaborate upon the problems in Indian cities in reference to road transport.

3. Analyze the steps taken in the Eleventh Five-Year plan for improving the efficiency of urban transport systems.

4. Examine the challenges in urban housing in India.

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11 Government policy under which corporate sector is to invest a... for social development of community.

UNIT 8 MICRO LEVEL PLANNING –PARTICIPATORY APPROACH-PANCHAYAT RAJ SYSTEM IN INDIA

Structure

8.0 INTRODUCTION

One of the most important aspects of the development process, whether at micro-level or macro-level, is planning. Planning is of two kinds – centralized and decentralized. While attaining higher growth rate of national income is at the core of centralized planning, people development forms the main focus of decentralized planning. Depending on the size, area and geography of a big country, power cannot be vested in one person's hands. Hence, it has to be divided to such an extent that the governance of the country can be made efficient. The key to achieving the goal of efficient governance is decentralization.

It has been argued that decentralization improves governance and public service delivery. This is done by increasing the allocative efficiency, by matching public services to local preferences in a better manner, by productive efficiency, by increased accountability of local governments to citizens through fewer levels of bureaucracy, and better knowledge of local costs. Theoretically, the most important point related to decentralization is that the government will become more responsive and accountable, thus, improving governance. The national governments, following the concept of decentralization, have started delegating powers in developmental activities, such as those related to policy and decision-making, environment and public services

India made a landmark change by introducing constitutional reforms. Not only this, it introduced a major programme related to economic reform before the 1990s, which was the first of its type. Decentralization affects governance, particularly political competition. It improves public accountability, and reduces political instability. It imposes incentive-compatible limits on government power but also threatens fiscal sustainability. It has also become easier than before because of technological changes and provides public services relatively more efficiently. Also, the lower levels of government have a much better ability to handle certain risks. Decentralization or devolution is also regarded as a way of diffusing political and social tensions and ensuring political and local cultural autonomy in a world of rampant separatists' movement and ethnic conflicts.

8.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the participatory approach to micro-level planning.
- Analyze the five-year plans and the evolution of Decentralized Planning
- Discuss the history and functions of Panchayati Raj system in India

8.2 MICRO LEVEL PLANNING –PARTICIPATORY APPROACH

In the literal sense, decentralization is 'moving away from the centre' or otherwise de-concentrating the powers of the upper level of the organization to its lower levels. There are many theorists who have given various definitions for decentralization:

According to Henry Fayol, 'Everything that goes to increase the importance of the subordinate's role is decentralization, everything that goes to reduce it is centralization.'

According to Louis Allen, 'Decentralization refers to the systematic effort to delegate to the lowest levels of all authority except that which can only be exercised at central point.'

According to Rondinelli, 'decentralization is the transfer of responsibility for planning, management, and resource-raising and allocation from the central government to

    (a) field units of central government ministries or agencies;

    (b) subordinate units or levels of government;

    (c) semi-autonomous public authorities or corporations;

    (d) area-wide regional or functional authorities; or

    (e) NGOs/PVOs.'

Decentralization is one of the major elements of good governance and nearly all the countries in the world are implementing it in their governance policy since the early 1980s. Redefining decentralization, it states the transferring of the responsibilities of the national or state functions from:

- Central to sub-national governments
- Central agencies of offices to regional bodies or the branch offices from non-governmental organizations to the private entities.

The transfer of competencies downwards has noticeably transformed both the structure and capacity of many national governments. Decentralization has been seen as a very good framework which is analytical and can also refine the traditional practices which are dominant. It is considered as an element, which is important in democratic participation, and when combined with deregulation and privatization, it substantially reduces the authority of national governments over state policy.

Decentralization of governance is a major institutional framework which has caused considerable industrial growth and other diversified growth in many countries. In several countries, centralized governance has lost its legitimacy and has failed in many instances, while decentralization is showing many benefits in varied areas like economic growth and reduction of poverty. Decentralization not only makes the government more efficient in handling things but also responsive. The core of decentralized planning is the autonomy enjoyed in devising and executing plans. It is a process through which the planning procedure is brought nearer to the people, who are the ultimate target of development. Many countries have opted for decentralization of governance because they feel that it will strengthen civil society and deepen democracy. Some countries consider it a way of reducing the role of state by fragmenting central authority, offloading some of the important responsibilities to lower-level governments, launching some more competition between governments inside the country and also using the system of checks and balances.

8.2.1 Decentralized Planning in India

India has the following dimensions:

- Land area–3.3 million sq. Kms
- Length–3,214 km
- Width–2,933 km
- Number of states–28
- Number of Union Territories–7

    Population–Over 1.21 billion (according to Census 2011)

These statistics show the need to have a proper decentralized set-up in the country as a large country like India cannot have a complete centralized set-up. Due to its quasi-federal and democratic nature, decentralization shows the way

towards the actual growth of the country. Majority of the Indian population lives in the villages. The best way for effective governance is to enhance grass-root democracy. It is believed that the enduring and decentralized image of a decentralized India was Mahatma Gandhi's vision. He had a vision of a village, which was economically self-sufficient. He had in his mind the symbolic imagery of the independent 'village republic', which had an important element of formal, constitutional changes in India's administrative system and can have a lasting impact on informal and unequal structures like caste, class and gender. India, which has completely diversified strata, has mixed goals of development, and decentralization has with the change in time, developed democratic decentralization which implies devolution of governmental responsibilities and powers, decentralization of political institutions, development of local leadership starting with the villages and strengthening the efforts for economic modernization all over the country.

Planning is an important element of decentralization. It can be a part of individual, collective or cooperative endeavour. It is said to be a 'rational process characteristic of all human behaviour'. In the context of a developing country like India, planning is the best way to pull up the economy to a self-sustaining and self-generating stage.

According to Dimcock, planning is the 'use of rational design as contrasted with chance, the reaching of a decision before a line of action is taken instead of improving after the action has started.' Seckler-Hudson define planning as, 'the process of devising a basis of a course of future action.'

According to Millet, 'Planning is a process of determining the objectives of administrative effort and of devising the means calculated to achieve them.' Planning involves the following steps:

- Determining the objective: To determine an objective, a collection of data is required. There should also be an enquiry into the problems. After examining all the problems, a final decision is taken. It is a policy decision and hence, political in nature.

- Considering the possible courses of action to achieve the objective: It involves finding of the best alternative methods. Examination of the methods is also required.

- Selecting the best course of action: It includes evaluation of the results of investigations and tests, and picking the best one out of them.

India adopted the policy of economic planning with the goal to achieve quick economic development in 1947. The main purpose for the planned development was to eradicate poverty in a short period of time and bring great wealth and fortune to every citizen of the country. However, sadly, poverty still persists on a large scale in the country. The inequalities in the income levels between the rich and poor still persist, and continue to expand.

Planning in India, as mentioned above is executed in the form of five year plans. In the plans framed, the programmes and policies are formulated centrally

at the top level of the government. The responsibility was given to the Planning Commission of India which is the highest policy-making body in our country. These plans are implemented also at the lower levels, i.e., the state, district, blocks and panchayats.

It was observed that planning only at the centre cannot understand and fulfil the needs of local people. Moreover, it will also hinder proper utilization of resources. It has been observed that in many cases, policies are formulated and implemented without addressing a number of issues, such as environmental problems. However, efforts can be put to enhance local participation to a greater extent in the formulation and implementation of these plans. This kind of planning is called decentralized planning.

Decentralized planning in the government starts from the national or central level to the state level and sub-state level. The lower level, that is, the sub-state level includes district, block and panchayat. All the levels have a particular role to play in the process of planning and are given certain powers and responsibilities. These powers are related to:

- Determining the goals

- Increasing the production of local resources.

Decentralized planning, can be defined as a type of planning where all the local organizations and institutions formulate, adopt, execute actions and supervise the plan without any interference by the central body.

The Planning Commission of India has the responsibility of planning for the whole country to meet various objectives, such as economic goals, infrastructure, growth and employment. Thus, the concept of decentralized planning was evolved.

The Planning Commission of India was established in 1950. It was set up to make possible the proper utilization of the resources of India. The key role of the commission was to increase employment opportunities for the people of the country. This was done by implementing various schemes and policies which aim at development of the society. The balanced exploitation of the wealth of India is also a major responsibility of the Planning Commission of India. The Prime Minister of the country is the chairman of the Planning Commission, and the first Chairman of the Planning Commission was Pt. Jawaharlal Nehru. As an advisory body attached to the Planning Commission, the National Planning Council was established in 1965. The council has experts representing all the sections of the Indian economy. With this, the members of the Planning Commission and the Chief Ministers of the States constitute the National Development Council which was established in 1951 and is headed by the Prime Minister.

With the establishment of the Planning Commission at the national level, the First Five Year Plan was launched in 1951. All the subjects were divided into three categories — Central, State and Concurrent. They were given the work in the following manner:

- Centre: To evolve a national plan; work on the plan, for its implementation; keep an eye on the progress of major development schemes in different parts of the country.

- State: To plan for implementing the subjects in the State list.

- Concurrent: To deal with both Centre and State subjects like social and economic activities.

Two-level planning was started in both national and state levels. However, soon the policy makers realized the need for multi-level planning. They realized that there were potentials in the areas below the state levels as well. Therefore, a lot more was required to be done on the theme of decentralized planning in the country.

Check Your Progress

1. What is the core of decentralized planning?
2. What responsibility does the Planning Commission of India have?

8.3 EVOLUTION OF DECENTRALIZED PLANNING

A number of Five Year Plans were introduced in our country with different key objectives set for each different plan.

First Five Year Plan (1951–1956): The Community Development Programme was the first programme which experimented with the concept of decentralized planning. To create an infrastructure, the Community Development Blocks were established at the block level. This was done for integrating the administrative and developmental work for efficient functioning. For all the activities of development of the villages, the block level was given the crucial responsibility. The experiment at the block level was closest to the idea of micro-level planning but certainly lacked popular involvement.

Second Five Year Plan (1956–61): This emphasized on setting up a 'socialist pattern of society'. 'The accent of the socialist pattern is on the attainment of positive goals; the raising of living standards, the enlargement of opportunities for all, the promotion of enterprise among the disadvantaged classes and the creation of a sense of partnership among all sections of the community'. During the Second Five Year Plan, two important steps were introduced as districts were the pivot of the structure of democratic planning.

Planning of village and District Development Councils was initiated, though it was only at the early stage. There was an idea of popular participation through democratic decentralization. The main motive was to bring the district and state plans to the intricate grass-root level so that more people can be benefitted from it. This would solve the pressing problems of each local area through community

participation. The idea of creating such councils was quite good but it could not succeed as it was conceived in isolation.

Third Five Year Plan (1961–1966): The idea of decentralization was reiterated in the Third Five Year Plan as the annual plan was to be framed on the basis of the need in the district and block levels. The planning included sectors of agriculture, village industries, elementary education water supply and minimum rural amenities and utilization of manpower in rural areas. Importance was given to the development of the urban and rural areas in the district the district planning authorities a much clear understanding of the resources that would be available for development purposes and reducing the rigidity regarding outlay for different structures.

Fourth Five Year Plan (1969–1974): With the successive annual plans, district planning in the states became more general, detailed and a coordinated programme. Reduction of regional disparities as an objective of district planning was added. Detailed guidelines for preparation of district plans were issued by the Commission regarding methodologies along with medium and annual plans. District plan preparation was started by Maharashtra in 1972 and separate planning boards like the District Development and Planning Councils were established. Gujarat initiated district plans in 1979.

Four significant developments also took place:

- Banks were nationalized and were given various responsibilities in the massive programme of rural development, relating it with the district development plans.

- Concept of integrated area development came up throughout the world and India did not remain unaffected. In this concept, growth centres, i.e., small towns or large villages which had the potential to become the hub of future economic, social and political development, were established.

- Area-specific and beneficiary oriented programmes like CADA (Command Area Development Authority), DDA (Divisions Development Authority), HADA (Hazira Area Development Authority), TDA (Tribal Development Agency), SFDA (Small Farmers Development Authority), and DPAP (Drought Prone Area Programme) were introduced, which were centrally sponsored programmes on a sharing basis and were operated in districts.

- During the same year, a committee headed by Asoka Mehta was set up to enquire into the working of the Panchayati Raj Institutions.

Fifth Five Year Plan (1974–79): It emphasized on two strategic goals.

  (i) Removal of poverty
  (ii) Economic self-reliance

In addition, the National Development Council (NDC), while adopting the Fifth Five Year Plan, passed certain resolutions 1976:

- Taking effective steps to curb the inflationary tendencies
- Endorsing the emphasis on agriculture, irrigation, energy and related core sectors
- Implementing new economic programmes

Sixth Five Year Plan (1980–1985): This highlighted the importance of block-level planning for the eradication of poverty with gainful opportunities of employment to even the poorest of the poor. In 1983, the Prime Minister's Economic Advisory Council suggested that there should be a cluster of four districts each. This tier was termed as the Divisional Development Authority (DDA) which constituted a Policy Planning Council and a Programme Executive Council.

During the Sixth Plan period, Andhra Pradesh and Uttar Pradesh also started district planning. A working group chaired by M. L. Dantwala was appointed to draw up guidelines for block-level planning.

It advocated that block-level planning will accelerate the process of decentralization in the hope that a more systematic approach with a smaller coverage will help speed up the development process and be more responsive to the weaker sections of the society. The IRDP (Integrated Rural Development Programme) also came up with a plan to lift the poorest families in the block above the poverty line by providing credit and inputs to such families.

Seventh Five Year Plan (1985–1990): The process of decentralization was to be followed on the recommendation of the Rao Committee. The Planning Commission played a guiding role to impart momentum. In 1985, a committee was set up which was chaired by G. V. K. Rao by the Planning Commission of India and was given the charge to look into the administrative activities and recommend a proper structural mechanism. The report produced was called CAARD 1985 and emphasized the need to activate Panchayati Raj institutions.

On Panchayati Raj Institutions, the Sarkaria Commission was set up to see the existing arrangements between the Union and States. The commission recommended effective participation by the bodies elected and suggested creation of the Finance Commission at the state level for the State Government to devolve the resources to districts.

This was the approach of The Planning Commission to do decentralized planning. Hence, the Planning Commission played an important role in the decentralization planning of the country.

Ninth Five Year Plan: (1997–2002): This plan gave due consideration to decentralized planning. It clearly states that the panchayats should be given certain powers and authority so that they can discharge their functions efficiently and independently as envisaged in our Constitution. To discharge the functions properly, the panchayats should have strong financial and administrative support.

Hence, one of the most important priorities in this plan is the mobilization of one's own resources.

This plan covers various provisions of decentralized planning, governance and development in order to make sure that the Panchayati Raj functionaries are provided with information with respect to various programmes/schemes of the government.

These were the policies in the Five Year plans related to decentralization. As discussed earlier in this unit, Five Year Plans can be termed as decentralized plans to a great extent. From the very first plan onwards, attempts have been made by the government to introduce some degree of decentralization into the planning function by strengthening local level planning. Sometimes, such attempts have proved to be strong and visible. However, the fact that cannot be denied at times is that, they have been weak and dormant. Thus, decentralized planning in our country has started over the years.

To get a clearer picture of the evolution of decentralized planning, the evolution can be discussed in five phases as follows:

(i) **The Community Development Planning Phase:** The phase talks about two Five Year plans, i.e., the First Five Year Plan (1951–56) and the Second Five Year Plan (1956–61). In order to give a concrete shape to Gandhi's idea of a self-sufficient village, the planners in the First Five Year Plan had incorporated the Community Development (CD) Programme with great enthusiasm. It was inaugurated on 2 October 1952, in fifty-five selected blocks of the country. It was completely intended to be a people's movement. According to the Ministry of Community Development, Government of India, 'The initiative for Community Development Programme comes from the people themselves. Village Communities not only choose the priorities according to which the problems are to be tackled, but they also undertake the major responsibility for implementing them. The role of the Government is to assist all these activities at every stage. Officials guide and help the villagers, provide technical advice and organize supplies, services and finance.'

This programme was implemented by the National Extension Service. In practice, however, the method adopted for the purpose was 'top-down', i.e., in all the directions that came from the centre. However, planning does not reflect the local needs of the people, nor does it come with the necessary financial or technical assets. As a result, the members of the community did not show any interest in the programme as it was expected.

(ii) **The Panchayati Raj Phase:** The period from 1960–70 marks the establishment of the Panchayati Raj institutions. The institution of Panchayati Raj originated on the recommendations of the Balwantrai Mehta Committee. This committee was set up to study the functioning of the Community Development projects. The Committee made a very important observation relating to decentralization:

'So long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local projects conforms with needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances we will never be able to evoke local initiative in the field of development.'

Based on the Balwant Rai Mehta Committee's recommendations, the Panchayati Raj System was to have three tiers: at the village, block and district levels.

- At the village and block levels, the bodies were elected, and hence, democratic.
- At the district level, an advisory body was constituted. It was chaired by the District

Collector and the MLAs and MPs were to be its members. There were some elected bodies of the panchayat as well. The key function of the body was planning. At this level, the body needs to improve the functioning of the Panchayat as well. Problems- Panchayati Raj institutions found a place in many states based on the Committee's report. Panchayati Raj institutions are not regarded as a separate level of government as it comes under district. Some decisions which are political in nature were taken by the authority at the State and Centre. One of the problems was related to the domination by the people in power like the political leaders, in the meetings of the Zila Parishad and Panchayat Samiti. The decisions related to activities of development were taken by the authorities at the Centre and State. Hence, it cannot be said that there was effective decentralization. There was no Panchayat Samiti or Zilla Parishad at both the levels of block and district that can be differentiated with an authority. Lower level units are generally supposed to follow orders from higher authority and had no scope for taking their own decisions. As a result, these institutions had to suffer a huge turmoil by the end of 1970s. The Ashok Mehta Committee was another Committee appointed in 1977 to review the existing situation of Panchayati Raj in the country and had recommended a two-tier system.

(iii) **The Period of Special Programme:** This phase was during the Fourth Five Year Plan when some significant modifications were brought about in the planning related to economics and development. Till this point of time, States were assisted by the Centre. Calculated funds for specific projects proposed by the State were given on the approval by the Centre. This did not work as far as the plan of giving away of funds with the help of the Centre is concerned. In the Fourth Plan, it was changed.

Then the Gadgil Formula came into the picture for the allocation of blocks between the Centre and the States. The percentage of grant and loan was 30 per cent and 70 per cent respectively. It did not include the priorities

and schemes of the states. So, to use the funds properly, the States had to work hard to strengthen their position in the system.

Soon realization dawned on people that these schemes were not affecting many societies or people in various regions. It was not compatible with the economic growth. Some special change was the ardent need for benefitting as many people as possible. Hence, some special programmes in the plan were launched, which included the following:

- The Minimum Needs Programme (MNP)
- The Marginal Farmers and Agricultural Labourers Agencies Programme (MFALAP)
- The Pilot Intensive Rural Employment Project (PIREP)
- The Small Farmers Development Agency Programme (SFDAP)
- The Tribal Areas Development Programme (TADP)
- The Hill Areas Development Programme (HADP)
- The Drought Prone Area Programme (DPAP)

The specialty of these programmes is that it makes clear that now the focus on rural development was given to 'target areas or target groups'. The activities which were suitable for the area were planned and people with great enthusiasm were supposed to help in implementing them in the Development Block which was viewed as the most suitable, especially in the context of area planning. Under the chairmanship of Prof. Dantwala, a working Group on Block-Level Planning was appointed by the Government that prepared guidelines for block-level planning. However, later on, government was changed and the new government brought in a new 6th Plan (1980-89). With this the focus shifted from the Block level to the District level.

(iv) **The District Planning Phase:** The District Planning Phase was the time of the Sixth and Seventh Five Year Plans that starts from the 1980s till the 1990s. The planning, during this period took place with the help of special programmes. The government had set up a Working Group on District Planning Chaired by C. H. Hanumanth Rao in 1982. Decentralized Planning at the district and local levels was the main focus in this period.

Finally, the committee of C. H. Hanumanth Rao recommended a plan which covered all the sectors at the district level. This process was a unified one and prescribed all the details regarding methodology, institutions and other avenues required. There was another committee set up, that was the G. V. K. Rao Committee. It suggested some arrangements related to administration and focus was also given to rural development in 1985. It also pointed out that the district plan should not be seen merely under the purview of the State Plan. It was to be coupled with the State Plan and executed into the

same plan. These committees provided detailed guidelines to the states to reorganize planning below the State level. This plan showed ways to many state governments for implementing decentralized planning in their respective states while following these guidelines in a general manner.

(v) **The Period of Revival of Panchayati Raj:** Decentralized Planning depends greatly on devolving the powers from the top-level government to the local-level government. However, the problem is that even when powers and functions are given to these institutions, they are not as effective as they should be because of some competing agencies. The Panchayati Raj institutions are considered to be the lower level authorities in India but the problem is that they have a constitutional position which is not strong.

The Government, with the 73rd Amendment, introduced some important guidelines to strengthen the Panchayati Raj institutions, in 1993. The States have considerable functions in their hands and have been given the powers to mobilize resources. Nowadays, the aim is to decentralize effectively through panchayats. Till now, twenty-nine subjects have been recognized as the Panchayati Raj institutions.

The following content will extensively deal with the Panchayati Raj system for better understanding.

Check Your Progress

3. What is the focus of a socialist pattern?

4. List the resolutions passed by the National Development Council.

5. What suggestions did the G.V.K. Rao Committee make?

8.4   PANCHAYATI RAJ SYSTEM IN INDIA

Mahatma Gandhi advocated that 'India lives in her villages. Indian independence must begin at the bottom, thus making every village a republic or panchayat, enjoying full powers. His remarks say that true democracy cannot be worked by twenty men sitting at the centre and has to be worked from below by the people of every village'. These very dreams were responsible for the inclusion of Article 40 in the Directive Principles of State Policy of the Constitution of India.

There has been socio-economic transformation in rural India. The grass-root units of local self-government that have made this transformation possible are the Panchayati Raj institutions. Local governments are able to respond better to local needs not only because of their proximity to the people but also because they are in a better position to make the best use of resources. In India, Panchayati Raj is seen as an institutional expression of democratic decentralization. Power is decentralized to the panchayats to empower people and involve them in decision-making processes at the ground level.

Panchayati Raj is another name for the system of decentralizing democratically. Panchayati Raj is the tool that helps ensure democracy. It is also the tool that is capable of transforming the socio-economic condition of a village/region. Democracy can be ensured in a country only through mass participation in the country's governance.

The Government of India took a revolutionary step in 1993. It made Panchayati Raj Institutions a part of the Constitution. Panchayati Raj has been able to withstand several political changes and upheavals in the ancient and medieval periods till the British Raj. Following colonial administration, the manner of functioning of these local bodies changed drastically.

8.4.1 History of the Panchayati Raj System: Pre British Rule

In the Rig Veda and other scriptures, there is mention of the term 'Panchayat' which were composed over 1000 years before Christ. The word is derived from Panch, which means five, referring to the five members of the Panchayat. These five members of the village Panchayat were called Pancha Parameswar, or the five Gods. The word is also said to be a derivative of pancha panchasvanusthitah. The Panchayat was responsible for distributing land, collecting revenue and settling disputes.

It would not be wrong to say that Panchayati Raj, as an institution, existed since the time the Indian civilization has existed. Since ancient times, it has not only been present but has been controlling and managing affairs, both judicial as well as civil, in Indian villages. In addition to the Rig Veda, the Manusamhita, Dharmashastras, Upanishads and Jatakas mention local administration extensively, for instance, the panchayat system of administration is mentioned in the Manusmriti while the Shantiparva is mentioned in the Mahabharata. Grama Sanghas or village councils are also mentioned in the ancient scriptures.

These village councils are described in detail in Kautilya's Arthashastra of 400 B.C. This work gives a detailed discussion of the village administration that prevailed during that period under the supervision of the Adyaksha or headman who controlled everything. He was of course supported by other officials, such as Samkhyaka (accountant), Anikitsaka, (veterinary doctor), Jamghkarmika (village couriers) and Chikitsaka (physician).

It was the responsibility of the headman of the village to collect the state dues and also control the actions of criminals and offenders. In Valmiki's Ramayana, the village federation or Ganapada is mentioned, which was probably a type of federation of village republics.

In India, there were self-governing village communities, which were primarily agrarian economies, that were in existence since time immemorial. Even the Rig Veda from approximately 200 BC mentions that the basic unit of administration was the village during the Vedic era. The Sabha and the Samiti were the most important features of the early Vedic polity. These were the popular assemblies of the time.

- Samiti - This was the folk assembly of the Vedic period, and at times enjoyed the right to elect a king.

- Sabha - This assembly also performed certain judicial functions.

Both the Samiti and the Sabha had the power and right to debate, unlike other popular assemblies of those times. The village headman held the office of Gramani, indicating that the village emerged as a unit of administration. In the later Vedic era, the Samiti slowly lost popularity and vanished while the Sabha shrank to a narrow group or body corresponding to the king's Privy Council only.

In due course of time, village bodies formed into panchayats that managed village affairs. They had the powers to enforce law and order. They were also put on a pedestal by various customs and religious norms that bestowed on them a sacred position of authority. In addition, there also existed caste panchayats. This was the pattern in the Indo-Gangetic plains. However, in the south, the village panchayats generally had a village assembly where the executive body comprised representatives of various groups and castes. These village bodies in northern and southern India, had not only been the focus of administration but also the centre of the social life of the people and pivot of social solidarity.

During the reign of the Mauryas, the village was the basic unit of administration wherein the disputes were settled by villagers; they also did work that was useful for the public, and organized recreational activities. They played the part of trustees for property owned by minors. Regular councils had not come into being. The village council appeared to have evolved into regular bodies in the Gupta period where they were known as Panchamandalas in Central India, and Gramajanapadas in Bihar.

These bodies negotiated with the government for concessions and settlement of disputes between the people. The inscription of the Chola dynasty reflects the construction and functions of the village assembly and their executive committees. The village administrations were performed by the elected representatives that formed the village council.

Medieval Period: Village bodies formed the central point of administration during the medieval and Mughal eras. During the Mughal era, particularly during the reign of Sher Shah, the villages were governed by their own panchayats. Every panchayat consisted of the elders of the village who ensured that the interest of the people was protected and there was justice for all. They ensured that the defaulters were punished. The village head was considered a semi government official who coordinated between the village panchayat and the administrative authority. Akbar not only favoured this system purely but also accepted it as an integral part of civil administration. During this age, each village had its own panchayat consisting of the elders. The Mughals came up with elaborate administrative hierarchies of officals, particularly in the revenue department. They had autonomy in local taxation, administrative control, justice and punishment of the local administrative system of the Mughals for several centuries.

Following the fall of the Mughal Empire, the British established their foothold in India. The panchayat concept weakened later under the feudal and Mughal rulers. There was a whole new class of feudal chiefs or zamindars, who were the link between the king and the commoners.

Panchayati Raj under the British Rule

Under the British rule, the Panchayats started losing their self-governing character gradually and the authority of the state had direct control of the British rulers. In the new judicial system, disputes arising in the village were carried to the courts that were outside the village. Special programmes like construction, relief works, maintenance of irrigation work and payment of grants-in-aid to schools were implemented by the state under them. Hence, the age-old functions of the Panchayat were carried by the external agencies.

The British arrived on Indian soil with the main objective of trading. They did not have much to do with governance and development. Their first priority was never the local government and before the advent of the British rule in India, the local and rural republic had grown and thrived. With the emergence of the British Raj in India, the panchayati raj institution ceased to play the role that it had earlier. The truth remains that local self-government as a representative institution came about during British rule.

In the beginning, the British were only interested in creating local bodies comprising nominated members. These bodies were built around trading centres. In 1687, a municipal corporation was formed in Chennai (Madras), based on the British model of town council. This body possessed the power to levy taxes for building guild halls and schools. With the passage of time, similar bodies came up in other major towns and a model became prevalent to help the British to widen their taxation power. This model continued to comprise nominated members without any elected elements at all.

After the First War of Independence in 1857, local-self-government received some more attention from the British Government and District Funds were set up in several states with some power to levy a tax on land, education, revenue and roads. With them, the District and Taluka local fund committees were set up, the fate was such that the funds were small and the village was hardly touched by the district committee.

Mayo Resolution of 1870

Lord Mayo, the then viceroy of India from 1869 to 1872, felt it was necessary to decentralize powers to bring efficiency in administration. In 1870, he launched the system of elected representatives in urban municipalities. Lord Mayo's Resolution of 1870 under the British Rule, is considered as a huge step in the history of evolution of local self-government. It aimed at enlarging and increasing the powers and responsibilities of the governments, ruling in the Provinces and the Presidencies.

Local public works, sanitation, health services and education had a chance to receive more attention from them as well as the local-self-governments also.

The revolt of 1857 had put the finances of the Britishers under a lot of pressure and it was necessary to finance local service by the way of local taxation. Hence, Lord Mayo's resolution on decentralization was adopted because of financial reasons.

The Bengal Chowkidar Act of 1870

The Bengal Chowkidar Act of 1870 was an initiative to re-introduce the age old tradition of village panchayati system in Bengal. The Chowkidar Act gave the power to district magistrates for setting up panchayats. It comprised nominated members, who were the residents of the villages, and their work included collecting taxes for the purpose of paying the chowkidars (watchmen) hired doing this work.

Ripon Resolution (1882)

Lord Ripon is regarded as the father of local self-government in India because of the resolution he made and passed in 1882. He turned into action the intention of Lord Mayo. He gave importance to both administrative efficiency as well as political education at the ground level of locals. The Ripon Resolution focused on towns that provided for a majority of elected non-official members and a non-official chairperson for the local board. It was resisted by the colonial administrators.

The contribution of Lord Ripon in the development of local Government is great. The local boards were split into smaller units under his local self-government plan so as to ensure higher levels of efficiency. He launched a system of election aimed at ensuring popular participation that was applicable to the local boards as well. The government resolution of 18 May, 1882 is of great significance in the structural evolution of local governments. It contained provisions for the local boards comprising a large majority of elected non-official members presided over by a non-official chairperson. Lord Ripon's Resolution was said to be The Magna Carta of local democracy in the country. This resolution proposed to establish rural local boards with two third members being elected representatives. He introduced the concept of self-government in urban municipalities as well. Hence, he is also regarded as the founding father of urban local government.

After Ripon's resolution, there was a series of Committees, Commissions and Acts. The Royal Commission on Decentralization, set up in 1909, elaborated some more principles of Ripon resolution but this was not implemented. Ripon's scheme could not be of great help in the development of local self-government institutions.

Montague-Chelmsford Reforms of 1919

The Montague-Chelmsford Reforms were passed in 1919. This reform transferred the subject of local government to the domain of provinces. The reform also

recommended that as far as possible there should be a complete control in local bodies. By 1925, there were eight provinces which had panchayats but they only had a few villages which were functioning well. It led to a lot of organizational and fiscal constraints and because of this, the reform was unable to give great results as far as democratization of panchayats was concerned.

The Royal Commission on decentralization, which was chaired by C. E. H. Hobhouse tried to bring back the old culture of panchayats by starting local-self-government at the rural village level instead of the district level. The Commission recommended granting some powers to the Panchayats to help them perform their duties without depending on others. They were given some roles, such as the control over the village ponds, sanitation in villages and management of schools. It also provided for some finance for this. The village panchayats were introduced in many provinces after the Montague- Chelmsford reforms. By 1925, about eight provinces had already passed Panchayat Acts. By 1926, there were six native states that also passed panchayat laws.

With the introduction of diarchy, ministers contributed a little to the development of local government. In 1927, the Simon Commission was given the work of looking into the working of local-self-government. It also suggested some improvement in the system. Many drawbacks, such as the huge size of an average district, lack of good spirit among voters, lack of funds and absence of control by the provincial government were pointed out.

Government of India Act (1935)

The Government of India Act is said to have played a significant role in the evolution of panchayats in British India. All the provinces had elected governments. Therefore, it was natural for them to feel bound to enforce legislations promoting democratization of local self-government institutions, including village panchayats. Although the popular government in the provinces governed by the Congress let go their office following the declaration of the World War II, 1939, the local government institutions continued to remain powerful until August 1947, when India finally became independent.

The British government was not at all interested in the village autonomy. Yet, they were forced to bring it about because they wished to continue ruling the country. In addition, it had to fulfil its financial necessities. The rural republic of India thrived till the British arrived, but lost popularity during the British reign. The panchayats of the 'self-contained' villages came to a stop, and soon gave way to formally constituted institutions of village administration. In the highly centralized system of British rule, village autonomy took a back seat.

In1937, some popular ministries were formed that undertook legislation to make the local bodies which were truly the representatives of the people. Unfortunately, they decided to resign with the outbreak of the World War II in 1939. From 1939 to 1946, the provinces were ruled by one man — the Governor. India finally got independence in 1947.

8.4.2 Panchayati Raj after Independence

The aim of the British rulers was not to decentralize democracy, but to facilitate colonial administration. The Freedom Movement was concerned more with swaraj for the country than with Gram Swaraj. Mahatma Gandhi, greatly advocated Gram Swaraj, but not all the leaders had the same view point. For instance, Dr Ambedkar, who made a significant contribution in drafting the Indian constitution observed that 'the village (was) a sink of localism, a den of ignorance, narrow-mindedness and communalism." He also said that: "I am glad the Draft Constitution has discarded the village and adopted the individual as its unit.'

Therefore, when the Constitution was adopted on January 26 1950, the Panchayati Raj institutions were placed under the Directive Principles of State Policy under Article 40. The Article 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 local self-government.'

As is well-known, the Directive Principles cannot be enforced in a court of law. Thus, it was only expected of the state that it would foster the development of Panchayati Raj. This constitutional weakness of the Panchayati Raj institutions subsisted there for over four decades. The 73rd Amendment to the Constitution had to be removed because of this. During these four decades, many committees were set up at different times for making recommendations for strengthening panchayats. Some of these committees are briefly discussed below.

The Balwant Rai Mehta Committee (1957)

The Balwant Rai Mehta Committee was set up to study the Community Development projects and the National Extension Service and make recommendations. The Committee strongly recommended the involvement of the community in the decision-making, planning and implementation processes for the success of the community development project. Some important recommendations of the Committee were that there should be an early establishment of elected local bodies and devolution to them of necessary resources, power and authority; the basic unit of decentralization was the block/samiti; the body was to be constituted for five years by indirect elections from the village Panchayats; the higher-level body, zilla parishad was to be an advisory body only.

The Panchayati Raj system in India could not achieve the expected results because there was resistance from politicians and administrators to share power and resource with local-level bodies and domination of local politics by the local strong people.

The Santhanam Committee (1963)

The Santhanam Committee was set up to see the financing of the Panchayati Raj institutions. Some of the recommendations of the Committee were that the panchayats should have powers to levy taxes like land revenue and home taxes;

all grants at the state level should be mobilized and sent in a consolidated form to the Panchayati Raj institutions; a Panchayati Raj Finance Corporation should be set up to take care of the financial needs of Panchayati Raj institutions. Some of the recommendations of the Committee are being taken up by the State Finance Commissions now.

The Ashok Mehta Committee (1978)

The Ashok Mehta Committee was set up when the Janata Party government came to power in1977. It was set up to suggest measures that will help strengthen the Panchayati Raj institutions. The committee made some of the important recommendations. The district is a viable administrative unit for planning, coordination, resource allocation with the available technical expertise. Therefore, a two-tier system is desirable with Mandal Panchayat at the bottom and Zilla Parishad at the top. There should be a four-year term for the PRIs and political parties should participate in elections. There should also be both functional and financial devolution. The committee recommended to the Panchayati Raj constitutional protection and further decentralization of power at all levels.

The G. V. K. Rao Committee (1985)

The G. V. K. Rao Committee was set up to look into the various aspects of panchayats. Its recommendations were that the Panchayati Raj Institutions were to be activated and provided with all necessary support; Panchayati Raj Institutions at the district level and below should be given the task of planning, implementation and monitoring of rural development programmes; and the block should be the key level in the rural development process.

The L. M. Singhvi Committee (1986)

The two most important recommendations of the L. M. Singhvi Committee were that the local-self-government should be constitutionally recognized, protected and preserved by the inclusion of a new chapter in the Constitution; political parties should not be involved in panchayat elections. Although there was a huge resistance against these recommendations from various directions, finally the Constitution was amended to make Panchayati Raj Institutions constitutional institutions.

It fell upon the post-Independence Indian government to strengthen the Panchayati Raj System. It was important for the government to ensure that the village panchayats were empowered so that the democracy could be strong. Mahatma Gandhi who supported Grama Swaraj was all in favour of putting power in the hands of the rural folk. He felt that the villages need to be self-sufficient so that they can govern themselves via elected panchayats. However, surprisingly, the draft Constitution created in 1948 had no provision for Panchayati Raj Institutions, which drew a lot of criticism from Gandhiji. He demanded prompt rectification and soon, panchayat was also added in the Directive Principles of the State Policy.

According to Article 40 of the Directive Principles of State Policy, the states shall take steps to organize village panchayats and provide them such powers and authority as may be necessary to make them function as units of self-government. The most important aspect was the empowerment of democracy at the grass-root level. However, this aspect did not receive as much attention as it should have from the members of the drafting committee of the Constitution of India. They did not make Directive Principle of State Policy legally binding on the governments. In 1952, efforts were made to tackle the problems, in the rural areas of India, by the Community Development Programme. Similar efforts were made in 1953, by the National Extension Service. The programme was founded on an integrated approach to the various faces of rural development. The objectives the promotion of self-help and self-reliance among rural folk, to be able to generate a process of integrated social, economic and cultural change with the aim of transforming the social and political life of the villagers. The Community Development Programme was launched in fifty-five selected blocks. The basis of the programme was an integrated approach to the various aspects of rural development. This programme, aimed at bringing about socio-economic development of the rural masses in a democratic way, introduced provisions to appoint Block Development Officers (BDO) and Village Level Workers (VLW). However, the programme was not successful and did not shape up the way it was expected to because of the absence of an effective instrument for people's participation.

A new chapter should be inserted in the Constitution defining their powers and functions, and there should be free and fair election to be conducted via the election commission. The Committee suggested appointing finance commission and entrusting all the rural development programmes to the Panchayati Raj Institutions through the amendment of Schedule VII of the Constitution.

73rd Amendment Act, 1992

Rajiv Gandhi, the then Prime Minister of India was responsible for introducing the 64th Amendment bill on local government on 15 May 1989. However, it did not receive the expected support. He attempted again, in September 1990 to have the bill passed. However, in this second try, the bill was not even considered. In September 1991, once again a bill on Panchayati Raj was introduced by the Congress government under the Prime Minister P. V. Narasimha Rao. It was passed in 1992 as the **73rd Amendment Act with slight modifications and enforced on 24 April 1993.**

The salient features of the Act

The 73rd Amendment Act had provisions for establishing Gram Sabha in every village. It will be a body consisting of all the members registered as voters in the panchayat area. It gave a three-tier shape to the Panchayati Raj system at the village, intermediate and district levels. Smaller states with population less than 20 lakh will have no option but to have intermediate level panchayat. Seats in the

panchayats, at all three level, shall be filled via direct election. In addition, the chairperson of the village panchayat can be made member of the panchayat at the intermediate level. MPs, MLAs and MLCs could also be member of panchayat at the intermediate and the district level.

The 73rd Amendment towards decentralization

The 73rdAmendment created positive conditions for decentralization in India. Although there is some disagreement about whether and to what extent the reforms have been implemented, the general consensus within this school is that the 73rdAmendment was a positive step for Indian decentralization and that the only factor preventing successful devolution is the failure to implement fully the terms and conditions of the 73rdAmendment. A second school is even more critical of decentralization in general and the 73rd Amendment in particular. A central assertion that underlies this second school is that the reforms put in place in 1993 are largely cosmetic, and that the ultimate distribution of power and resources in rural areas is dependent on the pre-existing pattern of social inequalities created by caste, religion, class, gender and other forms of rural domination.

8.4.3 Structure and Major Functions of Panchayati Raj Institutions in India

Though the basic structure of the Panchayati Raj Institutions is identical in the states of India, it is has different nomenclatures in various states. Panchayats in every state have their own characteristics which are different and even election procedures to these institutions vary. Each district has one Zilla Parishad or district Panchayat. In the same way, Block Panchayats or Panchayat Samitis are related with blocks of the said district.

Zila Panchayat: The Panchayati Raj system at the district level is called Zila Parishad. As far as the designation of the officers is concerned, it varies from state to state. He is called by different names—the Chairman or Chairperson; President or Zila Pradhan, Pramukh or Sabhadhipati. Each block Panchayat under a Zila Parishad elects one to three members directly depending on the number of voters within it. Presidents of the Block Panchayats are ex-officio members of the Zila Parishad. In some states, the Member of Legislative Assembly, Member of Parliament of the district/constituency are also the ex-officio members of that constituency. There is also a provision for reservation of seats for women, SCs/STs, backward classes and women belonging to these classes, not only for the members of the District Panchayat, but also for the post of chairpersons. These elected members summon the meetings of their respective panchayats once in two three months and also preside over them. Their function is to see whether the resolutions passed by the panchayats are properly implemented or not. The term of these panchayats is for five years unless it is dissolved earlier. Their functions include supervision, guidance, coordination, planning and welfare activities.

Block Panchayat or Panchayat Samiti: Each Gram Panchayat under a Block Panchayat elects one to three members directly to the Block Panchayat. The Pradhans are ex-officio members of the Block Panchayats. The development block is named differently in different states. Sarpanches or Pradhans can be made ex-officio members of the Panchayat Samiti. The number of members is prescribed by the state government. Their meetings are held once in two-three months. The term is of five years but it can be dissolved before in cases of negligence. Provision for reservation for women, SCs, STs, backward classes and women belonging to these classes is made. Their function is to supervise the working of village panchayats.

Gram Panchayat: A Gram as defined under the Act (meaning a village or a cluster of villages) is divided into a minimum of five constituencies (again depending on the number of voters the Gram is having). It basically means that at the village level, the executive committee of the Gram Sabha is the managing body of the village, which is elected by the voters directly for a period of five years. From each of these constituencies, one member is elected. The body of these elected members is called the Gram Panchayat and the sizes of these vary. In a few circumstances, the state government has the power to suspend and dissolve this gram panchayat before the expiry of five years. However, in such a case, a newly constituted panchayat must be made before a period of six months. The Legislation regarding village panchayat, makes it compulsory for the panchayat to appoint its committees. The number of members in these committees ranges from three to five to carry out its own functions respectively. The characteristics of such committees are different from state to state. The following functions are assigned to such committees:

- Social Justice Committee
- Production Committee
- Amenities Committee
- Beneficiary committee
- Social Welfare Committee
- Public Health Committee
- Water Supply Committee and many more

The panchayat is considered to have two kinds of functions: mandatory and discretionary. According to the laws, there are some functions which have to be compulsorily performed by the panchayats but the numbers of these functions varies in different states. Mandatory functions: Sanitation, drainage, drinking water, construction and maintenance of roads, rural electrification and preparation of annual budget are only some of the mandatory functions. Discretionary functions: Dairy development, minor irrigation, social forestry, housing and poverty alleviation are some of the discretionary functions. What might be mandatory in one state may be discretionary in the other.

Gram Sabha: It exists in all the states except Jammu and Kashmir (J & K), and Arunachal Pradesh. Its executive committee is actually Gram Panchayat (GP). All the voters of the same constituency are members of the Gram Sabha. In some states, it is called Ward Sabha and in some, Palli Sabha. The meeting of this sabha is convened by the Executive Officer or the Sarpanch or the Mukhia or the Pradhan or also Gram Panchayat. It can also be convened by a member of the village panchayat who represents the constituency comprising an area of the village. The meeting is to be presided over by the head or Chairperson of the Gram Panchayat. In his absence, his deputy can preside over the meeting. The quorum of members in the Gram Sabha meetings differs from state to state. In many states, it is one-tenth of the members present.

Under the Constitution, there are three tiers of the Panchayat. The Gram Sabha is not a tier of this system. It does not have any function which is executive in nature and operates as a recommending body only. Gram Sabhas hold meetings two or four times a year. If there is any urgent issue to be discussed, meetings can be called any time. In few states, like Gujarat and Madhya Pradesh, the dates of these meetings are fixed. In other states, dates are fixed by the Gram Panchayats. Issues to be discussed include:

- Annual Action Plan and Budget
- Annual Accounts and Annual report of the GP
- Selection of beneficiaries for different social service programmes (Indira Awas Yojana (IAY), Pension Schemes, etc.)
- Identification of schemes for preparation of Annual Plan for development programmes (e.g., MGNREGS) of GP
- Consideration of the Audit reports, analyses of GP's performance

Nyaya Panchayats

Some states like Bihar, Maharashtra, J&K, West Bengal and Uttar Pradesh have set up their respective panchayats to deal with civil disputes and petty offences at the village level. These panchayats are called Nyaya panchayats. In different states, they have different names. In some states, the panchayat itself performs the judicial functions, although there is no uniformity between states as far as the constitution of these Nyaya Panchayats are concerned.

In all the cases, the Nyaya Panchayats are constituted for a period of five years. The civil and criminal jurisdictions of some of the states are as follows:

- ***Jammu and Kashmir:*** Five members of the adalat referred to as the Panchayati adalat constitutes a bench. Suits are not admissible after one year which is the expiry period. There is no limit as such prescribed for the civil cases and there are no offences specifically mentioned in the criminal jurisdiction.

- ***Maharashtra*****:** There is one Nyaya panchayat for a collection of five villages. It has civil as well as criminal jurisdiction and can also investigate a case as well as call for witnesses and documents.

Nagar Panchayats

A town panchayat is a panchayat established for a transitional area, i.e., from rural to urban. Although it is difficult to determine what is transition, some factors which help in determining this are density of population in that area, its economic importance and revenue generated. There is a little variation from state to state in this respect. The number of members varies from nine to twenty, depending on the population of that area. This is prescribed by the government. It consists of elected members, nominated members and ex-officio members. The term of Nagar panchayat is for five years. If it is incompetent to perform, it can be dissolved. However, the new elections should be held within six months. The functions of these panchayats are different in various states. The functions of Nagar Panchayats are as follows:

- Obligatory: Water supply, street lighting, sanitation, health, scavenging of streets, etc.
- ***Discretionary:*** Management of ghats, slum improvement and up gradation, urban poverty alleviation, etc.

Main aims of Panchayati Raj

The main aim of the Panchayati Raj system is democratic decentralization, rural development and rural self-government. Socio-economic development of rural India has been a major goal of this system. Panchayati Raj has been designed and drafted to encourage and educate the people of rural areas in meeting their needs. It inculcates the habit of democratic living and strengthens the foundations of Indian Democracy making villages self-governing and self-reliant units. The Panchayati Raj system secures a sense of self-confidence among the rural people. It acts as a system of democratic education and training and creates rural development by involving the rural community. Through local efforts, it satisfies local needs, promotes rural development and democratic living, and provides political education and training.

According to the Indian Constitution, panchayats in their respective areas should prepare various plans for social justice and economic development and also execute them. For this, states devolve functions to panchayats in which twenty-nine subjects are mandated and also make funds available for performing these (as per State Finance Commission's recommendations). The functions of panchayats are divided among different committees called Standing Committees, Sthayee Samitis or Upa Samitis.

One of the members is in charge of each such committee whereas the overall charge rests with the chairperson of the panchayat. Panchayats are supported by a host of other officials; the number varies from state to state.

Panchayats receive schematic funds for implementation of schemes like the Mahatma Gandhi National Rural Employment Generation Scheme (MGNREGS), Backward Regions Grant Fund (BRGF), Indira Awas Yojana (IAY), etc. Apart from grants received from the government under the recommendation of the Finance Commission, they can also increase their revenue by imposing fees, taxes, penalties, etc., as per the rule of the state.

Working of Panchayati Raj (1959–1992)

By 1959, most of the States had introduced Panchayati Raj System in their rural areas and adopted the recommendations of the Balwant Rai Mehta Committee and almost all the states adopted the three-tier system. Some states like Maharashtra decided to assign the development functions to the Zilla Parishads and not to the Panchayat Samitis, whereas other states decided to assign these functions to Panchayat Samities. During 1959–92, the Panchayati Raj System worked hard to achieve its objectives but somehow, failed. There were several shortcomings in its functioning which prevented it from becoming a successful body. It failed to produce a qualitative change in the rural life of India. The reasons cited were illiteracy, lack of funds, poverty, inexperienced representatives, groupism, corruption, government interferences, lack of continuity in the working of the Panchayati Raj institutions and lack of interest taken on the part of the rural people, which became responsible for the failure of Panchayati Raj.

Check Your Progress

6. Who were the members of Bengal Chowkidar Act of 1870?

7. Why was the Balwant Rai Mehta Committee set up?

8. Why did the Panchayati Raj system in India not achieve the expected results?

9. List some factors that help in determining transitional area.

8.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The core of decentralized planning is the autonomy enjoyed in devising and executing plans.

2. The Planning Commission of India has the responsibility of planning for the whole country to meet various objectives, such as economic goals, infrastructure, growth and employment.

3. The focus of a socialist pattern is on the attainment of positive goals; the raising of living standards, the enlargement of opportunities for all, the promotion of enterprise among the disadvantaged classes and the creation of a sense of partnership among all sections of the community.

4. The National Development Council (NDC), while adopting the Fifth Five Year Plan, passed certain resolutions 1976:

   - Taking effective steps to curb the inflationary tendencies
   - Endorsing the emphasis on agriculture, irrigation, energy and related core sectors
   - Implementing new economic programmes

5. The G. V. K. Rao Committee suggested some arrangements related to administration and focus was also given to rural development in 1985. It also pointed out that the district plan should not be seen merely under the purview of the State Plan.

6. Bengal Chowkidar Act of 1870 comprised nominated members, who were the residents of the villages, and their work included collecting taxes for the purpose of paying the chowkidars (watchmen) hired doing this work.

7. The Balwant Rai Mehta Committee was set up to study the Community Development projects and the National Extension Service and make recommendations.

8. The Panchayati Raj system in India could not achieve the expected results because there was resistance from politicians and administrators to share power and resource with local-level bodies and domination of local politics by the local strong people.

9. Some factors which help in determining the transitional area are density of population in that area, its economic importance and revenue generated.

8.6 SUMMARY

- According to Louis Allen, 'Decentralization refers to the systematic effort to delegate to the lowest levels of all authority except that which can only be exercised at central point.

- Decentralization is considered as an element, which is important in democratic participation, and when combined with deregulation and privatization, it substantially reduces the authority of national governments over state policy.

- According to Dimcock, planning is the 'use of rational design as contrasted with chance, the reaching of a decision before a line of action is taken instead of improving after the action has started.'

- India adopted the policy of economic planning with the goal to achieve quick economic development in 1947. The main purpose for the planned development was to eradicate poverty in a short period of time and bring great wealth and fortune to every citizen of the country.

- Decentralized planning, can be defined as a type of planning where all the local organizations and institutions formulate, adopt, execute actions and supervise the plan without any interference by the central body.

- With the establishment of the Planning Commission at the national level, the First Five Year Plan was launched in 1951. All the subjects were divided into three categories — Central, State and Concurrent.

- The planning in the third plan included sectors of agriculture, village industries, elementary education water supply and minimum rural amenities and utilization of manpower in rural areas.

- In 1983, the Prime Minister's Economic Advisory Council suggested that there should be a cluster of four districts each. This tier was termed as the Divisional Development Authority (DDA) which constituted a Policy Planning Council and a Programme Executive Council.

- This ninth plan covers various provisions of decentralized planning, governance and development in order to make sure that the Panchayati Raj functionaries are provided with information with respect to various programmes/schemes of the government.

- The institution of Panchayati Raj originated on the recommendations of the Balwantrai Mehta Committee. This committee was set up to study the functioning of the Community Development projects.

- Then the Gadgil Formula came into the picture for the allocation of blocks between the Centre and the States. The percentage of grant and loan was 30 per cent and 70 per cent respectively. It did not include the priorities and schemes of the states.

- The District Planning Phase was the time of the Sixth and Seventh Five Year Plans that starts from the 1980s till the 1990s. The government had set up a Working Group on District Planning Chaired by C. H. Hanumanth Rao in 1982. Decentralized Planning at the district and local levels was the main focus in this period.

- Panchayati Raj is the tool that helps ensure democracy. It is also the tool that is capable of transforming the socio-economic condition of a village/region.

- Village bodies formed the central point of administration during the medieval and Mughal eras. During the Mughal era, particularly during the reign of Sher Shah, the villages were governed by their own panchayats.

- Under the British rule, the Panchayats started losing their self-governing character gradually and the authority of the state had direct control of the British rulers. In the new judicial system, disputes arising in the village were carried to the courts that were outside the village.

- The government resolution of 18 May, 1882 is of great significance in the structural evolution of local governments. It contained provisions for the local boards comprising a large majority of elected non-official members presided over by a non-official chairperson.

- Mahatma Gandhi, greatly advocated Gram Swaraj, but not all the leaders had the same view point. For instance, Dr Ambedkar, who made a significant contribution in drafting the Indian constitution observed that 'the village (was) a sink of localism, a den of ignorance, narrow-mindedness and communalism."

- The two most important recommendations of the L. M. Singhvi Committee were that the local-self-government should be constitutionally recognized, protected and preserved by the inclusion of a new chapter in the Constitution; political parties should not be involved in panchayat elections.

- The 73rd Amendment Act had provisions for establishing Gram Sabha in every village. It will be a body consisting of all the members registered as voters in the panchayat area. It gave a three-tier shape to the Panchayati Raj system at the village, intermediate and district levels.

8.7 KEY WORDS

- **Decentralized Planning:** It is a type of planning where local organisations and institutions formulate, adopt, execute actions and supervise the plan without interference by the central body.

- **National Development Council:** It is the apex body for decision creating and deliberations on development matters in India, presided over by the Prime Minister.

- **Panchayati Raj**: It is the system of local self-government of villages in rural India as opposed to urban and suburban municipalities. It consists of the Panchayati Raj Institutions through which the self-government of villages is realized.

8.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. Write a short note on the Planning Commission of India.
2. What was the main motive of the second five-year plan?
3. List the programmes that were launched in the period of special programme.
4. Write a short note on the Panchayati Raj system.

5. Write a short note on the Mayo Resolution of 1870.

6. What contribution did Lord Ripon make in the development of local government?

Long-Answer Questions

1. Discuss the significant developments that took place in the fourth five-year plan.

2. Analyze the community development phase of planning.

3. Elaborate upon the history of the Panchayati Raj system.

4. Explain Montagu-Chelmsford reforms of 1919.

8.9 FURTHER READINGS

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UNIT 9 MACHINERY FOR DEVELOPMENTAL PLANNING AT THE CENTRAL AND STATE LEVEL

Structure

9.0 INTRODUCTION

National Planning is conducted with the objective of achieving economic growth, increasing employment opportunities, promoting regional development, attaining self-sufficiency in terms of food grains and industrial raw materials, alleviating poverty and for reducing economic inequalities. For this purpose, there are three levels of planning namely, central, state and district. The Planning Commission was established with the aim of planning the development of the country in a strategic manner. The functions of the planning commission include an evaluation of the resources of the country to improve their utilisation, to determine priorities between different plans and programmes and so on. Likewise, planning is done at the state and district levels by the responsible authorities as per the specific requirements and problems prevailing in them. This unit provides an overview of planning at the central, state and district level.

9.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the machinery for Central Level Planning
- Analyse the functions, composition and organisation of the Planning Commission

- Discuss the machinery for planning at the State level
- Explain the machinery for planning at the District Level

9.2 MACHINERY FOR PLANNING AT THE CENTRAL LEVEL

Origin of planning in India can be traced back to 1933, at the time when M. Visvesvaraya formulated a ten-year plan with the objective of doubling the income of the country. After five years, in 1938, with the recommendation of the Congress Party, a National Planning Committee was set up with Jawaharlal Nehru as its Chairman. In 1941, a committee for planning was appointed by the Government of India which was replaced in 1943, by the Renovation Committee of the Executive Council with the Governor General himself in the chair. The following year, a separate Planning and Development Department was established. The very same year some well-known industrialists prepared a Plan for the economic development of the country known as the Bombay Plan. Under the inspiration and guidance of the planning department, a number of development schemes were prepared by the Central and Provincial Governments to be undertaken at the end of the war. Problems of planning were reviewed towards the end of 1946 by the advisory planning board established by the Interim Government.

The Board suggested the setting up of a Planning Commission, single compact authoritative organization, directly responsible to the Cabinet and devoting its attention continuously to the whole field of development. The Recommendation was accepted and the Planning Commission was established by a resolution of the Government of India, dated 15 March, 1950.

Functions

The Planning Commission with the Prime Minister as the chairman has emerged as a powerful and effective staff agency in India. The functions of the Commission are as follows:

- To make an evaluation of the physical, capital and human capitals of the country, including technical personnel, and to investigate the possibilities of augmenting such of those resources as are found to be deficient in relation to the nations requirements
- To frame a plan for the most effective and balanced utilization of the country's resources
- To determine priorities as between projects and programmes accepted in the plan
- To indicate the factors that retard economic development and to determine conditions which should be established for the success of the plan

- To determine the nature of the machinery to secure the successful implementation of the plan

- To appraise from time to time the progress of the plan to recommend the necessary adjustments of the policy and measures

- To make recommendations either for facilitating the discharge of its duties or for a consideration of the prevailing economic conditions, current policies, measures and development programmes or for an examination of problems referred to it for advice by Central or State Governments

At present, the Planning Commission has the following functions:

- Assessment of the material, capital and human resources of the country including technical personnel and formulation of proposals for augmenting such resources as are found to be deficient

- Formulation of Plan

- Definition of stages in which the plan should be carried out on a termination of priorities

- Determination of the nature of the machinery necessary for the implementation of the plan

- Appraisal from time to time of the progress achieved in the execution of the plan

- Public co-operation in national development

- Hill Areas Development Programme

- Directorate of Manpower

- Perspective Planning

One must note that the National Informatics Centre has now been transferred to the Ministry of Information Technology.

Composition

The Commission consists of the chairman, deputy chairman and other members. The Prime Minister is its Chairman. The Deputy Chairman is the full-time functional head of the commission. Of members, some are ministers in the Central Government and others are full-time members. All cases involving policy are considered by the Commission as a whole. The formulation of the plans, adjustments in the plans, matters involving departure from the plan policies, important cases involving disagreement with a Central Ministry or a State Government and difference of opinion between members of the Commission are some such cases.

There is a close liaison between the Cabinet and the Commission. The Chairman is the Prime Minister himself. Other members of the Commission are invited as and when necessary to attend the meetings of the cabinet and its committees. On the other hand, important economic issues arising in the ministries are generally discussed in the Commission before they are considered in the Cabinet.

Thus, there is a regular stream of ideas and suggestions flowing from the Commission to the Union Government, and vice versa.

Organization

The Planning Commission works through three major divisions:

1. **Programme Advisers:** There are four senior officers designated as advisers having the status of ex officio Additional Secretaries to the Government of India. They assist the members of the Commission in matters concerning field study and observations of various schemes and projects and the progress of their implementation. The Advisers also pay specific attention to the problem of finance, public cooperation and administration connected with the implementation of the plans

2. **Central Secretariat:** It has four branches, namely, Administrative Branch; Plan Coordination Branch; Central Coordination Branch; and Information and Publicity Branch.

3. **Technical Divisions:** The Commission has twenty Technical Divisions and Sections which fall broadly fewer than two groups namely- Specialist Divisions and Subject Divisions. The Specialist Divisions are concerned with the problem of overall economic and social planning each examining some specific aspects of those problems, e.g., perspective planning, financial resources and development policy division. The Subject Divisions, on the other hand, deal with specific sectors of the economy like irrigation and power, food and farming, education, accommodation, etc.

The Specialist Divisions functioning in the Planning Commission are as follows:

- Development Policy Division
- Financial Resources Division, including State as well as Central Finances
- International Economics Division
- Labour, Employment and Manpower Division
- Perspective Planning Division, including Statistics and Surveys
- Plan Coordination Division
- Project Appraisal and Management Division
- Socio-Economic Research Unit
- State Plan Division
- Multi-Level Planning Division including Hill Area Development, Western Ghats
- Development, Development and Reform Facility, Decentralised Planning, etc.
- Infrastructure Division (as Secretariat of the Committee on Infrastructure)

Some of the Subject Divisions are as follows:

- Agriculture Division
- Backward Classes and Tribal Development Division
- Communication and Information Division
- Education Division including Youth Affairs and Sports and Culture
- Environment and Forests Division
- Housing and Urban Development Division
- Industry and Minerals Division
- Rural Development Division
- Science and Technology Division
- Social Justice and Women's Empowerment Division
- Transport Division
- Village and Small Enterprises Division
- Voluntary Action Coordination Cell
- Water Resources (including Water Supply) Division
- Tourism Cell

One of the important organizations of Planning Commission is the **Programme Evaluation Organization (PEO)** with a duty to undertake assessment studies to evaluate the effect of selected Plan Programmes/Schemes in order to provide useful feedback to the planners and executing agencies. It has its headquarters in Delhi.

As on 21 March 2013, the members of the Planning Commission are as follows:

- Chairman: Manmohan Singh (Prime Minister of India)
- Deputy Chairman: Montek Singh Ahluwalia
- Minister of State for Planning and Parliamentary Affairs: Shri Rajeev Shukla
- Members:
  - o Shri B.K. Chaturvedi
  - o SaumitraChaudhuri
  - o Dr (Ms) SyedaHameed
  - o Dr NarendraJadhav
  - o Prof. AbhijitSen
  - o Dr Mihir Shah
  - o Dr K. Kasturirangan
  - o ShreeArunMaira

- Secretary: Ms SindhushreeKhullar
- Senior Officials
- Grievance Officers

Check Your Progress

1. What did the Advisory Planning Board suggest?
2. Name the branches of Central Secretariat.
3. List three Specialist Divisions functioning in the Planning Commission.

9.3 MACHINERY FOR PLANNING AT THE STATE LEVEL

The State Planning machinery consists of the following:

- Planning Departments
- State Planning Boards together with its specialized working groups
- Ministries of the State Government
- State Legislature
- State Planning Board

The main functions of the State Planning Boards, as recommended by the Administrative Reforms Commission are as follows:

- To evaluate the State resources and formulate plans for the most effective and balanced utilization of those resources
- To determine plan priorities of the state within the framework of the priorities of the National Plan
- To assist district authorities in formulating their development plans within the spheres in which such planning is considered useful and feasible and to coordinate these plans with the state plan
- To identify factors which tend to retard economic and social development of the state and determine conditions to be established for successful execution of the plans
- To evaluate the development of application of the plan programmes and recommend such adjustments in policies and measures as the review may indicate

In a Federal set-up, close coordination between the Central and the State governments in the sphere of development policy and administration is essential for a balanced and rapid socio-economic development. In India, the subject of 'planning' is mentioned in the Concurrent List of the Indian Constitution and therefore the responsibility for undertaking planned development through systematic

formulation, implementation and evaluation of plans is a responsibility of both the Centre and the States.

The National Development Council (NDC) plays a significant role in acting as a federal agency for synthesizing the planning goals and strategies of the Union and state governments. However, as it meets only once or twice a year, its impact cannot be felt on a continuing basis. At best, the NDC coordinates the 'political' dimensions of planning, while the administrative aspects of the planning process are handled by the Planning Commission at the central level and at the state level by the State Planning System.

Presently, almost all the Indian States have planning departments, each of which is headed either by the Chief Minister or a senior Cabinet Minister. Even when the Chief Minister is not the political head of the planning departments, major issues concerning planning eventually reach him. Through him, these reach the cabinet for final approval. At the administrative level, it is generally the Chief Secretary who is the head of the planning department. In Rajasthan, this practice continued for about three decades and only in 1992 was a separate Planning Secretary appointed. Likewise, in several other states, there is a Planning Secretary who looks after the administration of the Planning disposed of at the administrative level the Chief Secretary who in turn passes them on the political level.

In Rajasthan, the Planning Department is headed by the Secretary, Planning who belongs to the super-time scale of the IAS, assisted by four deputy secretaries-one each for planning, institutional finance, planning finance and district planning. The Director of Manpower is also the ex-officio Deputy Secretary. The Director, Computers and the Director, Monitoring also assist the Planning Secretary.

Further, there is a large staff comprising Joint Directors, Deputy Directors, and Assistant Secretaries who collectively man the Planning Department.

Attached with the Planning Department are two functional departments. They are the Directorate of Evaluation and the Directorate of District Gazetteers. The Planning Department is the administrative department at the Secretariat level for these two directorates.

There is a regular plan cycle which involves the formulation of the annual and the Five Year Plans and their constant evaluation and monitoring. There have been functioning in the State of Rajasthan several Planning and Development Coordination Committees. These committees under the chairmanship of the Chief Secretary are instruments of collective decision-making in matters pertaining to inter-department developmental projects. They include senior secretaries and directors, relating to the concerned subject-areas and senior offices of the concerned autonomous organizations. The number of these committees differs from time to time though their number generally has been around a dozen. There are state planning and development coordination committees on subjects like agricultural production, animal husbandry, Integrated Rural Development Programme (IRDP), industries and mines, medical and health, tourism and transport, irrigation and power, tribal area development, etc. It may be mentioned that as per conventions the decisions taken in these

committees are considered as decisions of the state government. In appropriate cases, however, a matter may have to be referred to the concerned ministers, the Chief Minister and the State Cabinet. Whenever these committees have functioned effectively, they have cut the red tape and facilitated a greater integration in the administration of planned development.

Variations of such committees have existed in other states. For instance, in Andhra Pradesh in 1974 three planning and development coordination committees were set up to formulate plans and schemes for the regions of coastal Andhra, Rayalaseema and Telangana. These committees were later abolished in 1983.

In UP, a State Planning Institute was set up in 1971, working under the chairmanship of the Planning Secretary. It has ten technical divisions through which it provides technical support to the planning departments of the state government.

As the planning departments of a state continues to be the key unit for the formulation and evaluation of state annual and five year plans, there has been continuing stress on increasing its effectiveness.

In 1972, the Planning Commission had recommended to the States that their planning departments should be made more competent by setting up in them the following units where they did not exist:

- Perspective Planning Unit

- Monitoring, Plan Formulation and Evaluation Unit

- Project Appraisal Unit

- Regional District Planning Unit

- Plan Coordination Unit

- Manpower and Employment Unit

As the central financial assistance was available for the purpose of state planning departments, most states have availed themselves of this facility and strengthened their planning machinery. However, there is no uniformity, however in the structural configuration of the planning departments at the cross-state level, though a kind of functional uniformity does prevail in this sphere.

CASE STUDY

State Planning: Community Contracting in Rural Water and Sanitation, Swajal, Uttar Pradesh and Uttaranchal

Background

Majority of the areas in Uttar Pradesh suffer from water scarcity. The rural water supply scheme includes open wells, hand pumps, piped water supply schemes with treatment plants and private connections. Over one-third of these are out of order at any given time due to lack of maintenance. The process of regionalization of rural water supply systems has been limited to handing over of hand pumps to village panchayats. Moreover, the sanitation level in the state is significantly lower than the nationwide average.

Objectives

The chief ideas of the project were to identify and implement an appropriate policy framework to promote long-term sustainability of the rural water supply and environmental sanitation sector. It aimed at delivering sustainable health and hygiene benefits to the rural population through improvements in water supply and environmental sanitation services.

- To classify and apply an appropriate policy framework to promote long-term sustainability

- of the rural water supply and environmental sanitation sector

- To convey supportable health and hygiene benefits to the rural population through

- improvements in water supply and environmental sanitation services

- To refine the rural economy through income-generating opportunities for women

- To arrange specific test alternatives to the current supply-driven delivery mechanism

- To encourage sanitation and gender sensitivity

The thrust

The scheme has been scheduled to support investments and policy reforms to deliver sustainable health and hygiene benefits to the rural population. The reserves are designed to progress knowledge, attitude and practices in the linkages between health and hygiene, improve water supply service levels and improve the environment through safe disposal of human waste. The scheme is demand-responsive and community-driven. It makes sure that most of the society participates in this drive.

The project

Swajal was introduced in 1996 as a six-year project in twenty-six districts of Uttar Pradesh and twelve districts of Uttaranchal. The Swajal approach of assimilating rural water supply and environmental sanitation is applied jointly by the Government of Uttar Pradesh and the

World Bank. This six-year project (1996–2002) signifies a shift in terms of delivery of sustainable water supply and environmental sanitation facilities. The scheme is being applied in 1000 villages in seven districts of the Bundelkhand region, nineteen districts across the whole of Uttar Pradesh, and also in the twelve districts of the Kumaon and Garhwal region in Uttaranchal.

Pre-planning phase

The scheme starts with a pre-determined phase that works for a year, and includes the selection of villages and support organizations (SOs), i.e., the shortlisted NGOs that act as social intermediaries, and mobilize the community. Field official visits are undertaken by the District Programme Management Units (DPMUs) to make sure that each SO: (1) Is legally registered, (2) has a constitutional provision to engage in rural water supply and environmental sanitation service delivery and related activities, (3) has audited and certified accounts, (4) has a proven track record of at least three years' experience in rural water supply and environmental sanitation or community development activities, evidenced by the satisfactory completion of a participatory and demand-driven project; and (5) has demonstrated staffing capacity to carry out the proposed services or

ability to procure such staffing capacity. To encourage sustainability of rural water supply and sanitation systems, the project has involved the rural communities in planning, constructing and maintaining these facilities.

Planning phase

Public mobilization activities constitute an important part of the project planning phase and are expedient to the formation of the village water and sanitation committee (VWSC), which consists of seven to twelve members. The group is constitutionally elected and is representative of the user community, with a lowest of 20 per cent reservation for scheduled caste/ scheduled tribes and a 30 per cent reservation for women. Notable feature in the community contribution process is the preparation of three community action plans (CAPs). These sketch the process by which societies would implement the project, based entirely on their needs.

During civic mobilization, a significant tool used for gender sensitization is SARAR (self-esteem, associative strength, resourcefulness, action planning and responsibility), where the groups engage in games based on problem analysis, investigation, sensitization and community decision-making.

Implementation phase

Project Implementation Village Water and Sanitation Committees (VWSCs) are formed through a process of consensus. Clean-up campaigns are organized, along with sensitization of the community on environmental sanitation issues. Engineering surveys are done and various water supply options are worked out. In a community-wide 'agree-to-do meeting', a water supply option is chosen by the community. A project report detailing the engineering design of the chosen water supply and sanitation systems is prepared by engineers of the SO with full participation of the community at every step.

One of the most innovative and significant features of the Swajal Project is that communities demonstrate their demand for the water and sanitation facilities by sharing the capital cost of the facilities. Cost sharing includes: (i) a 10 per cent share in the capital cost, contributed in the form of cash and labour in varying amounts, depending on the region and type of technology selected; and (ii) operation and maintenance (O&M) financed entirely by the community, of which 50 percent is collected during the planning phase as testimony of their commitment to the scheme.

Another unique feature of the project is community contracting, whereby the project has to come up with innovative methods of facilitating community procurement of goods, works and services. The village community, DPMU and SO engineers arrive at the best possible rates for material and labour based on a market survey. All the materials are procured from authorized dealers or manufacturers to ensure quality and quantity.

The rural water supply (RWS) and latrine components of the project provide choices to consumers in terms of type of technology and service level. In the hilly region, this includes piped water supply schemes, captured springs with hand pumps, rainwater harvesting and spring development (including combinations of technologies most suited to local conditions).

In the Bundelkhand region and foothills, water supply choices include piped water schemes from tubewells, dug wells, surface sources (where required) and hand pumps. A typical choice for latrine technology is twin pit pour flush system. The environmental sanitation component focuses on local behaviour change,

personal, domestic and environmental sanitation improvements, including drainage, garbage, soak and compost pits, and catchment protection.

Major achievements

According to a sample survey conducted by the PMU, the Department of Rural Development, Government of UP, the Swajal project has ensured direct benefits to about 8 lakh rural inhabitants. It is estimated to cover about 12 lakh inhabitants as populations rise to design levels. The project has also made considerable impact both at the policy and the project levels. The following are a few highlights:

1. Increased access of women and young children to improved, adequate, and safe water and cleanliness facilities, which in opportunity have had a positive impact on their health and productivity.

2. A positive impact on the environment, rising from improved ecological conditions in watershed areas, which has increased the availability and quality of water.

3. Condensed bacterial pollution of the environment due to better hygiene and sanitation practices, organized disposal of human wastes and better environmental management.

4. Better quality and sustainability of water sources due to catchment protection.

5. Community capacity for self-reliance and independence for VWSCs developed as a result of training.

6. Changing village dynamics: Women, as key stakeholders, have begun to express themselves more vociferously. Communities, independent of their headmen, have begun asserting their rights and are more aware of their needs.

7. Transparency and reduction in corruption levels: The transparency in dealings that characterizes the Swajal project has led to a unanimous demand that all village dealings be conducted along similar lines, leaving little room for corrupt practices and the misappropriation of village funds.

8. Sensitization of PMU staff: The process of dealing with SOs and village committees has inculcated a degree of sensitivity within government units, fostering a demand-driven, people-centric approach.

The Swajal project represents a paradigm shift in terms of delivery of sustainable water supply and environmental sanitation facilities. The Rajiv Gandhi National Drinking Water Mission of the government of India is designed on similar lines as the Swajal model.

The success of the Swajal project has prompted the Government of India to earmark 20 per cent of funds provided to state governments for implementing projects on similar lines.

Influence on the Uttar Pradesh Jal Nigam, responsible for the existing delivery of rural water supply in Uttar Pradesh, is making efforts to strengthen its community development activities, as well as to become more responsive to its beneficiaries, as demonstrated by the success of Swajal.

The PMU model is being used as the basis of joint forest management projects in Uttar Pradesh. The use of NGOs as an interface between local communities and the government, formation of village communities and community participation methods are some of the strategies replicated from the Swajal project.

By developing procedures for the public funding of demand-driven, community-based development, the Swajal project will enable wider replication of sustainable rural water and sanitation facilities, which has not been possible through top-down public programmes. The project has not only improved rural water supply and sanitation facilities, but also empowered village communities, and enhanced community participation through confidence building. It has improved female participation in various economic activities through the formation of women's SHGs. Components of Swajal such as SARAR, integration of the Panchayat Raj Institutions or PRI model, and community mobilization activities have helped generate a sense of ownership in the minds of the villagers and empowered women. The cost-sharing strategy is the most innovative and significant feature of the project, in which communities have to demonstrate the demand for the water and sanitation facilities by sharing the capital cost of the facilities. This generates a sense of ownership of the WSS scheme in the community and enables them to operate and maintain the facilities.

Check Your Progress

4. Why is planning the responsibility of both the Centre and the States?

5. Which are the two functional departments attached with the Planning department?

9.4 MACHINERY FOR PLANNING AT THE DISTRICT LEVEL

Role and functions of the District Development Council are as follows:

- Take stock of the natural and human resources of the District as well as the level and pattern of development and exploitation of these resources.

- Projection of local needs and aspirations and translating them into schemes and programmes and fixing priorities within the objectives of the State/National plan.

- Formulation of District development plans.

- Co-ordination in the implementation of district plans and programmes.

- Monitoring and review of the implementation of district plans and programmes.

- Take up such other studies and functions as may be assigned to it from time to time and such to make suitable recommendation to the State Government.

- Make recommendation with a view to ensuring co-ordination in the matter of planning in the State.

District Planning Office

The main duties and function of District Planning Office are as follows:

- To convene meetings of the District Planning Boards at least once in two months and to pursue the recommendations of such meetings with the concerned Departments of the State Government and other agencies;

- To prepare District Annual Plans for the districts and to place the same before the District Planning Boards for consideration before submission to Government;

- To monitor the implementation of various plan schemes in the districts in general, to identify the limiting factors in the implementation of plan schemes and to place the matter before the District

- Planning Boards and State Government with specific suggestions for ensuring speedy and efficient implementation of plan schemes;

- To compile and consolidate quarterly progress reports of district-level plan schemes hitherto done by the District Statistical Officers, to place such consolidated reports before the District Planning Boards for review and then to finalize the consolidated quarterly progress reports of such district-level plan schemes for submission to Government in the month following each quarter. Quarterly progress reports may be obtained from the District Heads of Development Departments, who may also furnish such other information and materials as may be necessary for compilation of the reports;

- To take up such other activities as may be assigned to them from time to time by the District Planning Boards or by the Government;

- To perform all other functions as assigned to them by the Government; and

- To ensure co-ordination among all the District heads of Development Departments in the formulation and implementation of plan schemes.

District Planning

District Planning is the process of preparing an integrated plan for the local government sector in a district taking into account the resources (natural, human and financial) available and covering the sectoral activities and schemes assigned to the district level and below and those implemented through local governments in a state.

The document that embodies this statement of resources and their allocation for various purposes is known as the District Plan. It would essentially have three aspects, namely:

(i) Plan to be prepared by the Rural Local Bodies for the activities assigned to them and the national/state schemes implemented by them with their own resources and those earmarked for these purposes;

(ii) Plan to be prepared by the Urban Local Bodies for the activities assigned to them and the national/state schemes implemented by them with their own resources and those earmarked for these purposes;

(iii) Physical integration of the plans of Rural and Urban Local Bodies with the elements of the State Plan that are physically implemented within the geographical confines of the district.

All the three aspects would be considered and consolidated by the District Planning Committee (DPC) into a District Plan.

Quite obviously, the District Plan cannot be prepared in isolation, and must take into account and respond to the expected activities of the non-government sector of the local economy.

Important among these would be as follows:

- Plan emerging from activities of people's groups like SHGs, Co-operatives, etc.

- Plan emerging from the financial institutions like the local branch(es) of Commercial Banks (both in the public and the private sector), NABARD, Co-operative Banks and the like.

- Plans of International Non-Governmental Organizations (INGOs)/ NGOS and Bilateral Agencies operating in the District.

- Plans of other private agents that would either have an impact on the activities of the government or would need the government to respond to those developments insofar as its own areas of functioning/service delivery are concerned.

Preparation of District Plan

In the preparation of the draft district plan, the various steps mentioned in the Report of the Expert Group on Planning at the Grassroots Level may be generally followed. The present state of development and the resource endowment including capability vary widely across states. It is not necessary to wait for perfection or the latest technology to get started with the process. Separate steps may be taken to improve internal capabilities.

The following thirteen steps are suggested:

1. The available data may be put together for each local government. The state government agencies, the departments and the district statistical organizations (central and state) should assist them in this. Some of the essential items of data are listed in the suggested form at Annexure-II.

2. Based on the data, a vision document for ten to fifteen years is to be prepared by the district and for each local government based on a participatory assessment. The DPC may hold formal interactions with local governments and other key stakeholders on this and then finalize it. The document should

clearly identify the key reasons for backwardness/ development shortcomings and address issues impeding development. It will cover:

   (i) Agriculture and allied sectors (as relevant)

  (ii) Availability and development of water sources

 (iii) Industries – especially traditional, small industries including food processing

 (iv) Infrastructure including power

  (v) Drinking water and sanitation

 (vi) Literacy, school education

 (vii) Health and medical facilities

(viii) Poverty reduction and basic needs

 (ix) Gender and children

  (x) Social Justice – SC/ST, Persons with disability, etc.

3. To assist the DPC in preparing the vision document (and subsequently to vet the draft plan proposals), a Technical Support Group may be constituted in each district. It may consist of departmental officers (where available) mandated and nominated for the purpose in addition to their duties or retired persons locally available or a local academic institution or established NGO with a proven record - Similarly, technical support as appropriate, may be organized for the urban areas, intermediate panchayats and village panchayats.

4. If undertaken in a campaign mode, the preparation of vision documents can be completed in two months' time.

5. Further, if District is to be the economic unit for planning exercise, the scope of the vision document could be expanded to include areas of comparative advantage of each district (availability of technical institutions, BPO, tourism, agro-industry, etc.), which would be the basis for attracting private investment.

6. Based on the vision document/s and following the same participatory process, the needs may be prioritized and goals set for a five-year period for a draft Five Year Plan in the manner indicated as follows:

   (i) The draft plan preparation should start at the Gram Sabha level. The Gram Panchayat may finalize its Plan based on priorities emerging from the Gram Sabha and give suggestions for the Intermediate Panchayat. Projects and activities which can be implemented at the Gram Panchayat Level should be included as 'Gram Panchayat Plan'. Those projects and activities which can be implemented only in more than one Gram Panchayat, will be forwarded to the Intermediate Panchayats to be considered for inclusion into the 'Intermediate Panchayat Plan'. The Gram Panchayat Plans should also provide an

estimate of the community contribution that can be mobilized for the purpose of implementing the development plan.

(ii) Based on these suggestions received from Gram Panchayats and its own priorities the Intermediate Panchayat should finalize its Plan. Projects and activities which can be implemented at the Intermediate Panchayat Level should be included as 'Intermediate Panchayat Plan'. Those projects and activities which need to be implemented in more than one intermediate Panchayat will be forwarded to the District Panchayat to be considered for inclusion into the 'District Panchayat Plan'.

(iii) Based on the Gram Panchayat Plans, the Intermediate Panchayat Plans and District Panchayat Plans, the District Planning Committee shall finalize the District Plan for the District.

(iv) A similar exercise may be undertaken in Urban Local Governments. Each local government may be asked to give separate suggestions for inclusion in the Departmental components of the District Plan.

7. The time limit for different steps, in para 6 above, needs to be indicated. Similarly, the time frame for integrating District Plans with State Plans also needs to be indicated in view of limited time available for the beginning of the Eleventh Five Year Plan.

8. The draft plan proposals of each local government should be in accordance with the approved activity assignment and the centrally sponsored flag-ship and related programmes (as and where applicable).

9. The draft plan proposals will cover the sectors mentioned in (2) above and will indicate the expected outcomes in terms of production, employment, infrastructure and human development.

10. While preparing the draft plan in accordance with (6), (7), (8) and (9) above, the concerned local government will take into account the district component of the departmental plans as also the Centrally Sponsored Schemes and the Externally Aided Projects that have been assigned to it for implementation. In addition, the physical integration of the District Plan with the elements of the State Plan that are being implemented in the geographical area of the district would need to be given close attention. The resources and outlays in respect of these items of State Plan located in the district (but not implemented through the local bodies) would not, however, be included in the Plan Resources and outlays of the Local Bodies.

11. The local government component of the District Plan would emerge out of the resource envelope containing the following sources of funds:-

(i) Own resources available for development

(ii) Transfers by State Finance Commission for development purposes

(iii) Twelfth Finance Commission grants passed on by the State Government.

(iv) Untied grants for local planning.

(v) Grants in respect of Centrally Sponsored Schemes that have been assigned to the local bodies for the purposes of implementation.

(vi) Grants for State Plan schemes assigned for implementation through Local Governments.

(vii) Grants for Externally supported schemes assigned for implementation through Local Governments.

(viii) Estimated contribution by the communities themselves.

12. The DPC will consolidate the two streams – the panchayat plans and the urban area plans, integrate them with the departmental plans for the district and prepare the draft Five Year Plan and the Annual Plan.

13. The State Planning Commission/Board/Department may issue the above as guidelines and suggest the broad structure of the district plan document and the forms to be annexed to the document.

As indicated earlier, micro-level planning cannot be done for each village separately. It takes into account the interlink ages and the hierarchies of a whole range of settlements. Yet, one has to draw a boundary around such a system or systems which will provide a unit for planning and development.

Ideally, this unit should be a region based on a certain amount of homogeneity. Criteria such as agro climatic characteristics, ecological conditions, common resources and cultural ties have been used in the past for delineating a region. In India attempts at identifying such regions have just begun. In the current socio-political context, however planning for such regions may be difficult as these regions are bound to cut across the boundaries of various states. Our past experience in inter-state planning has not been very encouraging. One practical difficulty will be the non-availability of inter-state data. Secondary data maintained in the various official records on agriculture, industry, etc. are all aggregated at the existing administrative levels. To collect data for a region which overlaps with some of these units will mean a near-impossible task of reclassification and collation of huge volumes of data.

The idea of district-level planning is founded on the opinion of local level planning. It also undertakes that achievement of the planning needs better mobilization and utilization of local resources. Under the state, the district has a pivotal role in planning because of its location and administrative advantages.

Not only does it have adequate administrative and technical expertise and good sources of data and information to execute plan programmes but it also has a well-knit scheme to involve people's participation and make the gains of planning reach the grass-root level. Hence, there is an ample group of scholars who consider the district as an ideal and viable unit of micro-level planning.

Check Your Progress

6. What is the first step in preparation of a district plan?

7. What does the concerned local government take into account while preparing a draft district plan?

9.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The Board suggested the setting up of a planning Commission, single compact authoritative organization, directly responsible to the Cabinet and devoting its attention continuously to the whole field of development.

2. The Central Secretariat has four branches, namely, Administrative Branch; Plan Coordination Branch; Central Coordination Branch; and Information and Publicity Branch.

3. The Specialist Divisions functioning in the Planning Commission are as follows:

   · Development Policy Division

   · Financial Resources Division, including State as well as Central Finances

   · International Economics Division

4. In India, the subject of 'planning' is mentioned in the Concurrent List of the Indian Constitution and therefore the responsibility for undertaking planned development through systematic formulation, implementation and evaluation of plans is a responsibility of both the Centre and the States.

5. Attached with the Planning Department are two functional departments. They are the Directorate of Evaluation and the Directorate of District Gazetteers. The Planning Department is the administrative department at the Secretariat level for these two directorates.

6. In the first step, available data may be put together for each local government. The state government agencies, the departments and the district statistical organizations (central and state) should assist them in this. Some of the essential items of data are listed in the suggested form at Annexure-II.

7. The concerned local government will take into account the district component of the departmental plans as also the Centrally Sponsored Schemes and the Externally Aided Projects that have been assigned to it for implementation. In addition, the physical integration of the District Plan with the elements of the State Plan that are being implemented in the geographical area of the district would need to be given close attention.

9.6 SUMMARY

- Origin of planning in India can be traced back to 1933, at the time when M. Visvesvaraya formulated a ten-year plan with the objective of doubling the income of the country.

- It is the responsibility of the Planning Commission to make an evaluation of the physical, capital and human capitals of the country, including technical personnel, and to investigate the possibilities of augmenting such of those resources as are found to be deficient in relation to the nation's requirements.

- The Commission consists of the chairman, deputy chairman and other members. The Prime Minister is its Chairman. The Deputy Chairman is the full-time functional head of the commission. Of members, some are ministers in the Central Government and others are full-time members.

- The Commission has twenty Technical Divisions and Sections which fall broadly fewer than two groups namely- Specialist Divisions and Subject Divisions.

- One of the important organizations of Planning Commission is the Programme Evaluation Organization (PEO) with a duty to undertake assessment studies to evaluate the effect of selected Plan Programmes/Schemes in order to provide useful feedback to the planners and executing agencies.

- In a Federal set-up, close coordination between the Central and the State governments in the sphere of development policy and administration is essential for a balanced and rapid socio-economic development.

- In Rajasthan, the Planning Department is headed by the Secretary, Planning who belongs to the super-time scale of the IAS, assisted by four deputy secretaries- one each for planning, institutional finance, planning finance and district planning.

- The chief ideas of the *Swajal* project were to identify and implement an appropriate policy framework to promote long-term sustainability of the rural water supply and environmental sanitation sector.

- The scheme starts with a pre-determined phase that works for a year, and includes the selection of villages and support organizations (SOs), i.e., the shortlisted NGOs that act as social intermediaries, and mobilize the community.

- The Swajal project represents a paradigm shift in terms of delivery of sustainable water supply and environmental sanitation facilities. The Rajiv Gandhi National Drinking Water Mission of the government of India is designed on similar lines as the *Swajal* model.

- The draft district plan preparation should start at the Gram Sabha level. The Gram Panchayat may finalize its Plan based on priorities emerging from the Gram Sabha and give suggestions for the Intermediate Panchayat.

- Based on the Gram Panchayat Plans, the Intermediate Panchayat Plans and District Panchayat Plans, the District Planning Committee shall finalize the District Plan for the District.

- The idea of district-level planning is founded on the opinion of local level planning. It also undertakes that achievement of the planning needs better mobilization and utilization of local resources. Under the state, the district has a pivotal role in planning because of its location and administrative advantages.

9.7 KEY WORDS

- **Programme Evaluation Organization (PEO):** It is an organization that undertakes evaluation of selected programmes/schemes under implementation, as per the requirement of the various Divisions of Planning Commission and Ministries/Departments of Government of India.

- **Swajal Scheme:** It is community owned drinking water programme for sustained drinking water supply in six states. The scheme aims at ensuring availability of clean drinking water to every household around the year and also generates employment.

- **District Planning**: It is the process of preparing an integrated plan for the local government sector in a district taking into account the resources (natural, human and financial) available and covering the sectoral activities and schemes assigned to the district level and below and those implemented through local governments in a state.

9.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. List three functions of Planning Commission at present.
2. Write a short note on the composition of the Planning Commission.
3. What are the main functions of the State Planning Boards, as recommended by the Administrative Reforms Commission?
4. What does cost sharing in the *Swajal* project include?
5. What does the vision document of a district plan cover?

Long-Answer Questions

1. Discuss the functions of the Planning Commission.
2. Analyze the major divisions of Planning Commission.

3. Elaborate upon the pre-planning and planning phases of the *Swajal* Scheme.

4. Discuss the major achievements of *Swajal* project.

9.9 FURTHER READINGS

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BLOCK - IV
DEVELOPMENTAL POLICIES

UNIT 10 COOPERATION POLICIES IN INDIA

Structure

10.0 INTRODUCTION

Agriculture sector constitutes the backbone of the country. It is significant as it contributes to the GDP, a large proportion of the population is dependent on agriculture for livelihood, it helps in generating employment and feeding the ever increasing population. The problem lies in the fact that this sector is characterized by a lack of resources with the farmers and the resulting poverty. Due to these reasons, governments, since independence, have been formulating and implementing welfare policies for the upliftment of people engaged in agriculture.

10.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss the important cooperation policies in India
- Analyze the policies and initiatives implemented for farmers' welfare

10.2 AGRICULTURE: ROLE AND IMPORTANCE

Even though the share of agriculture in the total national income has been coming down due to the development of the secondary and tertiary sectors, the contribution of agriculture remains very significant. It has gone from 57 per cent in 1950 to just

more than 26 per cent now. It is a known fact that the more developed a country, the lesser is the contribution of agriculture. Today almost 60 per cent of the population depends directly or indirectly on agriculture. The greater independence of working population on agriculture indicates the underdevelopment of non-agricultural activities in the country. Agriculture provides raw materials to leading industries such as cotton textiles and sugar industries. Not only this, the workers in industries depend on agriculture for their food. Agriculture also provides the market for a variety of goods.

A number of the agricultural commodities like tea, coffee, spices and tobacco constitute our main items of export. This amounts to almost 15 per cent of our total exports. Hence, agriculture provides foreign exchange which helps us to buy machines from abroad. It also maintains a balance of payments and makes our country self-sufficient. Tertiary sector provides helpful services to the industries and agriculture like banking and warehousing. Internal trade is mostly done in agricultural produce. For example, various means of transport get the bulk of their business by the movement of agricultural goods. State governments get a major part of their revenue in terms of land revenue, irrigation charges, agricultural income tax, etc. The Central Government also earns revenue from export duties on the agricultural production. Moreover our government can raise substantial revenue by imposing agricultural income tax. However, this has not been possible due to some political reasons.

Our agriculture has brought fame to the country. India enjoys first position in the world as far as the production of tea and groundnuts is concerned. Agriculture plays an important role in internal trade. It is because of the fact that 90 per cent of our population spends 60 per cent of their income on the purchase of the items like food, tea and milk.

Agriculture has been a way of life and continues to be the single most important livelihood of the masses. Agricultural policy focus in India across decades has been on self-sufficiency and self-reliance in food-grains production. Considerable progress has been made on this front. Food grains production rose from 52 million tonnes in 1951-52 to 244.78 million tonnes in 2010-11.

10.3 LAND REFORMS AND AGRICULTURE DEVELOPMENT UNDER THE FIVE-YEAR PLANS

During the first half of the 19th century, India was predominantly an agricultural country. About 68.5 per cent of the adult male population derived their livelihood from land. Even the artisans in villages, carpenters, cobblers, potters, washer men, goldsmiths and ironsmiths pursued agriculture as their subsidiary occupation. This naturally increased the percentage of people working on land. Therefore, at the time of the national struggle for Independence, our leadership had mobilized the peasantry on the promise that once the country was liberated from colonial rule,

they would introduce changes in the land relations. This process was initiated immediately after Independence. The central government directed the state governments to pass 'land reform legislations' that would abolish the intermediary landlords (zamindars) and grant ownership rights to the actual tillers of the land. Some legislations were also passed to grant security to the tenants. An upper ceiling on the holding size of land that a single household could possess was also fixed. The surplus land was to be surrendered to the state and was to be redistributed among those who had no land.

Though the legislations were passed by all the states, only in some cases did they produce the desired effects. It has been argued that only in those parts of the country where peasants were politically mobilized could the land reforms be effectively implemented. While the zamindari system was abolished in most parts, the ceiling legislations had very little effect.

Meaning of Land Reforms

The term 'land reforms' specifically refers to land tenure reforms. The word 'tenure', derived from the Latin word 'teneo', means 'to hold'. Therefore, land tenure is used to refer to the condition under which land is held. It may also be looked at as an arrangement by which farmers hold or control land and the conditions that must be observed for its use and occupancy. Land is expropriated or confiscated and redistributed, in order to maintain this system.

Land reforms mainly encompass the following components:

- Abolition of intermediary tenures
- Tenancy reforms
- Ceiling of land holdings and distribution of surplus land
- Consolidation of holdings
- Compilation and updating of land records
- Reorganization of agriculture
- Cooperative farming

Objectives of Land Reforms

Land reforms were introduced in post-independent India to stop the exploitation of the actual tillers of the soil and pass on the ownership of land to them. Since Independence, the objectives of the Land Reform Policy have been as follows:

- Restructuring agrarian relations to achieve an egalitarian social structure
- Removing impediments from the agrarian structure inherited from the past
- Eliminating exploitation in land relations
- Realizing the age-old goal of land to the tiller
- Increasing agricultural production
- Infusing equality in society

Tenancy Reforms

Under the tenancy reforms, the following three measures were undertaken:

- Regulation of rent
- Security of tenure
- Conferment of ownership rights on tenants

Land Reforms in India after Independence

According to P. C. Joshi, various attempts to directly alter the pattern of the distribution of land holdings assumed four types of approaches in land reforms. They are enumerated below:

- Land reform through statutory enactments made and implemented by the state legislatures on the lines broadly indicated by the Central Government
- Land reform due to tile pressures of militant peasant action (Telangana and Naxalbari movements, for instance) and to some extent, land grab movement by various left peasant organizations
- Land reform by persuading landlords and through peaceful pressure by peasants (like the *bhoodan* and *gramdan* movements under the leadership of Vinoba Bhave)
- Land reform through legislative enactments in combination with peasant mobilization (like the controlled land seizure in West Bengal under the United Front Government during 1967–69 and protection of poor peasants in Kerala under the CPI Ministry)

Land reform continues to be a state subject but the Central guidelines provide the framework and the direction for enactments by the state legislatures and implementation of land reform measures by agencies of the state governments. Following the policy directive of the First Five- Year Plan, wherein increasing agricultural production was accorded top priority, the government set up a Central Committee for land reforms to review, from time to time, the progress of land reforms in different regions and to advise the states on their land reform proposals. The Plan stressed that the outlines of the policy would have to be conceived in terms of different interests in land, that is, those of:

- Intermediaries
- Large owners
- Small and middle level powers
- Tenants at will
- Landless workers

The first major landmark in land policy came with the report of the Congress Agrarian Reform Committee, 1949, under the chairmanship of J. E. Kumarappa. The Committee was in favour of abolishing feudal intermediaries. Even the

intermediaries that existed below the zamindars and *jagirdars* were proposed to be got rid of. Before formulating the proposals for the Second Five-Year Plan (1956–61), the Planning Commission constituted a panel on land reforms with the aim of reviewing the progress in the implementation of land policy proposed in the First Plan and studying further steps in connection with the Second Plan. Detailed proposals on land reforms were set out in the Second Plan for:

- Abolition of intermediaries
- Tenancy reforms (regulation of rent, security of tenure for tenants, and conferment of ownership on them)
- Ceiling on land holdings
- Agrarian re-organization, including consolidation of holdings and prevention of sub-division and fragmentation

The proposals in the Second Five-Year Plan were essentially in the nature of a broad common approach which had to be adapted and pursued in each state with due regard to local conditions and in response to local needs. In November 1969, the Chief Ministers' Conference, convened by the Ministry of Food and Agriculture, emphasized the need for a central body for watching the progress on land reforms and providing guidance to state governments.

In September 1970, a subsequent Conference of Chief Ministers on Land Reforms held in Delhi decided that the entire range of problems connected with land should be referred to a central body. Accordingly, the Central Land Reforms Committee was constituted under the chairmanship of the Union Minister of Agriculture. It looked into the questions of ceiling, exemption, compensation, distribution of surplus land and implementation of reforms.

The Draft Fifth Five-Year Plan (1974–79) gave its assessment of land reforms as follows:

> ... the laws for the abolition of intermediary tenures have been implemented fairly efficiently, whilst in the fields of tenancy reform and ceiling on holdings legislation, it has' fallen short of the desired objectives and implementation of the enacted laws has been inadequate.

The National Commission on Agriculture (1976) in its report on 'Policy and Strategy' emphasizes that for optimum results from agrarian restructuring, the programmes of land reform, consolidation of holdings, hind development, irrigation and drainage should be integrated and executed in a proper sequence.

The Sixth Plan (1980-85) observed that the less than satisfactory progress of land reforms has not been due to deficiencies in the policy but rather due to tardy implementation of reforms and conferment of ownership rights. Both the Sixth and the Seventh Plans stressed, therefore, the effective implementation of the land reforms policy covering all the policy instruments.

The Seventh Plan enunciated land reforms to be an intrinsic part of 'anti-poverty strategies' and their need has been reiterated in every successive plan.

The Eighth Plan (1992–97) stressed that landlessness is the root cause of rural poverty. The Plan set seven objectives of land reforms as follows:

- Restructuring of agrarian relations to achieve egalitarian social structure
- Elimination of exploitation in land relations
- Actualization of the goal of 'land to the tiller'
- Improvement of the socio-economic conditions of the rural poor by widening their land base
- Increasing agricultural productivity and production
- Facilitating land-based development of the rural poor
- Infusion of a greater measure of equality in local institutions

Land reforms continued to be an important policy instrument for poverty alleviation in the Ninth Plan (1997–2002). The Plan thus reiterated the basic points of the land reforms policy and emphasized the following issues:

- Detection and redistribution of the surplus land that has been ceiled
- Enforcement of the ceiling laws stringently as the small and marginal farms were viable in terms of efficiency and equity
- Rights of sharecroppers to be recorded and security of tenure to be provided to them
- Leasing of land to be made permissible within the ceiling limit
- Access to wasteland and common property resources to be given to the poor
- Ensuring land rights of women
- Consolidation of land holdings to be expedited with active involvement of village people
- Updation of land records to be considered a necessary pre-requisite for the success of the reform policy

The Tenth Plan (2002–07) admits that the need for the effective implementation of the existing land ceiling laws cannot be over-emphasized. The changes in the agrarian economy warrant a fresh look at tenancy laws, which may need to do away with all restrictive tenancy conditions. Farmers owning land below the ceiling limit may be provided a guarantee that their land would not be taken away. The fixation of rent could be left to the market forces. Given the extent of concealed tenancy in states that have banned tenancy, it is not likely to increase the area under tenancy dramatically in the short run in the medium- to long-term. However, more land is expected to come on the land lease market which can be accessed by the rural poor.

Keeping this in view, the National Agricultural Policy (2000), inter alia, wanted the following issues to be accorded utmost attention for rural development and land reforms:

- Consolidation of holdings all over the country on the pattern of North-western states
- Redistribution of ceiling surplus lands and waste lands among the landless farmers, unemployed youth together with some initial start-up capital
- Tenancy reforms to recognize the rights of the tenants and sharecroppers
- Updation, improvement in and computerization of land records and issuing land pass-books to farmers
- Recognition of women's rights on land

Shortcomings in the Past

Since land reforms constitute a state subject, the Central Government's role is restricted to formulating general directions on this issue and persuading the state governments to take them up for implementation. The political will on the part of the state governments to enforce the legislation is weak, and the bureaucracy rather indifferent. However, the following points must be noted:

- Legal definitions of the terms have left room for different kinds of interpretation affecting the process of realizing the goals of the programmes.
- Distribution of land continues to be skewed. Agricultural workers, particularly scheduled castes and scheduled tribes, who constitute the bulk of the agricultural labour force, have not gained much from the abolition of zamindari.
- There remains a wide gap between the land distributed and its actual occupation by the beneficiaries, which is obstructed by physical prevention and litigation (the beneficiaries like landless labourers and poor peasants can hardly afford it).
- Identification of *benami* land (land held under a different name to circumvent the law) is not possible through the efforts of the administration alone. For this, support of the local organizations of the beneficiaries or the organizations representing the interest of the beneficiaries of land distribution is necessary

Local civic organizations have to come up with innovative ideas to rectify inequities of land ownership in the rural areas, like in case of the Pani Panchayat in Ralegaon and Siddhi in Maharashtra. Under this, every member of the village, irrespective of the size of his land holding, has a proprietary right over the harvested water for irrigation. As the water available to each member is limited, members with large land holdings have been persuaded to lease their land to small and marginal farmers and agricultural labourers who have water rights but no land. The

arrangement has allowed the landless access to land. The large landholders have also benefited as they receive rent for land, which would otherwise have remained fallow for lack of irrigation.

Causes for Slow Progress of Land Reforms

The Task Force on Agrarian Relations set up by the Planning Commission for the purpose of appraising the progress and tending to the problems related to land reforms, headed by P.S. Appu, made a critical study of the land reform programme in India and enumerated the following causes of the slow progress of land reforms in India:

- **Lack of political will:** Considering the structure of the political power in the country, it was only natural that the required political will was not forthcoming.

- **Absence of pressure from below:** Besides a few scattered and localized pockets, poor peasants and agricultural workers were passive, unorganized and inarticulate all over the country. In these circumstances, it is no wonder that there has been no insistent pressure from them, a prerequisite for the effective implementation of land reform laws.

- **Inadequate policy instrument:** The administrative organization has proved to be an inadequate instrument for the speedy and efficient implementation of land reforms.

- **Legal hurdles:** Legislations relating to land reforms were full of loopholes. Some loopholes were deliberately built in, while others were the result of poor drafting. In almost all states, protracted litigation has delayed and often frustrated the implementation of land reform laws.

- **Absence of correct updated land records:** A programme that aims at the redistribution of income and wealth in the rural areas cannot succeed unless the beneficiaries can produce evidence of their rights. The position regarding records of tenancies, particularly in the matter of entries relating to the rights of sharecroppers is not satisfactory anywhere in the country and in some areas there are no records. The problem is largely administrative. The absence of up-to-date records is a serious obstacle in the implementation of land reforms.

Check Your Progress

1. What does the term 'land tenure' refer to?
2. List two objectives of land reforms since independence.
3. What did the sixth plan observe with regard to the progress of land reforms?
4. What is necessary for the identification of *benami* land?

10.4 PRODUCTIVITY AND MEASURES: AN OVERVIEW

The main causes for low productivity in agriculture are broadly of three types:

(i) **Human factors:** Human factors are those which are related to training and efficiency of the farmers. Under this we have:

- Social atmosphere
- Pressure of population on land

(ii) **Technical factors:** Technical factors include techniques and methods of production:

- Traditional methods of cultivation
- Old implements
- Insufficient irrigation facilities
- Problems of soil, pests and diseases of crops
- Feeble cattle
- Lack of credit facility
- Lack of High Yielding Variety Seeds
- Improper marketing

(iii) **Institutional factors:** Institutional factors include land holdings and land system:

- Small size of farms
- Defensive land tenure

Remedies for Low Productivity

A series of essential steps are required to raise agricultural productivity. At a broad level, this issue has two aspects: low average productivity at the national level and high variation in it regionally. The average productivity in rice is low relative to most of the major rice producing counties. India does better in wheat but the scope for improvement exists in this crop as well. The same goes for other crops including oilseeds, fruits and vegetables as well as activities such as animal husbandry, fisheries and poultry. The second broad productivity concern relates to regional variation. It is also evident that while Punjab and Haryana exhibit high productivity nationally, states such as Madhya Pradesh, Rajasthan, Maharashtra, Chhattisgarh, Odisha, and Karnataka suffer from quite low yields per hectare. The scope for improved productivity in these latter regions is substantial.

To increase productivity, progress is required along three dimensions: (i) Quality and judicious use of inputs such as water, seeds, fertilizer and pesticides; (ii) judicious and safe exploitation of modern technology including genetically

modified (GM) seeds; and (iii) shift into high value commodities such as fruits, vegetables, flowers, fisheries, animal husbandry and poultry. In the longer run, productivity enhancement requires research toward discovery of robust seed varieties and other inputs, appropriate crops and input usage for a given soil type and effective extension practices.

Agricultural research and development (R&D) in India has made impressive contribution in the past. But the system is under significant stress today with lack of clarity on focus and inefficient use of financial resources. Links among sister institutions have weakened and accountability declined over time. There is need for a rethink of the R&D system. Following steps can be taken to increase the agricultural productivity in India:

- The method of irrigation followed in the country is flood irrigation, which results in a lot of water loss. Greater efficiency in irrigation can be achieved through proper designing of irrigation system for reducing water conveyance loss. Adoption of water saving technologies such as sprinkler and drip irrigation system have proven extremely effective in not just water conservation but also leading to higher yields by delivering water in a controlled manner in parts of the plant where it is most efficiently absorbed. New agronomic practices like raised bed planting, ridge-furrow method of sowing, sub-surface irrigation, precision farming offers vast scope for economising water use.

- Promotion of alternative methods of planting such as System of Rice Intensification and Direct Seeded Rice can lead to water saving and productivity increases.

- Water productivity can be improved by adopting the concept of multiple use of water, which is beyond the conventional sectoral barriers of the productive sectors. There is scope for increasing the income through crop diversification and integration of fish, poultry and other enterprises in the farming system. Multiple use of water approach generates more income benefits, decreases vulnerability by allowing more diversified livelihood strategies and increases sustainability of ecosystem.

- Emphasis should be given on water resources conservations through watershed development in suitable areas and development of micro-water structures for rainwater harvesting. The promotion of water conservation efforts has direct implications for water resources availability, groundwater recharge and socio-economic conditions of the population.

- Specialized solution is required in chronically water stressed areas where the normal measures may not be effective. Connecting highly water stressed areas with perennial source of water through linking of rivers or water grids is one such option. The value added agri-horti-pastoral agro-forestry systems and alternative source of livelihood are required

in these districts. These districts could be ideal candidates for prioritized intervention of watershed plus activities (water conservation along with livelihood support activities) under recently launched Pradhan Mantri Krishi Sinchai Yojana (PMKSY) and convergence with MGNREGA.

- The effective water management is critically linked with the performance of local level water institutions. Therefore, institutional restructuring in favour of participatory irrigation management and water users associations (WUAs) needs to be strengthened. National Water Policy is emphasizing the concept of Participatory Irrigation Management and WUA through active involvement of people in execution of irrigation projects. According to the latest data available, 56,539 WUA manage 13.16 million hectare of irrigated land. It will be useful to evaluate the effectiveness of this participatory approach.

- As previously noted, priority must be given to the completion of on-going irrigation projects over initiation of new ones through strengthening of programs such as Command Area Development Programme (CADP) and Accelerated Irrigation Benefits Programme (AIBP).

Seed is the true carrier of technology. In India, three sets of institutions produce seeds: research institutions and agricultural universities; public sector seed producing corporations; and private sector firms including multinationals. The last decade has seen two main developments in seed market. One, production of quality seed has risen at a rapid rate after 2005-06. And two, public sector has begun to effectively compete with the private sector.

Rashtriya Krishi Vikas Yojana (RKVY)

It was launched to incentivise the States to increase the share of investment in agriculture in their State plans. It aims at achieving the 4 per cent annual growth in the agriculture sector during the Eleventh Five-Year Plan period by ensuring a holistic development of agriculture and allied sectors. It is a State Plan Scheme and the eligibility for assistance under the scheme depends upon the amount provided in the State budgets for agriculture and allied sectors, over and above the baseline percentage expenditure incurred on agriculture and allied sectors. The funds under the RKVY are to be provided to the States as 100 per cent grant by the Central Government. The main objectives of the schemes are to:

- Incentivize the States to increase public investment in agriculture and allied sectors

- Provide flexibility and autonomy to the States in planning and executing agriculture and allied sector schemes

- Ensure the preparation of plans for the districts and the States based on agro-climatic conditions, availability of technology and natural resources

- Ensure that the local needs/crops/priorities are better reflected

- Achieve the goal of reducing the yield gaps in important crops, through focused interventions
- Maximize returns to the farmers

National Food Security Mission (NFSM)

It is a centrally-sponsored scheme, launched with the objective of increasing the production of rice, wheat and pulses by 10, 8 and 2 million tonnes, respectively, over the benchmark levels of production, by the end of the Eleventh Five-Year Plan period. The Mission aims at increasing food grains production of the above crops through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts. It is being implemented in 305 districts of 16 States of the country. Various activities of NFSM relate to demonstration of improved production technology, distribution of quality seeds of HYVs and hybrids, popularization of newly released varieties, support for micronutrients, and training and mass media campaign including awards for best performing districts. The identified districts are given flexibility to adopt any local area specific interventions as are included in the Strategic Research and Extension Plan (SREP) prepared for the agriculture development of the district.

National Policy for Farmers, 2007

Government of India has approved the National Policy for Farmers, 2007 taking into account the recommendations of the National Commission on Farmers and after consulting the State Governments. The National Policy for Farmers, among other things, has provided for a holistic approach for development of the farm sector.

The primary focus of this policy is on 'farmer' defined holistically and not merely on agriculture. In that sense, it is much more comprehensive than an Agriculture Policy. The objective is, inter alia, to improve the economic viability of farming through substantially improving net income of farmers. Needless to say, there is emphasis on increased productivity, profitability, institutional support, and improvement of land, water and support services apart from provisions of appropriate price policy, risk mitigation measures and so on. The major goals of the National Policy for Farmers are to:

- Improve economic viability of farming by substantially increasing the net income of farmers and to ensure that agricultural progress is measured by advances made in this income
- Protect and improve land, water, bio-diversity and genetic resources essential for sustained increase in the productivity, profitability and stability of major farming systems by creating an economic stake in conservation
- Develop support services including provision for seeds, irrigation, power, machinery and implements, fertilizers and credit at affordable prices in adequate quantity for farmers

- Strengthen the bio-security of crops, farm animals, fish and forest trees for safeguarding the livelihood and income security of farmer families and the health and trade security of the nation

- Provide appropriate price and trade policy mechanisms to enhance farmers' income

- Provide for suitable risk management measures for adequate and timely compensation to farmers

- Complete the unfinished agenda in land reforms and to initiate comprehensive asset and Aquarian reforms

- Mainstream the human and gender dimension in all farm policies and programmes

- Pay explicit attention to sustainable rural livelihoods

- Foster community-centred food, water and energy security systems in rural India and to ensure nutrition security at the level of every child, woman and man

- Introduce measures which can help attract and retain youths in farming and processing of farm products for higher value addition by making it intellectually stimulating and economically rewarding

- Make India a global outsourcing hub in the production and supply of the inputs needed for sustainable agriculture, products and processes developed through biotechnology and Information and Communication Technology (ICT).

- Restructure the agricultural curriculum and pedagogic methodologies for enabling every farm and home science graduate to become an entrepreneur and to make agricultural education gender sensitive

- Develop and introduce a social security system for farmers.

- Provide appropriate opportunities in adequate measure for non-farm employment for the farm households

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Check Your Progress

5. What are the two aspects of low productivity?

6. List two main objectives of Rashtriya Krishi Vikas Yojana (RKVY).

7. What does the National Food Security Mission aim at?

10.5 COOPERATION POLICIES IN INDIA

Agriculture sector is vital for Indian economy. The importance of agriculture sector led Government of India to launch numerous initiatives. The Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) was thus established

for sustainable development of the agriculture sector. The DAC&FW is divided into 27 units and has five attached offices and 21 subordinate offices.

The Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) is one of the three constituent Departments of the Ministry of Agriculture & Farmers Welfare. The Department works to promote farmer co-operative movements and coordinates with state level agencies for implementation of Central Sector Schemes.

Initiatives

Rashtriya Krishi Vikas Yojana (National Agriculture Development Programme)

The Rashtriya Krishi Vikas Yojana (National Agriculture Development Programme) was launched in 2007 and has been implemented across two Five-Year Plan periods, namely the 11th and 12th Five Year Plans. The scheme motivates the states by incentivizing to invest in the agriculture sector for holistic development of Agriculture and allied sector. The programme was extended further for a period of three years in 2017, by the Ministry of Agriculture and was to run as the centrally sponsored scheme of Rashtriya Krishi Vikas Yojana – Remunerative Approaches for Agriculture and Allied Sector Rejuvenation (**RKVY-RAFTAAR**). The centre and state's share in the funding is 60:40 for the General category states while for North-East and hilly areas, it is 90:10. In case of Union Territory, 100% funding is made by central government. In 2020, under the Innovation and Agri-entrepreneurship Development component of the revamped Rashtriya Krishi Vikas Yojana, the Government of India funded various agricultural startups.

Pradhan Mantri Fasal Bima Yojana (National Agriculture Insurance Scheme)

Launched in 2016, this scheme replaces erstwhile National Agriculture Insurance Scheme and Modified National Agriculture Insurance Scheme. It aims to reduce the burden of premium on farmers who take loans for their agricultural operations. The farmers are required to pay 2% premium for all Kharif crops and 1.5% and 5%, respectively, for Rabi and annual horticultural crops. The scheme is enforced under overall coordination of DAC&FW and the state governments. The government will pay a balanced premium and there is no upper limit on the government subsidies. Further, the use of cutting-edge technology like GPS is mandated for recording crop-cutting experiment. The insurance plans will be handled under a single company, namely the Agriculture Insurance Company of India.

Pradhan Mantri Kisan Maan Dhan Yojna

The **Pradhan Mantri Kisan Maan Dhan Yojna** is a pension scheme with Life Insurance Corporation (LIC) of India as the pension fund manager. The beneficiary farmers will have to pay a monthly premium ranging from Rs.55 to Rs.200,

depending upon their age of entry into the scheme and after reaching the age of 60 years, they will be paid a monthly pension of Rs. 3000. The spouse is also eligible for pension after making a separate contribution under the scheme. Further, if the farmer dies after the retirement age then the spouse will receive 50% of the pension as family pension. If the farmer dies before completing the retirement age, the spouse is eligible to continue in the scheme after paying the remaining contribution till the retirement age of the deceased farmer. If the spouse does not wish to continue then the total corpus along with the interest will be paid to the spouse. If there is no spouse, the total contribution along with the premium shall be paid to the nominee. In case of death of both farmer and his spouse, the contribution made will be credited back to the pension fund.

Prime Minister Kisan Samman Nidhi Scheme

The **Prime Minister Kisan Samman Nidhi Scheme** or **PM Kisan** is a type of basic income scheme under which all farmers (subject to some exclusion criteria) are provided an annual income of Rs. 6000 in three installments of Rs. 2000 each, directly into their bank account. Initially, farmers with less than 2 hectares of land were eligible for the scheme but with effect from 1 June, 2019 all farmers are eligible for the benefits under the scheme.

Check Your Progress

8. Why was the Department of Agriculture Cooperation & Farmers Welfare established?

9. What are the Centre and State's share in funding for RKVY-RAFTAAR?

10. Which schemes has the Pradhan Mantri Fasal Bima Yojana replaced?

10.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The term 'land reforms' specifically refers to land tenure reforms. The word 'tenure', derived from the Latin word 'teneo', means 'to hold'. Therefore, land tenure is used to refer to the condition under which land is held.

2. Since Independence, the objectives of the Land Reform Policy have been as follows:
   - Restructuring agrarian relations to achieve an egalitarian social structure
   - Removing impediments from the agrarian structure inherited from the past

3. The Sixth Plan (1980–85) observed that the less than satisfactory progress of land reforms has not been due to deficiencies in the policy but rather due to tardy implementation of reforms and conferment of ownership rights.

4. For the identification of *benami* land, support of the local organizations of the beneficiaries or the organizations representing the interest of the beneficiaries of land distribution is necessary.

5. The two aspects of low productivity are: low average productivity at the national level and high variation in it regionally.

6. The main objectives of RKVY are to:
   - Incentivize the States to increase public investment in agriculture and allied sectors
   - Provide flexibility and autonomy to the States in planning and executing agriculture and allied sector schemes

7. The Mission aims at increasing food grains production of the above crops through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts. It is being implemented in 305 districts of 16 States of the country.

8. The Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) was established for sustainable development of the agriculture sector.

9. The Centre and State's share in the funding is 60:40 for the General category states while for North-East and hilly areas, it is 90:10. In case of Union Territory, 100% funding is made by central government.

10. The Pradhan Mantri Fasal Bima Yojana has replaced the erstwhile National Agriculture Insurance Scheme and Modified National Agriculture Insurance Scheme.

10.7 SUMMARY

- Even though the share of agriculture in the total national income has been coming down due to the development of the secondary and tertiary sectors, the contribution of agriculture remains very significant. It has gone from 57 per cent in 1950 to just more than 26 per cent now.

- Agriculture has been a way of life and continues to be the single most important livelihood of the masses. Agricultural policy focus in India across decades has been on self-sufficiency and self-reliance in food-grains production.

- The central government directed the state governments to pass 'land reform legislations' that would abolish the intermediary landlords (zamindars) and grant ownership rights to the actual tillers of the land.

- The term 'land reforms' specifically refers to land tenure reforms. The word 'tenure', derived from the Latin word 'teneo', means 'to hold'. Therefore, land tenure is used to refer to the condition under which land is held.

- Land reform continues to be a state subject but the Central guidelines provide the framework and the direction for enactments by the state legislatures and implementation of land reform measures by agencies of the state governments.

- Following the policy directive of the First Five-Year Plan, wherein increasing agricultural production was accorded top priority, the government set up a Central Committee for land reforms to review, from time to time, the progress of land reforms in different regions and to advise the states on their land reform proposals.

- The National Commission on Agriculture (1976) in its report on 'Policy and Strategy' emphasizes that for optimum results from agrarian restructuring, the programmes of land reform, consolidation of holdings, hind development, irrigation and drainage should be integrated and executed in a proper sequence.

- The Tenth Plan (2002–07) admits that the need for the effective implementation of the existing land ceiling laws cannot be over-emphasized. The changes in the agrarian economy warrant a fresh look at tenancy laws, which may need to do away with all restrictive tenancy conditions.

- Distribution of land continues to be skewed. Agricultural workers, particularly scheduled castes and scheduled tribes, who constitute the bulk of the agricultural labour force, have not gained much from the abolition of zamindari.

- The Task Force on Agrarian Relations set up by the Planning Commission for the purpose of appraising the progress and tending to the problems related to land reforms, headed by P.S. Appu, made a critical study of the land reform programme in India.

- The average productivity in rice is low relative to most of the major rice producing counties. India does better in wheat but the scope for improvement exists in this crop as well. The same goes for other crops including oilseeds, fruits and vegetables as well as activities such as animal husbandry, fisheries and poultry

- Water productivity can be improved by adopting the concept of multiple use of water, which is beyond the conventional sectoral barriers of the productive sectors. There is scope for increasing the income through crop diversification and integration of fish, poultry and other enterprises in the farming system.

- Rashtriya Krishi Vikas Yojana (RKVY) was launched to incentivise the States to increase the share of investment in agriculture in their State plans. It aims at achieving the 4 per cent annual growth in the agriculture sector during the Eleventh Five-Year Plan period by ensuring a holistic development of agriculture and allied sectors.

- The National Food Security Mission aims at increasing food grains production of the above crops through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm level economy to restore confidence of farmers of targeted districts. It is being implemented in 305 districts of 16 States of the country.

- Government of India has approved the National Policy for Farmers, 2007 taking into account the recommendations of the National Commission on Farmers and after consulting the State Governments. The National Policy for Farmers, among other things, has provided for a holistic approach for development of the farm sector.

- Agriculture sector is vital for Indian economy. The importance of agriculture sector led Government of India to launch numerous initiatives.

- The Department of Agriculture Cooperation & Farmers Welfare (DAC&FW) is one of the three constituent Departments of the Ministry of Agriculture & Farmers Welfare. The Department works to promote farmer co-operative movements and coordinates with state level agencies for implementation of Central Sector Schemes.

- The Rashtriya Krishi Vikas Yojana (National Agriculture Development Programme) was launched in 2007 and has been implemented across two Five-Year Plan periods, namely the 11th and 12th Five Year Plans.

- Pradhan Mantri Fasal Bima Yojana, launched in 2016, replaces erstwhile National Agriculture Insurance Scheme and Modified National Agriculture Insurance Scheme. It aims to reduce the burden of premium on farmers who take loans for their agricultural operations.

- The Pradhan Mantri Kisan Maan Dhan Yojna is a pension scheme with Life Insurance Corporation (LIC) of India as the pension fund manager. The beneficiary farmers will have to pay a monthly premium ranging from Rs.55 to Rs.200, depending upon their age of entry into the scheme and after reaching the age of 60 years, they will be paid a monthly pension of Rs. 3000.

10.8 KEY WORDS

- **Land Tenure:** It refers to the legal regime in which land is owned by an individual, who is said to "hold" the land. It determines who can use land, for how long and under what conditions. Tenure may be based both on official laws and policies, and on informal customs.

- **Water Users Association (WUA):** It is a non-profit organization that is initiated, and managed by the group of water users along one or more hydrological sub-systems regardless of the type of farms involved.

- **Sustainable Development:** It is the organizing principle for meeting human development goals while simultaneously sustaining the ability of natural systems to provide the natural resources and ecosystem services on which the economy and society depend.

- **Central Sector Schemes:** These are the schemes that are entirely and directly funded and executed by the central government. The schemes are formulated by the Centre, based on subjects from the Union List.

- **Horticulture:** It is the agriculture of plants, mainly for food, materials, comfort and beauty for decoration

10.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. List the components that land reforms encompass.
2. Write a short note on Congress Agrarian Reform Committee, 1949.
3. State the three dimensions in which progress is required for increasing productivity.
4. How many units and offices does DAC&FW have?
5. What does the DAC&FW work for?
6. Which company handles insurance plans under the Pradhan Mantri Fasal Bima Yojana?
7. Write a short note on Pradhan Mantri Kisan Samman Nidhi Scheme.

Long-Answer Questions

1. Analyze four types of approaches in land reforms as given by P.C. Joshi.
2. Examine the issues related to land reforms as emphasized by the Ninth Plan.
3. Explain the causes for slow progress of land reforms in India.
4. Analyze the major goals of the National Policy for Farmers.
5. Discuss the provisions of the Rashtriya Krishi Vikas Yojana.
6. Elaborate upon the organization and features of Pradhan Mantri Kisan Maan Dhan Yojana.

10.10 FURTHER READINGS

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UNIT 11 POVERTY ALLEVIATION, HEALTH AND NUTRITION POLICIES IN INDIA

Structure

11.0 INTRODUCTION

Some of the most challenging tasks facing the government are poverty alleviation, health and nutrition concerns. The government formulates a number of schemes and programmes aimed at improving the living standards of people and providing better health facilities. Several reasons responsible for the prevalence of poverty in India are: a large population, stunted growth in agriculture, unequal distribution of land, unemployment and under-utilization of resources. Some schemes implemented for poverty alleviation are Swarnajayanti Gram Swarozgar Yojana (SGSY), National Food for Work Programme (NFWP), National Social Assistance Programme (NSAP), Pradhan Mantri Jan Dhan Yojana, Pradhan Mantri Ujjwala Yojana and so on.

The figures indicating the nutrition levels among the Indian population draw a very dismal picture. According to 'The State for Food and Nutrition in the World, 2020 Report, 14 per cent of India's population is undernourished. As for health, the figures aren't any better. Despite an improvement in health facilities and life expectancy over the years, health facilities are largely inaccessible and unaffordable for the poor. For making progress in these areas, several targets have been set up at the national level. This unit provides an analysis of the schemes implemented in the areas of poverty alleviation and health and nutrition improvement.

11.1 OBJECTIVES

After going through this unit, you will be able to:

- Discuss Poverty Alleviation Policies in India
- Analyze the major Nutrition policies in India
- Examine the major Health Policies and Programmes in India

11.2 POVERTY ALLEVIATION POLICIES IN INDIA

According to Mollie Orshansky, who developed the poverty measurements used by the US government, 'to be poor is to be deprived of those goods and services and pleasures which others around us take for granted.' There are two types of poverty. One is income poverty and the other is human poverty. Income poverty refers to lack of necessities of material well-being. Human poverty refers to denial of opportunity for living a tolerable life. The concept and content of poverty differs from country to country. Poverty can be classified into two categories, absolute poverty and relative poverty and they are mentioned as follows:

Absolute Poverty: Less prevalent in developed countries, absolute poverty is a state in which people do not have the minimum level of income deemed necessary for living in a civilized society. Absolute poverty refers to the percentage of populace living below the poverty line.

Relative Poverty*:* Poverty defined by reference to the living standards of the majority in any given society. Relative poverty refers to the phenomenon when the income for consumption expenditure of a section of the society is distinctively below the average income level of the society. Relative poverty indicates that a group or class of people belonging to lower income group is poorer when compared to those belonging to a higher income group. Since income is distributed unequally in almost all the countries, whether developed or undeveloped, relative poverty exists in every country.

Difference between Relative Poverty and Absolute Poverty

The major differences between relative and absolute poverty are given in Table 11.1

Table 11.1 *Differences between Relative and Absolute Poverty*

Absolute Poverty	Relative Poverty
1. It refers to the total number of people living below poverty line.	1. It refers to poverty of people relative to other people or regions.
2. The concept has relevance for less-developed countries than the developed ones.	2. When we say India is relatively poor, a comparison is drawn with regard to the per capita income.
3. In India, absolute poverty is calculated with the help of poverty line.	3. Relative poverty is calculated with the help of Lorenz curve and Ginni Coefficient.
4. In India 21.8 per cent of the total population is absolute poor.	4. India is relatively one of the poorest countries of the world as its per capita income is less than one dollar per day.

11.2.1 Poverty and Unemployment Eradication Programmes in India

The problem of poverty—a multidimensional challenge for India—needs to be addressed seriously. Poverty alleviation and improvement in the standard of living of the masses has been one of the most important objectives of planning in India. However, the emphasis that is laid on the objective of poverty alleviation and strategy to achieve this objective has changed over the years. The measures which have been adopted by the government for the removal of poverty are as follows:

(i) **Economic growth:** Economic growth can be helpful in removing poverty because of the trickle-down effect. It was thought that the benefits of economic growth would trickle down to the underprivileged in the form of more employment and more income because of the expansion of agricultural and non-agricultural activities. There are several potential drivers of growth that suggest that economic growth accelerated GDP in the Twelfth Plan beyond the 8.2 per cent level achieved in the Eleventh Plan. These drivers include the impact of economic growth, development of a dynamic private sector, good management skills and so forth.

(ii) **Population control:** High growth rate of population among the lower strata of the society is an important factor that is responsible for the perpetuating problem of poverty. Jansankhya Sthirata Kosh (JSK) was registered as an autonomous society of the Ministry of Health and Family Welfare in the year 2004-05. The Government provided a 100 crore corpus fund to signify its commitment to the activities of the Kosh. JSK has used the interest on the corpus and also raised contributions from organizations and individuals that support population stabilization.

(iii) **Agricultural development:** Along with a substantial increase in plan allocation and credit for agriculture proper, an ambitious Bharat Nirman for rural infrastructure, the National Rural Employment Guarantee Act (MGNREGA) to dovetail employment security with land and water

conservation, and the Backward Regions Grants Funds (BRGF) have enabled Panchayati Raj institutions in poorer regions to make their own plans. In addition to enhancing the scope of these initiatives, and making modifications as suggested by the various working groups, the Eleventh Plan introduced the Rashtriya Krishi Vikas Yojana (RKVY). This put in effect the NDC resolution to 'introduce a new scheme for Additional Central Assistance to incentivize states to draw up plans for the agricultural sector more comprehensively, taking agro-climatic conditions, natural resource issues and technology into account, and integrating livestock, poultry and fisheries more fully.' The Twelfth Plan considered all these weaknesses of the Eleventh Plan and introduced various measures encouraging agricultural development.

The Twelfth Plan continued with the decentralization thrust of RKVY, while reducing number of Centrally Sponsored Schemes. While doing this, the main Twelfth plan focused on the following areas:

- Bringing scale through development of Farmer Producer Organizations
- Emphasizing technology, both on the research and development sides
- Stressing standards and protocols and standard operating procedures in every scheme
- Improving statistics and evaluation
- Initiating a shift towards sustainable and climate resilient agriculture, not only through NMSA but more generally by laying emphasis on rain-fed areas and bringing about shifts of water-intensive rice cultivation from water-stressed North-West India to Eastern India.
- Preparing for faster growth through a more diversified agriculture, with investment in the necessary modern infrastructure required for perishable products.

(iv) **Land reforms:** The Government had worked on a combined Land Acquisition and Rehabilitation & Resettlement Bill, 2011. The reason for combining the two into a single legislation is that land acquisition and Resettlement and Rehabilitation (R&R) need to be seen necessarily as two sides of the same coin. The Bill seeks to balance the need for facilitating land acquisition for various public purposes, including infrastructure development, industrialization and urbanization, while at the same time meaningfully addressing the concerns of farmers and those whose livelihoods are dependent on the land being acquired.

(v) **Development of Cottage and Small-Scale Industries:** The small-scale industries have been given a special place in the industrialization programme. Since these industries have played an important role in the generation of employment and in ensuring a more equitable distribution of income; the government has provided necessary incentives, support technical assistance and infrastructure facilities to promote these industries.

(vi) Public Distribution System: The government has also launched a scheme of Public Distribution System (PDS). The objective of this scheme is to provide cheap and subsidized foodgrains to the poor. The PDS functions through a wide network of fair price shops. Since June 1997, a new scheme known as the Targeted Public Distribution System (TPDS) has been adopted in order to provide subsidized foodgrains for the families falling below the officially estimated poverty line at the rate of 10 kg per month per family.

The National Food Security Bill was passed by the Government of India in 2013. According to this Bill, every person belonging to 'priority households' is entitled to receive five kilograms of foodgrains per person per month at subsidized prices from the state government under the TDPS. The TPDS system today supports over 40 crore Indians below the poverty line with monthly supply of subsidized foodgrains. The system also provides gainful employment to 4.78 lakh Fair Price Shops Owners, their employees and hired labour who work at the FCI and state warehousing godowns.

Since the Fifth Five-Year Plan (1974–79), poverty alleviation has been adopted as an explicit objective of our economic planning. Since then, a number of poverty alleviation programmes have been launched with the specific objective of reducing poverty. During the 1970s, a number of special programmes for the rural poor were undertaken. Some of the important programmes were as follows:

- Small Farmers Development Agency (SFDA)
- Marginal Farmers and Agricultural Labourers Development Agency (MFALDA)
- Drought-Prone Area Programme (DPAP)
- Crash Scheme for Rural Employment (CSRE)

The wage employment programmes started as pilot projects in the form of Rural Manpower Programme (RMP) [1960-61], Crash Scheme for Rural Employment (CRSE) [1971–72], Drought Prone Area Programme started as Rural work Programme (RWP) [1972], Small Farmers Development Agency (SFDA), Marginal Farmers & Agricultural Labour Scheme (MF&AL) for the poorest of the poor. These experiments were translated into a full-fledged wage employment programme in 1977 in the form of Food for Work Programme (FWP).

In the 1980s, this programme was further streamlined into the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP), Jawahar Rozgar Yojana (JRY 1993–94) and Employment Assurance Scheme (EAS). This programme (RLEGP) begun in 1983.

In the 1980s and 1990s, the government undertook various programmes which were more comprehensive and made a direct attack on rural and urban poverty. The important programmes were as follows:

- National Rural Employment Programme (NREP)
- Rural Landless and Employment Generation Programme (RLEGP)

- Jawahar Rozgar Yojna (JRY)
- Integrated Rural Development Programme (IRDP)
- Scheme of Training Rural Youth for Self-Employment (TRYSEM)
- Self-Employment Programme for Urban Poor (SEPUP)
- Nehru Rozgar Yojna (NRY)

These special poverty alleviation programmes have been revamped, redesigned and restructured to make these programmes more effective.

The important poverty alleviation programmes in operation in rural and urban areas are explained as follows:

(i) **National Social Assistance Programme (NSAP):** The National Social Assistance Programme (NSAP) which came into effect from 15 August, 1995 represents a significant step towards the fulfilment of the Directive Principles in Article 41 of the Constitution. The programme introduced a National Policy for Social Assistance for the poor and aimed at ensuring minimum national standards for social assistance in addition to the benefits that the states are currently providing or might provide in future. NSAP, at present, comprises the following:

- National Old Age Pension Scheme (NOAPS): Under this scheme, helpless aged person of more than sixty-five years of age gets financial assistance of 75 per person.
- National Family Benefit Scheme (NFBS): Under this scheme, the family living below poverty line receives a lump-sum central grant in case of death of the primary bread earner in the family.
- National Maternity Benefit Scheme (NMBS): Under this scheme, a pregnant woman of more than nineteen years of age from a family living below poverty line gets assistance for maternity care.

(ii) **Indira Awaas Yojana (IAY):** It is an important scheme the main purpose of which is the construction of houses for the poor people. Initially, it aimed at providing houses free of cost to the poor families belonging to scheduled castes and scheduled tribes and free bonded labourers. Later, the scheme was extended to cover other underprivileged categories as well.

(iii) **Shiksha Sahayog Yojana (SSY):** This scheme was launched on 31 December, 2001. It aims at providing monthly education allowance of 100 for children whose parents meet the criteria of living below the poverty from the ninth to twelfth standard.

(iv) **Pradhan Mantri Gramodaya Yojana (PMGY):** PMGY was introduced in 2000–01 with the objective of focussing on village level development in five critical areas such as health, primary education, drinking water, housing and rural roads. PMGY includes the following three major projects:

- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** PMGSY was launched on 25 December with the objective of providing road connectivity through good all-weather roads to all rural habitations.

- **Pradhan Mantri Gramodaya Yojana (Gramin Awaas):** This scheme was implemented in April 2000 based on Indira Awaas Yojana having at its heart the aim of sustainable habitat development in rural areas to accommodate the increasing housing needs of the poor people living in villages.

- **Pradhan Mantri Gramodaya Yojana (Rural Drinking Water Project):** Rural Drinking Water Project was launched with the objective of developing projects for providing water harvesting, water conservation and drinking water to drought prone areas.

(v) **Samagra Awaas Yojana (SAY):** This scheme was undertaken in 1999–2000 on pilot project basis to meet the housing needs in one block in each twenty-five districts of twenty-four states and in one Union Territory with a view to ensuring integrated provision of shelter, sanitation and drinking water.

(vi) **Natural Food for Work Programme (NFWP):** This programme was initially launched in February 2001 for five months, and was further extended. The programme aims at augmenting food security through wage employment in the drought affected areas in eight states, namely, Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttarakhand. Under this scheme, wages are paid partly in kinds like foodgrains and partially in cash. It is the responsibility of the state governments to implement this scheme.

(vii) **Krishi Shramik Samajik Suraksha Yojana (KSSSY):** KSSSY came into effect in July 2001 with an aim to provide social security benefit to agricultural labourers, who are between the age of 18 and 60 years.

(viii) **Annapurna:** The Annapurna Scheme became effective from April 2000 as an entirely Centrally Sponsored Scheme. The main purpose of this scheme was to provide food security to meet the needs of senior citizens. The scheme became effective in most Indian states and five Union Territories. This scheme offered assistance to more than 6,08,000 families.

(ix) **Jawaharlal Nehru National Urban Renewal Mission (JNNURM):** This scheme was launched in 2005–06 for a seven year period. It has two components—Basic Service to the Urban Poor Programmes (BSUPP) and Integrated Housing and Slum Development programme (IHSDP).

(x) **Valmiki Ambedkar Awaas Yojana (VAAY):** This scheme was launched in the year 2001. It facilitates the construction and upgradation of dwelling units for slum dwellers. It also provides community toilets under Nirmal Bharat Abhiyan (NBA).

(xi) **Antyodaya Anna Yojana (AAY):** With the sole aim of offering food security to the senior citizens under the National Old Age Pension Scheme, foodgrains are given to the beneficiaries at subsidized rates of 2 per kg. This scheme became effective from 1 April, 2000 as an entirely Centrally Sponsored Scheme. It has covered more than 6,00,000 people. As announced in the Union Budget 2005–06, the AAY was further expanded to cover 50 lakh below poverty line households, which extends its coverage to 2.5 crore households. The present monthly allocation of foodgrains under AAY is around 8.51 lakh tones per month as on 31.12.2012.

(xii) **Garibi Hatao:** 'Garibi hatao', which means 'eradicate poverty' was the slogan of the Sixth Five Year Plan of the Indira Gandhi Government. Agricultural growth became the focus of the government and a number of poverty alleviation schemes were undertaken.

(xiii) **Food for Work Programme:** A short run programme was initially launched with effect from February 2001 for five months, but it was further extended. The main objective of this programme was to augment food security by making available wage employment in the drought affected rural areas in eight states, namely, Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal. The Central Government is responsible for making available a sufficient amount of foodgrains for free to each of the states that was affected by the drought. Wages by the State government can be paid partially in kind (up to 5 kg of foodgrains per Monday) and partially in cash. Assuring the notified minimum wages, the workers are paid the minimum balance of wages in cash. This programme stood extended up to 31 March 2002 in respect of notified 'National Calamity Affected Districts'. This scheme was later merged in NREGS since 2 February, 2006.

11.2.2 Slums

Several countries of the world attained independence after the Second World War. It is to be noted that in most of the cases, the colonial countries hampered the socio-economic fabric of the ruled countries and, thus, tried to restrict development in many fields. Consequently, at the time of independence, these countries faced severe economic crisis including illiteracy and socio-cultural conflict among the various segments of the society. One important factor responsible for the lack of development of these countries was the lack of coordination among the various sections of the society.

Immediately after independence, the task before the third world countries or post-colonial societies was to develop economically as well as to stabilize the socio-cultural fabric of the society. Such unity can only be accomplished by attaining the well-being of the society including eradication of illiteracy and coordination of the various segments of the society. Achieving multiple tasks need specific measures

to be taken with special reference to the approach, policy making, implementation of the planned activities as well as administration of development activities.

Administrative development has to be evolved and developed accordingly in the particular context of a particular society. This type of development in particular was become specific in the post-colonial societies of the third world countries.

These countries were named as developing countries of the world. It was the primary requirement of the developing country to develop industries in the regions to promote economic growth. The industrialization process created opportunities of employment in the urban setting. As a result, masses from the rural areas migrated towards the urban areas in search of employment. The migration of people therefore created additional load on the urban areas. The uneducated individuals who migrated to the urban areas in search of employment settled in the surrounding areas of the urban peripheral. The non-working masses were mostly from the rural background and least literate to work in the industries, therefore, they worked in the unorganized sector, in the form of domestic workers, street hawkers, unskilled labourers and garbage collectors and so forth. These masses created a new rehabilitation in the urban settings named as slums.

The United Nations felt the need to address the problem of slums and defined it as: 'one or a group of individuals living under the same roof in an urban area, lacking in one or more of the following five amenities':

    i. Durable housing

    ii. Sufficient living area

    iii. Access to improved water

    iv. Access to improved sanitation facilities

    v. Secure tenure.

Large number of people are residing in the slum areas of metropolitan cities and even small cities. The government and the humanitarian agencies both have made plenty of offers to provide at least some basic amenities to these masses.

The humanitarian agencies and non-government organizations are making enormous efforts to ensure better living conditions in the slum areas. There are several humanitarian grounds to look after the slum population because they are living without the bare minimum facilities of livelihood such as sanitation, basic schooling, health facilities, proper shelter and other emergency requirements. The government faces pressure from many humanitarian organizations to ensure minimum living facilities for every individual. Therefore, the development administration of the government has planned many rehabilitation programmes for this population living in the slum areas. Various authors have given the concept about development administration with reference to slum; some of them are as follows:

1. Maximizing innovation for development (Werdener).

2. Carrying out planned change in the economy and to a lesser extent in the social service of the state (Montgomery).

3. Development Administration in India traces and analyzes the concerns and challenges faced by administration and governments with reference to the population of the slum areas living in the urban settings of India.

They dwell extensively on the importance of NGOs and the role of women and self-help groups in the development of administration in India for the slum areas also concurrently with other facets of the society.

As per a report published by the United Nations (UN) in 2015 more than 1 billion people currently live in slums areas in different parts of the world. This number is expected to further grow in the coming decade due to mass migration of the people from the less developed areas specifically from the rural areas. The exponential growth of the urban settings and urbanization have raised significant concerns for the government and the development administration to look into the problems faced by this population. Many researchers are working on the slum dwellers and are trying to find out ways to overcome the problems faced by the slum dwellers and more significantly to minimize the population living in the slum areas by providing them alternative of livelihood.

The concept of development administration can be understood using concepts such as administration of development and administrative development.

*   Sanitation and sewerage
*   Water supply
*   Solid waste management
*   Transport
*   Housing and shelter
*   Healthcare

India requires more than 18 million housing units to house its citizens even as 11 million houses lie vacant in the middle and higher income group. The poor cannot afford what is vacant and what it can afford, needs to be vacated. The Government of India's Pradhan Mantri Awas Yojana (PMAY) aims to create housing for all by 2022 mission, but the rate at which informal housing is being destroyed far exceeds the rate at which formal housing is being constructed is a tough challenge before the development administration.

Increasingly, governments across the globe have come to recognize the right of people to occupy unutilized land for housing as their livelihood is intrinsically linked with where they live. The right to occupy unused land is guaranteed in Brazil's constitution; however, in India, citizens do not enjoy such rights. In contrast, the Public Premises (Eviction of Unauthorized Occupants) Act, 1971 has been enacted in India. This Act prohibits the general public from occupying any public premises. The Parliament amended the Act in 2017, providing even more powers to the government authorities for the speedy eviction of unauthorized occupants from public premises. The Indian Railways has interpreted this act to consider even its unused land as public premise and has been forcing evictions.

As per the National Sample Survey (NSS), about 90 per cent of NCR slums built on public land are owned mostly by local bodies, railways and state government, and only about two per cent of the slums are built on private land.

The onus is on the government and its agencies to find land for the poor inside cities, and this needs to be done by optimizing the use of unused and under-used land pools.

The governments and the judiciary are struggling to resolve the complex issues of urban land availability and housing needs of the poor. A study of Mumbai based Institute on Urbanology has highlighted that between 1997 and 2002, the government and builders built 5,00,000 houses in urban India. During the same period, people built 8.5 million units in informal settlements. If every informal house had access to professional design and engineering services not constrained by planning restrictions and cost, the slum story of urban India would have been very different.

Despite several bills like the right to education, midday meal, Pradhan Mantri Awas Yojana, the condition of the slum areas has not yet considerably improved, and administrative offers need to be more seriously executed and implemented. The responsibility of development administration in this regard does become very crucial.

Check Your Progress

1. What does relative poverty indicate?
2. What does the Land Acquisition and Rehabilitation & Resettlement Bill, 2011 seek to do?
3. Why has the Targeted Public Distribution System been adopted?
4. What is the aim of the National Food for Work Programme (NFWP)?
5. Write a short note on The Public Premises (Eviction of Unauthorized Occupants) Act, 1971.

11.3 NUTRITION POLICIES IN INDIA

Nutrition plays a very important role in human life. It is proved that nutrition is a basic human requirement that forms the basis of a healthy life. A proper diet or food intake from the beginning of life is a prerequisite for growth, development and active life. Nutrition as a science deals with nutritional needs of different groups depending on various measurable characteristics including age, sex, height, weight, energy, rate of growth etc.

India has a long strife in maintaining average nutritional standards for its entire population. Since independence, the nation has struggled to feed its population and match the required nutritional standards for the majority of its population,

especially the poor including women and children. According to a recent Global Nutrition Report, 2020 released by World Health Assembly (WHA), India is very far from achieving its 2025 nutrition targets. The report highlights that India is severely affected by malnutrition as well as under-nutrition.

The World Health Assembly laid down six nutrition targets for maternal, infant, and young child nutrition in 2012. Across the world, the targets form the basis of deciding nutrition-based policies and goals. The 2020 report of the assembly clearly highlights the achievements in the global nutrition targets of 2025 against the targets that include anaemia, low birth weight, exclusive breastfeeding, childhood wasting, and childhood overweight, among others. The report that marked the progress of a total of 194 countries listed India amongst the 88 countries that are not on track for achieving their 2025 targets.

The report clearly states that India has the highest rate of domestic inequalities in malnutrition and will miss four important targets including:

1. Stunting among children under the age of five years,
2. Anaemia amongst women of reproductive age,
3. Childhood overweight and obesity
4. Exclusive breastfeeding

The report also cited that one in two women of reproductive age is anaemic, while at the same time the rate of overweight and obesity continues to rise resulting in a lot of severe and chronic health issues. It is seen that the rate of obesity in females is double than that of males. The report also puts India among the top three countries along with Nigeria and Indonesia being strongly hit by malnutrition and stunting. One in three children under five years of age suffers from childhood stunting and one in five children under five years is wasted. The data from rural and urban areas also represents the existence of inequalities in nutrition amongst the people.

Nutrition Policies

Nutrition policies have always remained one of the very important issues under the various five years plans since independence. A review of history clearly showcases that the problem of under-nutrition and malnutrition has been framed as a health issue (1950-65), a problem of food shortage (1965-75), a multidimensional poverty challenge (1975-97), and a nutrition and food security issue (after 1997).

As early as 1972, the National Nutrition Monitoring Bureau was established under the guidance of the Indian Council of Medical Research with an objective to collect information and develop database on the diet and nutritional status of the population. The bureau was helpful in identifying the strengths and weaknesses of the intervention policies of the government and recommended corrective measures in the Central Nutritional Policies.

Framed and implemented in 1993, the National Nutrition Policy (NNP), was a multi-sectoral strategy for eradicating malnutrition and achieving proper nutrition for all. The policy was divided into direct and indirect strategies to achieve its goal.

The direct or short term strategies under National Nutrition Policy focused on:

- Ensuring proper nutrition of the target groups i.e. the vulnerable section of the society (children, adolescent, pregnant and nursing women, etc.)
- Expanding the safety net for children (i.e. expanding the policy to rural slums along with urban slums),
- Food fortification,
- Provisions for low-cost nutrition food, and
- Combating micro-nutrition deficiency in the vulnerable groups

The indirect or long term strategies under National Nutrition Policy focused on:

- Food security,
- Improving the dietary pattern like providing nutritionally rich food at affordable cost,
- Improving purchasing power,
- Encouraging more of the small and medium enterprise to emerge,
- Prevention of food adulteration,
- Imparting nutrition education through social marketing, communication, etc.,
- Minimum wage administration,
- Equal remuneration for women,
- Monitoring of nutrition programs.

One of the very significant initiatives to combat the issue of nutrition was the landmark National Food Security Act, 2013 which was enacted by the Parliament and came into force in 2013 to provide at least 5 kg of food grains per month at a subsidized price to around 75% of the rural population and 50% of the urban population. The act also brings under its purview provision of nutritional support to pregnant women and lactating mothers along with children aged 6 months to 14 years.

The salient features of the National Food Security Act, 2013 include:

- Public Distribution System (PDS) governed by provisions of the National Food Security Act, 2013 (NFSA).
- Coverage under PDS is de-linked from the erstwhile 'poverty estimates'.
- The Act provides coverage for nearly 2/3rd of the country's total population, basis Census 2011 population estimates.

- 75% of Rural and 50% of Urban population is entitled to receive highly subsidized foodgrains under two categories of beneficiaries – Antyodaya Anna Yojana (AAY) households and Priority Households (PHH).

- The Act entitles 35 kg of food grains per AAY Household per month, whereas 5 Kg of food grain per PHH Person per month.

- Highly subsidized Central Issue Prices of Re.1, Rs.2 and Rs.3 for Coarse-grains, Wheat and Rice respectively, kept unchanged till June 2019.

- Eldest woman of the beneficiary household (18 years or above) is considered as 'Head of Family' for the purpose of issuing ration cards.

- Grievance redressal mechanism, through State Food Commissions, DGROs, Vigilance Committees at different levels are provisioned for Women Empowerment.

Yet another initiative in handling nutrition issues in India was taken under the recent regime of Prime Minister Shri Narendra Modi with the launch of National Nutrition Mission or POSHAN Abhiyan. POSHAN Abhiyaan (National Nutrition Mission) is a flagship programme of the Ministry of Women and Child Development (MWCD), Government of India, which ensures convergence with various programmes i.e., Anganwadi Services, Pradhan Mantri Matru Vandana Yojna(PMMVY), Scheme for Adolescent Girls (SAG) of MWCD, Janani Suraksha Yojna (JSY), National Health Mission (NHM), Swachh-Bharat Mission, Public Distribution System (PDS), Department Food & Public Distribution, Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) and Ministry of Drinking Water & Sanitation.

With an intent and outreach to benefit 10 crore beneficiaries, the goals of NNM are to achieve improvement in nutritional status of Children from 0-6 years, Adolescent Girls, Pregnant Women and Lactating Mothers in a time bound manner during the next three years beginning 2017-18.

With a budget of INR 9046.17 crore for three years, the National Nutrition Mission is a comprehensive approach towards increasing nutrition levels in the country. The mission will include mapping of various Schemes contributing towards addressing malnutrition, including a very robust convergence mechanism, ICT based Real Time Monitoring system, incentivizing States/UTs for meeting the targets, incentivizing Anganwadi Workers (AWWs) for using IT based tools, eliminating registers used by AWWs, introducing measurement of height of children at the Anganwadi Centres (AWCs), Social Audits, setting-up Nutrition Resource Centres, involving masses through Jan Andolan for their participation on nutrition through various activities, among others.

Several other schemes and programs have been implemented for past many years to combat the issues related to nutrition. The section below lists few of important initiatives undertaken.

- **National Vitamin A Prophylaxis Programme, 1970:** The National Vitamin A Prophylaxis Program against Nutritional Blindness was launched in 1970. The programme was a Central Government sponsored programme that covered all children between the ages of one and three years. This plan sought to administer about 2,00,000 IU of vitamin A to such children every six months.

- **Special Nutrition Programme, 1970:** Launched in 1970, the Special Nutrition Programme was aimed at providing supplementary feeding of around 300 calories and 10 grams of protein to preschool children. The programme also in its ambit covered nursing mothers with a provision of 500 calories and 25 grams of protein to them.

- **Balwadi Nutrition Programme, 1970:** The Balwadi Nutrition Program was also launched in 1970 with focus on both healthcare as well as education. Under this program, the Government of India supplied food supplements to the Balwadis to cater to the children in the age group of 3–6 years. Launched under the aegis of Department of Social Welfare the project focused on the children belonging to the rural areas.

- **Integrated Child Development Services (ICDS), 1975:** The centrally sponsored programme was the first comprehensive programme of its kind to tackle the menace of malnutrition. With its integrated services the programme aimed at providing food, preschool education, primary healthcare, immunization, health check-up, and referral services to children under 6 years of age and their mothers. This program sees implementation at the grass-root levels through Anganwadi workers.

- **National Iodine Deficiency Disorder Control Programme, 1992:** Also known as the National Goitre Control Programme (NGCP) and later renamed to National Iodine Deficiency Disorders Control Programme (NIDDCP) was launched in August 1992 to increase the scope of iodine deficiency disorders like mental and physical retardation, deaf-mutism, cretinism, stillbirths, etc.

- **Mid-Day Meal Scheme, 1995:** The Mid-day Meal Scheme which is still operational is a school meal program launched by the Government of India. The scheme was developed and implemented to ensure better nutrition amongst the school-going children. It covered all the children of primary schools run by the government or aided by the government. It allowed such children to receive a fully prepared mid-day meal.

Check Your Progress

6. List any two targets on which short term strategies under National Nutrition Policy focused.

7. Write a short note on Special Nutrition Programme.

11.4 HEALTH POLICIES IN INDIA

The National Health Policy of 1983 and the National Health Policy of 2002 have served well in guiding the approach for the health sector in the Five-Year Plans. Now 14 years after the last health policy, the context has changed in four major ways. First, health priorities are changing. Although maternal and child mortality have rapidly declined, there is growing burden on account of non-communicable diseases and some infectious diseases. The second important change is the emergence of a robust health care industry estimated to be growing in double digit. The third change is the growing incidences of catastrophic expenditure due to health care costs, which are presently estimated to be one of the major contributors to poverty. Fourth, a rising economic growth enables enhanced fiscal capacity. Therefore, a new health policy responsive to these contextual changes is required. The primary aim of the National Health Policy, 2017, is to inform, clarify, strengthen and prioritize the role of the Government in shaping health systems in all its dimensions- investments in health, organization of healthcare services, prevention of diseases and promotion of good health through cross-sectoral actions, access to technologies, developing human resources, encouraging medical pluralism, building knowledge base, developing better financial protection strategies, strengthening regulation and health assurance. NHP 2017 builds on the progress made since the last NHP 2002. The developments have been captured in the document "Backdrop to National Health Policy 2017- Situation Analyzes", Ministry of Health & Family Welfare, Government of India.

Goal

The policy envisages as its goal the attainment of the highest possible level of health and well-being for all at all ages, through a preventive and promotive health care orientation in all developmental policies, and universal access to good quality health care services without anyone having to face financial hardships as a consequence. This would be achieved through increasing access, improving quality and lowering the cost of healthcare delivery. The policy recognizes the pivotal importance of Sustainable Development Goals (SDGs). An indicative list of time bound quantitative goals aligned to ongoing national efforts as well as the global strategic directions is detailed at the end of this section.

Key Policy Principles

    I. **Professionalism, Integrity and Ethics:** The health policy commits itself to the highest professional standards, integrity and ethics to be maintained in the entire system of health care delivery in the country, supported by a credible, transparent and responsible regulatory environment.

    II. **Equity:** Reducing inequity would mean affirmative action to reach the poorest. It would mean minimizing disparity on account of gender, poverty,

caste, disability, other forms of social exclusion and geographical barriers. It would imply greater investments and financial protection for the poor who suffer the largest burden of disease.

III. **Affordability:** As cost of care increases, affordability, as distinct from equity, requires emphasis. Catastrophic household health care expenditures defined as health expenditure exceeding 10% of its total monthly consumption expenditure or 40% of its monthly non-food consumption expenditure, are unacceptable.

IV. **Universality:** Prevention of exclusions on social, economic or on grounds of current health status. In this backdrop, systems and services are envisaged to be designed to cater to the entire population- including special groups.

V. **Patient Centered & Quality of Care:** Gender sensitive, effective, safe, and convenient healthcare services to be provided with dignity and confidentiality. There is need to evolve and disseminate standards and guidelines for all levels of facilities and a system to ensure that the quality of healthcare is not compromised.

VI. **Accountability:** Financial and performance accountability, transparency in decision making, and elimination of corruption in health care systems, both in public and private.

VII. **Inclusive Partnerships:** A multi stakeholder approach with partnership & participation of all non-health ministries and communities. This approach would include partnerships with academic institutions, not for profit agencies, and health care industry as well.

VIII. **Pluralism:** Patients who so choose and when appropriate, would have access to AYUSH care providers based on documented and validated local, home and community based practices. These systems, inter alia, would also have Government support in research and supervision to develop and enrich their contribution to meeting the national health goals and objectives through integrative practices.

IX. **Decentralization:** Decentralization of decision making to a level as is consistent with practical considerations and institutional capacity. Community participation in health planning processes to be promoted side by side.

X. **Dynamism and Adaptiveness:** Constantly improving dynamic organization of health care based on new knowledge and evidence with learning from the communities and from national and international knowledge partners is designed.

Health Status and Programme Impact

Life Expectancy and healthy life

a. Increase Life Expectancy at birth from 67.5 to 70 by 2025.

b. Establish regular tracking of Disability Adjusted Life Years (DALY) Index as a measure of burden of disease and its trends by major categories by 2022.

c. Reduction of TFR to 2.1 at national and sub-national level by 2025.

Mortality by Age and/ or cause

a. Reduce Under Five Mortality to 23 by 2025 and MMR from current levels to 100 by 2020.

b. Reduce infant mortality rate to 28 by 2019.

c. Reduce neo-natal mortality to 16 and still birth rate to "single digit" by 2025.

Reduction of disease prevalence/ incidence

a. Achieve global target of 2020 which is also termed as target of 90:90:90, for HIV/AIDS i. e,- 90% of all people living with HIV know their HIV status, - 90% of all people diagnosed with HIV infection receive sustained antiretroviral therapy and 90% of all people receiving antiretroviral therapy will have viral suppression.

b. Achieve and maintain elimination status of Leprosy by 2018, Kala-Azar by 2017 and Lymphatic Filariasis in endemic pockets by 2017.

c. To achieve and maintain a cure rate of >85% in new sputum positive patients for TB and reduce incidence of new cases, to reach elimination status by 2025.

d. To reduce the prevalence of blindness to 0.25/ 1000 by 2025 and disease burden by one third from current levels.

e. To reduce premature mortality from cardiovascular diseases, cancer, diabetes or chronic respiratory diseases by 25% by 2025.

Health Systems Performance

Coverage of Health Services

a. Increase utilization of public health facilities by 50% from current levels by 2025.

b. Antenatal care coverage to be sustained above 90% and skilled attendance at birth above 90% by 2025.

c. More than 90% of the newborn are fully immunized by one year of age by 2025.

d. Meet need of family planning above 90% at national and sub national level by 2025.

e. 80% of known hypertensive and diabetic individuals at household level maintain "controlled disease status" by 2025.

Health Systems Strengthening

Health Finance

    a. Increase health expenditure by Government as a percentage of GDP from the existing 1.15% to 2.5 % by 2025.

    b. Increase State sector health spending to > 8% of their budget by 2020.

    c. Decrease in proportion of households facing catastrophic health expenditure from the current levels by 25%, by 2025.

Health Infrastructure and Human Resource

    a. Ensure availability of paramedics and doctors as per Indian Public Health Standard (IPHS) norm in high priority districts by 2020.

    b. Increase community health volunteers to population ratio as per IPHS norm, in high priority districts by 2025.

    c. Establish primary and secondary care facility as per norms in high priority districts (population as well as time to reach norms) by 2025.

Health Management Information

    a. Ensure district-level electronic database of information on health system components by 2020.

    b. Strengthen the health surveillance system and establish registries for diseases of public health importance by 2020.

    c. Establish federated integrated health information architecture, Health Information Exchanges and National Health Information Network by 2025.

Check Your Progress

8. What is the goal of NHP 2017?

9. List one principle of NHP 2017.

11.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. Relative poverty indicates that a group or class of people belonging to lower income group is poorer when compared to those belonging to a higher income group.

2. The Bill seeks to balance the need for facilitating land acquisition for various public purposes, including infrastructure development, industrialization and urbanization, while at the same time meaningfully addressing the concerns of farmers and those whose livelihoods are dependent on the land being acquired.

3. Targeted Public Distribution System (TPDS) has been adopted in order to provide subsidized foodgrains for the families falling below the officially estimated poverty line at the rate of 10 kg per month per family.

4. The NFWP aims at augmenting food security through wage employment in the drought affected areas in eight states, namely, Gujarat, Chhattisgarh, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttarakhand.

5. The Public Premises (Eviction of Unauthorized Occupants) Act, 1971 has been enacted in India. This Act prohibits the general public from occupying any public premises. The Parliament amended the Act in 2017, providing even more powers to the government authorities for the speedy eviction of unauthorized occupants from public premises.

6. The targets on which short term strategies under National Nutrition Policy focused are:

    (i) Ensuring proper nutrition of the target groups i.e. the vulnerable section of the society (children, adolescent, pregnant and nursing women, etc.)

    (ii) Expanding the safety net for children (i.e. expanding the policy to rural slums along with urban slums)

7. Launched in 1970, the Special Nutrition Programme was aimed at providing supplementary feeding of around 300 calories and 10 grams of protein to preschool children. The programme also in its ambit covered nursing mothers with a provision of 500 calories and 25 grams of protein to them.

8. The policy envisages as its goal the attainment of the highest possible level of health and well-being for all at all ages, through a preventive and promotive health care orientation in all developmental policies, and universal access to good quality health care services without anyone having to face financial hardships as a consequence.

9. NHP aims to achieve Decentralization of decision making to a level as is consistent with practical considerations and institutional capacity. Community participation in health planning processes to be promoted side by side.

11.6 SUMMARY

- There are two types of poverty. One is income poverty and the other is human poverty. Income poverty refers to lack of necessities of material well-being. Human poverty refers to denial of opportunity for living a tolerable life.

- Economic growth can be helpful in removing poverty because of the trickle-down effect. It was thought that the benefits of economic growth would

trickle down to the underprivileged in the form of more employment and more income because of the expansion of agricultural and non-agricultural activities.

- The Government had worked on a combined Land Acquisition and Rehabilitation & Resettlement Bill, 2011. The reason for combining the two into a single legislation is that land acquisition and Resettlement and Rehabilitation (R&R) need to be seen necessarily as two sides of the same coin.

- The government has also launched a scheme of Public Distribution System (PDS). The objective of this scheme is to provide cheap and subsidized food grains to the poor. The PDS functions through a wide network of fair price shops.

- Since the Fifth Five-Year Plan (1974–79), poverty alleviation has been adopted as an explicit objective of our economic planning. Since then, a number of poverty alleviation programmes have been launched with the specific objective of reducing poverty.

- In the 1980s and 1990s, the government undertook various programmes which were more comprehensive and made a direct attack on rural and urban poverty. The important programmes were as follows:
  o National Rural Employment Programme (NREP)
  o Rural Landless and Employment Generation Programme (RLEGP)
  o Jawahar Rozgar Yojna (JRY)

- The National Social Assistance Programme (NSAP) which came into effect from 15 August, 1995 represents a significant step towards the fulfilment of the Directive Principles in Article 41 of the Constitution.

- KSSSY came into effect in July 2001 with an aim to provide social security benefit to agricultural labourers, who are between the age of 18 and 60 years.

- Immediately after independence, the task before the third world countries or post-colonial societies was to develop economically as well as to stabilize the socio-cultural fabric of the society.

- There are several humanitarian grounds to look after the slum population because they are living without the bare minimum facilities of livelihood such as sanitation, basic schooling, health facilities, proper shelter and other emergency requirements.

- As per a report published by the United Nations (UN) in 2015 more than 1 billion people currently live in slums areas in different parts of the world. This number is expected to further grow in the coming decade due to mass migration of the people from the less developed areas specifically from the rural areas.

- According to a recent Global Nutrition Report, 2020 released by World Health Assembly (WHA), India is very far from achieving its 2025 nutrition targets. The report highlights that India is severely affected by malnutrition as well as under-nutrition.

- As early as 1972, the National Nutrition Monitoring Bureau was established under the guidance of the Indian Council of Medical Research with an objective to collect information and develop database on the diet and nutritional status of the population.

- One of the very significant initiatives to combat the issue of nutrition was the landmark National Food Security Act, 2013 which was enacted by the Parliament and came into force in 2013 to provide at least 5 kg of food grains per month at a subsidized price to around 75% of the rural population and 50% of the urban population.

- POSHAN Abhiyaan (National Nutrition Mission) is a flagship programme of the Ministry of Women and Child Development (MWCD), Government of India, which ensures convergence with various programmes i.e., Anganwadi Services, Pradhan Mantri Matru Vandana Yojna(PMMVY), Scheme for Adolescent Girls (SAG) of MWCD, Janani Suraksha Yojna (JSY) etc.

11.7 KEY WORDS

- **Income Poverty:** It refers to lack of necessities of material well-being.

- **Relative Poverty:** It refers to the phenomenon when the income for consumption expenditure of a section of the society is distinctively below the average income level of the society.

- **Public Distribution System (PDS):** It is a government-sponsored chain of shops entrusted with the work of distributing basic food and non-food commodities to the needy sections of the society at very cheap prices.

- **Sustainable Development Goals:** These are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

- **Multi-Stakeholder Governance:** It is a practice of governance that employs bringing multiple stakeholders together to participate in dialogue, decision making, and implementation of responses to jointly perceived problems.

- **Indian Public Health Standards:** These are set of uniform standards envisaged to improve the quality of health care delivery in the country. The IPHS documents have been revised keeping in view the changing protocols of the existing programmes and introduction of new programmes especially for Non-Communicable Diseases.

11.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. Write a short note on absolute poverty.
2. Which resolution did Rashtriya Krishi Vikas Yojana (RKVY) put into effect?
3. What policy did the National Social Assistance Programme introduce?
4. What was the main objective of the Food for Work Programme?
5. What are the goals of National Nutrition Mission (NNM)?
6. What is the primary aim of National Health Policy, 2017?

Long-Answer Questions

1. Discuss any three measures which have been adopted by the government for the removal of poverty.
2. Analyze the areas on which the Twelfth Plan focused.
3. Elaborate upon the features and provisions of Public Distribution System.
4. Evaluate some schemes that have been implemented over the past many years to combat the issues related to nutrition.
5. Discuss the four ways in which the context of health care has changed.

11.9 FURTHER READINGS

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BLOCK - V
AGENCIES INVOLVED IN DEVELOPMENT ADMINISTRATION

UNIT 12 ROLE OF VOLUNTARY AND NON-GOVERNMENTAL ORGANIZATIONS IN PROMOTING DEVELOPMENT ADMINISTRATION

Structure

12.0 INTRODUCTION

In contemporary societies, it is common to distinguish between three main institutional spheres: the state, the civil society and the market. Most organizations of the state and the civil society are, referred by a frequently used term, non-profit bodies, whereas organizations in the market sphere are business enterprises, aiming at generating profit for some individual person, group or institution (in some instances, the state).[1]

Organizations with all these spheres contribute to development, in some sense, more or less directly. However, development focusing organizations within the spheres of the state and the civil society are organizations with a direct development mission, i.e., for which development constitutes the very purpose of existence are defined as any organized entity of society that contributes to

development, without aiming at generating profit for owners of the organization from the work it does.[2]

Voluntary organizations have been actors on the development stage longer than the World Bank, the United Nations or any other official aid agency. Though the voluntary organizations in different guises existed well before the twentieth century in both north and south, non-governmental organizations (NGOs) as they are recognized today have a more recent history.[3] The first northern non-governmental organizations to enter the stage did so just after the First World War – such as the Catholic Church based CARITAS and Save the Children Fund.

12.1 OBJECTIVES

After going through this unit, you will be able to:

- Analyze the meaning and definitions of Non-Governmental Organizations (NGOs)

- Examine the classification of NGOs

- Discuss the Indian scenario with regard to the activities of NGOs

12.2 MEANING & DEFINITIONS OF VOLUNTARY/ NON-GOVERNMENTAL ORGANIZATIONS

In general, the terms voluntary and non-governmental organizations are used interchangeably in the not-for-profit world or the third sector. However, the term non-governmental organizations or NGOs gained prominence in the government and donor set up slowly and developed its place in the sector. The concept of non-governmental organizations came into use in 1945 following the establishment of the United Nations Organization which recognized the need to give a consultative role to organizations which were not classified as government non-member states.[4] Non-governmental organizations take different forms and play different roles in different continents, with the non-governmental organization sector being most developed in Latin America and parts of Asia. The roots of non-governmental organizations are different according to the geographical and historical context. They have recently been regarded as part of the 'third sector' or not-for-profit organizations. Although there is contestation of the definition of a non-governmental organization, it is widely accepted that these are organizations which pursue activities to relieve the suffering, promote interests of the poor, protect the environment, provide basic social services, and undertake community development.[5]

According to Turner and Hulme, NGOs are generally registered organizations, community groups, professional associations, Trade unions, cooperative charity organizations whose aim is to improve the well-being of their members and of those areas in which they exist.[6]

The World Bank, on the other hand, sees NGOs as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, and/or undertake community development.

12.3 CLASSIFICATION OF NGOS

NGOs differ in a number of dimensions that are highlighted in the literature and/or employed by existing institutions. These dimensions may generally be used to classify NGOs and are as under:

NGOs can be classified according to their primary aims, interests or motivations. For example, private-interest NGOs can be contrasted with public-interest NGOs (PINGOs); business and industry NGOs (BINGOs) can be distinguished from environmental, human rights, development or expert NGOs.

In the framework of the United Nations Framework Convention on Climate Change, it has become common to distinguish between three 'constituencies'; BINGOs, environmental NGOs (ENGOs), and representatives of municipal and local authorities.

John Clark in his book '*Democratizing Development: The Role of Voluntary Organizations*', mentions, NGOs do not comprise a tight community but a broad spectrum - too broad, perhaps, to leave the term with much meaning. It embraces multi-million-dollar food aid managers and trade unions of peasants and street hawkers, lawyers advocating the environmental cause and illiterate barefoot midwives.'

He further, based on the historical evolution of NGOs, divides them into six schools:

- **Relief and Welfare Agencies:** Such as Catholic Relief Services, various missionary societies and so on.

- **Technical Innovation Organizations:** These include NGOs that operate their own projects to pioneer new or improved approaches to problems, and which tend to remain specialized in their chosen field. Examples include the British Intermediate Technology Development Group, the international Aga Khan Foundation and the Grameen Bank of Bangladesh and so on.

- **Public Service Contractors:** NGOs that are mostly funded by Northern governments and that work closely with Southern governments and official aid agencies. These NGOs are contracted to implement components of official programs because it is felt that their size and flexibility would help them perform the tasks more effectively than government departments. Examples include CARE and the Emergency Social Fund in Bolivia.

- **Popular Development Agencies:** Northern NGOs and their Southern intermediary counterparts that concentrate on self-help, social development and grassroots democracy. Examples include the seven independent Oxfams (in different fundraising countries), Bangladesh Rural Advancement Committee (BRAC), Centro Ecumênico de Documentaçao e Informaçao (CEDI) and Federaçao de orgãos para Asistência Social e Educational (FASE) of Brazil.

- **Grassroots Development Organizations:** Locally based Southern NGOs whose members are poor and oppressed themselves, and which attempt to shape a popular development process. Examples include the rural worker's union of Brazil, the Self Employed Women's Association (SEWA) of Ahmedabad, credit and savings groups in the Indian sub-continent and movements of the landless in many countries.

- **Advocacy Groups and Networks:** Organizations that have no field projects but that exist primarily for education and lobbying. Examples include the Freedom from Debt Coalition in the Philippines, the Third World Network based in Penang, environmental pressure groups in North and South and Health Action International (campaigning for reforms in the marketing of pharmaceuticals).

12.4 THE INDIAN SCENARIO

During the first two decades of independence, many organizations in the stream of voluntary action based on social reform and the stream of constructive work, joined together in the government's efforts for nation-building. This task focused on extension work in the fields of agriculture and health, and on community development. It led to the governmentalization of khadi and village industries. It also resulted in co-optation and formalization of the work initiated in the areas of education and health as well as areas of economic activities through a government sponsored cooperative movement based on Cooperative Societies Act, 1904. However, the underlying perspective of social work was to provide support to the needy, to raise one's voice against untouchability and to defend the rights of the deprived and the marginalized segments of society. This was done through a welfarist approach. Another expression of social reform that was based on the socialist approach continued in the programs in the fields of relief, rehabilitation, welfare and charity. In 1953, the Central Social Welfare Board was constituted to promote voluntary agencies and give them grants-in-aid for the implementation of the government programs. During this period, the social reform movement expanded with a new institutional approach in getting established under the overall perspective developed by the work of missionaries before independence.

In the 1960s and 1970s, a number of not-for-profit organizations paid pointed attention to the definition of growth and development and projection of a people-centered development vision that embraced the transformation agenda.

Young people who were professionally trained began to enter voluntary development organizations setting up new initiatives, though their numbers were very much restricted and localized in areas close to cities.

During the 1980s and the 1990s, the relationship between government and the not-for-profit organizations become more tangible in terms of mutual respect, trust, equality and understanding among the NPOs themselves, openness to learning from each other, and a long-term commitment towards betterment of the society as a whole. The work of NPOs began to get organized and the recognition and visibility also increased during this period. A more professional approach to development characterized the work of NPOs.

Several authors have proposed a periodization of non-governmental organizations. Considering the issues that NGOs have engaged in, a decadal periodization of their history since independence is suggested by Sooryamoorthy and Gangrade (2001).[7] According to Sen (1993)[8], the diversity of India and its long history of civilization make it difficult to define the NGO sector in the country. Using a historical perspective, he divides the development of NGOs into four periods; the mid to late colonial period (1810s to 1947), the early post-independence period (1947 to late 1950s), the period between 1960 and 1980, and a more recent past since then.

By looking at the evolution of NGOs in the post-independence period, examining their orientation and composition, and using a 'pure type' analytic approach Mishra, Biswas and Roy in a paper titled 'Governance of Non-Government Organizations', proposed a four phase periodization.

The first phase began with the independence and continued roughly till the end of 1960s. During this phase, the institutional space of NGOs was populated primarily by the voluntary organizations created and sustained by Gandhian social workers. This was the phase of harmonious relationship between the voluntary organizations and the government, with the latter actively supporting their formation and sustenance. The voluntary organizations in turn, did not challenge the hegemonies of the period; on the contrary, they actively supplemented the state's project of community development by associating in myriad welfare, rehabilitation and development activities. A recently conducted state-wise stratified sample survey (CAF – India, 2000) suggests that four percent of current NGOs were set up during this period.

The second phase commenced in early 1970s and continued till the middle of the 1980s. It saw the emergence of voluntary organizations led by Western-educated young people. They were influenced by campus unrest and inspired by the works of Paulo Freiere and Franz Fanon. The task of development and the condition of the poor came to be viewed as challenge requiring the involvement of the educated young people. The period saw the commencement of professional courses in rural development. Publicly funded professional schools, like the IIMs, felt the pressure to address larger social and public concerns. This led to a trend of professionally educated young people joining in increasing numbers newly

emerging NGOs or starting their own. Development was denoted as a techno-economic problem and appropriate project design and tight implementation were seen as solutions. Implementation failure of the government sponsored programs were increasingly taken note of and critiqued. The argument of state failure, particularly in reaching to and involving the poor, women and marginalized, further created the institutional space for NGO activities. As per the CAF-India survey and Development Alternative's data base, between 25 percent and 32 percent of current NGOs came into being during this phase.

With the expansion of the domain and increasing institutionalization of NGOs in the social space, the floodgates opened up between 1985 and 1995. Greater amounts of resources, both domestic and foreign were made available for deployment by and through NGOs. The government rechristened the People's Action in Development, India (PADI), set up the Council for Advancement of People's Action and Rural Technology (CAPART) in 1986 with the objectives of, inter alia, facilitation of VOs in the implementation of projects for sustainable development in rural areas, networking with national/international institutions for promotion of voluntary action, and promotion and supporting of people's participation and voluntary action through capacity building for VOs and rural communities. CAPART also had the added responsibility of channelling government funds for projects of VOs and help young professionals with start-up funds for new VOs. During this period, Social Welfare Boards in some eastern states offered seed money grants to newly formed NGOs. In Orissa, this incentive saw the emergence of youth clubs in multitudes of villages. It was this kind of government-NGO linkage that prompted Tandon (1991)[9] to characterize as the 'kiss of death' for the NGOs. As per the CAF-India survey database, nearly between 52 and 62 percent of current NGOs were set up during this phase.

12.5 ROLE OF NGOS & VOLUNTARY ORGANIZATIONS IN PROMOTING DEVELOPMENT ADMINISTRATION

The roles NGOs perform today are numerous: they are advocates, educators, catalysts, monitors, whistle blowers, mediators (Korten, 1992)[10], lobbyists, activists, mobilizers, protectors of human rights, conscientizers, animators and conciliators (Sooryamoorthy and Gangrade, 2001: 3)[11]. Some have a national presence (like PRIA, ISS, CSC), others operate at the regional, state, divisional, district, sub-divisional, taluka level, or even only at the level of a group of or single village. Some NGOs like SEWA, BAIF, ASSEFA, MYRADA, Gram Vikas are large by Indian standards, with total number of personnel around several hundreds. On the other hand, there are those which at the most a couple of person other than the chief executive.

A typical categorizing scheme used to differentiate among NGOs is on the basis of their operations. In this, the first category consists of NGOs that work

directly with particular communities at some geographic level. Such NGOs are the most numerous and also perhaps the oldest and are often referred to as 'project implementing NGOs'. The second category consists of NGOs that are labelled as 'support organizations'. This class of NGOs emerged during the 80s with the prime aim of supporting and building capacities of project implementing NGOs. Also referred to as intermediary organizations, the support NGOs provide training, hand-holding as well as other support services. The third category is the one that includes NGOs which engage exclusively in research and advocacy efforts. New Delhi based organizations like Centre for Science and Environment (CSE), Institute of Social Sciences (ISS) are the examples. The fourth and relatively new category consists of 'networks'. Today almost in every state there exist network of NGOs. Prominent national level networks are the Voluntary Agencies Network of India (VANI), Association of Voluntary Agencies in Rural Development (AVARD), and Voluntary Health Association of India (VHAI). A fifth category could possibly be constructed to include NGOs that are primarily involved in raising resources for 'voluntary and/or development action'. Child Rights and You, Help Age India, Charities Aid Foundation of India and Give Foundation are some of the prominent examples.

To conclude, it can be stated that 'Non-governmental organizations' (NGOs) refer to those non-profit, voluntary, organizations that carry a broad range of social development functions with and on behalf of people. Their role in shaping the larger development discourse has been commendable for past few decades. In recent years, NGOs have emerged as powerful sources for social change within developing countries. NGO efforts have been particularly noteworthy in the areas of social service delivery, advocacy, protection of the natural environment, and in establishing new institutions to reflect the changing needs of impoverished peoples. Many NGOs have targeted their efforts toward population groups that tend to be underserved by governmental programs, including women, the aged, physically and mentally disabled persons, the poor, as well as various social groups that have been 'marginalized' by virtue of race, religion, ethnicity, caste, social class, etc. Irrespective of their patronage, type, size and orientation, the majority of NGOs devote their attention to service, advocacy, and social change efforts with and on behalf of people. The increasing scope and role of the NGOs has given them immense power within the spheres of the state, the market and the civil society and yet brought critical attention towards their functioning, governance, transparency, accountability and credibility.

In a nutshell a cursory review of roles that voluntary or non-governmental organizations perform within the purview of development administration includes:

- Social Development
- Sustainable Community Development
- Sustainable Development, and
- Sustainable Consumption

Check Your Progress

1. When did the concept of non-governmental organizations come into use?

2. How does the World Bank see NGOs?

3. Name the three 'constituencies' as per United Nations Framework Convention on Climate Change.

4. Give some examples of Advocacy Groups and Networks.

5. What was the underlying perspective of social work?

6. How did Amartya Sen divide the development periods of NGOs?

12.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The concept of non-governmental organizations came into use in 1945 following the establishment of the United Nations Organization which recognized the need to give a consultative role to organizations which were not classified as government non-member states.

2. The World Bank sees NGOs as private organizations that pursue activities to relieve suffering, promote the interests of the poor, protect the environment, provide basic social services, and/or undertake community development.

3. The three 'constituencies' are: BINGOs, environmental NGOs (ENGOs), and representatives of municipal and local authorities.

4. Examples include the Freedom from Debt Coalition in the Philippines, the Third World Network based in Penang, environmental pressure groups in North and South and Health Action International (campaigning for reforms in the marketing of pharmaceuticals).

5. The underlying perspective of social work was to provide support to the needy, to raise one's voice against untouchability and to defend the rights of the deprived and the marginalized segments of society.

6. Using a historical perspective, Amartya Sen divided the development of NGOs into four periods; the mid to late colonial period (1810s to 1947), the early post-independence period (1947 to late 1950s), the period between 1960 and 1980, and a more recent past since then.

12.7 SUMMARY

- The concept of non-governmental organizations came into use in 1945 following the establishment of the United Nations Organization which recognized the need to give a consultative role to organizations which were not classified as government non-member states.

- NGOs can be classified according to their primary aims, interests or motivations. For example, private-interest NGOs can be contrasted with public-interest NGOs (PINGOs); business and industry NGOs (BINGOs) can be distinguished from environmental, human rights, development or expert NGOs.

- Public Service Contractors are NGOs that are mostly funded by Northern governments and that work closely with Southern governments and official aid agencies.

- Grassroots Development Organizations are locally based Southern NGOs whose members are poor and oppressed themselves, and which attempt to shape a popular development process.

- Another expression of social reform that was based on the socialist approach continued in the programs in the fields of relief, rehabilitation, welfare and charity.

- During the 1980s and the 1990s, the work of NPOs began to get organized and the recognition and visibility also increased during this period. A more professional approach to development characterized the work of NPOs.

- By looking at the evolution of NGOs in the post-independence period, examining their orientation and composition, and using a 'pure type' analytic approach Mishra, Biswas and Roy in a paper titled 'Governance of Non-Government Organizations', proposed a four phase periodization.

- The government rechristened the People's Action in Development, India (PADI), set up the Council for Advancement of People's Action and Rural Technology (CAPART) in 1986.

- The roles NGOs perform today are numerous: they are advocates, educators, catalysts, monitors, whistle blowers, mediators, lobbyists, activists, mobilizers, protectors of human rights, conscientizers, animators and conciliators.

- Some NGOs like SEWA, BAIF, ASSEFA, MYRADA, Gram Vikas are large by Indian standards, with total number of personnel around several hundreds.

- A typical categorizing scheme used to differentiate among NGOs is on the basis of their operations. In this, the first category consists of NGOs that work directly with particular communities at some geographic level. Such NGOs are the most numerous and also perhaps the oldest and are often referred to as 'project implementing NGOs'.

- A fifth category could possibly be constructed to include NGOs that are primarily involved in raising resources for 'voluntary and/or development action'. Child Rights and You, Help Age India, Charities Aid Foundation of India and Give Foundation are some of the prominent examples.

- The increasing scope and role of the NGOs has given them immense power within the spheres of the state, the market and the civil society and yet brought critical attention towards their functioning, governance, transparency, accountability and credibility.

12.8 KEY WORDS

- **Non-Governmental Organizations (NGOs):** These refer to those non-profit, voluntary organizations that carry a broad range of social development functions with and on behalf of people.

- **Advocacy Groups and Networks:** These are organizations that have no field projects but that exist primarily for education and lobbying.

- **Non-Profit Organization (NPO):** It is a legal entity organized and operated for a collective, public or social benefit, in contrast with an entity that operates as a business aiming to generate a profit for its owners.

- **Environmental NGO (ENGO):** It is a non-governmental organization in the field of environmentalism. These organizations operate both locally and internationally which makes them play an important role in dealing with different kinds of environmental issues that are happening in the contemporary world.

12.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. How do Turner and Hulme define NGOs?
2. How can NGOs be classified? Give examples.
3. Write a short note on popular Development Agencies.
4. Why was the Central Social Welfare Board constituted?
5. What roles do NGOs perform today?
6. Name some national level 'networks' in the country.

Long-Answer Questions

1. Discuss the six schools in which NGOs have been divided by John Clark.
2. Elaborate upon the second periodization phase of NGOs.
3. Examine the four categories of NGOs on the basis of operations.

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UNIT 13 UNITED NATIONS DEVELOPMENT PROGRAMMES

Structure

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13.0 INTRODUCTION

The United Nations Development Programme is the UN's global development network that facilitates and promotes coordination among the nations of the world to bring about change and development. Moreover, it provides assistance and help where needed in the form of expert advice, training, monetary grants and so on. It has set out Sustainable Development Goals for countries across the world to achieve better lifestyles, reduce poverty and economic inequality. There are a total of seventeen SDGs ranging from reduction of poverty and inequality to achieving gender equality and availability of clean water, energy and sanitation. This unit focuses on the organisation, objectives and functions of the UNDP.

13.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the organisation and goals of United Nations Developments Programme (UNDP)

- Analyse the role, legal framework and various country programmes of UNDP in India

- Discuss United Nations' Millenium Development Goals.

13.2 UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

UNDP works in about 170 countries and territories, helping to eradicate poverty, reduce inequalities and exclusion, and build resilience so that countries can sustain progress. As the UN's development agency, UNDP plays a critical role in helping countries achieve the Sustainable Development Goals.

The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

What are the Sustainable Development Goals?

The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

What is UNDP's role?

As the lead UN development agency, UNDP is well-placed to help implement the Goals through our work in some 170 countries and territories.

It supports countries in achieving the SDGs through **integrated solutions**. Today's complex challenges—from stemming the spread of disease to preventing conflict—cannot be tackled neatly in isolation. For UNDP, this means focusing on systems, root causes and connections between challenges—not just thematic sectors—to build solutions that respond to people's daily realities.

Their track record working across the Goals provides them with a valuable experience and proven policy expertise to ensure we all reach the targets set out in the SDGs by 2030. But we cannot do this alone.

Achieving the SDGs requires the partnership of governments, private sector, civil society and citizens alike to make sure we leave a better planet for future generations.

To fulfill the aims of the Strategic Plan with the multi-dimensionality and complexity that the 2030 Agenda demands, UNDP is implementing six cross-cutting approaches to development, known as Signature Solutions. A robust, integrated way to put their best work – or 'signature' skillset – into achieving the Sustainable Development Goals.

No one solution will succeed on its own. We need all of them to achieve the SDGs. Each solution has the potential to unlock the path to sustainable development.

UNDP's Signature Solutions are cross-cutting approaches to development—for example, a gender approach or resilience approach can be applied to any area of development, or to any of the SDGs.

Working together with partners across the UN system and beyond, UNDP is implementing these solutions building on UNDP's strengths and expertise to help countries reach the SDGs. Because the six Solutions are interrelated, we can tailor a unique combination to best meet each country's needs.

Keeping people out of poverty

Today, 700 million people live on less than $1.90 per day and a total of 1.3 billion people are multi-dimensionally poor. People stay in or fall back into poverty because of a range of factors—where they live, their ethnicity, gender, a lack of opportunities, and others.

It's no coincidence that their first Signature Solution relates directly to the first SDG: to eradicate all forms of poverty, wherever it exists. For UNDP, helping people to get out and stay out of poverty is its primary focus. It features in their work with governments, communities and partners across the 170 countries and territories in which they operate.

UNDP interventions help eradicate poverty, such as by creating decent jobs and livelihoods, providing social safety nets, boosting political participation, and ensuring access to services like water, energy, healthcare, credit, and productive assets. Our Signature Solution on poverty cuts across our work on all the SDGs, whether it's decent work or peace and justice.

Governance for peaceful, just, and inclusive societies

People's lives are better when government is efficient and responsive. When people from all social groups are included in decision-making that affects their lives, and when they have equal access to fair institutions that provide services and administer justice, they will have more trust in their government.

The benefits of UNDP's work on governance are evident in all the areas covered by the SDGs, whether it's climate action or gender equality. UNDP's governance work spans a wide range of institutions, from national parliaments, supreme courts, and national civil services through regional and local administrations, to some of the geographically remotest communities in the world. They work with one out of every three parliaments on the planet, help countries expand spaces for people's participation, and improve how their institutions work, so that all people can aspire to a sustainable future with prosperity, peace, justice and security.

Crisis prevention and increased resilience

Crises know no borders. More than 1.6 billion people live in fragile and/or conflict-affected settings, including 600 million young people. More people have been

uprooted from their homes by war and violence and sought sanctuary elsewhere than at any time since the Second World War. Poverty, population growth, weak governance and rapid urbanization are driving the risks associated with such crises.

UNDP helps reduce these risks by supporting countries and communities to better manage conflicts, prepare for major shocks, recover in their aftermath, and integrate risk management into their development planning and investment decisions. The sooner that people can get back to their homes, jobs, and schools, the sooner they can start thriving again. Resilience building is a transformative process of strengthening the capacity of people, communities, institutions, and countries to prevent, anticipate, absorb, respond to and recover from crises. By implementing this Signature Solution, we focus on capacities to address root causes of conflict, reduce disaster risk, mitigate and adapt to climate change impacts, recover from crisis, and build sustainable peace. This has an impact that not only prevents or mitigates crises, but also has an effect on people's everyday lives across all SDGs.

Environment: nature-based solutions for development

Healthy ecosystems are at the heart of development, underpinning societal well-being and economic growth. Through nature-based solutions, such as the sustainable management and protection of land, rivers and oceans, UNDP helps ensure that countries have adequate food and water, are resilient to climate change and disasters, shift to green economic pathways, and can sustain work for billions of people through forestry, agriculture, fisheries and tourism.

A long-standing partner of the Global Environment Facility, and now with the second-largest Green Climate Fund portfolio, UNDP is the primary actor on climate change in the United Nations. Its aim is to help build the Paris Agreement and all environmental agreements into the heart of countries' development priorities. After all, the food, shelter, clean air, education and opportunities of billions of people depend on getting this right.

Clean, affordable energy

People can't prosper without reliable, safe, and affordable energy to power everything from lights to vehicles to factories to hospitals. And yet, 840 million people worldwide have no access to electricity, and 2.9 billion people use solid fuels to cook or heat their homes, exposing their families to grave health hazards and contributing to vast deforestation worldwide. In these and other ways, energy is connected to every one of the SDGs.

UNDP helps countries transition away from the use of finite fossil fuels and towards clean, renewable, affordable sources of energy. Its sustainable energy portfolio spans more than 110 countries, leveraging billions of dollars in financing, including public and private sources. With this financial support, we partner with cities and industries to increase the share of renewables in countries' national energy

mix; establish solar energy access to people displaced by conflict; fuel systemic change in the transport industry; and generate renewable ways to light homes for millions of people.

The above information has been taken from The Energy Progress Report published in 2019.

Women's empowerment and gender equality

Women's participation in all areas of society is essential to make big and lasting change not only for themselves, but for all people. Women and girls make up a disproportionate share of people in poverty, and are more likely to face hunger, violence, and the impacts of disaster and climate change. They are also more likely to be denied access to legal rights and basic services.

UNDP has the ability and responsibility to integrate gender equality into every aspect of our work. Gender equality and women's empowerment is a guiding principle that applies to everything we do, collaborating with our partner countries to end gender-based violence, tackle climate change with women farmers, and advance female leadership in business and politics.

UNDP in India

Who we are?

UNDP works in almost 170 countries and territories, helping to achieve the eradication of poverty, and the reduction of inequalities and exclusion, while protecting the planet.

It helps countries to develop strong policies, leadership skills, partnering abilities, institutional capabilities and build resilience so they can sustain their progress.

What we do?

UNDP has worked in India since 1951 in almost all areas of human development, from systems and institutional strengthening to inclusive growth and sustainable livelihoods, as well as sustainable energy, environment and resilience. UNDP's programmes continue to fully integrate a global vision for catalytic change with India's national priorities.

With over 30 projects on the ground in almost every state, today UNDP India works to achieve the Sustainable Development Goals by transforming traditional models to do development differently. In a rapidly changing global environment, the work of UNDP and the broader UN family aligns with the Government of India's new national development vision, India 2030, and builds upon the Sustainable Development Goals. UNDP India's country programme for 2018-2022 has three major focus areas:

- Inclusive growth

- Environment and energy

- Strengthening systems and institutions

These are supported by a framework of renewed partnerships and blended finance solutions, a pool of financial and technical resources for greater impact and scale, and South-South expertise.

A partnership for sustainable development

UNDP has supported India for the last five decades, both at the federal and provincial levels, in achieving the Sustainable Development Goals (SDGs) through mainstreaming, acceleration and policy support. UNDP supports the government to reflect the new global agenda in national development plans and policies, to accelerate progress on SDG targets, and provide expertise on sustainable development and governance to the central and state governments at all stages of implementation.

Legal framework

In 1952, the Government of India and UNDP entered into a basic agreement to govern UNDP's assistance to the Special Agreement on the Technical Assistance between UN organizations and the Government of India. In 1959, the Agreement between the UN Special Fund and the Government concerning assistance from the Special Fund was signed.

The Department of Economic Affairs, Government of India is the designated nodal department which approves and signs the Country Programme Action Plan (CPAP) with UNDP. The programme is nationally executed and implemented by a range of partners including government ministries, state governments, district authorities, civil society organizations, NGOs and other UN agencies.

2018-2022

UNDP Country Programme Document for India (2018-2022)

The Country Programme Document (2018-2022), is formulated in close consultation with the Government, and guided by both the current and new UNDP strategic plans, 2014-2017, and 2018-2021. This consultation process confirmed the following UNDP priorities and defined areas of intervention. This country programme is fully integrated with the three UNDP programme outcomes and underpinned by a framework of renewed partnerships and blended finance solutions, pooling of financial and technical resources from various sources for greater development impact and scale, and draws on the best South-South expertise available.

India UNDAF (2013-2017)

The United Nations Development Action Framework (2013-2017), developed in partnership with the Planning Commission of India, reflects the work of all UN entities working in India. It focuses on six outcomes, in line with the fundamental principles of the Approach Paper to the 12th Five-Year Plan. These are - achieving inclusive growth, improving food and nutrition security, promoting gender equality, ensuring access to quality basic services, strengthening decentralization and delivering sustainable development.

UNDP Country Programme Document for India (2013-2017)

The Country Programme Document (2013-2017), developed in consultation with the Government and key partners, builds on the United Nations Development Assistance Framework (UNDAF) 2013-2017. The programme is in harmony with the 12th Five-Year Plan of the Government of India and has benefited from wide-ranging stakeholder consultations, including those within the United Nations system.

Country Programme Action Plan (2013-2017)

The Government of India and UNDP have signed a new Country Programme Action Plan (CPAP) in support of the Government's efforts to promote rapid, inclusive, sustainable development that benefits the most excluded through partnerships with Central Ministries, state governments and civil society. The CPAP (2013-2017) is based on the Country Programme Document (2013-2017) which was approved by the UNDP Executive Board in September 2012. The UNDP Country Programme, which was elaborated under the leadership of the Government and in consultation with partners, is aligned with the main aims of the Government's 12th Five-Year Plan and with the United Nations Development Action Framework (2013-2017).

2008-2012

India UNDAF (2008-2012)

The India-UNDAF 2008-2012 outlines the vision, strategy and collective action of the UN system. The overarching objective of the document is to promote social, economic and political inclusion for the most disadvantaged, especially women and girls. The essence of the UN's work in India during the five-year cycle is captured in the four UNDAF outcomes that aim to contribute to- effective implementation of national flagship programmes, strengthened capacities of all governance actors for an equitable last mile delivery of public services, effective utilization of available funds in select districts, and safeguarding development gains from natural disasters and the effects of climate change.

UNDP Country Programme Document for India (2008-2012)

The present Country Programme document for India (2008-2012) was formulated in partnership with the Department of Economic Affairs of the Ministry of Finance, building on the United Nations Development Assistance Framework (UNDAF) 2008-2012. The programme is in harmony with the 11th Five-Year Plan of the Government of India and has benefited from wide-ranging stakeholder consultations, including within the United Nations system, and a comprehensive review of lessons from past cooperation.

Country Programme Action Plan (2008-2012)

The Country Programme Action Plan (CPAP 2008-12) between the Government of India and the United Nations Development Programme was signed on 27 February 2008, and has seven outcomes across five programme areas of Poverty reduction, Democratic Governance, Disaster Risk reduction, Energy and Environment, and HIV and development. The focus areas of the UNDP India programme are closely aligned to the UNDP Strategic Plan and the 11th Five-Year Plan of India. The CPAP is currently being implemented through 60 projects in partnership with 15 central line ministries, seven UNDAF state governments, and a number of NGOs and UN agencies.

Check Your Progress

1. Why were Sustainable Development Goals adopted by the UN?

2. What do UNDP interventions help in doing?

3. What is UNDP's aim with regard to environment?

4. What are the six outcomes that India UNDAF (2013-2017) focuses on?

13.3 UNITED NATION MILLENNIUM DEVELOPMENT GOALS

India, along with 192 other United Nations member states, agreed to achieve the Millennium Development Goals (MDGs) by the year 2015. Eight goals were officially established following the Millennium Summit of the United Nations in 2000. The goals are as follows:

1. To eradicate extreme poverty and hunger

2. To improve maternal health

3. To combat HIV/AIDS, malaria, and other diseases

4. To ensure environmental sustainability

5. To develop a global partnership for development

6. To achieve universal primary education;

7. To promote gender equality and to empower women

8. To reduce child mortality rates

Progress towards reaching the goals has been uneven. While some of the countries have achieved many of the goals, others are not on track to realize any. Progress to date was reviewed at a UN conference in September 2010. The review concluded with the adoption of a global action plan to achieve the eight anti-poverty goals by their 2015 target date. New commitments on women's and Children's health were made and new initiatives in the worldwide battle against poverty, hunger, and disease were also taken.

India's position at achieving the MDGs

India and China are the two countries that have been doing extraordinarily well at achieving the aforesaid goals.

India's goals:

Goal 1: Eradicate extreme poverty and hunger

Target 1: Decrease, between 1990 and 2015, the proportion of people whose income is less than one dollar a day

Achieve Decent Employment for women, men, and young people

Target 2: Decrease, between 1990 and 2015, the proportion of people who suffer from hunger

Poverty headcount ratio is the main target for this goal, although the monitoring framework includes other indicators like the poverty gap ratio, and share of the poorest quintile in national consumption. India is well on track to reduce the head count poverty ratio to 18.6 percent (traditional definition) by 2015 according to the CSO projections. At the subnational level, as many as seven states are likely to miss the target, most of them being the poorer states. These poor states, burdened with low per capita income, will find it most difficult to achieve this target.

Another target for this goal is to halve between 1990 and 2015 the proportion of people who suffer from hunger. Percentage of under-weight children is the main indicator used for this. Initially, India had a burden of under-weight children of nearly 54 per cent in 1990. The country is going to miss this target with a projected outcome of 40.7 per cent in 2015 compared to the target of 26.8 per cent.
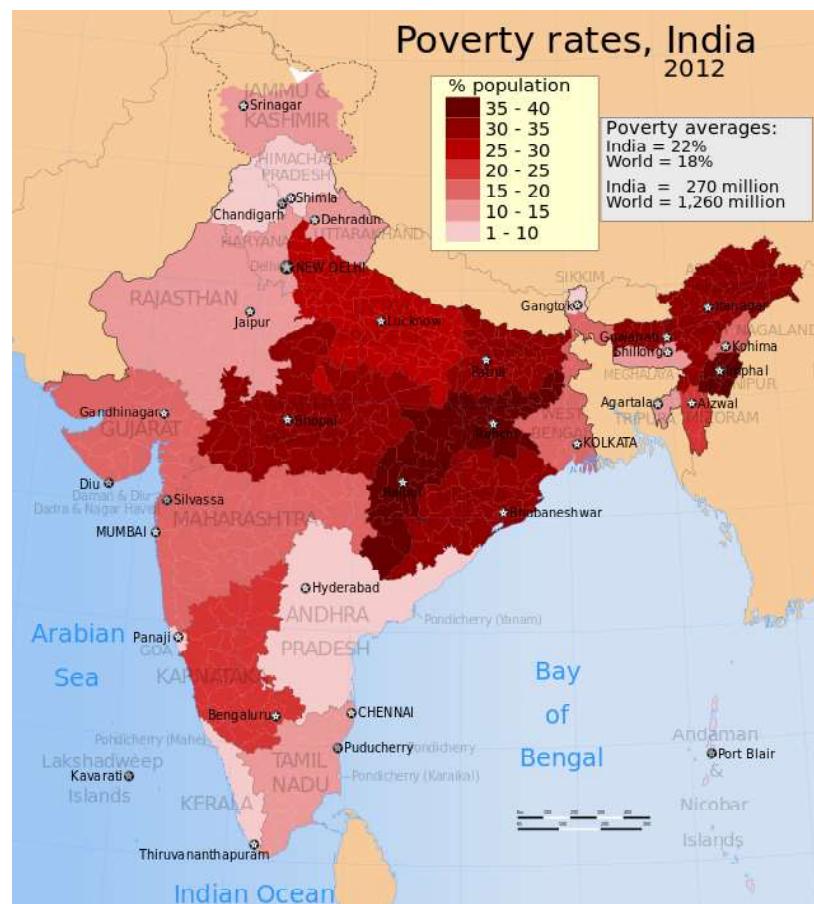
Fig. 13.1 *Poverty Rate Map of India by Prevalence in 2012, among its States and Union Territories*

Goal 2: Achieve universal primary education

Target: Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling. Projections suggest that India will achieve this target before 2015. Another good indication is 100 percent of children of the primary school going age attending school in the near future; however, the quality of their learning is the main challenge here.

Goal 3: Promote gender equality and empower women

Target: Eliminate gender disparity in primary and secondary education, and to all levels of education no later than 2015:

- By stabilizing the ratio of girls to boys in primary, secondary and tertiary education.

- By increasing the share of women in wage employment in the non-agricultural sector

- By increasing the proportion of seats held by women in the Parliament.
- By ensuring that education does not remain elusive to girls.
- By eradicating poverty and increasing the rate of literacy among women
- By ensuring that the quality of female employment is improved (Men outnumber women in paid employment in every developing region except the CIS. This hinders upliftment of women. Also, men continue to get most of the top level jobs. These problems need to be solved so as to truly empower women.)
- By introducing quotas and other special measures to help women rise to political power.

Goal 4: Reduce child mortality

Target: The target was to reduce Under Five Mortality by two-thirds between 1990 and 2015. It mainly targets under-five mortality rate and infant mortality rate. Another goal is to immunize more infants against measles. Lack of medical facilities and quick road connectivity in remote or rural areas in case of emergencies and poor health infrastructure appear to be to be the key factors accounting for child mortality in India. India also targets to reduce the under- five mortality rate to 42 per thousand live births.

Worst performing states like UP, MP, Chhattisgarh, Orissa, Bihar and Jharkhand expected an outcome of more than 90 per thousand live births, which is not even close to the target.

Goal 5: Improve maternal health

Target: To reduce the maternal mortality ratio by three quarters between 1990 and 2015 by providing skilled personnel for attending births. Only 62 percent of deliveries are expected to be covered by trained personnel by 2015. MP, UP, Bihar and the north-eastern hill states of Arunachal, Assam, Meghalaya, and Nagaland are lagging behind the most. Another target is to provide more access to reproductive health, which includes increased access to contraceptives, reducing adolescent birth rate and increasing awareness about family planning.

Goal 6: Combat HIV/AIDS, malaria and other diseases

Target 1: Have halted by 2015 and begun to reverse the spread of HIV/AIDS. The population lying in the age group of 15 to 24 years is most prone to HIV/AIDS. They can be protected by providing adequate sex education and by increasing access to condoms. Also, the population suffering from HIV/AIDS is to be provided with complete access to antiretroviral drugs.

Target 2: To have halted the spread of malaria and other major diseases by 2015 and then to reverse the spread.

Children under five years of age are most prone to these diseases. They must be provided with adequate protection against the same, e.g., bed nets, mosquito repellents, medication, etc. Detected tuberculosis is to be cured under DOTS (Directly Observed Treatment Short Course)

Goal 7: Ensure environmental sustainability

Target 1: Principles of sustainable development to be integrated into the country policies and programmes and the loss of environmental resources is to be reversed. The biodiversity loss is also to be reduced. This would mainly be done by the following:

- Increasing the forest covered area
- Reducing the CO_2 emissions
- Bringing the proportion of fish stock within safe biological limits;
- Reducing the proportion of total water resources used;
- Protection of species threatened with extinction

Target 2: To reduce the number of people without access to drinking water and basic sanitation to half by 2015 (by improving sanitation facilities and drinking water resources)

Target 3: To improve the standard of living of slum dwellers.

Goal 8: Developing a global partnership for development

Target 1: To develop an open and non-discriminatory trading and financial system

Target 2: To develop and implement strategies for decent and productive work for youth in cooperation with other developing countries

Target 3: To make available the benefits of new technologies, especially information and communications in cooperation with the private sector

Target 4: To provide access to affordable and essential drugs in cooperation with pharmaceutical companies

Although this goal is mainly for the developed and land-locked countries, there is one target that is relevant for India under the MDG framework, that is, to make available the benefits of new technologies, especially information and communication in cooperation with the private sector. Telephone density has risen from only 0.67 percent in 1991 to 36.98 percent in 2009 in India. Internet subscribers have gone up from 0.21 million in 1999 to 13.5 million in 2009, and are expected to go up to 100 million by 2014.

National Development Council

The National Development Council has a very important role in the process of Indian Planning and Development. It is a type of discussion forum where the political leaders of our country discuss the development plans in the important phases of

their formulation, after which the plans are approved and presented before the Parliament and the respective state legislatures. In this manner a National Character is provided to the plan.

The first meeting of the National Development Council was held in November 1952. The aim of the first meeting was to prepare a Draft report on the First Five Year plan. The Second Five Year Plan was discussed in the phase of four meetings beginning from May, 1955 in which a tentative framework was discussed and in May, 1956 the report was accepted. The Third Five Year Plan was discussed by the council in six meetings in March, April and September 1960 and in January, March and May 1961. Because of the importance of the agriculture production and price policy, two special meetings were held just to consider this issue. Between 1955 and 1958, a standing committee of nine to twelve states has been constituted by the National Development Council. This committee held six meetings before it was dissolved as the total number of states were reduced and there was no need for a smaller body. Five Special Committees were formed by the National Development Council at its 21st meeting, which are as follows:

(i) Committee on agriculture and irrigation

(ii) Committee on industry, power and transport

(iii) Committee on social services

(iv) Committee on development of hill areas

(v) Committee on resources

Prof D.R.Gadgil presented the paper, Approach to the Fourth Five Year Plan, to the National Development Council. In view of this, the Council decided that the main aim of the Fourth Five Year Plan was to increase the living standards of the people, which also promote equality and social justice. The National Development Council decided that the Fourth Plan should cover the period of 1969-1974. The Planning Commission's suggestion of merging agriculture income tax with the general income tax was discussed. The Council decided to set up Committees to solve the problem related to electricity and water rates. The Council decided to stabilize the agricultural prices and set up buffer stocks.

The Fifth Five Year Plan was discussed by the Council in five meetings from 30 to 31May 1972 to 24 to 25 February 1979. The main aim of this plan was to remove poverty and attain self-reliance.

Importance was given by the Council to the Family Welfare Programme which was being started by the Ministry of Health and Family Welfare. In its meeting, the council stated that the Family Welfare Programme covers all the aspects of human welfare. They stated that it is important that all the ministries and all the departments of the Government of India and all the states give due importance to this programme and it will be wrong to leave it only to the Ministry of Health and their counterparts of the states.

It was decided by the National Development Council that the core of the Fifth Five Year Plan is the revised 20 point programme which was discussed at the 36th meeting of the Council. The National Development Council focused on the 20 point programme which included social and economic programmes in the Sixth Plan. Minister of Planning, S. B. Chavan, addressing the National Development Council stated that all the Union Ministers and the Chief Ministers should give personal guidance in order to achieve the objectives and ensure the mobilization of funds.

Four meetings of the National Development Council from August 1980 to July 1984 were held to give the final shape to the Sixth Five Year Plan. The Seventh Five Year plan draft was presented to the Council on 8 to 9 November, 1985 for approval. The main objectives of the Plan were food, work and productivity. These objectives were put into the framework of growth, equity, social justice and the pursuit of self-reliance. The National Development Council met under the Chairmanship of Prime Minister Rajiv Gandhi to consider the document 'National Policy on Education-1986'—a presentation which was prepared by the Ministry of Human Resource and Development at its 39th Meeting held on 29 April 1986. It was discussed by the Chairman that the objective of putting Education on the Concurrent list is that both the Union and State work together and without Education there is no development.

In its 41st meeting, the National Development Council approved the draft of the Eight Five Year Plan. The main area of the Eight Plan was agriculture, human resource development, promotion of efficiency and higher productivity.

The National Development Council at its 43rd Meeting decided to set up the following five committees:

(i) Committee on population control

(ii) Committee on employment generation

(iii) Committee on literacy

(iv) Committee on decentralized planning

(v) Committee on Medical Education

The Ninth Five Year Plan was approved by the National Development Council in its 48th Meeting on 19February 1999. The National Development Council Committee on Power asked the Union and state governments to implement the recommendations on a priority basis. The meeting took the note that Several State Governments already started with the implementation of the recommendations. The National Development Council decided to set up a subcommittee under the chairmanship of Deputy Chairman, Planning Commission with members taken from central ministries and the states to look into the issue of major rural poverty alleviation schemes.

The National Development Council by majority approved the Draft Approach Paper to the Tenth Five Year Plan at its 49th Meeting. It directed the

Planning Commission to prepare the Tenth Plan on the basis of approach to irrigation, agriculture infrastructure, drinking water, urban infrastructure, state highways and bridge construction. A sum of Rs. 17,000 crore as Railway Safety Fund was approved by the National Development Council, which stated that to revive the economy was the basic priority. Both the Centre and the state governments were to ensure that the problem of investment is taken care of both private and public. The National Development Council unanimously agreed to grant special status to Uttaranchal.

On 21 December 2002, the National Development Council decided to set up four Empowered Sub- Committees of the National Development Council. They are as follows:

1. Empowered Sub-Committee on Governance Reforms with special reference to e-governance
2. Empowered Sub-Committee on creating an investor-friendly climate
3. Empowered subcommittee on removal of barriers to internal trade
4. Empowered subcommittee on financial and administrative empowerment of Panchayati Raj Institutions

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Check Your Progress

5. What are the targets of the UN for improving maternal health?
6. List the ways through which UN aims to reduce biodiversity loss.
7. What decisions did the National Development Council take regarding the fourth plan?

13.4 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The Sustainable Development Goals (SDGs), also known as the Global Goals, were adopted by all United Nations Member States in 2015 as a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity by 2030.

2. UNDP interventions help eradicate poverty, such as by creating decent jobs and livelihoods, providing social safety nets, boosting political participation, and ensuring access to services like water, energy, healthcare, credit, and productive assets.

3. The aim of UNDP is to help build the Paris Agreement and all environmental agreements into the heart of countries' development priorities.

4. The six outcomes that India UNDAF (2013-2017) focuses on are: achieving inclusive growth, improving food and nutrition security, promoting gender

equality, ensuring access to quality basic services, strengthening decentralization and delivering sustainable development.

5. The target of the UN is to reduce the maternal mortality ratio by three quarters between 1990 and 2015 by providing skilled personnel for attending births. Another target is to provide more access to reproductive health, which includes increased access to contraceptives, reducing adolescent birth rate and increasing awareness about family planning.

6. The UN aims to reduce biodiversity loss by:

   - Increasing the forest covered area

   - Reducing the CO_2 emissions, and

   - Bringing the proportion of fish stock within safe biological limits

7. The National Development Council decided that the Fourth Plan should cover the period of 1969-1974. The Planning Commission's suggestion of merging agriculture income tax with the general income tax was discussed. The Council decided to set up Committees to solve the problem related to electricity and water rates. The Council decided to stabilize the agricultural prices and set up buffer stocks.

13.5 SUMMARY

- The Sustainable Development Goals (SDGs), otherwise known as the Global Goals, are a universal call to action to end poverty, protect the planet and ensure that all people enjoy peace and prosperity.

- Today's complex challenges—from stemming the spread of disease to preventing conflict—cannot be tackled neatly in isolation. For UNDP, this means focusing on systems, root causes and connections between challenges—not just thematic sectors—to build solutions that respond to people's daily realities.

- UNDP's Signature Solutions are cross-cutting approaches to development— for example, a gender approach or resilience approach can be applied to any area of development, or to any of the SDGs.

- A long-standing partner of the Global Environment Facility, and now with the second-largest Green Climate Fund portfolio, UNDP is the primary actor on climate change in the United Nations.

- UNDP helps countries transition away from the use of finite fossil fuels and towards clean, renewable, affordable sources of energy. Its sustainable energy portfolio spans more than 110 countries, leveraging billions of dollars in financing, including public and private sources.

- UNDP has worked in India since 1951 in almost all areas of human development, from systems and institutional strengthening to inclusive growth

and sustainable livelihoods, as well as sustainable energy, environment and resilience.

- In 1952, the Government of India and UNDP entered into a basic agreement to govern UNDP's assistance to the Special Agreement on the Technical Assistance between UN organizations and the Government of India.

- The India-UNDAF 2008-2012 outlines the vision, strategy and collective action of the UN system. The overarching objective of the document is to promote social, economic and political inclusion for the most disadvantaged, especially women and girls.

- India, along with 192 other United Nations member states, agreed to achieve the Millennium Development Goals (MDGs) by the year 2015.

- The target of goal-4 was to reduce Under-Five Mortality by two-thirds between 1990 and 2015. It mainly targets under-five mortality rate and infant mortality rate.

- Under goal-7, principles of sustainable development are to be integrated into the country policies and programmes and the loss of environmental resources is to be reversed. The biodiversity loss is also to be reduced.

- The National Development Council is a type of discussion forum where the political leaders of our country discuss the development plans in the important phases of their formulation, after which the plans are approved and presented before the Parliament and the respective state legislatures.

- The Seventh Five Year plan draft was presented to the Council on 8 to 9 November, 1985 for approval. The main objectives of the Plan were food, work and productivity. These objectives were put into the framework of growth, equity, social justice and the pursuit of self-reliance.

13.6 KEY WORDS

- **Sustainable Development Goals (SDG):** These are a collection of 17 interlinked goals designed to be a "blueprint to achieve a better and more sustainable future for all". The SDGs were set in 2015 by the United Nations General Assembly and are intended to be achieved by the year 2030.

- **Signature Solutions:** These are integrated responses to development against which the UNDP aligns its resources and expertise, to make real impact.

- **Millennium Development Goals (MDG):** These were eight international development goals for the year 2015 that had been established following the Millennium Summit of the United Nations in 2000, following the adoption of the United Nations Millennium Declaration.

13.7 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What is UNDP doing to fulfil the aims of its strategic plan?
2. List the institutions that UNDP's governance work spans.
3. What are the major focus areas of UNDP India's country programme for 2018-2022?
4. List some millennium development goals of the UN.
5. Which are the five Special Committees formed by the National Development Council at its 21st meeting?

Long-Answer Questions

1. Discuss the efforts being made by UNDP for crisis prevention.
2. Analyze the legal framework of UNDP in India.
3. Elaborate upon the aims and objectives of India UNDAF (2008-2012).
4. Discuss the steps to be taken by the UN for promoting gender equality and empowerment of women.

13.8 FURTHER READINGS

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UNIT 14 INTERNATIONAL AID ORGANIZATIONS

Structure

14.0 INTRODUCTION

There exist numerous international aid organizations that provide assistance to countries in need of financial aid owing to a number of reasons such as balance of payments issues, economic and social development or for important schemes and projects. The World Bank, International Monetary Fund (IMF) and Asian Development Bank (ADB) are some of the most noticeable and influential organizations for providing such assistance and help to the countries in need. The World Bank is a financial institution that provides aid to developing countries for pursuing important projects, IMF works to promote monetary coordination among nations and provides financial aids while also instructing the country concerned to check its macroeconomic imbalances and the ADB aims to promote economic growth and reduce poverty in Asia. This unit provides an analysis of the functions and activities of the aforementioned organizations.

14.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the organization, functions and activities of and International Development Association (IDA)

- Discuss the objectives, functions, features and facilities provided by the International Monetary Fund (IMF)

- Analyze the role and objectives of Asian Development Bank (ADB)

14.2 WORLD BANK

For the smooth functioning of the international monetary system, certain international institutions have been established with membership of a majority of the nations of the world.

The World Bank and the International Monetary Fund (IMF) play important roles in shaping the trade and investment conditions faced by developing countries, as well as the trade and investment policies they adopt. Through macroeconomic and sector assessment, technical assistance, and project and policy lending, the institutions promote trade and investment liberalization.

Trade and investment are interconnected in policy. Trade is generally defined as the exchange of goods and services. In today's globalized world, and especially among policy makers and academicians, it is used to refer to the sale of goods and services across national borders (exporting and importing). Investment is broadly defined as devoting resources to an activity that is expected to generate future returns.

Framework of Regulatory Institutions

The World Bank, IMF and World Trade Organization (WTO) increasingly work with the aim to promote the model of development premised on trade and investment liberalization. This collaboration is the result of a recognized need to act in a more coherent manner. The World Bank and IMF may provide assistance and research to help nations become members of WTO. Moreover, WTO requires consulting the IMF on macroeconomic issues such as monetary reserves, balance of payments and foreign exchange arrangements. Most important, technical assistance promised by developed countries to support developing country compliance with WTO arrangements is routed through IMF and the World Bank.

All three institutions are part of the Integrated Framework for Trade-Related Technical Assistance, which conducts research and provides recommendations for trade-related reforms to developing countries. It was created by the International Trade Centre (ITC), IMF, World Bank, WTO, United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) in 1997. The Integrated Framework (IF) was conceived as a means to increase trade-related technical assistance for developing countries to enable them to maximize market access opportunities arising from WTO and from trade liberalization agreements. The IF's objectives were later amended to be included in mainstreaming of country trade agendas and into the Poverty Reduction Strategy Papers (PRSP). The IF also mobilizes funding from donors for trade-related work. The 2004 World Bank evaluation found that the IF faces three primary challenges: (a) insufficient focus on improving trade outcomes, (b) a shortage of resources to meet developing countries' technical needs and (c) insufficient developing country ownership.

World Bank and IMF's Mechanisms to Influence Trade

One method that the World Bank uses to influence both developing and developed country government positions on trade and investment is through its role as knowledge broker. The World Bank offers technical assistance to borrowing countries through both loans and trainings. Many see the World Bank as a premiere source of research and advice. The institution generates data and analytical tools that are widely used by developing countries' policy makers in developing strategies, trade and investment policy reforms and quantitative restrictions on exports.

Because the allocation of IDA funding is based on Country Policy and Institutional Assessment (CPIA) ratings, CPIA ensures a biasness toward open markets and trade liberalization, which lays the very foundation of a borrowing country's relationship with the Bank.

Annually, all Fund members undergo 'Article IV' evaluation of their economies; the reports evaluate the extent to which the borrowing countries have met the trade reforms and the other macroeconomic measures required by the IMF, as conditions for its lending programmes.

Policy Lending

Over 30 per cent of the World Bank lending is in the form of policy-based loans. Often it is referred to as structural adjustment or development lending. Loan disbursement is conditional upon a government's adoption or implementation of explicit reforms outlined in the credit documents and agreements. Trade-related reforms are often included among the objectives of these loans. These requirements may also be defined as 'prior actions', 'tranche release conditions' or 'triggers for future adjustment credits'.

Project Lending

The World Bank's initial 'bread and butter' operations were project loans, providing resources for investment projects such as highways, ports, health clinics, schools and oil and gas exploration. Project loans account for about 70 per cent of World Bank lending. The institution has recently heightened its emphasis on projects, specifically large infrastructure and agricultural projects aimed at expanding global trade.

Issues of Concern

While most of the attention is often focused on the convergence and clashes between governments and WTO trade talks, the critical behind-the-scene roles are played by the World Bank and IMF in shaping the context for those negotiations and ensuring these are not overlooked. These two multilateral institutions have provided advice and funding for certain policy changes, types of exports, and alterations to the business climate and regulatory framework in developing nations. This occurred far ahead of WTO negotiations, and critics contend that this had, at times, served

to disadvantage of developing nations by limiting their policy options and negotiating room. Moreover, some of the advice have not been sound, resulting in unintended fiscal repercussions and social costs including import floods that have devastated small, local producers; lost government revenue which was not successfully replaced; capital instability and poorly conceived export promotion strategies.

Strategic Direction of the World Bank Group

The annual meeting of 2007 came at an important time for the Bank. The Bank had just set out the ideas for its strategic direction and negotiations on the fifteenth replenishment of the International Development Association (IDA 15). The Bank is one of the most effective international development actors, and plays a central role in its efforts to assist the poorest countries to achieve their goals. But it has been some time since there was a comprehensive assessment the World Bank Group's strategy.

It is headed towards increasing its support in the areas highlighted by the Economist's report, including how best to help the poorest countries (especially Africa). It is better addressing the challenges facing post-conflict countries, increasing support to the Global Public Goods agenda, particularly climate change, a differentiated business model for Middle Income Countries and strengthening the sharing of knowledge and learning.

Each of the areas poses its own challenges, as the Bank is (a) aiming to encourage sustainable economic growth, (b) strategizing how it can work better with the private sector so as to boost activity and investment in the poorest countries, (c) how it can adapt its engagement in fragile states, (d) how it can simultaneously support less creditworthy countries, (e) what it can do to engage better with emerging private and official donors, (f) how the opportunities can be afforded by its large capital reserves. These are some of the pressing and immediate concerns for the Bank, according to the announced annual agenda.

Country-Level Effectiveness

The Bank has shown a strong commitment to improving its performance and its impact on poverty reduction. There are, however, a number of areas where the Bank needs to do more. The most important issue is the need to base more Bank staff in the field. This is especially true in the case of Africa and in both good performers and fragile states where the staff based in the country understands the context better and the political economy of the work that the Bank supports. They are also better placed to join the policy dialogue with the government and other donors, support country ownership and harmonize with other donors. Decentralization needs to be coupled with increase in decision-making authority at the country level.

The Bank signed the Paris Declaration on Aid Effectiveness in 2005. One of the areas of the Paris Declaration, where the Bank has till date not performed

well is in using country systems and avoiding the use of parallel project implementation units. The Bank needs to identify remedial actions.

To ensure more effective country-level working, the Bank needs to consistently apply the 2005 Good Practice Principles on Conditionality and make progress on the areas highlighted in the 2006 progress report, including early disclosure of its analytical work. Bank analyses is often high quality, but late dissemination can sometimes hinder its impact. Increased use of Poverty and Social Impact Analysis also needs to be encouraged.

Global Public Good: A Framework for the Role of the World Bank

The importance of the global public good agenda for poverty reduction is clear. A framework for the Bank's engagement in global public good is therefore to be welcomed and should form an integral part of the Bank Group's long-term strategy.

There is an increasing demand for the Bank to help countries integrate national development priorities with regional and global priorities, including climate change, tackling communicable diseases, supporting trade and the sharing of knowledge.

The challenge for the Bank is not only to address the global public good agenda, but also to be sensitive to the needs and views of the developing countries and work towards an inclusive and sustainable vision of globalization, based on a country-led approach.

It is expected to bring better results in the work with all its partners, using its knowledge and expertise to develop new and innovative policy solutions and financial mechanism that will generate new resources to support global public good provision.

In the following section, you will learn about the functions and activities of only World Bank, the IMF and its activities will be discussed separately in the next subsequent section.

14.2.1 Functions and Activities of World Bank

Also known as the World Bank, the IBRD is an offshoot of the Bretton Woods Conference of 1944. Its main function is to provide long-term capital assistance to its member countries for their reconstruction and development. In its initial days, the World Bank concentrated on reconstruction of the war-shattered European economies. Later, the Bank shifted its focus and 'development' of the backward countries began to receive prime importance. As an inter-governmental agency for lending for development, the Bank is mobilizing large-scale resources of private investors of the world's capital markets for investment in the developing countries. Since the credit rating of many developing countries is poor, they find it difficult to raise resources in international markets. The World Bank is, therefore, a vital source of finance for the developing countries. The Bank's paid in capital, as on 30 June 2001 was $ 11.476 billion and its membership was 183.

Functions

The main functions of the Bank are:

- To assist in the reconstruction and development of territories of its member governments by facilitating investment of capital for productive purposes.
- To promote foreign private investment by guarantees or through participation in loans and other investments of capital for productive purposes.
- Where private capital is not available on reasonable terms, to make loans for productive purposes out of its own resources or out of the funds borrowed by it.
- To promote the long range growth of international trade and to maintain equilibrium in the balance of payments of members. International investment should be encouraged for the development of the productive resources of members.

The bank has adopted as its principal objective lending for productive projects which will lead to economic growth in its less developed member countries.

Lending Activities

The Bank can make or facilitate loans in any of the following ways:

(a) By making or participating in direct loans out of its own funds

(b) By making or participating in direct loans out of funds raised in the market of a member, or otherwise borrowed by the bank

(c) By guaranteeing in whole or in part, loans made by private investors through the usual investment channel

The Bank may give loans directly to member countries or it may guarantee loans granted to member countries. The Bank normally makes loans for productive purposes like agriculture and surplus. The total amount of loans granted by the Bank should not exceed 100 per cent of its total subscribed capital and surplus. In addition to the interest, a commission of 1 per cent for the purpose of creating a special reserve against loss and 0.5 per cent for administrative expenses are charged.

Bank's lending policies

(a) All loans are made to governments or they must be guaranteed by governments.

(b) Repayment is to be made within ten to thirty-five years.

(c) Loans are made only in circumstances in which other sources are not readily available.

(d) Investigations are made regarding the probability of repayment, considering both the soundness of the project and the financial responsibility of the government.

(e) Sufficient surveillance is maintained by the Bank over the carrying out of the project to assure that it is relatively well executed and managed.

(f) Loans are sanctioned on economic and not political considerations.

(g) The loan is meant to finance the foreign exchange requirements of specific projects; normally the borrowing country should mobilize its domestic resources.

Two aspects of the lending activities of the Bank need to be highlighted.

First, since the Bank has to finance high-priority productive sectors of economies and determine 'creditworthiness' of the borrowers, it makes detailed studies through its Mission and Resident Representatives of the economy of the recipients of aid.

The Bank's comprehensive and limited pre-investment surveys, which are financed either by the Bank or UNDP, have created a situation where the headquarters of the Bank has become a 'monitoring' centre of the economies of the borrowing countries.

Resources

The resources of the Bank consist of capital and borrowings. Initially the authorized capital of the World Bank was $ 10,000 million, divided into 100,000 shares of $ 10,000 each. Of the share of capital,

(a) 2 per cent is payable by the member country in gold or US dollars. This portion is freely available for lending;

(b) 18 per cent is payable in a member's own currency. This portion is available for lending with the consent of the member whose currency is involved; and

(c) 80 per cent is kept in reserve to be paid by the member when called for.

Thus, only 20 per cent of each member's subscription is available to the Bank for lending activities. The balance 80 per cent serves as guarantee resources backing up the Bank's borrowing operations in international markets. Besides lending activities, the Bank renders a variety of technical assistance involving full-scale economic survey of the development potential of member countries or advice on particular projects. The interest rate charged is said to be high in comparison with the returns from the projects for which the loans are given. However, it cannot be denied that the Bank has been rendering useful service especially for the economic development of developing countries.

International Development Association

The International Development Association (IDA) was established in 1960 to provide 'soft loans' as an affiliate of the IBRD/World Bank. They addressed concerns that the poorest countries could not afford to borrow at the near market rate terms offered by IBRD/World Bank. Consequently, IDA was established as a revolving fund, providing concessional loans to the poorest countries subsidized by the World Bank.

The projects taken up by IDA are such that they fall under the category of 'high development priority' due to their benefit on the development of the area concerned, but the returns from the projects are not sufficient to pay the high rates of interest on borrowings.

Functions of IDA

The IDA extends assistance to high priority projects in member countries. The finance may be made available to member governments or to private enterprises. Advances to private enterprises may be made without government guarantee.

The following are the features of the financial assistance provided by IDA:

- The credit is interest free. Only a small service charge of 0.75 per cent per annum is payable on the amount withdrawn and outstanding to cover administrative expenses.

- Repayment period is long, extending over fifty years. There is an initial moratorium for ten years and the amount borrowed is repayable in the next forty years.

- IDA finances not only the foreign exchange component but also part of the domestic cost.

- The credit can also be repaid in the local currencies of borrowing countries. Thus, the repayment of loan does not burden the balance of payments of the country.

Organization Structure and Resources

All the members of IBRD/World Bank are eligible to become members of IDA.

The members of the association are grouped into two. Part I includes the industrially developed countries whose subscription can be freely used or who are required to contribute 10 per cent of their subscription in the form of other currencies and the rest in their own currencies. Contributions in the form of national currencies by these countries are not to be used by IDA for conversion to other currencies or for financing exports form these countries without the consent of the country concerned.

International Finance Corporation

IBRD loans are available only to member country governments or with the guarantee of member country governments. Further, IBRD can only make a loan but it cannot participate in the equity of the project finance. The International Finance Corporation (IFC) was established in 1956 with the specific purpose of financing private enterprise. It is an affiliate of the IBRD.

Organization structure

Only members of the World Bank can become members of IFC. The Board of Governors of IBRD also constitute the Board of Governors of IFC, but it is a separate entity with funds kept separate from those of IBRD.

The power of IFC is vested in the Board of Governors, which normally meets once a year and is responsible for the general operations. The president of IBRD is the Ex-Officio chairman of the Board of Directors of IFC. The day-today operations are conducted under the direction of the Executive Vice-President.

Functions

The purpose of IFC is to further economic development by encouraging growth of private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the IBRD. The IFC therefore:

(i) Invests in private enterprise in member countries in association with private investors and without government guarantee, in cases where sufficient private capital is not available on reasonable norms

(ii) Seeks to bring together investment opportunities, private capital—domestic and foreign— into productive investments in member countries IFC makes advances in the form of long-term loans or invests in the equity shares in a wide variety of productive private enterprises in developing countries. It particularly encourages joint ventures between developed and developing countries, the technical skill available with the former combining with the resources available with the latter. The project which IFC proposes to assist should be an economically viable unit and beneficial to the economy of the member country.

Generally the financial assistance from IFC for a unit would not be less than $ 1 million and 50 per cent of the total investment of the enterprise. In case of investment by equity contribution, it does not exceed 25 per cent of the share capital. The interest charged on advances depends upon the proposal and stature of the borrower.

Developmental activities

(i) IFC undertakes country/sector studies to identify the types of business which have the potential to develop the economy and promotes such sectors identified by the countries themselves. It also helps individual entrepreneurs in preparing feasibility studies for projects identified by them.

(ii) It helps member countries to establish and improve privately owned development finance companies and other institutions which are themselves engaged in promoting and financing private enterprise.

(iii) It encourages the growth of capital markets in the developing countries. This is done by (a) providing support to financial institutions in developing countries to meet their investment needs, and (b) by promoting the investors in developed countries to participate in these capital markets.

(iv) Giving advice and technical counsel to developing countries in measures that will create a climate conducive to the growth of the private investments.

Resources

The resources of IFC consist of capital contributed by its members and accumulated reserves. It can also borrow from the World Bank for the purpose of lending an amount equal to four times its unimpaired subscribed capital and surplus. IFC charges market rates for its products and does not accept government guarantee.

Conclusion

The activities of the World Bank Group can be understood from the information provided on their website:

Today the Bank Group's work touches nearly every sector that is important to fighting poverty, supporting economic growth, and ensuring sustainable gains in the quality of people's lives in developing countries. While sound project selection and design remain paramount, the Bank Group recognizes a wide range of factors that are critical to success—effective institutions, sound policies, continuous learning through evaluation and knowledge-sharing, and partnership, including with the private sector. The Bank Group has long-standing relationships with more than 180 member countries, and it taps these to address development challenges that are increasingly global. On critical issues like climate change, pandemics, and forced migration, the Bank Group plays a leading role because it is able to convene discussion among its country members and a wide array of partners. It can help address crises while building the foundations for longer term, sustainable development…As demand for its services has increased over time, the Bank Group has risen to meet them. For perspective, the World Bank made four loans totaling $497 million in 1947, as compared to 302 commitments totaling $60 billion in 2015.

As per the World Bank's India Overview:

The World Bank's lending portfolio consists of 104 operations with $27.1 billion in commitments, of which $17.2 billion is IBRD, $9.9 billion is IDA, and $0.1 billion is from other sources, primarily the Global Environment Fund. Roughly a third of the number of operations and 40% of the volume of commitments are either central or multi-state operations with the remainder consisting of state specific operations in 21 of India's 29 states. The three largest portfolios are Transport and ICT (17 projects totaling 7.5 billion in commitments), Water (13 projects totaling 5.2 billion), and Agriculture (21 operations totaling 3.9 billion, inclusive of livelihoods). In FY18 the Bank approved 18 operations totaling $3.5 billion in IBRD (the first year of IBRD lending after India's graduation from IDA).

Check Your Progress

1. Name the organizations that created the Integrated Framework.
2. List the challenges faced by the Integrated Framework (IF).
3. What is the purpose of International Finance Corporation (IFC)?
4. What are the resources of IFC?

14.3 INTERNATIONAL MONETARY FUND

The foundation of the post-World War II international monetary system was laid in a conference held at Bretton Woods, New Hampshire, in the United States. Representatives of forty-five governments participated in the Bretton Woods Conference and agreed upon the Articles of Agreement of a new international organization in July 1944. The International Monetary Fund came into being in December 1945 after forty-four countries signed the Articles of Agreement. The International Bank for Reconstruction and Development (The World Bank) was also formed as a part of the deliberations at Bretton Woods.

Over the years, the activities of the Fund have been considered as a provider of public goods to the world economy in the fields of surveillance of exchange markets, of a liberal trade and payments system and as a provider of finance and promoter of adjustment. Increasingly, the Fund is playing a major role in providing the international programme which is adopted by a member country. This gives confidence that the existing imbalances will be solved through the implementation of the appropriate policies. In so doing, the Fund provides the member country with invaluable assistance in securing additional external credit and when appropriate, the renegotiation of its external debt and avoidance of a net drain of resources, so as to facilitate an orderly adjustment process. Adoption of the Fund's programme restores a degree of confidence to the international financial community.

Although the Fund-supported programmes encompass a wide variety of policy measures and no two programmes are identical, they nevertheless exhibit certain similarities. The IMF adopts a monetary approach to the balance of payments. Among the measures most commonly found in the IMF package are:

- Reduction of budget deficits by, for example, cutting government expenditure, reducing subsidies and raising taxes
- Devaluation of the national currency
- Reduction in government borrowing by placing limits on government borrowing from the central bank and ceilings on external borrowing
- Liberalization of foreign trade through the reduction of tariff and nontariff barriers
- Demand management policies concentrating on reducing real wages, particularly in the public sector
- Price liberalization and deregulation
- Changes in interest rates so that they reflect the real interest rate

Stabilization policies aim to correct financial imbalance whether caused by domestic, economic mismanagement or external shocks. Payments imbalances can be classified into three types. The first are temporary deficits caused by the temporary loss of market or cyclical variations in the terms of trade; and in the

second, temporary deficits are caused by excess demand, i.e. disequilibrium between aggregate demand and supply. A third form of imbalance arises from the fundamental disequilibria in the structure of the economy.

Objectives of IMF

The primary objectives of IMF as incorporated in Article I are:

- Promotion of international monetary cooperation through a permanent institution by providing the machinery for consultation and collaboration on international monetary problems.

- To promote exchange stability and orderly exchange arrangements and to avoid competitive devaluation.

- To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income.

- To help in the development of the productive resources of all members as primary objectives of economic policy.

- To help re-establish the multilateral system of trade and payments and to eliminate foreign exchange restrictions.

- To give confidence to members by making the Fund's resources available to them under adequate safeguards, thus providing them with the opportunity to correct maladjustments in their balance of payments without resorting to measures destructive of national or international prosperity.

- To provide for international adjustment, superior to deflation, by making available increased international reserves.

- To facilitate the expansion and balanced growth of international trade.

Basic Functions of IMF

The basic functions of IMF are:

- To lay down ground rules of international finance

- To provide short- and medium-term assistance for overcoming short –term balance of payments deficits

- Creation and distribution of reserves in the form of Special Drawing Rights (SDRs)

The Fund has 184 member countries accounting for about 80 per cent of the total world production and 90 per cent of the world trade. Quotas are used to determine (a) the voting power of members, (b) their contribution to the Fund's resources, (c) their access to these resources, and (d) their share in the allocation of SDRs.

Main Features of the IMF System up to 1973

1. **Par Value System:** The exchange value of a member's currency was fixed in terms of gold. Since the price of gold was officially fixed at US $35 per ounce, it also meant that par values were fixed in terms of the dollar. The dollar was used as the intervention currency as at that time it was as good as gold. In fact, members preferred to keep dollars in reserve, in as much as dollars earned interest while gold reserves did not.

2. **Change in Par Value:** In order to achieve the short-term balance of payments equilibrium, members could borrow funds from IMF. If the IMF help did not serve the purpose, IMF could permit devaluation of the currency. If a member proposed a change of up to 10 per cent, no prior approval from IMF was required. If the proposed change was more than 10 per cent, it could be allowed provided (a) there was a fundamental disequilibrium, and (b) devaluation would be the right remedy for solving the fundamental disequilibrium. It is shown that severe depression abroad with prolonged unemployment at home and cases of structural disequilibrium could be taken as cases of fundamental disequilibrium.

3. **Exchange Control:** It was not permitted on current transactions except (a) when a member's currency was under massive attack, and (b) when the Fund declared some currency as scarce. Members could use exchange control so far as the use of that currency was concerned.

Changes after 1973

1. A member can peg its currency to (a) either a single major currency, (b) a basket of currencies, (c) allow it to float independently, or (d) adjust it to a set of indicators. Thus, there is a complete departure from the par value system. It is, however, subject to surveillance by the Fund.

2. A reduction in the role of gold in the international monetary system. There is now no statutory place for gold. In fact, one-third of the gold stock with IMF was disposed of on concessional terms to fifty-nine eligible developing members. SDR is now the unit of account for the Fund's transactions.

IMF's Assistance to Members

Ordinarily, a Fund member subscribes its quota in the Fund by paying 25 per cent in reserve assets and 75 per cent in its own currency. When a member draws on the Fund's resources, it purchases the currencies of other member countries or SDRs with its own currency, leading to a rise in the Fund's holdings of the member's currency. The borrowing member must buy back its own currency within a specified period with SDRs or currencies specified by the Fund. The Fund's financial resources are made available to its members through a variety of policies, which differ mainly in the type of balance of payments need they address and in the degree of conditionality attached to them. The rules governing access to the Fund's general resources apply uniformly to all members.

For any purchase, a member is required to represent to the Fund, that the desired purchase is needed because of its balance of payments or reserve position or developments in its reserves. Access to the Fund's resources is determined in relation to a member's quota. The annual access limit is 100 per cent of the quota and the cumulative access limit is 300 per cent of the quota.

Loan instruments

Over the years, the IMF has developed a number of loan instruments, or facilities, that are tailored to address the specific circumstances of its diverse membership. Low income countries may borrow at a concessional interest rate through the Poverty Reduction and Growth Facility (PRGF). They can also avail debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative. Non-concessional loans are provided through five main facilities: (a) Stand-by Arrangements (SBA), (b) Extended Fund Facility (EFF), (c) Supplemental Reserve Facility (SRF), (d) Contingent Credit Lines (CCL), and (e) Compensatory Financing Facility (CFF).

Except for PRGF, all the other facilities are subject to the IMF's market related interest rate, known as the rate of charge (which includes an adjustment for deferred charges and arrears). Some carry an interest rate which is revised weekly to take account of the charges in the SDR interest rate, which is revised weekly to take account of charges in short-term interest rates in the major international money markets. The rate of charge is currently about 2.9 per cent.

The IMF discourages excessive use of its resources by imposing a surcharge on large loans, and countries are expected to repay loans early if their external position allows them to do so.

Heavily Indebted Poor Countries Initiative

The heavily indebted poor countries initiative (HIPC) launched in 1996 is designed to reduce the external debt burden of eligible countries to sustainable levels, enabling them to service their external debts without the need for further debt relief and without compromising growth. For the first time, multilateral, Paris Club, and other official and bilateral creditors united to take this kind of comprehensive approach toward debt relief. Assistance under the HIPC initiative is limited to countries that are eligible for PRGF and International Development Association (IDA) loans and that have established strong track records of policy performance under PRGF and IDA supported programs but are not expected to achieve a sustainable debt situation after full use of traditional debt relief mechanisms.

Poverty Reduction and Growth Facility

The IMF for many years provided assistance to low-income countries through the Enhanced Structural Adjustment Facility (ESAF). In 1999, a decision was taken to strengthen the focus on poverty, and the ESAF was replaced by PRGF. Loans under the PRGF are based on a Poverty Reduction Strategy Paper (PRSP), which is prepared by the country in cooperation with civil society and other development

partners, in particular the World Bank. The interest rate levied on PRGF loans is only 0.5 per cent, and loans are to be repaid over a period of 5 ½ –10 years.

Facility for low-income Members

Poverty reduction and Growth Facility (1999) provides long-term assistance for deep-seated, structural balance of payment difficulties; aims at sustained, poverty reducing growth (replacing the Enhanced Structural Adjustment Facility created in 1987). Access norm and limits are: 140 per cent of the quota; under exceptional circumstances, it is 185 per cent of the quota. Maturities early repayment/obligatory repayment: No early repayment expectation / 5½ –10 years.

Charges: Concessional interest rate of ½ of 1 per cent a year; and it is not subject to surcharges.

Conditions: Based on a Poverty Reduction Strategy, a paper (PRSP) is prepared by the country in a participatory process, integrating macro, structural and poverty reduction policies.

Phasing and Monitoring: Semi-annual (or occasionally quarterly) disbursements contingent on observance of performance criteria and reviews.

To conclude, it may be said that the use of the Fund's resources enables member countries to get the necessary foreign exchange resources in times of difficulties.

The limits regarding the use of the IMF facilities may be exceeded in exceptional cases.

Extended Fund Facility

Extended Fund Facility (EFF) was established in 1974 to help countries address more protracted balance of payments problems. The facility is available for longer periods (three years) and in large amounts than authorized under the tranche policies.

It is especially designed to help countries suffering from serious payments imbalance due to structural maladjustments in production, trade and prices. The country should be prepared to implement a comprehensive set of corrective policies, covering a period of two or three years. Repayment is normally expected within 4 ½ - 7 years, unless an extension is approved.

Supplemental Reserve Facility

The Supplemental Reserve Facility (SRF) was introduced in 1997 to meet the need for short-term financing on a large scale. The sudden loss of market confidence experienced by the emerging market economies in the 1990s led to massive outflows of capital, which required loans on a larger scale than anything the IMF had previously been asked to provide. Countries are expected to repay loans within 12–18 months and may request for an extension of up to one year.

Contingent Credit Lines

The Contingent Credit Line (CCL) differs from other IMF facilities in that it aims to help members prevent crises. Established in 1999, it is designed for countries implementing sound economic policies, which may find themselves threatened by a crisis elsewhere in the world economy – a phenomenon known as 'financial contagion'. A CCL is subject to the same repayment conditions as SRF but carries a smaller surcharge of 1.5–3.5 percentage points.

Compensatory Financing Facility

The Compensatory Financing Facility (CFF) was established in 1960 to assist countries experiencing either a sudden shortfall in export earnings or an increase in the cost of cereal imports, caused by fluctuating world commodity prices.

Emergency Assistance

The IMF provides emergency assistance to countries that have experienced a natural disaster or are emerging from a conflict. These loans are subject to the basic rate of charge and must be repaid within 3.25–5 years.

- *Natural disasters (1962):* Provides quick, medium-term assistance to members with balance of payment difficulties related to natural disasters.

- *Post conflict (1996):* Provides quick, medium-term assistance for balance of payment difficulties related to the aftermath of civil unrest or international armed conflict.

- *Access limits:* 25 per cent, though larger amounts can be made available in exceptional cases.

- *Maturity (early payment/obligatory repayment):* No early repayment is expected; repayment in 3.25–5 years.

- *Charges:* GRA rate of charge is not subject to surcharges and the possibility of interest subsidy, in case of financing, is available.

- *Conditions:* Reasonable efforts to overcome balance of payment difficulties, and focus on institutional and administrative capacity building to pave the way towards an upper credit tranche arrangement or an arrangement under the Poverty Reduction and Growth Facility .

- *Phasing and monitoring:* None

Exchange Rate Arrangement

The most important feature of the IMF system, as originally conceived, was the exchange rate arrangements of its member countries. The original plan of IMF tried to incorporate the feature of the gold exchange standard. The basic structure of exchange rates was that of fixed exchange rates, with flexibility built into it up to a certain extent. Under the gold exchange standard, one or two major countries remain on gold standard and their currencies are convertible into gold. Other

countries make their currencies convertible into the currency which remains on the gold standard.

Special Drawing Rights

Special Drawing Rights (SDRs) is a potential claim on the freely usable currencies of IMF members. During the late 1960s, the growth in world resources did not keep pace with the growth in international trade. During 1963–68, the monetary reserves in the form of gold and US dollars increased by about 16 per cent, while in the same period the growth in the international trade was about 70 per cent. The slackness in the growth of resources was mainly due to dependence on the accretion of gold to monetary reserves. It was a foreboding that the slow growth of monetary reserve would hamper the growth of international trade and cause serious balance of payments difficulties to many countries.

Nature of SDRs

SDRs are entitlements granted to member countries enabling them to draw from the IMF over and above their quotas. The arrangement is similar to a bank granting credit limit to its customer. When SDRs are allocated, a country's Special Drawing Account with the IMF is credited with the amount allotted. When the country experiences the need for foreign exchange it can sell SDRs to another country and get the foreign exchange. Thus, if India is in need of foreign exchange and the UK agrees to meet this need to the extent of SDR 100 million, the arrangement can be made as follows. India would inform IMF that it is selling SDR 100 million to the UK. As can be observed from the example, SDR is not a currency and has no backing of any security. Nor is the IMF liable on the SDRs allocated. It is merely an asset created out of book entries. It is an independent reserve asset supplementing other reserve assets, the volume of which could be increased or decreased according to the reserve needs of the international community. Every participating member in the SDR scheme is required to accept up to 200 per cent of its allocation of the SDRs when offered by other countries and exchange with currency of its own or other countries.

Allocation of SDRs

Allocation of SDRs is made to member countries in proportion to their quotas.

The decision to allocate SDRs is taken periodically by the Board of Governors, taking into account the requirements of international liquidity.

Valuation and Interest

SDR was introduced before the dollar crisis of August 1971. Keeping up with the monetary environment prevalent at the time of its introduction, initially the value of one SDR was equal to a specific quantity of gold (which was equal to the value of US$ 1) and was provided with an absolute gold value guarantee. That is why SDRs were popularly known as 'Paper Gold'. After the dollar debacle when the

major currencies began to float, the SDR's link with gold had snapped. SDR was linked to a basket of sixteen principle currencies. In 1981, the composition of the basket was simplified by replacing sixteen currencies with those of the five major trading nations. The currencies and weightage given in the valuation revised with effect from 1 January 1991 are: US dollar (40 per cent), Deutsche mark (21 per cent), Japanese yen (17 per cent), French franc (11 per cent), and pound sterling (11 per cent). Since January 1999, the share of the Deutshe mark and French franc has been replaced by an equivalent euro.

IMF's Financial Facilities

As a financial institution, the Fund provides temporary financial assistance for balance of payments purposes in the form of sale of currencies. When a member borrows from the Fund it purchases foreign currencies against its own currency. When repaying the loan, it repurchases its own currency against a foreign currency.

The Fund's exchange operations are classified into four categories as follows:

(i) The gold tranche is the amount of gold paid by the member towards its quota, plus its credit position with the Fund (which is the same as other countries' borrowings of its currency). If a country has 25 per cent of its quota in gold, then up to this limit, this member can draw upon the Fund automatically. If that country has also a credit position of 10 per cent of its quota as borrowings by other counties, then that country can automatically borrow up to 35 per cent of its quota (gold tranche of 25 per cent plus super gold tranche of 10 per cent).

(ii) Four Credit Tranches: There are four credit tranches, each equivalent to 25 per cent of its quota. If gold payment is 25 per cent of the quota and the remaining 75 per cent is paid in the country's own currency, the Fund can hold up to 200 per cent of a member's quota in its currency, and credit tranches would aggregate to 100 per cent of quota.

(iii) Compensatory financing facility was started in February 1963 to provide credit in connection with any shortfalls in export that proceeds below some average annual figure. The member was permitted credit up to 50 per cent of the member's quota which was raised in stages to 100 per cent of the quota in 1980.

(iv) The international buffer stock financing facility was established in June 1969 in respect of any primary commodity that the member country produces. The credit is up to a limit of 50 per cent of its quota for special stocks of sugar, tin, cocoa, etc., under various international commodity agreements.

The above facilities, except in the case of gold tranche which is automatic, are subject to the following conditions:

(i) No member should draw in any twelve month period more than 25 per cent of its quota.

(ii) No member should draw in the total beyond a point where the Fund's holdings of the member's currency reaches 200 per cent of its quota which it will have if it has borrowed upto 25 per cent and its own currency upto 75 per cent.

(iii) The combined drawl under compensatory financing and buffer stock financing should not exceed 75 per cent of the member's quota.

(iv) The total holding by IMF of any member's currency under all the above facilities should not exceed 275 per cent of the quota of that member, and this condition has been waived many times.

The conditionality of drawings under various credit tranches and other financial facilities will vary according to the state of the country and the economic and financial policies pursued. Requests for drawings beyond the first credit tranche require substantial justification and the conditions laid down would be more rigorous in terms of policies. This will be pursued by the member country in fiscal, monetary or any foreign exchange fields so as to provide a quick corrective programme of action for remedying the balance of payments disequilibrium. These conditions are imposed with a fair degree of flexibility.

Standby Arrangements

When a member feels that the need for credit might arise, it may enter into a standby arrangement with the Fund. This will give an assurance of financial support from the Fund in time of need. This facility was introduced in 1952, although there was no specific provision for it in the Fund's Articles of Agreement. Since then, such facilities have been frequently used by the members and both the Fund and the members are happy for such prior arrangements in the nature of an overdraft limit. The standby facility is repayable generally in three years, while other types of borrowings are repayable in three to five years. A member's obligation to repurchase is made in terms of the currency borrowed or in any convertible currency or a currency which is in demand and the Fund's holdings of it is less than 75 per cent of that country's quota. A member's indebtedness to the IMF can be repaid in three ways: (a) repurchase with gold and convertible currencies, (b) the drawings of its currency by other countries, and (c) the offsetting of an earlier creditor position.

- Standby Arrangements (1952): Designed to address balance of payments difficulties that are short term or cyclical and the length of standby arrangements is typically 12–18 months and a maximum of three years.

- Access limits: Annual – 100 per cent of quota; cumulative – 300 per cent of quota.

- Maturities (early repayment/obligatory repayment): 2.25–4 years and 3.25–5 years.

- Charges: GFA rate of charge 1 + level – based surcharges: 100 basis points on amounts above 200 per cent of quota, and 200 basis points above 300 per cent of quota.

- Conditions: Member adopts policies that provide confidence, that its balance of payments difficulties will be resolved within a reasonable period.

- Phasing and monitoring: Quarterly purchases contingent on observance of performance criteria and other conditions.

- Extended Fund Facility Arrangements (1974): Provides long-term assistance to support structural reforms that address long-term balance of payments difficulties. Extended Fund Facility Arrangements have upper credit tranche conditionality for access above 25 per cent of quota.

- Maturities (early repayment/obligatory repayment): 4.5–7 years and 4.5–10 years.

- Conditions: Member adopts 3-year programme with structural agenda, and provides annual detailed statement of policies for the next 12 months.

- Phasing and monitoring: Quarterly or semi-annual purchases contingent on observance of performance criteria and other conditions.

India and IMF

India's resource to IMF was limited from 1945 to the 1980s. Before the First Five-Year Plan, India borrowed a moderate amount of SDR 100 million under the lower tranche (generally up to 50 per cent of the quota). During the Second Five-Year Plan period, an amount equivalent to SDR 200 million was borrowed from IMF to cope with the problem of balance of payments, During the Third Plan period, India encountered severe balance of payments problems and hence borrowed a higher amount of SDR 375 million from the Fund. During 1965–68, the balance of payments situation worsened and India devalued its currency and sought IMF assistance to the tune of SDR 415 million, including SDR 90 million under the Compensatory Financing Facility.

India again approached the IMF during 1973–74, when she was affected by the first oil shock and hence borrowed SDR 775 million, including SDR 200 million under the Oil Facility. Then again during July 1978 and December 1980, India made use of the Trust Fund, amounting to SDR 529 million. In order to finance the huge current account deficits, India entered into a three-year Extended Arrangement with the IMF for SDR 5 billion in November 1981. But, India availed only SDR 3.9 billion and the balance SDR 1.1 billion was surrendered.

The oil price hike in 1989 and the Gulf War widened India's current account deficit forcing India to borrow SDR 2,208 million under Standby Arrangements and SDR 1,352 million under CCFF. These loans have now been repaid. As per the IMF's website, India's relation with the IMF at a glance:

- Current IMF membership: 189 countries

- India Joined on December 27, 1945; Article VIII

- Total Quota: SDR 4,158.20 million

- Outstanding loans: None

- The last Article IV Executive Board Consultation was on January 25, 2017 (Country Report No. 17/54)

Check Your Progress

5. List the basic functions of IMF.

6. What are quotas used to determine?

7. Enumerate the facilities through which non-concessional loans are provided.

8. What is the HIPC initiative designed to do?

9. Why were SDRs popularly called 'Paper gold'?

10. State the ways in which a member's indebtedness to the IMF can be repaid.

14.4 ASIAN DEVELOPMENT BANK

The Asian Development Bank (ADB) was originally a brain child of some influential Japanese people in 1962, since they felt that the World Bank was not able to successfully serve the interests of Asia. This was also supported by the Japanese government and finally it was established in 1966. The Asian Development Bank has its headquarters in Mandaluyong City, Philippines. Japan being the major shareholder, held a very influential position in the banks administration and policy framework.

ADB loans were mainly to countries like Thailand, Philippines, Malaysia, South Korea and Indonesia, with whom Japan had major trading ties. Thus, with the establishment of ADB, Japans' economic interest was served to a large extent. The first ADB President was Japan's Takeshi Watanabe who held office from 1966-1972.

Till 1986, Japan's share of cumulative contributions in the ADB kept on increasing and there was also a strong parallel institutional tie up between the Japanese ministry of finance and the ADB. The fourth Japanese President of the ADB was a very assertive leader and wanted to develop ADB into a high impact development agency. This created a lot of friction with the Americans.

Even after 1986, Japan's dominance to ADB continued since it wanted to use ADB as a means to recycle its huge surplus capital and also as a stimulus to attract private Japanese capital. After the Plaza Accord in 1985, ADB played an important role in channelizing the private Japanese capital to Asia by improving the local infrastructure.

ADB also increased its lending for social causes such as health, population, education, urban development and the environment to 40 per cent of its total loans.

Organizational Structure

The highest policy making body of ADB is the Board of Governors which comprises one representative from each member state. The Board of Governors elect among themselves a twelve member Board of Directors and their deputy. Eight of these twelve members Board of Directors are from regional members and the other four are from non-regional members. The Board of Directors elects the president for a five-year term and may also be re-elected. Since Japan has been a major shareholder of the bank, the bank president, till date, has been Japanese.

Lending

The Asian Development Bank offers hard loans on commercial terms from its Ordinary Capital Resources (OCR) and offers soft loans on concessional terms from its special fund resources. In 2011 the bank's capital base was $165 billion. This is due to the 200 per cent increased contributions by the member countries in response to a call by the G-20 countries in 2009 to increase the resources of the multilateral development banks in order to support the growth of the developing countries after the global financial crisis. For the ordinary capital resource, members subscribe capital which includes both the paid in and the callable element. The Asian Development Bank borrows from the international capital markets by using its capital as a guarantee.

Criticism

Some of the criticisms that are made for the ADB are:

- The two major donors, the United States and Japan have been exerting major influence in all the lending, staffing and policy decisions of ADB since its inception.

- There have been many cases of the bank being insensitive to local poor and marginalized communities when major projects are undertaken. Many a times there have been cases of human rights violation.

- The United Nations Environmental Programme has criticized ADB for showing growth at the cost of more than 70 per cent of its rural population who are dependent on the natural resources for their income and livelihood.

- ADB's large scale projects have been causing a lot of environmental and social damage as the environment safeguard policies are not followed and implemented by the Bank's officials in most cases and are only stated in paper. **Example:** Thailand's Mae Moh coal fire power station has been much in controversy for this reason.

- There has been much criticism on the role of the bank in the food crisis. The civil society has accused the bank for the pressure it has created on the governments taking loans from the bank, to deregulate and privatize agriculture. **Example:** Rice supply shortage in Southeast Asia.

- There has been criticism for the bank by the Vietnam War veterans for funding projects in Laos underwritten by taxes as United States has 15 per cent stake in the bank.

- In 2009, under the India Country Partnership Strategy, a fund of $2.9 billion has been approved by ADB. This project involves a territorial dispute between India and China, but the bank has been in favor of India. This has been majorly criticized by China.

Members

At present the membership of ADB is of 67 members in which Japan and the United States are major stakeholders with 15.57 per cent shares each. When a country ceases to be a member of ADB, its shares are repurchased by the bank as a part of settlement of accounts.

14.4.1 Role and Functions

The Asian Development Bank (ADB) envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region. Despite the region's many successes, it remains home to a large share of the world's poor: 263 million living on less than $1.90 a day and 1.1 billion on less than $3.20 a day.

ADB assists its members, and partners, by providing loans, technical assistance, grants, and equity investments to promote social and economic development.

ADB maximizes the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilizing financial resources through co-financing operations that tap official, commercial, and export credit sources.

ADB and India

India's rapid economic growth in recent decades has lifted the country to become the world's third-largest economy (in purchasing power parity terms), while major economic reforms have helped dramatically reduce poverty since 2004.

India was a founding member of ADB in 1966 and is now the bank's fourth-largest shareholder. ADB's operations in India commenced in 1986, and the bank remains committed to helping the country achieve its aspiration of becoming a $5 trillion economy by 2025. India has been ADB's top borrower since 2010.

ADB's country partnership strategy, 2018–2022 for India aims to accelerate the country's inclusive economic transformation. The strategy focuses on building

industrial competitiveness to create more jobs, extending infrastructure and services to low-income states, and addressing environmental and climate change concerns. These objectives are pursued while promoting private sector development, gender empowerment and social inclusion, and regional integration through the South Asia Sub-regional Economic Cooperation (SASEC) and other forums.

ADB's engagement with India goes beyond filling finance gaps. It strives to add value by combining project financing with knowledge services and capacity development.

Improving connectivity and accessibility to services and markets at the state, district, and rural levels remains a key area of ADB's support in India. The bank committed $490 million for a public–private partnership project to upgrade about 1,600 kilometers of state highways and major district roads in Madhya Pradesh, along with assistance for state highway improvements in Chhattisgarh ($350 million) and Rajasthan ($190 million). Another $200 million was committed to upgrade about 2,100 kilometers of rural roads to all-weather standards in Maharashtra.

To improve urban mobility and decongest crowded suburban rail systems in Mumbai, ADB committed $926 million to operationalize two new lines for the Mumbai Metro Rail System. ADB financing will help procure state of-the art carriages incorporating safety features for the elderly, women, and people with disabilities.

ADB committed $206 million to develop water supply and sewerage infrastructure in five cities of Tamil Nadu.

The investment will benefit residents, workers, and industries in the state's economic corridors. Another $26 million was committed to improve drainage infrastructure in Dibrugarh in the state of Assam.

ADB continued its support for India's national goal to promote energy efficiency and its international commitment to reduce energy intensity. The bank committed a $250 million loan to Energy Efficiency Services Limited (EESL) to expand investments in energy smart meters, distributed solar photovoltaic systems, and electric vehicles.

To help develop the Chennai–Kanyakumari Industrial Corridor in Tamil Nadu, which is part of the ADB-supported East Coast Economic Corridor (ECEC) that extends to Kolkata in West Bengal, ADB committed $451 million to extend power availability to emerging manufacturing centers in the industrial corridor.

In the agriculture and natural resources sector, ADB committed $91 million to strengthen the capacity of state and basin institutions for integrated water resources management in Karnataka.

Complementing its lending assistance with knowledge support, ADB undertook strategic studies to identify growth pathways, new investment opportunities, and policy advice in sectors covering key industrial nodes in the

ECEC, North Eastern Region Economic Corridor, coastal shipping, and the education system.

Functions of ADB

1. It grants loans and make equity investments for the development, social and economic, of developing counties that are its members.

2. It provides technical assistance for the successful implementation of development projects in Asia.

3. It responds to the requests made to it by developing countries for assistance in the coordination of policies and plans for development.

4. The Asian Development Fund was constituted by ADB in 1974 with a view to grant loans on concessional rates to its lower-income group member Asian countries.

Role of ADB

Areas of Focus and Results

The main objectives of the Asian Development Bank are to achieve growth that is environmentally sustainable, inclusive and promotes regional integration. All of its activities and operations are targeted towards the attainment of these ends. In the areas of comparative strength, it uses its scarce resources effectively.

Key Areas of ADB

Following are the key areas of ADB:

(i) Infrastructure (water, energy, transport, urban development, information and communications technology)

(ii) Environment

(iii) Regional cooperation and integration

(iv) Finance sector development

(v) Education

(vi) Health

(vii) Agriculture and natural resources

(viii) Public sector management

Assistance provided by ADB

ADB's operations increased by 17% from $26.9 billion in 2015 to $31.5 billion in 2016. As for its grants for sovereign and non-sovereign operations, a rise of 9% was seen in 2016 when the amount was $17.5 billion as compared to $16.0 billion in 2015. In addition to these, technical assistance also showed an increase of 20% from $141 million in 2015 to $170 million in 2016.

Sources of Funding

Most of ADB's funds are acquired from bond issues from capital markets across the world. Apart from these, contribution by members, earnings derived from lending money and repayment of loans to the organization form a part of funds. There exist some special funds, the amount from which, is utilized for providing loans.

India's subscription to the ADB's capital stock was 7.090% with a voting power of 6.05% in 2010. In 2018 India's share holding in ADB was 6.359% as against highest of Japan's 15.677%.

Check Your Progress

11. How does ADB offer hard and soft loans?

12. Who are major stakeholders in ADB?

13. How does ADB maximize the development impact of its assistance?

14.5 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. The Integrated Framework for trade-related Technical Assistance was created by the International Trade Centre (ITC), IMF, World Bank, WTO, United Nations Conference on Trade and Development (UNCTAD) and the United Nations Development Programme (UNDP) in 1997.

2. The challenges faced by IF are: (a) insufficient focus on improving trade outcomes, (b) a shortage of resources to meet developing countries' technical needs and (c) insufficient developing country ownership.

3. The purpose of IFC is to further economic development by encouraging growth of private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the IBRD.

4. The resources of IFC consist of capital contributed by its members and accumulated reserves. It can also borrow from the World Bank for the purpose of lending an amount equal to four times its unimpaired subscribed capital and surplus.

5. The basic functions of IMF are:

   • To lay down ground rules of international finance

   • To provide short- and medium-term assistance for overcoming short – term balance of payments deficits

   • Creation and distribution of reserves in the form of Special Drawing Rights (SDRs)

6. Quotas are used to determine (a) the voting power of members, (b) their contribution to the Fund's resources, (c) their access to these resources, and (d) their share in the allocation of SDRs.

7. Non-concessional loans are provided through five main facilities: (a) Stand-by Arrangements (SBA), (b) Extended Fund Facility (EFF), (c) Supplemental Reserve Facility (SRF), (d) Contingent Credit Lines (CCL), and (e) Compensatory Financing Facility (CFF).

8. The heavily indebted poor countries initiative (HIPC) launched in 1996 is designed to reduce the external debt burden of eligible countries to sustainable levels, enabling them to service their external debts without the need for further debt relief and without compromising growth.

9. Initially, the value of one SDR was equal to a specific quantity of gold (which was equal to the value of US$ 1) and was provided with an absolute gold value guarantee. That is why SDRs were popularly known as 'Paper Gold'.

10. A member's indebtedness to the IMF can be repaid in three ways: (a) repurchase with gold and convertible currencies, (b) the drawings of its currency by other countries, and (c) the offsetting of an earlier creditor position.

11. The Asian Development Bank offers hard loans on commercial terms from its Ordinary Capital Resources (OCR) and offers soft loans on concessional terms from its special fund resources.

12. Japan and the United States are major stakeholders in ADB with 15.57 per cent shares each.

13. ADB maximizes the development impact of its assistance by facilitating policy dialogues, providing advisory services, and mobilizing financial resources through co-financing operations that tap official, commercial, and export credit sources.

14.6 SUMMARY

- The World Bank and the International Monetary Fund (IMF) play important roles in shaping the trade and investment conditions faced by developing countries, as well as the trade and investment policies they adopt.

- The Integrated Framework (IF) was conceived as a means to increase trade-related technical assistance for developing countries to enable them to maximize market access opportunities arising from WTO and from trade liberalization agreements.

- One method that the World Bank uses to influence both developing and developed country government positions on trade and investment is through its role as knowledge broker.

- Over 30 per cent of the World Bank lending is in the form of policy-based loans.

- The World Bank signed the Paris Declaration on Aid Effectiveness in 2005. One of the areas of the Paris Declaration, where the Bank has till date not performed well is in using country systems and avoiding the use of parallel project implementation units.

- Also known as the World Bank, the IBRD is an offshoot of the Bretton Woods Conference of 1944. Its main function is to provide long-term capital assistance to its member countries for their reconstruction and development.

- Only 20 per cent of each member's subscription is available to the World Bank for lending activities. The balance 80 per cent serves as guarantee resources backing up the Bank's borrowing operations in international markets.

- The International Development Association (IDA) was established in 1960 to provide 'soft loans' as an affiliate of the IBRD/World Bank.

- The purpose of International Finance Corporation (IFC) is to further economic development by encouraging growth of private enterprise in member countries, particularly in the less developed areas, thus supplementing the activities of the IBRD.

- The International Monetary Fund came into being in December 1945 after forty-four countries signed the Articles of Agreement.

- Stabilization policies aim to correct financial imbalance whether caused by domestic, economic mismanagement or external shocks. Payments imbalances can be classified into three types.

- Low income countries may borrow from the IMF at a concessional interest rate through the Poverty Reduction and Growth Facility (PRGF).

- The Contingent Credit Line (CCL) differs from other IMF facilities in that it aims to help members prevent crises.

- The basic structure of exchange rates in IMF was that of fixed exchange rates, with flexibility built into it up to a certain extent.

- The international buffer stock financing facility was established in June 1969 in respect of any primary commodity that the member country produces. The credit is up to a limit of 50 per cent of its quota for special stocks of sugar, tin, cocoa, etc., under various international commodity agreements.

- The Asian Development Bank (ADB) was originally a brain child of some influential Japanese people in 1962, since they felt that the World Bank was not able to successfully serve the interests of Asia.

- The two major donors, the United States and Japan have been exerting major influence in all the lending, staffing and policy decisions of ADB since its inception.

- The Asian Development Bank (ADB) envisions a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty in the region.

- ADB's engagement with India goes beyond filling finance gaps. It strives to add value by combining project financing with knowledge services and capacity development.

- Most of ADB's funds are acquired from bond issues from capital markets across the world. Apart from these, contribution by members, earnings derived from lending money and repayment of loans to the organization form a part of funds.

14.7 KEY WORDS

- **Credit Tranche:** It refers to a system of releasing loan funds in phases that the International Monetary Fund (IMF) uses to govern its lending activities with member countries.

- **Special Drawing Rights (SDRs):** These are supplementary foreign exchange reserve assets defined and maintained by the International Monetary Fund. SDRs are units of account for the IMF, and not a currency per se.

- **Extended Fund Facility:** It is lending facility of the Fund of the IMF established in 1974 to help countries address medium- and longer-term balance of payments problems.

- **Supplemented Reserve Facility:** It is a facility by International Monetary Fund to provide financial assistance for countries experiencing exceptional capital account problems resulting from a sudden and disruptive loss of market confidence.

14.8 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. What should the World Bank do to ensure more effective country-level working?

2. List any two functions of the World Bank.

3. What are the features of financial assistance provided by the IDA?

4. State the three types of payment imbalances.

5. Write a short note on Supplemental Reserve Facility (SRF).

6. Name the countries to which ADB offers loans primarily.

7. What does ADB's country partnership strategy focus on?

Long-Answer Questions

1. Discuss the strategic direction of the World Bank group.

2. Explain the World Bank's lending policies.

3. Analyze the measures most commonly found in the IMF package.

4. Elaborate upon the four categories of IMF's exchange operations.

5. Discuss the grounds on which the Asian Development Bank is criticized.

14.9 FURTHER READINGS

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UNIT 15 ROLE OF INTERNATIONAL ORGANIZATIONS IN PROMOTING DEVELOPMENT ADMINISTRATION

Structure

15.0 INTRODUCTION

The world is now more interconnected and interdependent than ever. In the interconnected and interdependent world, there exist issues that are way too big for the nations to handle on their own. The countries around the world need to work together and achieve common objectives in a more effective and efficient way. While working to achieve common development goals, the international organizations play a very important role in facilitating cooperation and diplomatic resolutions to global problems. In this unit, an analysis of the history, objectives and roles of international organizations has been provided.

15.1 OBJECTIVES

After going through this unit, you will be able to:

- Understand the meaning and history of International Organizations

- Discuss the aims and objectives of important International Organizations such as United Nations Official Development Assistance, Organization for Economic Cooperation & Development and Asian Development Bank

• Analyze the role of International Organizations in Development Administration

15.2 MEANING OF INTERNATIONAL ORGANIZATIONS

International Organizations (IOs) and International Institutions (IIs) have become very famous and important across the world. As we speak today, the international organizations and their efforts in almost all parts of the world look much institutionalized. The growth in treaties among nations, and their commitment towards the regional issues that concern well-being of their populations look embedded in nations' approval to many of these international organizations.

As a process, international organizations establish and develop formal, continuing institutional structures for the conduct of certain aspects of their relationships with each other. As organizations, International Organizations are legally constituted bodies that work across many nations and they do so without making any profit.

According to U. Audu (2019), an International organization is an organized constituted body that functions or operates across nation states with certain objectives.

According to the Encyclopedia of Public International Law, an International Organization is an "association of States established by and based upon a treaty, which pursues common aims and which has its own special organs to fulfill particular functions within the organization."

States created international organizations to do things that they could not do on their own or to prevent those events from happening that were not in the state's interests. International intergovernmental organizations did not create themselves or exist on their own; they were designed, supported, and operated by the countries that created them. At the same time, individuals and groups of individuals created international non-governmental organizations to reflect common concerns, accomplish shared goals, and solve problems that often transcended the ability or purview of government.

15.3 HISTORY OF INTERNATIONAL ORGANIZATIONS

One of the first ever international organization is the League of Nations. It was the first worldwide intergovernmental organization that was formed with an objective of maintaining world peace after the First World War. The League of Nations came into existence on 10th January, 1920 following the Paris Peace Conference that ended the First World War. The organization's primary goals, as stated in its Covenant, included preventing wars through collective security and disarmament and settling

international disputes through negotiation and arbitration. Other issues in this and related treaties included labour conditions, just treatment of native inhabitants, human and drug trafficking, the arms trade, global health, prisoners of war, and protection of minorities in Europe. The League is generally considered to have failed in its mission to achieve disarmament, prevent war, settle disputes through diplomacy, and improve global welfare. The League did not succeed in the long term. The outbreak of World War II was the immediate cause of the League's demise and growing demand for newer and stronger international organizations.

Post World War II, it became evident that the world requires stability and peace. This paved way to creation and development of international organizations that were able to cater to the growing social, economic, political, legal, regional and technological needs of the nations around the world. The tenure that followed therefore witnessed proliferation of several international organizations focusing on the said issues. The common names included, the United Nations, Asian Development Bank (ADB), International Labour Organization (ILO), International Monetary Fund (IMF), Organization for Economic Cooperation and Development (OECD), Food and Agriculture Organization (FAO) and many more.

Check Your Progress

1. What do international organizations do as a process?
2. Why did groups of individuals create international NGOs?
3. When did the League of Nations come into existence?

15.4 EXAMPLES OF INTERNATIONAL ORGANIZATIONS

International organisations have played a key role in meeting the requirements of different countries. Some of the prominent examples have been discussed below:

15.4.1 United Nations Official Development Assistance

No organization, other than the United Nations, has played a significant role in developing consensus and implementation towards achieving sustainable development programs. Since its inception in October 1945, UN organizations have consistently contributed in all the aspects of environmental, economic and social development as is evident through various development programs in the area of sustainable development, the advancement of women, human rights, environmental protection, good governance and many more.

A number of United Nations programmes and funds such as the UN Children's Fund (UNICEF), UN Development Program (UNDP), and UN Environment Program (UNEP) fall under the Economic and Social Council of the UN but are also reported to the General Assembly to carry out the UN's economic and social mandate.

There also exist a number of specialized UN agencies that cover virtually all areas of environment, economic and social endeavor. The agencies provide financial, technical and managerial assistance to countries around the world.

The UN Division for Sustainable Development provides analytical and technical advisory services to governments in cooperation with UN agencies and programs/funds. The division formulates, implements and executes multidisciplinary programmes and projects focusing on the key aspects of sustainable development. The technical expertise of the division enables support to developing nations towards realization of sustainability in the area of environment, economic and social issues.

The United Nations thus plays a great role in discharging a vast array or responsibilities in the areas that include peacekeeping, disaster management, health, natural resource management, education, sustainable livelihood, climate change and many more.

15.4.2 Organization for Economic Cooperation & Development

Headquartered in Paris, the OECD Development Assistance Committee (DAC) is a conglomeration of 34 member countries and a key forum of major bilateral donors, who work together to increase the effectiveness of their common efforts to support sustainable development.

The DAC concentrates on two key areas:

- How international development co-operation contributes to the capacity of developing countries to participate in the global economy.

- The capacity of people to overcome poverty and participate fully in their societies.

OECD uses its wealth of information on a broad range of topics to help governments foster prosperity and fight poverty through economic growth and financial stability. The figure below suggests the OECD's way of working:
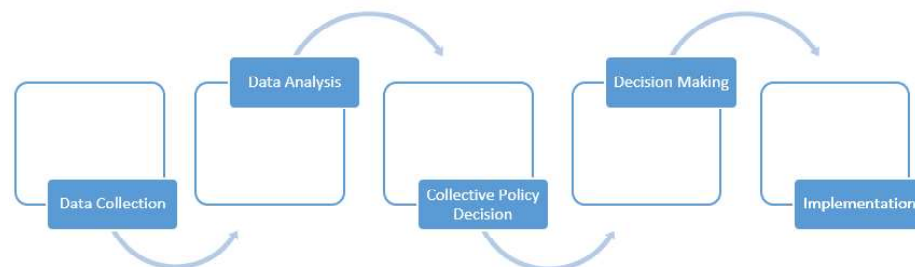

Fig. 15.1 *OECD Decision Making Process*

Source: OECD Website www.oecd.org

OECD's work is based on continued monitoring of events in member countries as well as outside OECD area, and includes regular projections of short and medium-term economic developments. The OECD Secretariat collects and

analyzes data, after which committees discuss policy regarding this information, the Council makes decisions, and then governments implement recommendations.

Fig. 15.2 OECD Structure

Source: OECD Website www.oecd.org

Since its formation, the OECD has been instrumental in making a difference in E*nvironment and Sustainable Development Initiatives*. Through its work, the organization has facilitated utilization of science and technology to benefit people, reduce wastage and pollution, motivated markets to work towards a healthier environment and brought together member countries to discuss fundamental energy issues.

Other than ***Environment and Sustainable Development*** projects, OECD is also instrumental in the thematic areas that include ***Employment, Education & Social Welfare, Economy, Finance, Governance and Innovation.***

15.4.3 Asian Development Bank

Another important agency which has played a pivotal role in providing assistance towards realizing the goal of sustainable development is Asian Development Bank. The Asian Development Fund (ADF) bridges the development gap in Asia and the Pacific, home to both of the world's fast-rising and most vulnerable economies. ADF is a major instrument of concessional financing that has supported equitable and sustainable development in the region since 1973. Funded by ADB's member countries, it offers loans at very low interest rates as well as grants to help reduce poverty in ADB's poorest borrowing countries.

ADF-eligible countries have made solid progress in reducing poverty and promoting human development. ADF played a vital role in helping ADF countries achieve this progress. ADF operations have provided infrastructure and services to boost economic growth; assisted countries with fragile and conflict-affected

situations; and expanded the access of the poor, women, and children to quality education and health care, reliable supply of electricity and clean water, and economic opportunities. ADF has also helped these countries improve their institutional capacities and implement needed reforms.

From 2006 to 2010, ADF has provided over $2.5 billion a year for projects and programs that helped poor families escape poverty. In 2009-2010 alone, over 100 loan and grant projects totaling $6.2 billion were made to developing member countries of ADB.

Inclusive growth is particularly important for ADF countries. It has two mutually reinforcing objectives. First, rapid and sustainable growth will create and expand economic opportunities. Second, broader access to these opportunities will ensure that members of society can participate in and benefit from growth.

To promote a more inclusive growth, ADB has supported investments in infrastructure—roads, water, energy and other services—to help raise productivity, create jobs, reduce poverty and promote trade and investments. Infrastructure also promotes inclusiveness by integrating disadvantaged groups into mainstream economic activities and broadening their access to basic social services. In many ADF countries, for example, developing rural infrastructure to connect the poor to markets and enable them to participate in the growth process is essential. Inclusive growth also requires greater investment in education and health, particularly for the poor.

The region's environment faces daunting threats. The decline in forest cover and the steady rise of greenhouse gas emissions are major challenges. The region has also become more vulnerable to extreme weather, rising sea levels, and other phenomena related to climate change. Poor communities in many ADF countries, particularly women and children, will continue to be the hardest hit.

ADB promotes an environmentally sustainable growth, which include efforts to tackle climate change. ADF assistance supports infrastructure investments in clean, efficient, and climate-resilient energy systems; efficient and sustainable modes of transportation; increased access to reliable and affordable water and sanitation; and climate-resilient and livable cities. ADF projects also seek to improve natural resource management in rural areas, maintain the integrity of important regional ecosystems, and strengthen environmental governance and management capacities, while addressing climate change as a cross-priority issue.

15.5 INTERNATIONAL ORGANIZATIONS & THEIR ROLE IN DEVELOPMENT ADMINISTRATION

Efforts to undertake sustainable development initiatives have been witnessed at the national, regional and international level. Numerous international organizations including United Nations, World Bank, Organization for Economic Cooperation and Development, Asian Development Bank etc. have initiated programs in the

area of sustainable development with an objective of supporting such initiatives financially, technically and managerially.

The main objective of all the international organizations has been welfare improvement of member countries. The importance of international organizations lies in the following:

- International organizations, such as International Trade Centre (ITC) and World Trade Organization (WTO), support member countries in promoting fair trade with each other.

- The World Bank and Institute of International Finance are international organizations that provide monetary help to member countries.

- The purpose of the incorporation of international organizations, such as Food and Agriculture Organisation (FAO) and World Food Programme, is to provide food security to member nations

- The endeavor of international organizations, such as Global Environment Facility and United Nations Environment Programme, is to ensure environmental protection

- The protection of human rights is ensured by international organizations, such as the International Court of Justice and Amnesty International.

- Emergency/disaster relief is taken care of by several international organizations, such as the International Committee of the Red Cross and Relief.

- The World Health Organization helps member countries promote health care and facilities

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Check Your Progress

4. List the two key areas on which the Development Assistance Committee (DAC) concentrates.

5. State the two mutually reinforcing objectives of the Asian Development Fund (ADF).

6. What has ADB done to promote a more inclusive growth?

15.6 ANSWERS TO CHECK YOUR PROGRESS QUESTIONS

1. As a process, international organizations establish and develop formal, continuing institutional structures for the conduct of certain aspects of their relationships with each other.

2. Individuals and groups of individuals created international non-governmental organizations to reflect common concerns, accomplish shared goals, and solve problems that often transcended the ability or purview of government.

3. The League of Nations came into existence on 10th January, 1920 following the Paris Peace Conference that ended the First World War.

4. The DAC concentrates on two key areas:

   • How international development co-operation contributes to the capacity of developing countries to participate in the global economy.

   • The capacity of people to overcome poverty and participate fully in their societies.

5. ADF has two mutually reinforcing objectives. First, rapid and sustainable growth will create and expand economic opportunities. Second, broader access to these opportunities will ensure that members of society can participate in and benefit from growth.

6. To promote a more inclusive growth, ADB has supported investments in infrastructure—roads, water, energy and other services—to help raise productivity, create jobs, reduce poverty and promote trade and investments.

15.7 SUMMARY

• The growth in treaties among nations, and their commitment towards the regional issues that concern well-being of their populations look embedded in nations' approval to many of the international organizations.

• International intergovernmental organizations did not create themselves or exist on their own; they were designed, supported, and operated by the countries that created them.

• One of the first ever international organization is the League of Nations. It was the first worldwide intergovernmental organization that was formed with an objective of maintaining world peace after the First World War.

• The League is generally considered to have failed in its mission to achieve disarmament, prevent war, settle disputes through diplomacy, and improve global welfare.

• Post World War II, it became evident that the world requires stability and peace. This paved way for the creation and development of international organizations that were able to cater to the growing social, economic, political, legal, regional and technological needs of the nations around the world.

• UN organizations have consistently contributed in all the aspects of environmental, economic and social development as is evident through various development programs in the area of sustainable development, the advancement of women, human rights, environmental protection, good governance and many more.

- The UN Division for Sustainable Development provides analytical and technical advisory services to governments in cooperation with UN agencies and programs/funds. The division formulates, implements and executes multidisciplinary programmes and projects focusing on the key aspects of sustainable development.

- Headquartered in Paris, the OECD Development Assistance Committee (DAC) is a conglomeration of 34 member countries and a key forum of major bilateral donors, who work together to increase the effectiveness of their common efforts to support sustainable development.

- The OECD Secretariat collects and analyzes data, after which committees discuss policy regarding this information, the Council makes decisions, and then governments implement recommendations.

- The Asian Development Fund (ADF) bridges the development gap in Asia and the Pacific, home to both of the world's fast-rising and most vulnerable economies.

- ADF projects also seek to improve natural resource management in rural areas, maintain the integrity of important regional ecosystems, and strengthen environmental governance and management capacities, while addressing climate change as a cross-priority issue.

- Numerous international organizations including United Nations, World Bank, Organization for Economic Cooperation and Development, Asian Development Bank etc. have initiated programs in the area of sustainable development with an objective of supporting such initiatives financially, technically and managerially.

15.8 KEY WORDS

- **International Organization:** It is an association of States established by and based upon a treaty, which pursues common aims and which has its own special organs to fulfill particular functions within the organization.

- **Asian Development Fund (ADF):** It provides grants to ADB's lower-income developing member countries (DMCs). Activities supported by the ADF promote poverty reduction and improvements in the quality of life in the poorer countries of the Asia and Pacific region.

- **Inclusive Growth:** It is a concept that advances equitable opportunities for economic participants during economic growth with benefits incurred by every section of society.

15.9 SELF ASSESSMENT QUESTIONS AND EXERCISES

Short-Answer Questions

1. How does the Encyclopedia of Public International Law define an international organization?
2. State the primary goals of the League of Nations.
3. What is OECD's work based on?
4. Write a short note on the operations of ADF towards improving infrastructure in poor countries.

Long-Answer Questions

1. Discuss the organization, goals and performance of the League of Nations.
2. Analyze the organization and provisions of United Nations Official Development Assistance.
3. Elaborate upon the importance of international organizations.

15.10 FURTHER READINGS

Goel, S.L. 2009. *Development Administration: Potentialities and Prospects.* New Delhi: Sujanya Book Publishers.

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