CHAPTER - I

INTRODUCTION

The study aims at analysing the 'Policy and Administration of Rural Development in Himachal Pradesh: A critical study of Mandi and Shimla Districts'. Development is a process of change aimed at the socio-economic transformation of a traditional society into a modern one. Activity related to the development is generally directed towards the nation-building and socio-economic transformation. Rural Development is an important dimension of development, without which the objectives of the government in relation to development, cannot be achieved.

There is a great need of a well formulated policy for development in countries like India. It is the foremost duty of the government to promote appropriate development policies. Without a proper policy framework, it would be difficult to implement the development programme. The government has to come out with a clear policy so that it can act as guidelines for all the implementing agencies within the government and outside. In the absence of a clearcut and well-defined policy, the given objectives cannot be achieved. Therefore, the government policy must take into consideration all the aspects of a situation and enunciate a policy that can be followed by all.

Brain Smith defines policy, as a "deliberate course of action or inaction taken by those in office under the
influence of values and pressures on the way resources, expenditure and coercion are to be used in pursuit of objectives or in support of other policies.¹

There is an urgent need of proper rural development policy for the advancement of socio-economic structure of the rural areas. It was the main commitment of the Indian Constitution to bring about economic prosperity and improve the quality of life in the rural areas.

Administration involves cooperative efforts by a number of people to achieve certain objectives. These people must be organised to achieve the desired goals. They should work in co-operation with each other and all their co-operative energy should be directed towards the same end. This is possible only if there exists an organisational structure within their energies are channelised towards a common goal. So an organisational structure receives priority to every administrative action because no administrative action can be implemented without an organisation. Pfiffner and Sherwood defined organisation as, "the pattern of ways in large number of people, too many to have intimate face to face contact with each other and engaged in complexities of tasks, relate themselves to each others in the conscious, systematic establishment and accomplishment of mutually agreed purposes."²
The term 'rural development' suggests overall development of the rural areas* with a view to improving the quality of life of rural people.\textsuperscript{3} According to Robert Chambers, "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 to 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 landless."\textsuperscript{4}

One of the greatest challenges in India today is to achieve national development or to solve the problems of under development. India is a land of village communities. As a matter of fact, the village was the basic unit of administration as far back as the Vedic Age; there is a reference to Gramini (Village leader) in the Rigveda.\textsuperscript{5} India has been a predominantly rural country. The rural character of India's national economy is reflected in the very high proportion of population living in the rural areas; it was 89.0 percent in 1901, 83.0 percent in 1951, 80.1 percent in 1971, 76.7 percent in 1981, and 74.3 percent in 1991.\textsuperscript{6}

* Rural areas are those which are not classified as urban areas. They are outside the jurisdiction of Municipal Corporations, Committees and notified town area committees and the main occupation of the people living in that area is agriculture.
Hunger and starvation, population explosion, energy crisis, unemployment, human misery, deterioration of human environment and inequity need immediate attention of the government. Over the last about four and a half decades of Indian Independence, attempts have been made by the central and state governments to take the economy to the new heights of development and to promote social justice through a series of Five Year Plans. The various approaches, strategies and policy programmes have been planned and executed for the purpose. Inspite of all these efforts for the rural poor, and various fiscal, monetary and economic policies, a number of approaches have been adopted from time to time with shifting emphasis because of pressures from below on the national leadership as a result of increased political mobilization of the peasants and partly due to increasing emphasis on eradication of poverty. Besides, there is sufficient evidence to prove that plan after plan has failed to unfold new opportunities to the rural masses. Their standard of living remains low and unchanged. The fruits of development have not reached to the rural poor, particularly those living below the poverty line. Even the shift from a micro-level planning has not made any significant role in alleviating poverty, misery and unemployment of the rural masses.

India started the Community Development Programme on October 2, 1952 followed by the National Extension Service. This was the first nationwide programme for the economic and
social reconstruction and upliftment of the rural masses. It aimed at developing to the fullest extent the material and human resources. But high expectations which had been raised, and the hollow promises which had been made, have improved neither the rural economy by way of mobilising natural and human resources nor provided any opportunity for genuine and effective participation of the target groups. The concept of development was further redefined and enlarged with the introduction of Panchayati Raj system to strengthen the government efforts with popular participation of local institutions. It aimed at providing a broad base to democracy by striving to achieve the cherished ideal of village self-government, planning overall balanced development of rural areas and raising the standard of living of the rural masses.

The successive draughts of 1965-66 resulted in an acute shortage of food-grains which further mounted the food import bill continuously for a long time. Under the situation, it became necessary to make a shift in the policy from a broad-based community development approach to a sharper focus aiming at intensification of agriculture. In pursuance of this policy, a number of programmes were launched for achieving self-sufficiency in foodgrains such as Intensive Agriculture District Programme (IADP); Intensive Agriculture Area Programme (IAAP); High Yielding Varieties Programme (HYVP. etc. With a view to rectifying the class and regional imbalances, target-oriented
Programmes were launched in the seventies. These were Drought Prone Area Programme (DPAP); Small Farmer Development Agency (SFDA); Marginal Farmers and Agricultural Labourers (MFAL); Tribal Area Development Programme (TADP); Command Area Development Programme (CADP) and Minimum Needs Programme (MNP). These programmes attempted at realising the fullest production potential of the project area through mutually reinforcing measures connected with land development, creation of infrastructure, extension credit and exploitation of water resources. During the 1970-80 decade, efforts were made to put to execution the slogan 'Garibi Hatao' i.e. remove poverty. On the recommendations of Dantwala Committee, in the year 1976, a blue-print for Integrated Rural Development Programme was presented in the Parliament by the then Finance Minister. In the year 1978-79, the programme was reviewed to integrate the methodology and approaches of three major ongoing special programmes of Small Farmers Development Agency, Command Area Development Programme and Drought Prone Area Programme. All the principal components of these three Programmes were integrated in the new programmes "Integrated Rural Development Programme (IRDP)" which was initially taken up in 2300 blocks, but by Second October 2, 1980, it was introduced in all the 5011 blocks in the country. The Integrated Rural Development Programme aims at the uplifting of the target group consisting of the poorest among the poor. Small and marginal farmers, agriculture labourers...
and non-agricultural labourers, rural artisans and craftsmen, scheduled castes, scheduled tribes and all persons who live below the poverty-line (families of about five persons with an annual income level below Rs. 3500) are included in the target group.

Later on, it was realised from the planning experience that economic growth even with rapid industrialisation and increased agricultural production could not lead to substantial absorption of the labour force. For tackling the problem of rural unemployment, the National Rural Employment Programme (NREP) was launched in October, 1980, as a central sponsored scheme on the 50:50 share basis between the central government and state governments with the three-fold objectives of generating additional gainful employment opportunities, creating durable community assets and improving overall qualities of life in the rural areas. In 1983, it was followed by Rural Landless Employment Guarantee Programme (RLEG) as a cent percent centrally sponsored schemes. The objective was to improve and expand employment opportunities particularly for the rural landless labourers and provide guarantee of employment to at least one member of every rural landless labourer's house hold upto 100 days in a year. Since April 1, 1989, National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEG) have been merged into one single rural employment programme known as 'Jawahar Rojgar Yozna (JRY). The objective was to generate an
additional gainful employment for both the unemployment and the underemployed persons in the rural areas.

1.1 REVIEW OF LITERATURE

Various studies covering a particular aspect of rural development have been conducted during the past years. A brief review of existing literature is as under:

Kartar Singh is his study on Rural Development (Principles, Policies and Management) has devoted to an exposition of the meaning, objectives, measures, hypotheses and determinants of rural development. In this study he realised that planning can make a positive contribution only if it facilitates the achievement of development objectives more rapidly and more efficiently than the development followed natural forces. In his study, he further added that the design of an appropriate strategy for increasing agricultural productivity required a high degree of judgement and intimate knowledge of the physical resources and agricultural characteristics of a particular region. He dealt with rural development policies, policy model, policy instruments and selected the rural development programmes followed in India. His findings are that a balanced growth of all sections of the society and all areas, a special policy for the rural poor and the backward areas, is needed. The theory of economic policy and policy modes can be an important aid to the policy makers. In the absence of expertise, policy makers cannot formulate effective policy.
Maheswari, S.R.\textsuperscript{13} has discussed in his book the major strategies and approaches of rural development launched since independence. As in many other areas, all the major programmes in the rural development have been formulated, in extensive details by the Central Government. The various poverty alleviation programmes in the field of rural development have more or less benefitted the well off farmers. He has also studied the community development programme and its administrative machinery. At the Central, State, District and Block levels, it has been held that the community development programme have not succeeded much at least in the area of agriculture. He has also examined the old and modern technology for rural development and a suggested better one. Finally, he has studied the administrative machinery of Central, State, District, Block and Village levels and assessed its role in the effective role for socio-economic transformation in the rural areas.

Sundaram, I.S.\textsuperscript{14} in his study on anti-poverty rural development in India, has discussed that the incidence of rural poverty and unemployment in most of the developing countries is so large that it needs to be urgently attended to. He has observed that one encouraging feature of rural development is that the rural poor do not resist change. They want to take full use of the opportunities provided to them. Technology has brought about significant improvement in yields, but in the absence of equitable distribution of resources, inequalities have not only emerged but are also
on the uncrease. There is a need for rural transformation induced by the State action and the study of social forces at work. He has further assessed that there is a need for strengthening the administrative machinery to help the rural poor as there is a lack of people's participation at different stages of plan. The programme should strike at the root of poverty and employment.

Kang Harkirat Kaur in her study, has focussed on the nature of development through integrated rural development programme in Punjab with special reference to Ferozepur District. Similarly, she has observed that the need for integrating all the programmes for total development of the area and not only in a particular sections, such as i.e. agriculture, education, etc. has led to the concept of integrated rural development. A number of programmes have been planned, some of them even implemented with a view to developing its rural areas. Under this scheme, a cluster of five contiguous villages to be selected in each block. The central village in the cluster is to be made a focal point. She has also attempted to measure the achievements of different departments engaged in the rural developmental works. People's participation in the integrated rural development programmes and knowledge of villagers in regard to integrated rural development programme, etc. are essential to make expected success.
Shamsher Singh in his study has attempted to evaluate development and administration of tribal areas with a special reference to Lahaul and Spiti District in Himachal Pradesh. It has been found that it is not easy to improve agriculture in the district, giving suitable stress on animal husbandry. In the district, modern technology for agriculture is not suitable to the small, scattered and hilly landholdings. He has also discussed performance of various departments such as Animal Husbandry, Agriculture, Horticulture, Education, Health etc. in the rural development programmes in the district. The physical impact of rural development programme has been measured. After assessment, he has observed that the living standard of the people was miserable in the district. After taking the government efforts and developmental works into consideration, the living standard and socio-economic conditions of the people have changed. This district being the most difficult one with a scattered terrain, high altitude and enclosed by mountain ranges covered under snow. Has not benefitted much because it very difficult to carry on development works in the remote areas.

Vijay Pankaj in her study on Administration of Rural Development in Himachal Pradesh, has attempted to analyse the organisation structure and administration of rural development and the prevailing organisational and functional shortcomings such as inefficiency, red-tapism, corruption, lack of proper evaluation, etc. She has also concluded that
the implementation of rural development in the State was a very difficult task due to lack of basic infrastructure and resources. With the passage of time, the infrastructure has been developed and its resources being harnessed. She has discussed the role of each department and its relation with the other departments' policies and programmes.

Pankaj has also made an attempt at evaluating the working and performance of Integrated Development Programme in Himachal Pradesh especially in Shimla and Sirmour districts. She has further observed that though there is co-ordination between the District Rural Development Agency and the banks in financing the Integrated Rural Development Programmes, but the actual distribution of loans to the selected beneficiaries has been far short of their requirement. It has also been found that the actual advantage of subsidy has not reached the poor.

Gill Pritpal Singh, in his study on Role of Small Farmer Development Agency in Integrated Rural Development Programme, has observed that the Small Farmers Development Agency is the only largest agency for improving the economic condition of the rural poor. The focus of the present study has been on the role of this agency, Sirmour district of Himachal Pradesh. This study shows that the vast investment of the economic resources has gone into the creation of infrastructure for agriculture development, helping mainly the big farmers. Same is true at the national level. Small
Farmers Development Agency and other agencies in the field of rural development are not only helpful but also essential to generate rural income and increased productivity. The Governments at the national and state levels have been evolving various strategies to streamline the working of such agencies. There are obviously certain shortcomings, both in organisation and in their functioning but the future holds good for rural development.

Sinha, A.K. in his study on Development of Foodgrain Production Policies in India, has expressed concerned over the emerging food situation and taken pains to suggest policies in dealing with the situation. Though the study has no conception and clarity of objectives nor has it any consistency on the food policy. It observes that the state efforts in the field of providing inputs like water, fertilizerss and improved seeds, land reforms, credit power and research have rather been tardy, and adequate attention has not been paid in this direction. As regards the pricing policy, the study has indicated that it is one of support rather than of incentive. Infact, the pricing of produce has not been used as an instrument of increasing production but only as an economic security measure. As regards the role of the Department of Food, the study shows that it exhibits the situation of a weak central department in the constitutional division of responsibilities. The study finally indicates that in so far as policy making is concerned, it lies with the political executive, and this
power has been frequently exercised irrespective of bureaucratic exercises.

Basu Ashok Ranjan, in his study on Tribal Development Programmes in Himachal Pradesh especially in Bharamour and Pangi Sub-Divisions of Chamba district, has analysed the various aspects of development programmes in the tribal belt of Bharamour and Pangi Sub-division of Chamba district in the state. In this direction, the efforts made so far have not been adequate to solve basic problems of poverty, malnutrition and exploitation of tribals. The study further shows that the development programmes have failed to elicit popular support and participation of the local people. This is despite the fact that special emphasis had been given to the need for such participation in all the plans. The study also points out that because of several bottle-necks in the administrative machinery little has been done in these areas. Through the approach has been one of harnessing the large potential for decentralised development of villages and small scale industries and of maximising the output, particularly of essential consumer goods. The study shows that though primary health centres have been opened in tribal areas, adequate measures for providing physical facilities have not been taken.

Singh, G.S. in his study on Rural Modernization-Contradiction and Change, has observed that it is the development factor that primarily determines the level of modernisation of villages. As these factors are more
operative in the area under study, the focus of study has been undertaken with a view to explicating the nature and process of modernisation of individual and social structure in rural setting. At the individual level, the work tends to measure modernism and finds out its major resources, correlates and casual sectors. At the social level, it analyses the nature of modernisation in the structure and function of family stratification system, political and economic structures. The study not only deals with modernisation of different societal isolate individual, family, caste, relation of production and power structure but also focuses upon their relations. And he also studied the factor how a change at one level affects changes in others. In addition to it, the study also attempts at unravelling the nature and the projects while it undergoes modernisation and change. The positions related to the problems have been tested at the level of a couple of villages.

Khanna, B.S.\textsuperscript{22} in his study on Rural Development in South Asia: India (Policies, Programmes and Organisations), has discussed briefly the evolving national concept of development in the country. He has referred to the strategies of rural development which form the centre stage of the development which is the centre-piece in the development process in India, as in other predominantly agrarian countries. He has stressed that the economic growth based upon adoption of modern technologies has
resulted in significant increase in the production of goods and services. Though in these countries initially economic power and affluence were largely concentrated at the high level of economic hierarchy, but with the passage of time these have filtered to middle levels and later, to the bottom levels of hierarchy. Economic growth has also consequently led to modernisation and expansion of social services and public utilities, thereby enabling a majority of people to improve their living and social standards. He has analysed that adoption of strategies and policies based upon his viewpoint of development have not however, brought about any significant economic and social transformation in many of the developing countries.

1.2 SELECTION OF THE STUDY AREA

A criterion of selecting an area for the purpose of study may not be uniform for all the districts of Himachal Pradesh as there are wide variations in the levels of the development in the key sectors and economy in the 12 districts of the state. The areas are not uniformly developed in terms of various economic indicators because of varying topographical and geographical conditions as well political factors. In order to understand the levels of rural development, I have made assessment of rural development in Mandi district of Himachal Pradesh in my M.Phil Dissertation which has studied the district level economic indicators. It has been observed that some
districts are more developed than others. It has also been found that there is not even a single district in the state which is more developed in relation to these indicators. The same variation has also been found at the block levels in Mandi district. In order to examine this wide variation from one area to another area, some districts need to be studied. Though on the basis of some development indicators, it has been observed that Shimla district is relatively more developed than others in respect of each development indicator. As Himachal Pradesh has 12 districts and the topographical and geographical conditions are quite at variance and difficult, two districts developed and the other under-developed have been selected for the research purpose. Shimla district according to the development indicators is a developed area while by the same yardstick Mandi district remains underdeveloped area.

1.3. SCOPE OF THE STUDY

As it is not possible to cover all the rural development programmes in one study, the present research work has covered, intergrated Rural Development Programme (IRDP); National Rural Employment Programme (NREP); Rural Landless Employment Guarantee Programme (RLEGP); These programmes would be studied in Mandi and Shimla districts.

The period of the study would be 1980 onwards, when most of the programmes of rural development started.
1.4 OBJECTIVES OF THE STUDY

1. To critically examine the existing administrative structure for rural development.

2. To examine the policy and planning process for rural development.

3. To evaluate the financial resources utilization.

4. To evaluate the implementation of rural development programmes.

5. To analyse the achievements of the rural development programmes.

6. To suggest suitable measures to improve the performance of Rural Development Programmes.

1.5 HYPOTHESES

1.5.1 ADMINISTRATIVE ORGANISATION

1. The organisational structure is highly centralised.

2. There is no linkage between governmental and non-governmental organisations for rural development.

3. Lack of coordination among Headquarters, field and sectoral staff is adversely affecting the rural development programmes.
4. The beneficiaries are not satisfied with the working of staff relating to rural development.

1.5.2 POLICIES FOR RURAL DEVELOPMENT

5. The existing rural development policy has failed to bring about qualitative improvement in the rural life of the people.

6. Policy for rural development has mainly been formulated at the central level.

1.5.3 PLANNING FOR RURAL DEVELOPMENT

7. The existing rural development planning has failed to bring about qualitative improvement in the rural life of the people.

8. Proper planning is not possible in the absence of planning cells at the district, and block levels.

10. Top priority is not given to the rural development programmes while allocating financial resources.

1.5.4 IMPLEMENTATION

11. Rigid bureaucratic administrative structure is not conducive to the implementation of rural development programmes.
12. Lack of trained and competent staff is hampering the implementation of rural development programmes.

1.5.5 ACHIEVEMENTS

13. The beneficiaries are not satisfied with the achievements of the rural development programmes.

14. Existing purchase system is adversely affecting the expected achievements.

15. Corrupt practices of the dishonest employees are contributing towards low achievements of rural development. The benefits meant for the beneficiaries of a particular income group are enjoyed by the people of higher income group.

1.6 RESEARCH METHODOLOGY

1.6.1 DATA COLLECTION

Primary and secondary sources have been fully tapped to collect data.

1.6.1.1 PRIMARY SOURCES

Primary data have been collected on the basis of questionnaire, interviews, discussion and observation etc. These methods have also helped to know the attitudes, beliefs, traditions and reactions of the people towards
ideas put to them during discussions.

1.6.2 INTERVIEW AND DISCUSSION

To understand the impact of the rural development programmes, the Officers, Political leaders and beneficiaries have been interviewed. The discussions have been held with the following persons:

1. Ministers/Ex-Ministers, M.L.As/Ex-M.L.As of Mandi and Shimla Districts.
2. Secretary related to rural development.
3. Director of Rural Development, Himachal Pradesh.
4. Deputy Commissioners of the respective districts.
5. Additional Deputy Commissioners of Mandi and Shimla Districts.
7. Assistant Project Officers Mandi and Shimla Districts.
9. Extension staff.
10. Assistant Engineers (Development).
11. Junior Engineers.
13. Presidents of Gram Panchayats.
1.6.3 FIELD WORK

Keeping in view the objectives, the detailed questionnaires have been filled by the beneficiaries, political leaders, and Officers related to rural development in Mandi and Shimla districts, covering socio-economic aspects of the beneficiaries and other relevant material. The opinions and suggestions of the district and block levels Officers have also been collected. The field work of the study was conducted in May, June, July and August, 1992. In all, 360 beneficiaries have covered in eighteen blocks of the Mandi and Shimla districts who have responded to the questionnaires. From each development block, 20 beneficiaries were chosen on the random sampling basis.

1.6.4 SECONDARY DATA

The secondary data have been collected from the various levels of administrative machinery for rural development. At the central government level, the published documents studied are:

i. Annual administrative report of the rural development department.


iv. Guidelines for National Rural Employment Programmes.

At the state level, data have been collected from the following sources:

i. Annual administrative reports.
ii. Statements and returns of State rural development department.
iii. Reports on agriculture census.
iv. Economic reviews.
vi. Annual administrative reports of Horticulture and agriculture department.
vii. Census handbook.

At the district level, data have been collected from the record aimed by the district rural development agency. Data related to assistance extended by banks have been collected from the lead bank of the respective district. General informations regarding rural development and other development indicators have been collected from the district statistical abstracts, District indicators and other record files as maintained by the district statistical Officer.
Blockwise data have been collected from the record maintained by the block development officer's office and from the annual reports, returns and statements.

1.6.5 INTERPRETATIONS OF THE DATA

The mass data, used in this study, has been interpreted in a critical manner trying to arrive at conclusions. Critical appraisals have also been attempted in respect of financial and administrative performances of the institutions. Overall assessment and suggestions for improvement have been made at relevant places.

1.7 LIMITATIONS OF THE STUDY

This study suffers from certain limitations, but it is hoped that validity of this research will not be affected on this account. Some of the limitations have been listed below:

1. Most of the secondary data are not available in required format at any level to attempt sophisticated analysis on performance appraisal.

2. It is not only the maintenance of information on some meaningful format but some of the data on crucial aspects were also not available at any level.

3. One of the important limitations of the study is that all the beneficiaries in the selected blocks could not be contacted. However, the sample drawn is sufficiently large to have proper representative sample.
1.8 FIELD WORK EXPERIENCE

The collection of secondary data at different levels has been a time consuming process. No officials provided the required information at first instance-but they always tried to avoid giving information. Even the official-records of the IRDP beneficiaries with the DRDA, Blocks and banks were not complete and figures of two offices were found to be different from each other. Moreover, in a number of cases, the names, purpose and amount of loan and subsidy, as entered in the official records, have been found incorrect, when compared with the record maintained by the banks. During the field study, the investigators had to visit and again the field especially with the Political leaders, and extension staff for help. For, many a time the selected IRDP beneficiaries would free homes mistaking the investigator for banking officials. They would be under the impression that the officials had come to recover loans. Some of them were quite reluctant to disclose their real income position due to the impression that he could be the officers who would check their assets provided to them under the IRDP Programme. Very few beneficiaries appreciated the questionnaire. Despite all these hurdles the field research work was completed and every effort was made, or cross-checking the records to preserve the scientific analysis and the findings of the study for generalisation purposes.
1.9 STRUCTURE OF THE STUDY

The study has been divided into 10 Chapters. The first chapter deals with introduction, statement of problem, review of literature, significance of study, selection of study areas, scope of the study, objectives of the study, hypothesis, research methodology, interpretation of data, limitations of the study, and sequence of the study.

The second chapter pertains to the socio-economic profile of Himachal Pradesh, Mandi and Shimla districts including location, historical overview, demographic trends, growth of state and district economy.

In chapter three, the rural development programmes and its achievements have been discussed.

Chapter four comprises administrative organisation for rural development at the central, state, district and block levels.

Chapter five gives a detailed account of policy for the rural development and plan-wise policy process.

Chapter six deals with planning for rural development, plan-wise planning process, planning machinery at the centre, state, district and block levels.

Chapter seventh pertains to financing rural development and rural credit agencies.
Chapter eight comprises implementation of rural development programmes in Mandi and Shimla districts.

Chapter nine deals with the evaluation of rural development programmes.

Chapter ten contains the summary, conclusion and policy implications.
NOTES AND REFERENCES


17. Vijay Pankaj, Administration of Rural Development in Himachal Pradesh, M.Phil. Dissertation Submitted to Panjab University, Chandigarh.


