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RURAL DEVELOPMENT AND COMMUNICATION: STRATEGIES IN THREE INDIAN STATES

University of Hawaii

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RURAL DEVELOPMENT AND COMMUNICATION:
STRATEGIES IN THREE INDIAN STATES

A DISSERTATION SUBMITTED TO THE GRADUATE DIVISION OF THE UNIVERSITY OF HAWAII IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE DEGREE OF
DOCTOR OF PHILOSOPHY
IN POLITICAL SCIENCE
DECEMBER 1982

By
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ACKNOWLEDGMENTS

Rural development has been an area of considerable interest to me. My experience as a government official deeply involved in rural development in Maharashtra created in me an awareness of the magnitude of the problem in India. The East-West Communication Institute provided me an opportunity to conduct research into policy issues. I am grateful to the East-West Communication Institute for the necessary support over a period of nearly three and a half years which helped me freely pursue my area of interest. It gave me a valuable exposure to recent development in the academic world in this area and an opportunity to relate these to my practical experience. I also thank the Government of Maharashtra for granting me leave of absence for this research study.

I am grateful to the Political Science Department of the University of Hawaii for introducing me to the field of critical inquiry of social policies. I gained a lot from the interactions with the professors and graduate students. I am indebted to numerous students for stimulating discussions and constructive suggestions. Apart from the members of my dissertation committee, Dr. Sripada Raju of the East-West Culture Learning Institute and Dr. Wimal Dissenayake of the E.W.C.I. took great pains to read draft chapters of this dissertation and offer valuable comments. Above all, I am grateful to Professor Harry Friedman for his constant guidance throughout my research.

I will always cherish the professional and personal relations that I had with the various scholars and researchers at the E.W.C. and the
Political Science Department of the U.H. and the Institutes and Organizations I visited during the course of this study. Finally, I thank Freda Hellinger for painstakingly typing the dissertation. The responsibility for all the contents of the research is mine alone.
ABSTRACT

Rural development policies followed by most Third World countries during the last three decades have led to little change in the low standards of living of the rural population. While they have registered impressive increases in production, both industrial and agricultural, inequalities have developed and rural poverty has deepened. An obvious reason for this has been the nature of development policy followed so far, which has emphasized increasing production while paying scant attention to distributive justice.

In the light of this trend, this research looks at the experience of different development policies in India. In addition to investigation of a state that has followed the traditional policy--identified as technocratic development strategy--an in-depth analysis is made of a state that has attempted a radical approach to the issue of solving rural poverty and a state which has followed a reformist approach, attempting to combine moderate distributive reforms with an essentially production oriented strategy.

Bihar, West Bengal and Maharashtra are the states representing technocratic, radical and reformist approaches to rural development. Field research in the three states included extensive interviews with policy makers, administrators and individual recipients in the development programs. Research publications and documents of governmental agencies and independent researchers also played important roles in shaping this work.
The study reveals that the rural class structure and the agrarian system of the state play vital roles in the formulation of a development policy. In Bihar, the rural middle class has been able to capture political power and thus adopt policies favorable to its interests, while resisting measures aimed at distributive justice. The class structure of West Bengal has tilted the balance against the rural rich; the emergence of the Marxist parties to power has contributed to development policies aimed at changing the inequitable rural class relations, with beneficial effect on rural poverty. The agrarian system of Maharashtra and the rural class structure as it evolved has led to policies that have emphasized limited reforms with attempts to improve the status quo, while avoiding fundamental changes in existing class relations.
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CHAPTER I
INTRODUCTION

It is generally agreed that something has gone wrong with the development policies adopted by most of the Third World countries in the last three decades. After the great hopes which early development efforts raised, a feeling of despondency prevails now. While it is true that the policies followed so far have led to economic growth and the rate of growth has been higher than in the earlier decades, the benefits have not been evenly distributed. Inequalities have developed between classes and groups and they are also manifest between and within regions and economic sectors. Nowhere is this more pronounced than in the rural areas.

Crisis in Developmental Policies

The failure and crisis of development in most of the Third World countries has turned out to be a crisis in rural development. Despite the progress in the industrial and allied fields, poverty is rampant, particularly in the rural areas, where a majority of the population lives in the developing countries. Both the total number of people living in absolute poverty and relative poverty have been going up. According to a study by the Food and Agriculture Organization in 1979, there were, in 1970, about 700 million people, all over the Third World, who were living in absolute poverty; about 85 percent of them lived in rural areas. The figure for 1962 was about 43 million less than this.
The rate of increase of the poverty-stricken was expected to rise much faster between 1972-1982 than in the earlier decade. In fact, the World Bank has estimated that about 750 million people lived in absolute poverty in 1980, a figure expected to rise to 850 million by the year 2000. There has now been widespread acceptance of the view that the development policies followed by these countries have been indifferent, if not inimical, to rural development. Most of the Third World countries followed a policy of industrialization and expansion of the modern sector as a means of rapid economic growth and 'take off'. Development policy, till recently, has been characterized by following of the dominant paradigm of Western 'development'. Development was associated with economic growth, industrialization, capital-intensive technology, modernization along Western lines, and an 'aggregate bias' that it had to be planned and executed by using national-level centralized agencies. This general approach emphasized that modernization of an underdeveloped economy could and should be achieved by the diffusion of the basic traits of the developed countries. The development policies espoused a strategy of rapid economic growth through a few large-scale and capital intensive projects as engines of growth. The planning process involved a 'top-down' process of 'development' that sought to serve the masses through bureaucracies. It was believed that economic growth would eventually be accompanied by social justice and growing liberal democracy and lead to the emergence of independent economies.

It was assumed that the benefits of development of the modern sector would trickle down and, as the economy moved towards 'take off,' the rural sector would be carried on the back of the urban industrial sector. Meanwhile, the approach required of the tradition-bound
peasantry only marginal modernization and the provision of food and new markets for the modern sector.  

But, by all accounts this hope did not materialize. As Hollis Chenery expressed:

> It is now clear that more than a decade of rapid growth in underdeveloped countries has been of little or no benefit to perhaps a third of the population. Although the average per capita income of the Third World has increased by 50 per cent since 1960, this growth has been very unevenly distributed among countries, regions within countries and socio-economic groups.

Thus, the development policies followed have meant very little to the rural poor of the Third World countries, whose numbers have increased considerably. Both the magnitude of the problem and its seriousness are also increasing. The increasing multitudes of the rural poor are considerably alienated from the development policy makers. All these factors have led to the widespread admission that development policies have been faulty. The disillusionment with the hitherto accepted notions of development is pronounced in the area of rural development policy making.

The crisis of development lies in the poverty of the mass of the Third World as well as that of others, whose needs, even the most basic—food, habitat, health and education—are not met; it lies, in a large part of the world, in the alienation, whether in misery or in affluence, of the masses, deprived of the means to understand and master their social and political environment.

The critique of development policies followed and goals pursued is not limited to non-official researchers and scholars. Similar sentiments have been echoed by official bodies. The Indian Planning Commission noted in the Draft Sixth Five Year Plan:

> It has generally come to be realised that the concept of growth rates as a measure of economic development has considerable limitations. The rate of growth fails to
measure the welfare of the masses of the people, since it is unrelated to the distribution of the national income as between the different classes. While it is true that a more rapid expansion of the economy will make it easier to increase the welfare of the poor, it is not necessary that the allocation of resources required to reach the highest achievable rate of growth of the economy at any point of time will be optimal from the point of view to the desired distribution of income.

This is indeed an important shift in emphasis in an official agency charged with the task of planning for development. The view that a high rate of growth by itself will bring about a reduction in poverty or that a high rate of growth is necessary for "development" was accepted as untenable. As Mahbub ul Haq observed:

We were confidently told to take care of the GNP, and poverty will take care of itself, that a high GNP growth target is the best guarantee for eliminating unemployment and redistributing incomes later through fiscal measures. Where did the development process go astray?

The Indian Case

In few countries are the contradictions of the development policies more apparent or the differentials more visible than in India. Industries have developed over the years, a strong industrial infrastructure has been created and production has increased both in volume and in variety. These changes have been due to the industrial policy of the government, which emphasized the development of heavy industries with substantial public investment. In agriculture too, production of food-grains has more than doubled.

On the other hand, poverty has continued unabated and the population below the subsistence level has continued to grow, not only in absolute numbers but in proportion to the total population.
Differentials have become more visible, and increased income for a minority has tended to coincide with deteriorating conditions for the majority. As the figures in Table 1 show the size of the rural poor has grown by 78 million between 1957-58 and 1979-80. The vast increase in the ranks of the rural poor, in spite of three decades of development policies designed to contain and eradicate it, has led to considerable dismay among development planners. The policies followed so far have been seriously questioned and alternatives have been explored.

A brief survey of the development scene may contribute to understanding the circumstances regarding the development of alternate ideas. After independence, India set out on a course of planned development. The Community Development Program was launched early in the 1950s as the cornerstone of the rural development policy. "It was thought of as a comprehensive self-help movement, embracing education, health, drinking water, roads, agricultural production and cottage industries. It was conceived as a people's program, mobilizing their energies, resources and labour for the whole community." Thus, it was expected to develop the whole community, comprising different sections and classes.

The leaders of the newly independent nations expected that just as the independent movement became a movement of all the community against the alien rulers, so would the new rural development program benefit all. It was believed that just as Independence of the country became a common goal of the people of all classes, so would development become a unanimous goal. The thought that such a policy, attempting to benefit all would founder on class conflict and
### Table 1

Estimates of Rural Poverty in India

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of rural population in poverty</th>
<th>Size of population of the rural poor (in millions)</th>
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<tr>
<td>1957-58</td>
<td>53.4</td>
<td>182</td>
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<tr>
<td>1958-59</td>
<td>46.5</td>
<td>158</td>
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<td>1959-60</td>
<td>48.7</td>
<td>173</td>
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<td>1960-61</td>
<td>42.0</td>
<td>152</td>
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<td>1961-62</td>
<td>42.3</td>
<td>157</td>
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<td>1962-63</td>
<td>44.9</td>
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<td>1973-74</td>
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<td>1974-75</td>
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<td>1975-76</td>
<td>47.7</td>
<td>225</td>
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<tr>
<td>1976-77</td>
<td>45.2</td>
<td>216</td>
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<tr>
<td>1977-78</td>
<td>N.A.</td>
<td>252</td>
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<tr>
<td>1978-79</td>
<td>N.A.</td>
<td>256</td>
</tr>
<tr>
<td>1979-80</td>
<td>50.70</td>
<td>260</td>
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division was discounted. When critics holding different ideologies emphasized that the class cleavages and the growing polarization in the rural areas would seriously hamper a development effort aimed at the betterment of all, the criticism was wished away. Political leaders asserted instead, that the new program was a synthesis of ideas, would help all sections and that a newly independent country could not make development plans for only a few sections of its population.11

The main philosophy behind Community Development—that all of society would benefit equally from the program—turned out to be the root cause of its failure. There were no attempts to change the inequitous agrarian structure; far from having a radical redistribution of rural assets, the land reform measures adopted merely replaced the non-cultivating absentee landlords with a cultivating landed class. The ceilings on land holdings also did not lead to redistribution of landed assets. In a nutshell, this development philosophy hoped to bring about development of all the classes of rural society without substantially changing the existing inequitous structure. This, ultimately, turned out to be the basic weakness of the Community Development Program.

An additional weakness turned out to be the absence of a political force in the rural areas, one wedded to the goal of equitable development. In the absence of a self-disciplined, politically committed cadre, the bureaucracy became the main instrument of implementation of development policies. The bureaucracy at the launching of the Community Development Program was substantially the same as the old colonial administration. The sudden change required,
from a body set up to maintain law and order for the British Empire to a development administration, found it unprepared for the new role. The members of the upper echelons of the bureaucracy were substantially drawn from an elite class. Many studies of the social background of the administrators in India have underlined the essentially elitist nature of the bureaucracy.\(^{12}\) Thus, as Niranjan Metha says:

[its] elite traditions were antithetical to the needs of a mass based utopian movement. The bureaucracy served further to alienate the masses, particularly by its overt alignment with the rural elites, with whom, after all, it shared common attitudes and concerns. Social legislation, however radical, or innocuous, had no chance of being implemented through the existing machinery.\(^{13}\)

Thus, when a decade of the Community Development Program failed to bring development and reduce rural poverty, new schemes were introduced. The ruling Congress Party, in 1959, passed a resolution calling for a socialist pattern of society and cooperativization of the rural agricultural system. To make the CDP a people's program and to reduce bureaucratization, the Panchayati Raj system of decentralized democratic institutions was introduced early in the 1960s.\(^{14}\)

These reforms turned out to be organizational designs that tended to bypass structural barriers and constraints rather than removing them. As a number of studies have shown, the cooperative movement came to be captured by rural vested interests.\(^{15}\) The Panchayati Raj institutions have also tended to meet a similar fate. Studies by Rosenthal and Rami Reddy have shown that these institutions helped the rural rich to further consolidate their hold on the rural areas and gave them a fresh lease of life.\(^{16}\) These representative
institutions came to be monopolized by the rural vested interests and this tended to "give a de jure sanction to their unofficial influence." 17

The sixties also saw the start of the green revolution in India. The term 'green revolution' refers here to the New Agricultural Strategy of the Government of India of the sixties, also called the Intensive Agricultural Development Program. Its main thrust was the easy provision of a package of inputs, including fertilizers, water, credit, extension services and high-yielding varieties of seeds. The package was intended to furnish the requirements needed for increasing grain production in order to reduce the food shortage and the importation of food grains. To this end the communication and extension strategies underwent a subtle change from an educative and development attempt to a focus on the immediate end of increasing production. Thus, 'progressive' or 'easy to convince farmers' became the main receivers of governmental attention. 18

The inherent belief was that increasing food production was the paramount need; distribution could always be managed later to ensure equity and social justice. The strong proponents of social justice were persuaded to become 'pragmatic' and accept reality. 19 After the lack of success of the CD Program to 'achieve targets', the government wanted to launch a program which would succeed; targeting and reaching agricultural production figures appeared to be easier than the vague expectations of the CD Program.

The green revolution saw India not only stop food imports but also start to export food grains. It had little beneficial impact on the rural poor. On the contrary, the sixties saw the percentage of
the rural poor remain very high; it reached 57.4 percent in 1966-67 and a high 57.9 percent the next year, before declining a little to 53.7 percent in 1968-70. Throughout the sixties clearly one-half of the rural population in India remained below the poverty line, the period contributing a net addition of nearly 50 million to the ranks of the rural poor—all during a period of technological breakthrough in the agricultural sector and increasing food production. The green revolution exacerbated the already existing inequalities. The gap between the rural rich and the poor widened as social polarization increased. As Keith Griffin explained:

The small poor peasants, with limited access to credit, technical knowledge and the material means of production [were] unable to innovate as easily or as quickly as those who are landed, and literate ... Those farmers who already possess resources in the form of land, capital and knowledge are able to grasp the opportunities created by the "green revolution" and further improve their position. But, those who are landless and illiterate will tend to lag behind and, perhaps, become further impoverished ... Moreover, it has become reasonably clear that the introduction of high yielding varieties of foodgrains has often been associated with increased income inequality and greater social differentiation in rural areas ... Thus the revolution ... creates ... problems.20

The experience with the green revolution has proved that rural development is by no means an agricultural productivity problem, nor mainly a technical problem. Poverty has been spreading while constraints seem to multiply and continue to halt progress.21

The Three Strategies of Rural Development

The continuing failure of rural development policies, whether they are manifested in CD or Intensive Agricultural Production Program, has led to serious discussions of alternate strategies of development. These came to the surface with the election of different
parties to power in the states, beginning with the general elections of 1967. I will classify these different strategies of rural development that have emerged in India into three broad groups and identify them as "technocratic" or "growth oriented," "radical redistributive" and "reformist." 22

The three different approaches to rural development have emerged as a result of the scope available to state governments, ruled by different political parties, to adopt different approaches. The nature of public policy making in India under the federal system has offered considerable opportunity for individual state governments to adopt policies independent of the Central government. Early commentators on the nature of Indian federalism had highlighted these possibilities, but this remained an academic question during the first decade of the Constitution due to the dominant position of a single political party. The break up of the monopoly of the Congress party, which gained momentum after the elections of 1967, and the election to power of other parties have been instrumental in the introduction of new approaches to rural development.

The clear demarcation of powers between the central and the state governments facilitates this, in spite of the strong central government in India. It would have been difficult for alternate approaches to development to emerge if the dominance of one party had persisted. Analysts of alternate approaches to development in India have emphasized the possibility of different parties following different approaches. For example, C. T. Kurien emphasized the need for equity oriented growth after the 1967 elections. 23 Other critics of the dominant development philosophy underlined the possibilities
of alternatives when the Communist Party of India won the elections in Kerala in 1957.24

Center-state relations in the last three decades have highlighted this as well. It can be argued that state power has increased when the ruling party in a state is different from that at the center. That is, a determined state, ruled by a party different from the center's, can forge a policy different from the center's.

The separation of powers, between the center and the states, leaves no scope for abridging the powers of the state and does not discriminate between states. In the sphere of financial relations, for example, once the Finance Commission, which is an autonomous body created once in five years, decides the principles for the division of resources between the center and the states, it is mandatory for the various governments to follow it. Thus, the scope for enforcing a uniform approach to development at the behest of the Central government is limited. On the other hand, if the party in power, both at the center and the states, is the same, the maneuverability of the state is limited, for the government leaders at the central government are the senior leaders of the same party, thus limiting the freedom of movement of the state government leaders.

Besides the nature of public policy making, the conditions of rural life and the social and economic differences between states have also contributed to the evolution of the three approaches to rural development. Some writers have emphasized the fact that the Indian villages are not homogeneous economic and political entities. The internal diversity, while its extent varies, is palpable. The inequitable access to land has accentuated the already deep hiatus
between classes. Besides the deep division between the rural rich and the poor, there exists a cleavage along caste lines. In such a circumstance, ownership of land is very crucial, for it decides access to other strategic rural resources as water, credit, fertilizers and to the well-entrenched bureaucracy.

The villages are in different stages of economic and political development. Agriculture, the predominant source of livelihood of the villagers, is also not developed uniformly. Agricultural practices within and between villages vary, from feudal to the most "modern" capitalist variety. These practices have, in turn, influenced the development of a particular strategy. For example, Keith Griffin has observed that the sharper the polarization in the rural areas, the greater the possibility of adoption of a radical approach.

The more primitive the general agricultural practices the greater the possibility of a technocratic strategy. West Bengal's acceptance of a radical strategy and Bihar state's continuing adherence to the technocratic strategy seem to be along these lines.

The pressure of population on land, with a critical man/land ratio can be credited with having hastened a radical redistribution of land in Kerala. The important differences in the stages of evolution of the respective social structures have been instrumental in the adoption of different strategies by different states.

The Technocratic Strategy

Of the three approaches to rural development so evolved, the technocratic strategy is the oldest: it is the traditional capitalist strategy of development. It emphasizes increase in rural productivity
as the main prescription for ending rural poverty; its emphasis is on technological modernization, managerial efficiency and growth in GNP.

In India, this approach, which has held the stage for nearly two decades, has relied heavily on a centrally planned and controlled economic development.

It has been assumed that the benefits of development in a "modern" industrial sector would trickle down, carrying the rural economy with it towards "take-off." The agricultural sector is important, for it supplies the basic raw materials for the industrial sector; it also has to feed the people. In practice this is translated into a growth-oriented approach to the rural areas, emphasizing increased productivity by making use of the latest technological and chemical developments in the field of agriculture.

This strategy emphasized "growth first, redistribute later"; in India for instance, the First Five Year Plan, while spelling out the need for social justice, mirrored the growth-oriented policy that economic growth and income redistribution are not irreconcilable. The Plan said:

"It is important to ensure that the measures, fiscal and other, to be adopted and for promoting economic equality do not dislocate production and jeopardize the prospects of ordered growth."

This seemed to echo the then prevalent view of reputed economists, like Kenneth Boulding, that "in a poor society, economic growth may require sharp inequalities, and too great equality may condemn the society to stagnation." This view is consistent in the Indian First Five Year Plan. Discussing the priorities of the agricultural sector the Plan document said:
We are convinced that without a substantial increase in the production of food and raw materials needed for industry, it would be impossible to sustain a high tempo of growth.

The writings of Rostow reinforced the belief that widening gaps between different strata of a developing country's population were bound to occur as economic development took place. This development strategy was based on the diffusion of superior material and cultural factors from the "developed" Western societies to the underdeveloped societies and from the "modern" to the "traditional" sectors of the underdeveloped countries. The term "development" was used synonymously with economic growth.

But the growth oriented, technocratic development strategy has failed to be of benefit to most of the rural population of the country. While there has been economic growth and increase in GNP and per capita income, the "percolation" and "trickle down" effects of this growth have not occurred. The distribution of this income has been more than beneficial to the economically well-off sections of the population, while the poor people have gained little from this. The percentage of population below the poverty line has not decreased; on the contrary it has increased. The absolute number of people below the poverty line certainly has increased too. The usefulness of the technocratic model to bring about "development" has come to be seriously questioned.

Even though the failure of the technocratic strategy to bring about economic "development" was apparent by the late fifties, this strategy was not abandoned by many states in India. Some states still continue to follow a "growth first" rural development strategy.
The Radical Strategy

The unhappy experience with the technocratic strategy pursued by the central government and the election of the Communist Party of India to power in the state of Kerala in 1957 led to the initiation of a radical development strategy in some states of India. Kerala, West Bengal and Tripura states, which have had a communist party as the ruling party, have followed a radical approach to the issue of rural development and with beneficial impact on many crucial rural problems.32

An important factor leading to the adoption of a radical approach has been a radically different interpretation of the issue on poverty and its causes, stemming from the party's ideological beliefs. That the inequitous rural social, economic and political structure, not the level of income or the rate of economic growth, is the basic determinant of the pattern of income distribution is an important conceptualization underlying this approach.

The radical approach to the problems of rural development differs from the technocratic approach in a fundamental way: the technocratic approach equates poverty with deprivation; in the radical approach, poverty includes deprivation, but is something more than deprivation. Poverty is seen as deprivation for the many and affluence for the few. These two always appear together, possibly as the twin manifestation of the same phenomenon. Thus, poverty is a socio-economic phenomenon, whereby the resources available in a society are used to satisfy the wants of the few while the many do not have their basic needs met. Further, all the productive surpluses flow to the center and are not returned in any sizable measure to the many, leading to deprivation.
Poverty is essentially a social phenomenon and secondarily a material or physical phenomenon.

This approach to poverty has led to the adoption of a redistribution oriented development policy by the Marxist governments. The most important component of this strategy has been the effective implementation of land reform measures and redistribution of land. There is evidence now to show that land reforms in India have led to widespread redistribution of holdings in few states outside the Marxist run ones.

Radical development also differs from the technocratic approach in that it seeks to change the existing status quo, while the technocratic strategy works to preserve the existing structural and class relations while still bringing about "development." According to the radical strategists, a change to the present status quo is essential for eradicating what they see as poverty, namely, deprivation for the many and plenty for the few. While the growth oriented approach has emphasized increased agricultural production, to the detriment of equity--inequality being held to be a necessary evil--the radical strategy has concentrated on a redistribution of land and political power to reduce inequalities. If a conflict were to arise between redistribution and higher production, the former would get the priority.

For a reorganization of the rural political structure, the Marxist party has been engaged in the task of reviving the dormant Panchayati Raj system of rural development in West Bengal. The Panchayati Raj system refers to elected councils at the levels of the village, a group of villages, called a Block, and the district. This three-tier system of elected councils has been in existence in many states in India since the early sixties, but it has been widely accepted that these bodies
are highly bureaucratized and influenced by the rural rich. There is, however, evidence to believe that this policy in West Bengal has led to increased participation by the rural poor in these representative bodies. Sustained mass participation encouraged by this government has also helped to prevent increasing bureaucratization of Panchayati Raj. The few research studies on the efficacy of this model of rural development point out its increasing success in inducing equity oriented development.

The Reformist Approach

The reformist approach acknowledges the failure of the growth oriented technocratic approach to reduce poverty. At the same time, it does not take kindly to the radical, Marxism. It aims at participatory development, with a plan of growth plus redistribution, approach, and the Panchayati Raj influenced by Gandhianism to provide the spatial framework.

The pioneering study of poverty and its effects in India, by Dandekar and Rath of the Indian School of Political Economy, provided the intellectual scaffolding for the reformist approach. The two political economists explicitly declare, "A process of economic development inevitably benefits the richer classes much more than it does the poorer classes. Indeed, it seems that the rich must grow immensely richer before the poor may secure even the desirable." They advocated a 'growth plus' strategy which they explained as follows:

At the root of the prevailing inequalities in income is the inevitable distribution of the means of production. The communist solution to the problem is to socialize all means of production and ensure a socially equitable distribution of income. If this is ruled out, as it seems
to have been ruled out, the other alternative is to redistribute equitably the means of production themselves.

A major means of production in the Indian economy is land. Therefore, a suggested remedy to the problem of poverty is to redistribute the available land among all those who depend on it. But, there is not enough land to redistribute so that everyone may employ himself on his land and earn a minimum desirable living. It also does not appear to be a solution which can be maintained in the face of economic forces operating in an economy in which the means of production are privately owned.38

The authors recommended a scheme of labor intensive rural industries to increase the purchasing power of the rural poor to acquire the goods and services they need. The small scale and cottage industries would primarily be geared to the rural and semi-urban markets. This approach also involved an extension of the Panchayati Raj system to provide for the participation of the rural people at various levels.

A striking feature is the explicit recognition that "at the root of the prevailing inequalities in income is the inequitable distribution of the means of production" and their equally explicit profession that any change in the distribution of the means of production is not "feasible or desirable," and that "a solution to poverty without changes in the distribution of the means of production is indeed possible."39

This approach is designed to determine "what can be done to meet the claims of the poor within the private ownership of the means of production. The poor will also make the necessary concessions to private property, provided their minimum legitimate needs are attended to. Hopefully, the rich, the vested interests and the policy makers who represent them, will also see the point and concede the claims of the poor. If they do not, the poor in their desperation, will soon come to the conclusion that justice and fairplay is not possible within the
framework of private ownership of the means of production and proceed to take the classical path (i.e., the Communist path, as can be seen from the earlier sections of the passage omitted here) of which there are beckoning examples around, whatever the political costs.\textsuperscript{40}

An activated Panchayati Raj, established with the active participation of the directly elected representatives of the people at various levels is the medium to accomplish this compromise. This spatial framework resembles the system recommend by John Friedmann much later.\textsuperscript{41} The Panchayati Raj system was intended to actively promote an integrated program of rural development. The panchayats, by mobilizing local initiative and providing a vehicle for popular participation, would, it was hoped, provide dynamism that had been lacking in the earlier rural development schemes. This redesigned Panchayati Raj, it was also hoped, would lead to a more meaningful, self-reliant development, avoiding the pitfalls of the earlier approach. There has been considerable support for this view in the current literature.\textsuperscript{42}

A brief analysis of the tenets of the three approaches to rural development shows that while the technocratic approach stands out distinctly from the other two, the dividing line between the radical and reformist policies is blurred. The difference between the reformist approach and the radical one is that while the latter attempts structural changes, at least in the limited, but crucial area of agrarian relations, the former expects to 'achieve' rural development within the existing class relations.
Apart from the three states following a radical approach, no other state has implemented land reforms in a substantial way. Land reforms by itself, is radical in the Indian context.

The other crucial but substantial difference between the two approaches is that between rhetoric and performance. Even when government rhetoric about development has highlighted the 'socialist' nature of reforms, words have stopped short of action. While Dandekar and Rath have ruled out structural changes as not "feasible or desirable," official rhetoric has often emphasized the socialist nature of policies. The ruling Congress Party, for example, at its annual meeting in 1956, passed the now famous socialist policy resolution at Avadi. It called for the creation of a 'socialist society', passing of stringent land reforms measures and the public ownership of the 'commanding heights' of the economy.43

Accordingly many states passed land reform laws providing for the redistribution of land; but, beyond abolition of the 'zamindari' or the absentee landlord class, these have not gone beyond the fringe of the problem. These laws were either full of loopholes, which could be exploited by the landlords to retain their lands, or simply remained in the statute books without implementation. It is now accepted that the Kerala Agricultural Relations Bill, passed by the Communist government, was largely modelled on this resolution. It was passed with specific purpose, to redistribute land and end the intermediaries, but at the same time it was a comprehensive law without loopholes and nullifying provisions. Furthermore, measures were taken by the government to forestall the landlords from defeating the provisions, in anticipation of the proposed land reforms.44
When the Marxist government came to power in West Bengal in 1967, it did not pass a land reforms act at all; it only implemented the Act passed by its predecessor, which had been put in cold storage. The governments of Kerala and West Bengal both confined their agrarian reforms to the implementation of the program laid down by the Government of India.

The distinguishing mark in the radical approach is the willingness of the governments to change the inequitous social structure in the rural areas. While the Kerala and West Bengal governments did not attempt to socialize the means of production or even collectivization of land and, in fact, the state did not acquire any land other than what was held by the small state-run farming corporations, their policy can still be classified as radical. It may not pass the test of Keith Griffin's classification. There are no collectives, communes or large state farms in these states, but the objectives of this strategy have been social change and redistribution of wealth and the major beneficiaries have been the small peasants and the landless laborers. All these and the distinct difference from the other approaches help label this a radical approach.

Communication Policies

Communication, an important component in the rural development process, differs sharply in the three strategies. The three approaches have different conceptual frameworks behind the formulation of communication policy in rural development. The traditional technocratic model has relied upon the trickle down, diffusion model of communication strategy.
The reformist approach places increased emphasis on people's participation; the preference here is for horizontal communication. The radical approach, with distinct differences emphasizes a local strategy of communication.46

Table 2 attempts to clarify the major differences among the communication components of the three models. Communication has played a traditionally top down, diffusion role. In the technocratic approach, the role of communication has been to transfer technological innovations from the development agencies to the recipients and to create an 'appetite' for change by raising a "climate for modernization" in the rural 'targeted population'.47 Communication is to transfer the message of development along Western lines to the rural area, where the population is the object to be developed. As Schramm succinctly explained the communication policy of the technocratic approach to rural development, "Just as the economic benefits of industry were expected to diffuse down through the level of society to the poor and the rural classes, so were new knowledge innovations, and guidance for improving agriculture supposed to diffuse through the mass media ... ultimately to the villagers and farmers."48 With the passing of the 'dominant paradigm' of communication for rural development, the limitations of such an approach became obvious.49 The diffusion process soon came to be accepted as an imperfect equalizer of development benefits, due to the unequal distribution of resources.50 In other words, individuals who have greater resources will usually benefit more from the innovations introduced by developmental agencies than those individuals who have fewer resources, thereby further widening the existing gap.51
<table>
<thead>
<tr>
<th>Purpose of Communication:</th>
<th>Technocratic Approach</th>
<th>Reformist Approach</th>
<th>Radical Approach</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To motivate rural target audience like farmers to change; to convey factual data and necessary information on innovation for adoption of specific modern practices.</td>
<td>To arrange the availability of the needed inputs at proper time at appropriate location.</td>
<td>To enable local communities to decide upon their own places for development and ask for help and resources they need.</td>
</tr>
<tr>
<td>How gains occur:</td>
<td>By wider diffusion of modern, developed practices and approaches.</td>
<td>By application of inputs which increase output and improve equality.</td>
<td>By encouraging the local people to decide their own development plans.</td>
</tr>
<tr>
<td>Main direction of the message flow:</td>
<td>Vertical, from top to bottom.</td>
<td>Horizontal and vertical for coordination.</td>
<td>Primarily Horizontal.</td>
</tr>
<tr>
<td>Critical Communication Requirements:</td>
<td>Mass media, local extension workers.</td>
<td>Channels for liaison among agencies; increased emphasis on interpersonal communication.</td>
<td>Local organization with group meetings; interpersonal communication.</td>
</tr>
</tbody>
</table>
The communication element in the radical strategy has a strong local emphasis. Under this scheme the center of activity is the local area. Two-way, not one-way communication is emphasized, even if necessary, at the expense of vertical communication. As Wilbur Schramm has said, "the media are not very good at two-way communication, nor horizontal communication. They are essentially designed for vertical, top-down communication," and the radical approach "has less need for media to lead the downward flow of information from the center than to support the horizontal flow of communication at the bottom . . ."\(^{52}\)

In the radical approach, the Panchayati Raj system is effectively used. The emphasis placed by the West Bengal government on the involvement of party cadres in Panchayati Raj institutions to prevent these bodies from becoming excessively bureaucratized, underscores this point. Marcus Franda, while discussing the rural development policies followed by the Marxist government in Bengal, has pointed out the emphasis placed by the government on meetings of the rural poor held by the Marxist party. These have helped to create political consciousness among the rural people and have helped to mobilize the rural poor more effectively.\(^{53}\)

The reformist approach also places emphasis on participation of the rural people in the developmental process. Efforts have been made to create such innovations in communication structures as decentralized government institutions and informal networks of extension services to bring more rural people into the process of decision making.\(^{54}\) The reformist approach is based on the assumption that a participatory communication approach will enable avoidance of the pitfalls of the diffusion approach and 'meaningful development' will become a reality.
A discussion of the three approaches to rural development raises certain questions regarding the nature of the public policies. The Marxist governments, while emphasizing policies to change the uneven socioeconomic rural structures, did not attempt to bring under state control the means of production. The Party's views, as summarized by the Party Secretary, were "While everyone realises that we can not create a revolution in Kerala by working the Constitution, there are possibilities of doing some good to the people. If we work the administration without corruption . . . we will be able to get the confidence of the people elsewhere in the country also."55

When the Central government turned down the state's demand for the nationalization of the foreign-owned plantations, it quietly acquiesced.56 The party's task was to develop Kerala and "the task of rebuilding Kerala needs the cooperation of the workers and the capitalists."57 Furthermore, a demonstration effect of the Kerala experience would help sell the party in other states the leaders believed. At the same time the legitimacy of the parliamentary communist government had to be established. For this, it was important to have "orderly industrial and economic development." The government, accordingly, attempted to make industrial investment more attractive. Addressing the Delhi Chamber of Commerce, the industries Minister, K.P.R. Gopalan, stressed that in Kerala, the investments were safe as the government of the state had the complete confidence of the working class and which was pledged to maintaining industrial peace.58 Elsewhere, he contended that their primary aim was to industrialize the state, and that a contented labor class would play a patriotic role in increasing production.
The CPI government in Kerala was one of the first democratically elected communist party governments in the world. It was working within the four corners of the constitution and it had to prove that it could do so; in a sense, the government "had to be more loyal than the king." The policies adopted were no more radical than those of a Social Democratic government of Western Europe. George Leitens, analyzing the policies of this government, saw similarities between this and Eurocommunism. The present radical policy approaches have not so far made attempts to socialize the means of production; they have only attempted structural changes and adopted policies to distinctly benefit the poorer sections of the community.

Gunnar Myrdal has written at length about the state apparatus in India, which, as he sees it, is either too weak or too unwilling to implement its own progressive laws. He has called India a 'soft state' for this. However, the radical policy approach has shown that implementation of reforms was possible, even though there are 'constitutional limitations.'

Radical policies can help to mobilize public opinion. Information about the legal rights of the rural landless laborers and agricultural workers reaches the grass roots where the people can press for their implementation. In this way, more than the reformist, the radical policies have helped to mobilize public opinion and participation by the rural population.

Research Issues and Material Collection

The three strategies of rural development do not exist in a vacuum. The political setting is always significant. The three
strategies are also not watertight compartments, without contact. They constitute a gradation, as Keith Griffin affirms, or a continuum, with the technocratic strategy at the bottom and the radical strategy at the top, having performed well within the present democratic system with all its constraints.

The categorization stems from the emphasis placed on redistribution and equity in the field of rural development. This study involves a comparative study of the three approaches to rural development: the technocratic, the reformist and the radical. In the field of communication it involves a comparative evaluation of the diffusion model, the participatory development model and the local strategy model of communication. All these approaches exist in India, in different states, side by side, and thus offer a unique opportunity for a comparative analysis. This enquiry will investigate the reasons for the adoption of a particular approach to development in a particular state and the sum total of the effects of such a strategy. The study claims to identify the factors that explain the choice of a particular approach to rural development in a particular state, in preference to others, focusing particularly on the ideological orientations of the elite and on the structure of political power in state and its relation to the national power structure.

An understanding of the forces which shape policies and strategies of rural development is particularly important. To identify these, one state representing each of the three approaches to rural development has been selected for the study. As described by Arend Lijphart, one use of the comparative method of research lies in "focussing the analysis on comparable cases (i.e., cases that are similar in a large
number of important characteristics, but dissimilar with regard to the variables within which a relationship is hypothesised) which may be found within a geographical area..." 62

In this work there will not be rigid hypothesis testing. Instead, the work will typify the description of Hugh Stretton:

Rather than imitating experimental control, a more promising use of comparative study is to extend the investigator's experience, to make him aware of more possibilities and social capacities and thus to help his imagination of question-prompting cause-seeking and effect-measuring alternatives, rational models, ideal types, utopias and other useful functions. The function of comparison is less to stimulate experience than to stimulate imagination... Comparison is strongest as a choosing and provoking not a proving device, a system for questioning not for answering. 63

For this study, the states of Bihar, Maharashtra and West Bengal represent the three approaches--technocratic, reformist and radical. Bihar, by all accounts, is the most poverty-stricken state in India, despite being rich in natural resources; it stands at the bottom, whatever the test of poverty. The developmental strategy followed by Bihar falls into the conventional technocratic model. Bihar State's Sixth Five Year Plan makes this abundantly clear. 64 This document expresses the belief that Bihar, with its rich natural resources and fertile land, is capable of increasing agricultural and industrial production so that the benefits will percolate down to the general population. There is nothing to indicate that the trickle-down effect of development has started or will ever do so. The official plan documents do not place noticeable emphasis on effectively implementing land reform measures. The faith in the thesis that the size of the "cake" has to increase so that it can be meaningfully distributed runs throughout the documents.
Maharashtra can be classified as a state which is following a reformist strategy. Official rhetoric in the state places increasing emphasis on growth with distribution. The state's Sixth Five Year Plan, for example, notes the failure of successive plans to reduce poverty in the state. Considerable reliance is placed on the study of rural poverty by Dandekar and Rath and while concurring with these two on the rejection of a Marxist approach, the plan's authors discuss at length the need for economic growth to go hand-in-hand with distribution of assets. To implement the strategy, grass-root rural institutions of mass participation have been strengthened with the establishment of the Zilla Parishad system. Participation of the people at various stages of development policy making has been strengthened with the maintenance of such bodies as the District Planning and Development Councils and the Panchayati Raj structure.

West Bengal represents a radical policy approach. The Communist Party of India, Marxist, first came to power in this state in 1967, at the head of a coalition of radical parties. With its allies it has been in power in the state for most of the time ever since. The Marxist government has effectively implemented a progressive scheme of land reforms, underlining the radical nature of the rural development policy followed by this government.

Two rural development schemes implemented between 1975 and 1980 will illustrate the differential process among the states. The "Integrated Rural Development" is a "new style" rural development approach which emerged after the 1971 elections, and which is credited with having focused attention on rural poverty. The basic concept of this approach is that rural development must be attempted in a
holistic, rather than a piecemeal, manner and that in addition to increasing agricultural production by improved practices and provision of necessary inputs, there must also be an improvement in health, literacy and living standards for the rural community as a whole.

In addition to the IRD, decentralization in development planning was started in the rural areas along with an attempt at increased participation at all levels of the district. Both these schemes have the sanction of the central government and are centrally funded schemes, but the state governments have substantial freedom to introduce variations of the policy at the state and the district levels to suit local conditions.

The second chapter analyzes the epistemological and methodological bases of the study, including the methods of data collection. Chapter III contains an explanation of the predominant economic and political system in India underlying the development efforts. In Chapter IV there is an assessment of the technocratic growth strategy in Bihar, while Chapter V evaluates the class structure favoring the radical redistributive approach in West Bengal. It is followed by a similar enquiry into the reformist approach in Maharashtra in Chapter VI. Chapter VII summarizes the findings of the study and its implications for rural development.
Figure 1. Map of India showing Study Area.
CHAPTER I--NOTES


3. For a detailed discussion see Michael Lipton, Why Poor People Stay Poor (London: Temple Smith, 1976).


11. Ibid., p. 23.


14. The 'Panchayati Raj' system of democratic decentralization of administration in the rural areas was recommended by a committee set up by the Government of India, under the Chairmanship of Balwantrai Mehta. It recommended a change in the highly bureaucratic system of rural administration modelled on the French system of the Prefect.
In short, it called for the setting up of elected governing councils at three levels below the state level—the village, the Block or 'Panchayat Samiti' or a group of villages and the District. Rajasthan was the first state to introduce this system in 1959. It is in existence in some form in most of the states in India.

15. This has been borne out by many studies. For a good account see Donald B. Rosenthal, The Expansive Elite: District Politics and State Policy Making in India (Berkeley: University of California Press, 1977), and Francine R. Frankel, India's Political Economy 1947-1977.


21. Ibid.

22. Ibid. For Griffin, the three approaches have as their ideological basis, the capitalist system (the technocratic approach), nationalism (reformist) and socialism (radical). While my classification is generally similar to that of Griffin, the major difference is regarding the dominant nature of tenure in the radical case; for Griffin, the radical approach has collective communes and state farms as the important forms of tenure, the radical approach that I have identified in India does not envisage this form. The Communist Parties in India have never emphasized the need for collectivization of farms. Land to the tiller has been their policy approach.


27. K. N. Raj, op. cit.


30. First Five Year Plan, op. cit.

31. For a detailed and critical account of the failure of the technocratic approach and its connotation see Marcus Franda, "Indian Planning Commission Shifts Course," AUFS Reports, No. 2 (1978), pp. 1-12.

32. C. T. Kurien, op. cit.


35. Ibid.


37. Ibid.

38. Ibid., p. 77.

39. Ibid.

40. Ibid.


43. Dilip Hiro, Inside India Today, pp. 73-74.

44. Ibid., p. 144.

45. Ibid., p. 169. For a good discussion, see Chapter 14.

47. Ibid.


51. Everett Rogers, "Communication and Development . . .," op. cit.

52. Wilbur Schramm, op. cit., p. 21.

53. Marcus Franda, op. cit.

54. Everett M. Rogers and Ronny Adhikarya, op. cit.


56. Under the Constitution of India there are three broad division of powers: those given to the states, those with the central government and those under the state and the central governments. The state government can pass legislation or take action only with the concurrence of the central government; any action taken without such concurrence will be void. The take-over or nationalization of foreign-owned plantations by the state governments falls in this zone, ostensibly because relations between the Indian government and the country of origin of the foreign company is involved. The government of India, however, could pass legislation in this area even without consulting the states. For example, the nationalization of insurance companies, including foreign-owned ones was carried out by the central government.


58. For a good discussion see George K. Lietens. The Communist Party of India broke up into two in 1964, the Communist Party of India or CPI and the Communist Party of India, Marxist, or CPM, which is more radical than the CPI and more powerful.


61. Quoted in George K. Lietens.


CHAPTER II
RESEARCH EPISTEMOLOGY

The Philosophers have only interpreted the world in various ways; the point is to change it.

-- Karl Marx*

The epistemological perspective of a researcher has important and far-reaching bearing on the research study he undertakes. In this study the critical theory approach of Max Horkheimer and others of the Frankfurt school will constitute the foundation. The critical theory approach to research in social sciences is incompatible with the dominant social science paradigm of logical positivism/empiricism and I will attempt to explain the reasons for adopting this approach in this chapter.

There are several possible approaches to the vexing question of increasing rural poverty in the Third World. One explanation may describe rural people as being traditional, lacking in "modern" technological skills, a desire to 'achieve' and other cultural, or even racial, characteristics. But another analysis arising out of a different epistemological approach, can explain the prevalence of rural poverty as arising out of an inequalitarian land-holding and inequitable agrarian structure, monopoly of ownership of the means of production, the historical dependency of the poor on the rural rich, domination by the feudal classes and the rural elite, absence of true self-determination, and class and structural bias by the public policy framers and the implementing agencies.
These two approaches offer explanations quite different from each other, and can, consequently, suggest measures which are diametrically opposite for the alleviation of rural poverty. The former approach leads to answers that have been codified in Chapter I as the technocratic approach to rural development. The latter epistemological approach can yield a radical approach to development according to which a drastic restructuring of the existing society is imperative.

**Logical Positivism**

Until fairly recently, logical positivism/empiricism was the unchallenged approach to social science enquiry. The dominant model of scientific conceptualization and theory-building derived from the natural sciences, especially from physics, which by virtue of mathematical vigor with which its constructs and theories could be rendered, was long considered to be the paradigmatic scientific activity. The model may be characterized as both positivist and empirical: theory building within this model is a process which explicitly rejects prior epistemological assumptions and derives solely from observed data. The law and theories of science are generalizations which attempt to describe, as precisely as possible, the behavior of empirical phenomena and to predict their future behavior within successively broader contexts. Such a positivist approach has been known as the 'Vienna Circle': Among the group were Otto Neurath, Schlick and Carnap. They were struck by the 'objectivity' and logic of natural sciences and wanted to 'enforce scientific vigor' in the social sciences. 2

The positivist movement of the Vienna School rejected any distinction between the natural and social sciences. It assumed a
symmetry of the natural and the social sciences. The mainstream social scientists, who were influenced by the positivist approach, tended to compare the present state of social sciences with the fledgling state of the physical sciences. The need to emulate the "scientific" method of the natural sciences was emphasized. It was hoped that by following these methods of the natural sciences, social science would also reach the higher level of maturity shown by the natural sciences. "In particular, what is generally known nowadays as empirical social research has, since Comte's positivism, more or less explicitly taken the natural sciences as the model," according to Theodore Adorno. 3

The Vienna Circle of philosophers was impressed by the writings of Comte, Mill, Kant and others. Their readiness to follow 'scientific temper' was matched by their rejection of metaphysical enquiry. 4 Metaphysical statements did not categorize anything as true or untrue; thus, in the rigorous test of the positivist school, these enquiries did not add to knowledge for only formal propositions, such as the canons of logic or pure mathematics or empirically testable factual propositions, were considered as adding to the body of knowledge. They were attracted by the scientific tenor of natural sciences, which added to the body of knowledge. They wanted the social sciences to emulate the natural sciences by getting rid of metaphysics.

It was thus believed that in the "pure" form, scientific conceptualization eschews any attempt to "explain" the phenomena, e.g., on the basis of immanent teleological forces; in Newton's words, "Hypothesis non fingo" (I do not feign hypothesis). The "pure" empirical-positivist model envisions the development of science as a unitary continuous process, in which theories of a less comprehensive
nature are successively replaced by more comprehensive ones; scientific theories, thus, asymptotically approach the "truth," insofar as this is represented by empirical, quantifiable, measurable phenomena. Mainstream social scientific thinking for a long time accepted this and attempted to be "scientific" in approaching the "truth."

For the logical positivists, the emphasis has, accordingly been on 'reliable' and quantifiable data. Data become reliable only when they become capable of putting limitations on the 'idiosyncrasy and prejudice' of the researcher by 'brute facts'. The emphasis, thus, is on empirical, quantifiable data, thereby attaching numerical value to data. As Friedrich Pollock says, due to its attachment to the methods of natural sciences, social science has been influenced by the faith that 'science is measurement.' But, as Theodore Adorno says, "Speculations on society cannot be confirmed by precisely corresponding sets of empirical data: they elude the latter as persistently as spirits elude the experimental apparatus of parapsychology." Thus, any view of society as a whole transcends social facts. "The construction of the whole has as its first pre-condition an overall concept according to which the disparate data can be organized."

For positivists 'knowledge' is in a way limited. As Giddens explains, the logical positivist approach emphasized "... first a conviction that all 'knowledge,' or all that is to account as 'knowledge' is capable of being expressed in terms which refer in any immediate way to some reality, or aspects of reality that can be apprehended through the senses." This approach limits the scope of what constitutes data in research and of research and understanding in a sociological enquiry.
When such a limited scope is given to knowledge it puts limitations on the capacity to understand social and political situations. In a study of poverty and deprivation, for example, the sense of deprivation that the poor people feel, but which is not sensory, will not constitute 'data' in the logical positivist approach. A study of poverty will restrict data to such aspects as low levels of income and physical appearances of the poor, conditioned by the low caloric intake. The feelings of the poor will be discounted, thus limiting the scope of the study, besides being influenced by the wrong epistemology. The feeling of deprivation, which itself is a result of poverty, plays the role of perpetuating poverty. A research study which limits data in an analysis of poverty to just income and caloric intake will obviously recommend measures to increase these but a study which involves the feelings of deprivation experienced by the poor will emphasize measures to remove these and will produce a different set of recommendations.

Under the LP/E approach, there is a strong belief that there exists a gap between theory and data. The emphasis is on varifiable data as the source of all knowledge which can be observed.

Data are observable knowledge. As Gunnel says, such data then become independent of theories explaining relations and regulations between the observations. The emerging gap is to be filled to turn theories into tools and instruments for data handling. Such an exercise is to be done through operational definitions, a process which is beset with problems. The relation between word and object is not unproblematic, nor is it possible to bridge it by only one kind of operationalization. The role of bridging will have to be done by
normative and problematic operationalizations. There is a dialectic relationship between theory and data. There is no inherent gap between the two; these are closely connected and tend to constantly develop and redevelop each other.10

Thus, a logical positivist approach, when employed to observe and analyze human behavior, runs into problems. Human behavior is purposeful, motivated and meaningful behavior. As Giddens explains, ascribing meaning to human action necessarily involves an interpretive element. Explanations in the social sciences involve interpretation of meaning of human action and this is incompatible with the kinds of causal explanations of inanimate objects used in the natural sciences. Giddens further elaborates:

The difference between the social and the natural world is that the latter does not constitute itself as 'meaningful': the meaning it has, are produced by men in the course of their practical life, and as a consequence of their endeavours to understand or explain it for themselves. Social life on the other hand, is produced by its competent actors precisely in terms of their active constitution and reconstitution of frames of meaning whereby they organize their experience.11

The LP/E approach, adopted as it is from the natural sciences, distinguishes between value and facts. The social scientists following this approach maintain that the task of the social scientist is to describe facts that are observed. It is not for them to prescribe or put forward a normative position. The underlying assumption has been that social enquiry is--and should be--ethically neutral. Thus, there is a distinction in the epistemological approach to descriptive and prescriptive work. It is claimed that descriptive work is verifiable, for facts are observed, but work of a prescriptive nature is normative
and the researcher's attitudes and values guide and influence such work.

As J. L. Austin has explained, however, an empirical approach is not value neutral; there are value judgments involved. As against normative and empirical categories, Austin divides utterances into 'performatives' and 'constatives'. The former constitutes the doing of an action while the latter describes or reports something. Austin shows how performative utterances have, like constatives, criteria of application and a context in which the utterance is made. The same is the case with constatives. Those can be misleading in the same manner unless their context is examined.

There is, thus, a breakdown of the value-fact dichotomy. It is not that statements have different kinds of meaning; there are different levels of meaning, which can be called normative and empirical, the distinction being a matter of emphasis and not of evidence. The extent of emphasis varies with the purpose of the utterance. As Shapiro put it:

Normative and empirical emphases are complementary theory-building activities. All normative theories are empirical, and all empirical theories can be given a normative significance without changing the empirical meaning of theory. The issue is one of emphasis and not of evidence.

The model of scientific explanation as employed by LP/E, thus, has major weaknesses and serious shortcomings when a critical and evaluative analysis is made of social phenomena. The LP/E approach accepts the meta-theoretic assumptions as unproblematic. Meta-theoretic assumptions of the researcher are important because his pre-theoretic commitments and the linking of theory to observations are contained in these
meta-theoretic assumptions. But, as Austin has shown, concepts are based on their use within a certain context and not on "objective" facts. The rules and the concepts are not value free, nor are they context free. These are derived on the basis of prior valuations. These concepts, as Shapiro and Neubauer contend, carry with them a set of institutional arrangements and have strong attachments to some ideological and political commitments. Such assumptions of unproblematic pre-theoretic commitments are themselves value laden and problematic, for example, the acceptance of those rural development policies explained in Chapter I which constitute the technocratic approach to development. This is the result of defining problems and strategies for solving them from the existing ideological framework.

An evaluation of the LP/E framework, thus, confirms the criticism that all "scientific" activity is laden with a body of values, ideas, and preconceptions, which derive from the given social, political and economic context. In recent years, much effort on the part of social scientists has been devoted to isolating and describing these pre-existing ideological inputs; this is a necessary effort. An increasing number of social scientists have now been emphasizing the need for social enquiry to follow a path different from that of "pure" science. For Anthony Giddens:

... any approach to the social sciences which seeks to express their epistemology and ambitions as directly similar to those of the sciences of nature is condemned to failure in its own terms, and can only result in a limited understanding of the conditions of man in society.

Even the development of science, especially of physics, in the twentieth century severely challenged this "pure" model, while the development of the newer sciences, such as sociology, took place to
a considerable extent outside the dominant positivist-empirical tradition. It has become apparent to the historians and philosophers of science that the process of even "pure" sciences, such as theoretical physics, never has corresponded to the positivist-empirical model. Furthermore, it has become increasingly apparent that the position of science as an activity quite above the social, political and economic foundations of a given society is simply untenable. Put in different terms, science at no period in its history has held itself aloof from the dominant system of values and ideas. Max Horkheimer writers:

   Every human way of acting which hides the true nature of society, built as it is on contrarieties, is ideological, and the claim that philosophical, moral, and religious acts of faith, scientific theories, legal maxims, and cultural institutions have this function is not an attack on the character of those who originate them but only states the objective role such realities play in society.16

To postulate a non-ideological position for science is not justified and the burden of proof is with those who would defend such a position. To elaborate, as Myrdal says:

   The problem of objectivity in research cannot be solved simply by attempting to eradicate valuations. On the contrary, every study of a social problem, however limited in scope, is and must be determined by valuations. A "disinterested" social science has never existed and never will exist . . . The valuations are with us, even when they are driven underground, and they guide our work.17

**Inadequacies of LP/E**

Recent analysis of economic development in the less developed countries has been guided by the above considerations for a variety of theoretical and non-theoretical reasons. To begin with, it is clear
that an epistemological framework, to enhance the clarity and conclusiveness of research into the less developed countries, should isolate those pre-conceptions and values which have guided analysis of the economies of the developed industrial nations of the West. Above all, effort should be made to examine a variety of non-economic inputs, which in the market economies of the Western nations, have proved of negligible explanatory value. This requirement is summarized by one researcher as follows:

Historians, sociologists, and psychologists have by now all challenged the notions that the conditions determining economic development can be adequately explained through the use of growth models limited to economic variables. They have stressed the importance of pre-conditions, whether national integration, social structure, value systems, or political organizations.¹⁸

An analysis based solely, or principally, on the interplay of economic forces within a market context reflects a long-established Western bias. In a similar way, other values and pre-conceptions which are implicit in the approaches of researchers with such an orientation should be identified and their effect on the outcome of research explained and described. In a more constructive sense, the valuations which guide the course of research should take into account the values of the less developed countries themselves, or in other words, research should attempt to examine the problems of economic development of the less developed countries "from the point of view of the interest and ideals, norms and goals that are relevant and significant in these countries themselves."¹⁹ Myrdal has described these value premises comprehensively.²⁰

The inadequacies of and the basic epistemological flaw inherent in LP/E come into sharper focus when critical socioeconomic and
political problems of the Third World are analyzed from this perspective. An example is the problem of rural poverty--and rural development--in India. A positivist analysis would describe the issue as one of transition from backwardness--economic and social--to modernization. The best way to get over these 'constraints' is to follow the model of developed Western countries 'to catch up' with them. Logically therefore, the answer is 'diffusion' of Western values, life styles, and the capitalist system. In the economic sphere, abolishing rural poverty will entail increasing production and productivity in the rural areas. This will speed up economic growth, which will trickle down to remove rural poverty.

In the social and cultural sphere, traditional beliefs, values and social institutions, such as the caste system, and behavior patterns are the main reasons for 'backwardness.' Hence, the removal of these and substitution by 'modern'--Western--values and styles are essential. The causes for backwardness arise out of the 'internal shortcomings' of such backward societies as India. Adaptation of the 'WASP ethic', in short, is the remedy to and the vicious circle of poverty and to pave the way for take-off to 'maturity'. The "regressive cultural and religious traditions of the region" are to blame for rural poverty; a diffusion of 'modern', Western values is called for. Communication will obviously have an important part to play in this diffusion strategy. It is the important carrier of innovation from the modern societies to the traditional societies.

In this analysis the distribution of income will not be the place to begin, for if the 'cake' does not grow, only poverty will be distributed. Thus, if production increases in the rural areas and the
'cake' gets bigger, it will trickle down to the poorer sections and their economic conditions will improve. The emphasis would be on capitalist farming, with recourse to high technology agricultural practices, which alone would increase production and thus alleviate poverty.

A solution of this nature has hardly solved the problem of rural poverty in India. Indeed it has not touched more than the fringe of the problem. As seen in Chapter I, rural poverty has grown in India and has been exacerbated by policies which sought to increase production and speed up the rate of economic growth. The number of people below the poverty line and rural poverty as a percentage of total population have grown. The gap between the rich and the poor has widened; semi-feudal social relations and dependence of the poor on the rural rich continue to dominate rural society. The benefits of modern practices of agriculture have been restricted to the rich farmers who have the means to try expensive methods. The diffusion of information has been biased, reaching only the big farmers. A development strategy arising out of LP/E analysis has neither increased economic growth nor led to a higher standard of living for the population.

Any critical analysis of the failure of a growth oriented development policy to reduce poverty would seriously question its epistemological foundations. LP/E assumed as unproblematic the existence of the present social structure. It was not questioned. Indeed, the epistemological foundation of the development policy emphasized the need for not upsetting the existing social structure. The in-built preference of LP/E for existing social relations led it to exclude factors critical of inequalities.
When it was translated into a growth oriented development policy the result was a greater deterioration of the existing social relations. The inherent contradictions of LP/E ruled out any questioning of the existing social structure and thus ended up with policy prescription which neither increased economic growth nor reduced poverty.

**Critical Theory**

The serious shortcomings of logical positivism in an enquiry about social conditions necessitates resort to a more critical approach. Critical theory is more valid as an epistemological basis of an inquiry of the present kind. Critical theory, as explained by Max Horkheimer, is a critique of traditional theory from an ethical standpoint.

Horkheimer explains further:

> By criticism we mean that intellectual, and eventually practical effort which is not satisfied to accept the prevailing ideas, actions and social conditions unthinkingly and from mere habit; effort which aims to coordinate the individual sides of social life. With each other and with the general ideas and aims of the epoch, to reduce them genetically, to examine the foundations of things, in short, really to know them.\(^{23}\)

For Horkheimer, this critical function of theory has been suppressed or abandoned by traditional theory.\(^{24}\) Horkheimer continues, "When traditional theory is applied to existing social and political reality it no longer provides a rational basis for critiquing given reality."\(^{25}\) Zoltan Tar has emphasized, "Traditional and critical theory differ mainly in regard to the subject that is the scholar's attitude towards his society. Critical theory's opposition to the traditional concept of the theory springs from the difference not so much of object as of subjects."\(^{26}\)
Traditional theory is deeply committed to the preservation and the gradual transformation of society to achieve a better functioning of the social structure as a whole or of any of its peculiar elements. The critical theorist is deeply committed to radically improving human existence, of fostering the type of self-conscious understanding of existing social and political conditions so that "mankind will for the first time be a conscious subject and actively determine its own way of life." The term, 'critical', is to be understood "less in the sense that it has in the critique of pure reason than in the sense it has in the dialectic critique of political economy." Thus, the critical theory is concerned with a radical transformation of social arrangements. It is diametrically opposed to the system maintaining 'traditional theory.'

Raymond Geuss distinguishes three essential features of critical theory:

Critical theory has special standing as a guide for human action in that:

(a) it is aimed at producing enlightenment in the agents who hold them, i.e., at enabling those agents to determine what their true interests are;

(b) it is inherently emancipating

and

(c) Critical theory has cognitive content; i.e., it is a form of knowledge and critical theory that differs epistemologically in essential ways from theories in the natural sciences. Theories in natural sciences are 'objectifying'; critical theory is 'reflective.'
A critical theory, then, is a reflective theory which gives agents a kind of knowledge inherently productive, of enlightenment and emancipation.\textsuperscript{29} Critical theory as evolved by the Frankfort school has been critical of the philosophic error embodied in logical positivism.\textsuperscript{30} While critiquing the postulates, the Frankfort school asserts that people with 'woefully mistaken epistemological views' can produce, test and use first order theories in natural science. But it is not the case with critical theory. There is an intricate relation between possessing the right epistemology and testing and applying first order theories in natural science which successfully produce enlightenment and emancipation. "Thus, positivism is no particular obstacle to the development of natural science, but is a serious threat to the main vehicle of human emancipation, Critical theory."\textsuperscript{31}

When world problems are analyzed by the use of positivism, with its 'wrong epistemology', the resultant picture is the legitimization of oppression. The members of the Frankfurt school have consistently distinguished critical theory from the theories of natural science, which are based on positivism. Critical and scientific theories differ drastically in their respective goals. The goal of scientific theories is the 'successful manipulation of the external world'; they have an 'instrumental use'. If correct, they help those who have mastered these theories to cope effectively with the environment and pursue their chosen ends successfully.\textsuperscript{32} But the aim of critical theory is broader than that and concerns the entire society. Its aim is emancipation and enlightenment.
Horkheimer emphasized that the intent of critical theory is the improvement of human existence. It is suspicious of ameliorative changes that leave men as recipients; its aim is to demonstrate to the poor and oppressed classes that its "... presentation of social contradictions is not merely an expression of the concrete historical situation, but also a force within it to stimulate change." It is not restricted to the removal of difficulties in the immediate future. Its scope is the whole superstructure of the organization of society.

For Jurgen Habermas, such a critically oriented science incorporates an 'emancipatory cognitive interest'. This helps the researcher to constantly generate interpretations and explanations, establishing meanings and actions himself.

The method does not involve mere hypothesis and descriptions of the social reality to be tested by observed facts. It consists of taking into account the context to "penetrate the ideological mystifications ... [that] distort the meaning of existing social conditions." As such, it in many ways echoes the thoughts of Marx and Hegel. Horkheimer claims that the validity of critical theory is to be tested on its ability to motivate the oppressed classes to organize and radically transform society. Unlike the logical positivist approach, critical theory emphasizes a unity of theory and praxis.

This critique of the existing order of things is not just a negative stance. Horkheimer states, "The theoretician and his specific object are seen as forming a dynamic unity with the oppressed classes, so that his presentations of societal contradictions are
not merely an expression of the concrete historical situation but also a force within it to stimulate change." The critique of society embodied in the critical theory approach is very positive, fired by the perceived need to change the present unsatisfactory social relations. The critical theory approach to social science enquiry, then, is the product of a "relentless criticism of all existing conditions, relentless in the sense that the criticism is not afraid of the conflict with the powers that be." 

With the critical attitude to the existing exploitative social relations, there is an adherence to certain basic notions of the original Marxian conceptual framework, such as the theory of impoverishment and the inevitability of the breakdown of capitalism. Horkheimer asserts:

The categories of class, exploitation, surplus value, profit, pauperization, and breakdown are elements in a conceptual whole, and the meaning of this whole is to be sought not in the preservation of contemporary society but in its transformation into the right kind of society.

Accordingly critical theory considers the 'abuses' or 'dysfunctional aspects' of capitalist society "as necessarily connected with the way in which the social structure is organized." As Tar says, it does not intend to achieve a better functioning of the existing class society by perfecting and promoting dominant arrangements. The sum total of blind interactions of individual activities in a capitalist society based on its division of labor and class structure, ultimately "originates in human action and therefore, is a possible object of plentiful decisions and rational determination of goals."
In the final analysis, "The critical theory is permeated by the idea of a future society as a community of free men which is possible through technical means already at hand . . . Today men act as members of an organism which lacks reason. Organism as a naturally developing and declining unity . . . cannot be a sort of model for society, but only a form of dreaded existence from which society must emancipate itself." A critical theory framework must serve this aim of emancipation and must be permeated by it. It is necessary to reject the separation of value and research, knowledge and action of the traditional theory.

The critical theorist has an important part to play in the transformation of the society. If the critical theoretician and his specific object are seen as forming a dynamic unity with the oppressed class, so that his presentation of societal contradictions is not merely an expression of the concrete historical situation but also a force within it to stimulate change, then his real function begins. Horkheimer emphasized that the scholar's knowledge and his interest are closely connected. Raymond Geuss notes how he had taken issue with the logical positivists, "splitting of man into 'scientist' and 'citizen'." Critical theory criticizes the 'givens' of life, is not prepared to "accept the prevailing ideas, actions and social conditions unthinkingly and from mere habit . . ." but is an " . . . effort which aims to coordinate the individual sides of social life with each other . . . to examine the foundation of things . . . " Further, critical theory's transmission will not take place via solidly established practice and fixed ways of acting but via concern for social transformation. This concern here is a reference to a 'vanguard' of a small circle of intellectuals or change agents bound
together by their common knowledge of the capitalist society and their interest in the creation of a society with no exploitation and oppression. As Tar remarks, "this circle of transmitters of this tradition is constituted and maintained not by biological or testamentary inheritance, but by a knowledge which brings its own obligation with it." 46 Horkheimer asserts:

> In the general historical upheaval the truth may reside with numerically small group of men. History teaches us that such groups, hardly noticed even by those opposed to the status quo, outlawed but imperturable, may at the decisive moment become the leaders because of their deeper insight. 47

Jurgen Habermas looked into the role of these 'change agents' and sharpened the approach of the Frankfurt school to the emergence of an enlightened class and its positive role in the emancipation of society. He drew heavily from the classical Greek scholars to find fault with the separation of political action and morality implicit in the Cartesian and the logical positivist approaches. He disapproved of the "attempt to achieve technical control over historical action as an inauthentic replacement of the political process of arriving at a rational consensus of the citizenry about the matters that affect their destiny." 48 He termed this a "depoliticization of society and an attempted legitimation of technologism." 49 He added, "The social potential of science is reduced to the powers of technical control its potential for enlightened action is no longer considered. The empirical, analytical sciences produce technical recommendations, but they furnish no answer to practical questions."

As Bernstein observed, Habermas anticipates the emergence of an 'enlightened class' and articulated a 'philosophical anthropology'. 50
He distinguishes between three types of cognitive interests: technical, practical and emancipatory. These correspond to three scientific approaches: empirical-positivist, historical-hermenutical, and critical. These three emerge from what Bernstein explains as 'one dimension of human sociality: work, interaction and power'. Work is purposive, rational action. Interaction is the vital action of communication between the members of society, which is essential for its survival. "Power involves man's capacity to shape his own destiny." Critical theory is crucial to this task as it reaches out beyond the empirical search for "... nomological knowledge ... to determine when theoretical statements grasp invariant regularities of social action as such and when they express ideologically frozen relations of dependence that can, in principle, be transformed."51

Therefore, critical theory acts as a force for enlightenment "which dissolves reified power relationships and resistances, thereby emancipating those who attend it." For Habermas emancipation is crucial. He notes, "the key to that is the kind of personal self-knowledge that can lead to a radical, cognitive, effective and practical transformation resulting in an enhanced autonomy as responsibility." These are vital elements in the formation of a revolutionary movement.

**Critical Theory and this Study**

An analysis of the shortcomings of LP/E rules out its applicability to this study. A critical theory approach to an analysis of rural development policies in India offers a more appropriate explanation for the continuing rural poverty and the widening inequalities in the
Indian rural scene. Ronald Chilcote, among others, while analyzing the logical positivist and critical theory approaches to research studies of this kind, has emphasized the need for the adoption of critical theory to interpret the problems of development in the Third World countries. Critical theory is finding greater acceptance in studies of Western societies and is even more pertinent to the studies of social issues of the Third World. Table 3 summarizes the crucial differences between logical positivism and critical theory and helps to make clear why the latter is more appropriate to this type of study.

A critical look at the problem of rural poverty in India exposes the inadequacy of LP/E. To equate rural poverty with low productivity and absence of economic growth is an inadequate explanation of the phenomenon, for it neglects to acknowledge a major contributory factor, namely the existing economic and socio-political environment. Increased production when not distributed equitably only helps the rich; the poor remain as they are. Indeed, nearly three decades of a growth oriented development policy in India has increased the pauperization of the rural poor.

In the light of the overwhelming evidence pointing to the failure of a growth oriented policy to reduce poverty, an alternate approach should challenge hitherto accepted premises. A critical evaluation would show that poverty is not only the physical and material deprivation for a substantial number of the rural population, but a combination of material deprivation for the many and enormous riches for the few. The answer to the question of why rural poverty has not declined but has accelerated has more to do with the structure of the economy than
Table 3
Summary of Differences between Logical Positivism and Critical Theory

<table>
<thead>
<tr>
<th>Logical Positivism/Empiricism</th>
<th>Critical Theory</th>
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<tr>
<td>Separates fact from Value.</td>
<td>Fact and value tied to action relevancy.</td>
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<tr>
<td>Nonprescriptive, objective and empirical.</td>
<td>Prescriptive, subjective and problem oriented; normative.</td>
</tr>
<tr>
<td>Quantitative.</td>
<td>Qualitative and quantitative.</td>
</tr>
<tr>
<td>Concerned with uniformities and regularities.</td>
<td>Concerned with regularities and irregularities.</td>
</tr>
<tr>
<td>Ethnocentric, especially concerned with Anglo-American model.</td>
<td>Critical of the Anglo-American model; of high relevance to the Third World.</td>
</tr>
<tr>
<td>Abstract, ideologically conservative, and static.</td>
<td>Theoretical, radical, and change-oriented.</td>
</tr>
<tr>
<td>Focuses on formal and informal (group) structures and functions.</td>
<td>Focuses on class and group relations and conflict.</td>
</tr>
<tr>
<td>Ahistorical.</td>
<td>Historical.</td>
</tr>
<tr>
<td>Reductionist.</td>
<td>Holistic.</td>
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its rate of growth. The initially high degree of inequality of income and wealth, the concentration of economic surplus in a few hands and the fragmented allocative mechanism constitute a socioeconomic context in which powerful and dynamic forces tend to perpetuate and even accentuate low standards of living for a significant proportion of the rural population. The roots of poverty are identified in the sphere of economic structure, and not merely in the manner of functioning of this structure. Changing the structure, rather than influencing the functioning of the structure appears as a crucial characteristic of a critical theory approach for eradicating poverty. Structural transformation is the important first step. It is not the culmination of the struggle against poverty, but only its beginning. It has to be followed up by struggle against the low level of development of productive forces.

In addition, according to critical theory, it is necessary to change the 'false consciousness' of the rural poor. Years of dependent relations with the rural rich have made the poor unaware of the true situation. Promoting organizations of the rural poor to collectively work for their rights is an obvious necessity.

In the rural Indian context, one institution which tends to check the development of organizations of the poor is that of caste. The caste system, or the fourfold division of the Hindu society, had a class origin. As the higher classes and castes were coterminus, they prevented others from climbing upwards. The caste system became rigid with little prospects for change. With independence and subsequent development policies, the possibility for social mobility was
introduced. However, the interests of the higher classes have been working to prevent class solidarity from cutting across caste lines.

To promote the organization of the rural poor, therefore, the effects of caste division will have to be recognized. The vanguard or change agents, moved by a concern for social transformation, would promote class solidarity. An evaluation of the social scene in India, from the standpoint of critical theory, would emphasize the need to counter the division of the poor classes on caste lines and promoting class solidarity.\textsuperscript{52}

The two approaches, thus, differ considerably in the interpretation of the problem and in measures to solve them. In the words of Karl Marx, one approach "sees in poverty only poverty, without noticing its revolutionary aspects, which will throw out the old society," an aspect which will be obvious in a critical analysis.\textsuperscript{53}

\textbf{Methods of Material Collection}

Critical theory as the epistemological approach adopted here, influenced data collection. Accordingly, data are not only quantifiable and empirical. There have been two primary sources of materials: (1) published materials, books reports and papers, evaluations of schemes by governmental and research organizations and (2) interviews.

The published materials consisted of the plan documents of the Central and the State governments of India and research reports of the various social science research institutes. Thus, the Sixth Five Year Plan document and the detailed guidelines issued by the Planning
Commission on the Integrated Rural Development Program are important materials, as are the evaluation studies of the Program Evaluation Organization of the Planning Commission on the IRD, rural works program and land reforms. Apart from the Planning Commission, the National Institute of Rural Development, Hyderabad, and the Indian Institute of Public Administration and similar institutions have published socio-political analyses of various rural development programs.

Additional sources of information included several in-house studies, which have not been published; these have been mostly conducted by various government departments and independent evaluation organizations on behalf of the government departments. Published data about the working of the various rural development programs and district level development planning in the three states under study are plentiful, but these were compared with published studies of independent researchers from social science research institutions to insure reliability.

Interviews with policy planners and administrators at the state level and with village personnel constituted the other major source of collecting data. Material from interviews at the state capital was linked with the district and village levels by comparing perceptions at the lower levels with the interview data from the policy planners at the state level. Interviews conducted at the village and the district levels were important for they included members of different social strata, poor and middle peasants and the rich peasants.

These interviews, mostly open ended, were largely informal conversations. They sought to establish the reasons for the preference for one development approach over another. This was especially true
while interviewing the village people, the "beneficiaries" of rural development programs. Questions were primarily designed to seek their views on the effects of the policy followed by the governments concerned. Linking this with the findings from interviews with the policy makers at the state capitals helped to determine the nature of the policies and their effects. The idea was not to obtain rigidly codified 'data', but to initiate dialogue, exchange ideas and experience in order to understand the analysis by the villagers of the social order and political events. Such a strategy also helped to prevent an interrogative approach that would have been the result of following a rigid questionnaire. These interviews not only served as sources of information, but also of analysis.
CHAPTER II--NOTES


7. Ibid.


10. Ibid.


20. Ibid., pp. 36-43. Myrdal has emphasized that most of the traditional solutions offered to social problems are not neutral; nor of benefit to the general society, but likely to favor some interest over others. He rejected the notion that any condition was justified just by articulating that they perform a function, as if every function could be neutrally affirmed, e.g., that an entrepreneur performs a function in society and therefore is entitled to profits. He further underlined that such analyses were already partisan. Myrdal further insists that any pretensions to objective knowledge of 'Common welfare' are illusory and incapable of being accepted by all reasonable observers.


22. For a good critical analysis of the diffusion philosophy that was especially popular in the sixties and the seventies, see Everett M. Rogers, "Communication and Development: The Passing of the Dominant Paradigm, Communication and Development: Critical Perspectives" (Beverly Hills: Sage, 1976).


30. Ibid., p. 55.

31. Ibid., p. 56.

32. Ibid.


35. Ibid.


38. Ibid., p. 215.

39. Ibid.

40. Ibid., p. 146.


42. Ibid., p. 36.


44. Ibid., p. 270.


46. Ibid.


50. Richard J. Bernstein, *The Structuring* . . . , p. 192. Martin Jay in "Some Recent Developments in Critical Theory," compares the interest of the change agent and that of a doctor. The assumption is that the doctor has no other motivation but
the recovery of the patient. Similarly, the change agent has the interest of radically changing the existing society.


Increasing inequalities in rural India have emerged as the single most disquieting factor of the three decades of planned rural development. To try to uncover the reasons for the inequalities an enquiry into the broad development strategy followed by India is essential. When the Community Development Program was launched it was expected to develop into a general development program in the rural areas that would benefit all sections and classes of society. The momentum gained during the movement for independence was expected to endure. But in the absence of a political cadre in the rural countryside that would help to propagate the CDP, reliance was placed on the bureaucracy. It was believed by the planners that the state would be neutral between the various classes and sections and that such a neutral state would be able to devise and implement policies for the benefit of all the classes. Similarly, the bureaucracy, it was believed, would be neutral, not only between political parties but also between contending groups and classes of the society in carrying out the development programs of the government. The possible effects on the bureaucracy of its own class interests and its implications for the development policies being put into action were not realized. The shortfall in the rural development programs since independence is in no small measure due to these vital factors. In this chapter we will look into these issues.
The Nature of State

An analysis of the public policy formulation of any country can neither be complete nor meaningful without an enquiry into the nature of that state. The nature of the state, the composition of the power structure within the state and the fundamental wielders of power decide public policy and its course of implementation. Therefore, any enquiry of a policy without reference to the underlying power structure in the state will at once be superficial and shallow. For Ralph Miliband, "A theory of the state is also a theory of society and of the distribution of power in that society."¹ This distribution of power in the society is ultimately very important in the shaping of public policy. Without an enquiry into this, an analysis of a state's policy will be cursory; it will not be able to go beyond the governmental rhetoric and determine why a particular policy is being pursued. For Edward S. Greenberg, an in-depth study of this kind, "would have to be able to link ongoing government activities with a theoretical understanding of the genesis and development of modern government as well as with the ability to chart likely future developments."² It is all the more important in a study of Third World countries where the gap between governmental rhetoric and actual practice is often wide.

For a long time the state has been looked at from the Western liberal pluralist view. It was believed that the state was neutral between classes and groups. As Chilcote explained, the pluralist perspective believed that "the state is a political marketplace through which filter the demands and interests of competing groups and
individuals . . . the neutral state agencies mediate conflict that emanates from party and group competition . . . agencies of the state function as the bases of political power; competition among the agencies for funding determinest their relationship to parties and interest groups."³ Thus, the state is the neutral umpire who does not take sides but 'objectively' decides issues and frames policies, allocates resources and implements programs for the betterment of all classes. Greenberg explained the basic pluralist approach: "Basically the modern state, being the only institution in society without interest of its own, is seen as a mediator between classes, an unbiased entity that acts in the best interests of society as a whole."⁴ Thus the state has an active role to further the best interests of the society as a whole. The various measures taken in the Western democracies to bring in the welfare state--like the New Deal and Great Society measures--are seen by the pluralists as examples of state action to help all classes. The modern state, thus, represents a middle road between a free market society and totalitarian state control.⁵ As Greenberg concludes, "it is the device by which capitalist economies are humanized and softened and thus preserved."⁶ The increasing welfare measures and progressive taxation have been pointed out as measures taken by the pluralist state to further the interests and welfare of all.

It was this notion of Western liberal pluralism that pervaded the Constituent Assembly when the Indian constitution was drafted. A liberal parliamentary democracy was seen as the ideal solution for solving the miriad problems of India. The framers of the CD program had faith in the pluralist interpretation of state actions and expected it
to serve the interests of all classes. But the persistence of poverty and the increasing division of society along class lines cast serious doubts on the belief that the state is a neutral party between competing classes. The fact that the state actions have led to increasing riches for some and poverty for the many points out that the state is not neutral. In the light of the increasing disparities between the rich and the poor it is no longer possible to claim that the state, especially in the Third World countries, is neutral between conflicting classes, allocating resources as a disinterested party, following a set criterion. As an increasing number of Western scholars have stressed, the state has been identified to 'serve the few'; the view that the state, far from being neutral between classes, actively sides with those controlling it is being accepted. James Petras and Nicos Poulantzas, among others, have emphasized the class nature of the state. It is being increasingly recognized that the state is the instrument of the economically dominant class to further its interests. For Ralph Miliband, the ruling class of a capitalist society used "the state as its instrument for the domination of society." Paul Sweezy viewed the state as "an instrument in the hands of the ruling class." When the pluralist approach to the state is abandoned and the state's actions are analyzed from the point of view that the state furthers the interests of the dominant class, it is possible to explain the trends seen in the Indian development scene.

The increasing recourse to such an analysis of the actions of the state has origins in the Marxist theory of the state. The Marxist theory of the state has been lucidly explained by Greenberg. A survey
of the policies followed by most of the capitalist states will make it obvious that, the state, true to the Marxist theory, has been an "instrument by which the interests of a single class--the owners of the productive apparatus of society--are advanced and protected." Greenberg explains how only the Marxist theory is capable of giving an acceptable explanation for the way the state acts, in a systematically biased manner, favoring the capitalist class and with a persistent structural bias towards the "most privileged and advantaged sectors" of the society. Greenberg's justification for a resort to Marxian analysis to explain the complex characteristics of the American state is even more appropriate when analyzing a much smaller capitalist state, India.

An important concept in the understanding of the Marxist theory of state is the mode of production. For Greenberg, it is a "way of life or way of working and producing." The combination of these forces of production (tools, raw materials, products) and relations of production (the characteristic sets of social relations) are the component elements of the mode of production or the general way of life of any particular society." It is not static and constantly keeps changing. Under capitalism the means of production are owned by a few people and they are the dominant class; in the capitalist mode of production, the owning class exploits the other classes not through visible coercion but by the natural and inevitable process of market conditions. Further, in the capitalist mode of production, exchange value determines the amount of production. The social calculations of needs is less important
than the profitability criterion and this is the determinant of total production.

The class that owns the productive resources becomes the most important and influential class in a capitalist society. This "dominant class finds its ideas permeating the social order."\textsuperscript{14} The supremacy of the dominant class through ownership "becomes expressed also in the ideological sphere." This class also dominates the government; without this domination it will not be possible for this dominant class to continue its domination. In the Marxian analysis the state is an organ of class domination, for oppression of one class by another. However, it is not necessary for the capitalist class to be the ruling class, occupying the key government posts. The capitalist class will continue to exert its dominance through the ruling class which gives expression to the capitalist class interests.

Engels writing along the lines of Marx, thought that the state concretely served the economically dominant classes, "because the state arose from the need to hold class antagonisms in check, but because it arose, at the same time, in the midst of the conflict of the classes, it is, as a rule, the state of the most powerful, economically dominant class, which through this medium of the state, becomes also the politically dominant class, and thus acquiring new means of holding down and exploiting the oppressed class."\textsuperscript{15} Lenin further refined the Marxian theory of state; the state, for him, does not reconcile class conflict but perpetuates the oppression of one class by another. "The state is the product and the manifestation of the irreconcilability of class antagonisms."\textsuperscript{16}
The economically and politically dominant class, however, to continue its domination, will cause the state to perform certain 'socially necessary functions'. Draper emphasized that "the state really does have non-class tasks and it carries them out. But, it carries them out inevitably in class distorted ways for class ends with class consequences." These activities are essential for the furtherance of the class interests of the capitalist class. The state can also take any form in the capitalist mode of production--monarchy, fascism or representative democracy; in fact the last form is the most effective, for it gives an opportunity for the capitalist class to hide its true colors. Thus, welfare state functions are being carried out for the furtherance of the capitalist system and not because the state has as its goal the advancement of all the sectors or classes in a society but, because it is necessary for the sustenance of capitalism.

The Class Structure and the 'Servants of the State'

Thus, when the state turns out to be not neutral between the various classes in a society after all, it is unlikely that the 'servants of the state' are likely to be neutral between contending classes implementing various development programs. We saw earlier that the bureaucracy in India was the agency for the implementation of the development programs. When the CD program was launched for rural development in the absence of any other organization, it was hoped that the development bureaucracy would 'faithfully' carry out the policies for the benefit of the whole society. It was expected that like the state, the implementing bureaucracy would be neutral between conflicting
interests. As it turned out, this assumption has had a crucial bearing on the rural development activities in India.

The bureaucracy was created in India by the British colonial rulers to maintain law and order and to collect revenue for the perpetuation of the British rule. Changes in such an organization to adjust to the function of implementing development programs in an independent country has been slow in coming. When the political leaders of the newly independent country entrusted to this bureaucracy the implementation function, without substantially changing it structurally, in many ways it was not ready. So far, under colonial rule it was entrusted with the work of maintaining the status quo; development programs, when implemented lead to change. With the framing of the parliamentary system of government under the new constitution, the bureaucracy was accepted by the political parties as a neutral organization, very much on the lines of its British counterpart. The failure of the government to implement rural development programs to reduce the gap between the rich and the poor, has focused attention on the bureaucracy. Apart from official literature, a large volume of writing has grown on the subject. While discussing the role of the bureaucracy, an important issue to be kept in mind is its class nature. Any discussion without reference to this crucial issue will lead to shortfall in the analysis of development problems.

A good class analysis of the role of the bureaucracy comes from Ralph Miliband. For him, the bureaucracy is 'neutral' in the sense that "their overriding, indeed their exclusive concern is to advance the business of the state under the direction of the political masters."
At the same time, he emphasizes, it is not realistic to assume that the bureaucracy simply executes the policies of its masters. The bureaucracy does try to express its ideological inclinations in the advice they offer and the way the bureaucracy approaches the administrative tasks. Miliband tellingly quotes Hillsman: "Officialdom, whether civil or military, is hardly neutral. It speaks, and inevitably it speaks as an advocate."20

The ideological inclination of the bureaucracy depends essentially on its class background. Miliband is emphatic:

Civil servants in the countries of advanced capitalism ... play a conservative role in the councils of the state ... to reinforce the conservative propensities of the governments in which these propensities are already well developed, and to serve as an inhibiting element in regard to governments in which they are less pronounced.21

The norm of neutrality which has been emphasized in most writings on Indian bureaucracy needs to be interpreted in the light of these pertinent remarks of Miliband. The development philosophy of successive governments in India, changes in the political parties notwithstanding, have the establishment of a capitalist system as its goal, irrespective of the protestations of the governments. The bureaucracy in India, therefore, has not been any less conservative than in the advanced capitalist countries. The concept of neutrality professed by the Indian bureaucracy, consequently, has not been far from that in the advanced capitalist countries.

Further, in India, the class background of the bureaucracy has not been substantially different from that of its political masters. The system of recruitment has retained the elite nature of the top civil
The similarity in the class background of the civil servants and the political masters is more pronounced at the Central--Federal--level. Thomas E. Weisskopf, in an analysis of poverty in India, shows how both the higher bureaucrats and their political masters have tended to come from the same educated, industrial or agricultural elite classes. Thus, there is no class incompatibility in the interests and outlooks of the two groups. Harry W. Blair also emphasizes the identity of views of the political leaders and the top civil servants when it comes to defining the 'national objectives'.

The similarity of class backgrounds of the senior bureaucrats and the political leaders, identity of ideological orientation, especially when it comes to viewing the 'national interest', gives to the Indian bureaucracy qualities similar to those of Britain or France, as explained by Miliband. Accordingly, there is every reason for the bureaucracy to be neutral between the contending political parties. "There is every reason for them to serve with equal zeal whatever government, within the narrow spectrum, may be swept in by the tide of universal suffrage." The Commissions of Enquiry and consequent indictment of civil servants who openly sided with the political party in power during the state of emergency is likely to reinforce this neutrality. This is not to deny the existence of individual civil servants, who have played progressive roles in the implementation of economic and social reform programs. This has been more the exception than the rule, and as Miliband says, "Where it has occurred, the propensity to reform has also been perfectly compatible and consistent with a strong disposition and determination to strengthen the existing social order."
This being the general characteristics of the bureaucracy in India, its effectiveness to implement rural development programs will be limited by its class interests. Thus, policies and programs trying to make structural changes are likely to be unwelcome to this organization. The bureaucracy is unlikely to implement without demur programs intending structural changes, especially when these adversely affect the class interest of the bureaucrats. Miliband's comments about the bureaucracy of advanced capitalist countries seems to apply to the Indian case also. For Miliband, "any government bent on reforms which have a 'radical' connotation, is most likely to find many if not most of its career advisers much less than enthusiastic and quite positively hostile."  

The main concern of the bureaucracy in such a situation is likely to try to restrict the 'damage' of the radical policies. This attitude of the bureaucracy has been identified as one of the causes of the tardy implementation of land reform measures in India. SUCH an attitude and the absence of political pressure to implement these policies, thanks to the class structure of the political leaders, have led to a situation where land reform measures passed have remained mostly in the statute books, without implementation.

Like their counterparts in the advanced capitalist countries, the bureaucrats in India, "are not simply conservative in general they are conservative in the sense that they are within the allotted sphere, the conscious or unconscious allies of existing economic and social elites." In this context, the bureaucracy will have little difficulty in implementing and executing programs that can be identified to belong to the technocratic or reformist approaches. Both these approaches to development subscribe to the predominant capitalist path of
development. The setting up of a capitalist system with the predominance of a national capitalist class has been the 'perceived national interest', in Miliband's terminology. The bureaucracy quickly helped formulate and implement agrarian reforms to liquidate the feudal Zamindari or absentee landlordism and helped establish a class of capitalist agriculturists. This measure was effected to disband a feudal agrarian practice and to substitute in its place an agrarian pattern more suitable to the development of capitalist development. Thus, a measure perceived as necessary to change a feudal practice to further capitalist development was readily accepted and implemented by the bureaucracy. In this case there was no real class conflict for the bureaucracy.

But, the failure of the government to implement further progressive land reforms, to limit individual holdings and bring about equity in the rural areas through restricting capitalist agriculture by large landowners, except in those states that follow a radical approach to rural development, is in no small measure due to the bureaucracy. This, of course, is not to assert that the political leaders, whose class origins are similar to that of the bureaucracy, had serious intentions of implementing these measures. A bureaucracy which is truly neutral, especially between classes, would have shown more interest and vigor in implementing these programs. But, as Weiskopf maintains, "... the dominant classes in India shared a common interest in minimizing any redistribution of income." This experience further strengthens the belief that the bureaucracy is unlikely to implement programs attempting
substantial change in the existing status quo. Thus, the efficacy of
the present form of bureaucracy in India to effectively implement
rural development policies, which substantially affect the present
order of things is limited. Noting this possibility, Miliband contends:
"... governments bent on revolutionary change can not reasonably
expect the vaunted 'neutrality' of traditional administrative elites
to apply to them, let alone count on the dedicated and the enthusiastic
support for their policies which they would require."30

While Miliband suspects the civil service in the advanced capitalist
countries, to resort to what he calls, 'administrative sabotage',
he stresses the need for far-reaching changes in the administrative
set up should a government bent on revolutionary change come to power.
Since such a party has not come to power in an advanced capitalist
country, as Miliband states, "the precise role which high civil
servants would choose or be able to play if a government ... 
[emphasizing] revolutionary change came to power must remain a
speculation."31 However, in the case of bureaucracy in India, it
has reacted to such parties coming to power at state levels. But, the
experience of such governments, as discussed in subsequent chapters,
shows that they have to rely considerably on a dedicated party cadre and
on the power of the rural people to organize themselves, for the
implementation of radical programs.

The essentially class nature of the response of public bureaucracies to the issue of public policies finds support in the critical
works on organizational behavior. This will help to connect these
analyses and explain how they reinforce each other. Bureaucracies in
countries like India, have been offshoots of colonial organizations; they have continued to exhibit the characteristics of colonial days. Changes have been slow in coming. These bureaucracies have been highly impersonal and hierarchical. The colonial bureaucracy imbibed these characteristics because of the felt needs of the colonial masters; these organizations were essentially established to maintain colonial power. The power and jurisdiction of the organization were interpreted by law. The higher officials had more powers than the lower bureaucrats and the objectives and interests of the organization were interpreted by the higher echelons of the bureaucracy. There was little scope to disagree with these interpretations; the resultant 'consensus' implied continuing agreement among members on the purpose of the organization. A day-to-day obedience was expected from the lower rungs of the organization.

The administrative structure led to top-down flow of instructions and authority and discouraged feedback and information from the lower levels of the bureaucracy. The upper echelons of the administration often were alienated from the conditions prevailing in the field, as those closer to the people could not pass on the information and knowledge to their officials resulting in policies ill-suited to the needs of the people. Even if a policy serving a particular end is devised, since it does not take care of all the loose ends, the whole policy can fail. To Chester Barnard, communication was organization; therefore, an organization with a good communication system—a two-way, free flow system—would be able to serve its objectives better. It can be expected, therefore, that those bureaucracies emphasizing feedback and responsiveness would be a better organization.
The system of hierarchy so pronounced in the Indian bureaucratic organization has been identified as a major obstacle to a successful implementation of rural development programs. The dominant organization theory is the theory of hierarchy. This raised little opposition as long as it was a colonial administration. But, the epistemological approach to hierarchy and its validity to be seriously questioned. Many critics, like Frederick C. Thayer have pointed out the incongruity of this in a post-colonial country. Robert B. Denhardt has also argued in a similar line. As Thayer says, hierarchy "is based on the premise that social action can be effective only when people are organized into super-subordinate relationships." In the colonial set up such a relationship existed. But, it is difficult to accept such an approach after independence. It has further been contended that hierarchy implicitly accepted 'objectivity' as the prime epistemology. The 'superior' claims to objectivity of the hierarchical organization are essential to maintaining the hierarchical set up. When this claim ceases to be true, the hierarchical set up comes to be effectively challenged.

These critiques of bureaucracy also indirectly allude to the class background of the 'servants of state'. The superior-subordinate relationship suggests strong class characteristics. This class bias of the bureaucracy reinforces the bias of the state. The effect is considerable in a situation like the one prevailing in India where the bureaucracy not only is entrusted with the implementation of the policies but also has a strong voice in the formulation of the policies. Given the class composition of the state in India at the time of
independence it is possible to explain the rise of a capitalist system. This could also be interpreted as one reason for the relatively successful implementation of those aspects of development policy conducive to the development of a capitalist system. A look at the predominant development approach followed in India will help clarify the issue.

State Capitalism Explained

The dominant development policy that has developed over the years has as its objective the establishment of a capitalist system. This is in spite of the early post-independence professions and in spite of the Lok Sabha (Lower House of Parliament) declaration of December, 1954, adopting the socialist pattern of society. This system of development, which can be explained as state capitalism, has been sustained by different Central governments irrespective of change in ruling parties. The concept of state capitalism has increasingly been used by many writers to explain the process of capitalist development in many of the Third World countries. Petras and Berberoglu, among others, following a class analysis of state power in the Third World countries, have identified a number of them as following this strategy. Increasing reference to state capitalist model of development in writings in the field of international political economy has led to varying reactions to this system. This strategy has even been referred to as a 'non-socialist alternative' to a dependent development.37

The writings on state capitalism often emphasize the difference from a dependent neo-colonial development strategy. But it is essentially
a capitalist strategy of development. The three dominant traits of a state capitalist approach to development can be identified as (1) a capitalist development strategy, (2) clothed in socialist rhetoric, (3) with a strong nationalist outlook. The latter features have often led many to underplay the essentially capitalist nature of this strategy. For James Petras, a state capitalist regime "borrows socialist forms--political (one party state, socialist rhetoric etc.) and economic (state ownership, planning etc.)--to accomplish capitalist ends--the realization of profit within a class society." As Berberoglue puts it "... the petty bourgeoisie state takes upon itself the responsibility (in the short run) of providing the necessary capital to develop vital resources (e.g., petroleum and mining) in addition to its role in industrial production and in meeting the public necessities (e.g., transport utilities) in a state where the bourgeoisie has not developed sufficiently enough to assume ownership of these factors." The socialist forms are, thus, limited to the needs of the development of a capitalist economy. The prevalence of these socialist forms does not make these countries socialist.

An analysis of the class structure of the state capitalist countries will help appreciate the characteristics of this strategy. According to Berberoglue, there exists a small, 'constantly threatened' national bourgeoisie in these countries. The working class is very small, but, there exists a large class of marginal farmers and landless labor. In the absence of a large class controlling the state, there is a 'ruling coalition' of the nationalistic industrial classes agrarian elite, the class of professionals and sometimes, the petty bourgeoisie.
Such a combination leads to the espousal of the capitalist mode of production, with a strong nationalist streak.

Before getting into a detailed discussion of state capitalism as the development strategy in India it is a useful reminder that the term state capitalism itself is not without controversy. For Berberoglu, state capitalism is different from "both the concepts of state monopoly capitalism as it is applied for example by James O'Connor in the case of the advanced capitalist countries and state intervention in a number of neo-colonial Third World countries."40 State capitalism, it is clear, is not a different mode of production from that of the capitalist countries and is not similar to the socialist countries. This is a variant of the capitalist form of production. The term used here "to refer to the introduction and institution of the capitalist mode of production, through indirect state intervention by the petty bourgeoisie."41 Thus, it is clear that this is very different from the so-called state capitalistic system of the East European countries. For T. Szintes:

An important task of state capitalism [in the under-developed countries] is the development of production forces and in connection with it, the transformation of the distorted economic structure and the creation of an organic and inter-related economy.

State capitalism here has basically national tasks to perform aimed at creating an independent national economy, and is, sooner or later, necessarily directed against the foreign capital ... Apart from foreign capital and ... comprador private capital, national capital is interested in the fulfillment of these tasks.42

An analysis of the important characteristics of the concept of state capitalism will make obvious its applicability to the Indian
scene. For Petras, "a precondition for the creation of a national-capitalist economy is the nationalization of the imperial firms; the basis for the creation of an internal market is agrarian reform. Hence, the state capitalist regime is characterised by extensive efforts at nationalization and land reform."43 The nationalization of the oil industry, major transport networks and the introduction of the Foreign Exchange Regulation Act can be better understood in the light of these characteristics. The early Zamindari Abolition Acts instituted in India soon after independence--as explained earlier--should be seen in this light, as measures to break the feudal mode of production in the rural areas to aid capitalist industrialization.44 The limited nature of the zamindari abolition schemes and the absence of through land reforms to reduce inequalities in land holdings in substantial parts of rural India again fits into this scheme of things; the aim was only to appropriate large tracts of land belonging to feudal landlords and to create a modern capitalist agriculturist system and not to abolish inequalities. Herein lies the difference between state capitalist reform and socialist change. Petras observes, "the manner through which these radical reforms are implemented and their political and social consequences, however, clearly distinguish these efforts from a socialist revolution."45

Most characteristics of a state capitalist regime as Berberoglu and Petras explain are present in the Indian case. Even though state capitalism is far from a socialist system, there is a lot of socialist rhetoric; parliamentary resolutions, even the preamble to the Indian constitution speak of the creation of a socialist pattern of society.
But, all this stops with rhetoric: this rhetoric is popular and has often been useful to convert into electoral majorities. It conveniently covers up the actual development philosophy followed. As Petras says "What is transparent in the egalitarian claims of the state capitalist regimes that emerge from these intermediary strata is the sharp differentiation in political power which sooner or later translates itself into equally pronounced socioeconomic inequalities, despite subjective protestations to the contrary."\(^{46}\)

The contrary rhetoric notwithstanding, in the development philosophy followed so far, development has been equated with modernization along Western lines and industrialization. Since the early days of planning, the policy followed has favored the growth of import substituting over export promoting activities. The emphasis was on the development of heavy industry on the model of East European economies. But, unlike in the socialist system, in the Indian model private capital gets the pride of place. Agriculture has been given a distinctly secondary place: it is essential to meet the needs of a growing population and provide raw material to the industries. It was realized that the agricultural sector could not continue to support 70 to 80 percent of the population as it did on the eve of independence--though it still does. The population dependent on agriculture had to be substantially reduced and transferred to the industrial sector or a rural based cottage industries sector.\(^{47}\) The general outlook towards the first few Five Year development plans explains this. The First Five Year Plan (1952-'57) was more in the nature of an organized attempt at repairing the economy after the ravages of partition of the country.
The investment in the industries sector went to repair the damages inflicted by the Second World War and the dislocation following independence. The agrarian sector of the plan emphasized the abolition of the absentee landlords. The CD Program was launched as an attempt at regeneration of the rural areas. There was near parity between these sectors.

But, the Second Five Year Plan (1957-'62), for the first time gave expression to the capitalist outlook of the policy planners. Investment in the industrial sector was directed at heavy industries with substantial state investment in those spheres where private capital was notably shy to enter. Agriculture got a distinctly secondary priority. In the agriculture sector itself, emphasis was shifted from community regeneration schemes like the CD Program to agricultural production plans. Emphasis was shifted to intensive agricultural production programs, schemes like the Intensive Agricultural District Programs, which provided 'packages' of high yielding seeds, chemical fertilizers and insecticides to the better off--'receptive'--farmers with an eye to increasing production. Thus, increasing production got a distinct preference over the issue of distributive justice. Weisskopf observed about the agrarian policies of the government in the sixties and the seventies:

This program was explicitly designed to allocate scarce agricultural resources to the better off areas and better off farmers in an all-out effort to increase output with little regard for the distributional consequences ... The relatively well-to-do capitalist farmers remained the primary beneficiary of government investment in agriculture and the main hope for the success of agricultural development.
An increasing supply of food to meet the needs of the population and the industrial sector was essential for the success of a capitalist development strategy.

The development policies of the government, further, have not attempted to socialize the means of production, in spite of claims to socialism. The presence of large public sector industrial units has been one of the bases of the claim to socialism. In a socialist system public sector enterprises help the state to have control over the means of production and prevent the concentration of economic power in the hands of the capitalist class. However, in spite of the claims of the government of India, the public sector has not been playing such a role. As I see it, the public sector was not meant to play such a role by the government, for the aim was not the setting up of a socialist society but that of a capitalist economy. As R. C. Dutt explains, the socialist pattern of society and the presence of a public sector in the Indian context has only meant an important role for the state in promoting economic growth within an essentially capitalist economy. Thus, in spite of the importance attached to the public sector, socially owned undertakings have been restricted to the infrastructural area and the production of basic raw materials and heavy industrial goods, thereby subserving the needs of the private sector.

The latter is especially true as the services and raw materials thus provided are made available at administered and not at market prices. The price of the output of a public sector product is supposed to cover just the cost of production of the manufactured item. But,
the price is often fixed so as to help keep down the cost of production of the industry using this product; the prices of the public sector products are so fixed administratively by the government while the private sector producers are free to sell their products at any price that the market can bear.\textsuperscript{52} And it is the latter type of product that enters more directly into consumption and determines the prevailing price level. Thus, while the steel billets produced by the integrated steel plants, all but one of which are in the public sector, have to be sold at controlled prices, the steel re-rollers in the private sector, who cut and roll these billets into bars and rods, needed for example, for house construction that determine the cost of housing, even for the low income group.\textsuperscript{53} Similarly for agriculture, while the entire agricultural sector is privately owned, what is more important is that production for the market is concentrated in the hands of a few large landowners, who constitute the capitalist agriculturist class. Finally, distribution of both industrial and agricultural products is almost entirely in private hands. It is they who finally determine the prices at which such products are made available to the consumers.\textsuperscript{54}

It is wrong, therefore, to hold on statistical grounds that the public sector holds the "commanding heights" or occupies a dominant position in the economy.\textsuperscript{55} It is the private sector that determines what consumer goods should be made available and at what prices. The state has entered into the areas of industrial production and the commercial arena to work as a catalyst for capitalist development and to help the private sector to expand. The public investment has been concentrated in those areas where private investment has been shy--
because of low expectations of profits—and where this sector has lacked capital for investment. As A. R. Desai comments on the nature of the private sector in India, "this capitalist development cannot survive in an atmosphere of real laissez-faire; it requires state protection in its favour."56 Thomas Weisskopf had the following apt comment about the nature of 'socialist pattern of society! in India: "While initially this term seemed to suggest a rejection of an economic system based on private enterprise, it soon became apparent that what was intended was an important role for the state in promoting social justice as well as economic growth within the context of an essentially capitalist economy."57

Nationalism and Capitalist Development

However, this nationalist, capitalist mode of production encourages indigenous capitalists. The aim is to develop an indigenous capitalist class which will be at the vanguard of capitalist development. With this end in view the role of foreign capital was to be closely monitored. This policy does not let the foreign owned multinationals hold majority capital participation in any unit and similarly foreign capital is not allowed a dominant share in any industrial sector. Nor are these firms allowed to compete with the fledgling internal capitalists. Multinationals are allowed only as partners of local capitalists and only in those spheres where local technology is not sufficiently developed; further, the multinationals are allowed only a minority shareholdings in such industries. As seen earlier, state investment is channelled into those spheres where the only alternative—due to the reluctance of
national capitalists to enter—is the opening of these industries to the multinationals.

The Foreign Exchange Regulations Act (FERA) prohibits the operation in India of any foreign company—except commercial banks—51 percent shares of which are not owned by Indian nationals, companies or individuals. Those companies which did not have the necessary Indian shareholding were required to 'dilute' their ownership by a given time or wind up their operations. Further, under this Act, foreign collaboration and technical transfer are allowed only in areas where local expertise is lacking. Even in these spheres, foreign companies cannot own more than 49 percent of the shares. There are many instances of foreign multinationals winding up their operations in India, rather than comply with these requirements, including the much publicized ones of IBM and Coca Cola. The FERA has been amended from time to time to benefit the indigenous capitalist class. An amendment requires the foreign companies which have complied with the requirements of equity ownership by Indians, to change their foreign trade names of their products. This was another move to help the indigenous industrialists in the marketing of their products. For, even after the 'dilution' of foreign equity holdings, the 'local' industrialists found that it was difficult to compete against similar products produced in India but sold under an international trade name. The state, thus, has been actively helping in the development of an Indian capitalist class.

A major reason for the development of a nationalist-capitalist development philosophy in India has been the nature of classes in Indian
society. Under state capitalism it is the petty bourgeoisie that holds state power. Berberoglu confirms, "This [state capitalism] develops in the context of the colonial or neo-colonial situation and is dependent on the forging of successful class allegiance under the leadership of the petty bourgeoisie." For him, if the bourgeoisie succeeds in retaining the leadership state capitalism emerges; if the proletariat emerges victorious the country will go socialist and if the comprador class wins the state will go into the control of multinational capital.

In an analysis of the class structure of the Indian society Thomas Weisskopf traces the development of the Westernized Indian intelligentsia and business elite since the days of colonialism. With independence, power passed into the hands of this group, which became the dominant class. This class, naturally adopted the nationalist capitalist model of development which would further its own interest while preventing the emergence of a class or a coalition of classes that would threaten its power. In short, there has been a "control of state machinery by the educated middle class elite and the business elite who have developed—or are now able to develop—a close symbiotic relationship with the Indian government. The traditional elite has surely been weakened, as well as those sections of the other elite classes who are unable to benefit from an enhanced Central government role in the economy." This is also a confirmation of his assessment that "the Indian bourgeoisie and intelligentsia remained in firm command through the struggle for independence and have strengthened their hold on the state apparatus ever since." This coalition has been the main cause for the evolution of policies which help the capitalist class and prevent policies
seeking distributive justice. Weiskopf again explains: "The prevailing class interest and power was inimical to significant progress toward a more equitable social and economic order. For all their conflicts of interest, if any, on economic growth strategy, the dominant class in India shared a common interest in minimizing any redistribution of income." 

The Contradictions of State Capitalist Development Approach

In spite of the infusion of nationalism into a capitalist system, many of the inconsistencies of capitalism have not disappeared. When these contradictions are analyzed, the limited nature of a state capitalist system will be obvious. Apart from the limited gain of reducing dependency, the essentially capitalist features of this strategy have tended to impede a genuinely redistributive development. There has been considerable distortions as a result. The capitalist system superimposed on an economically backward country like India, has led to certain exaggerated characteristics which are not often present in the developed capitalist states. First, capitalist development in India has led to an acceleration of the trends towards monopolies and concentration of wealth, which, though characteristic of capitalist development, found specially favorable climate in a feudal society like India, which is not sufficiently broadbased for effective entrepreneurial competition to emerge therefrom.

Further, while the ownership of the means of production gives an opportunity to those who own them to influence to their own advantage the income arising from them, this opportunity is much greater in a
poor, underdeveloped country. In India, for example, labor, except in a comparatively small organized sector of industry, is not only poor and disorganized but has very limited bargaining power. Since conditions in most of the Third World countries, where state capitalist development strategy finds acceptance have considerable resemblance to those in India, most of these incongruities are likely to be common with state capitalist strategy in general.

Since maximization of profit is the main, if not the sole motivation for private investment, it is natural that such investment has been flowing to areas where profit is the highest, and not to those where demand, though not expressed in monetary terms, for want of money, expressed as purchasing power, is most acute. Here again, the universal characteristics of capitalism are exaggerated in a poor country like India. Private capital investment has also been going to the comparatively well developed regions of the country that offer attractive returns. These tendencies are often sought to be offset by fiscal incentives; but, these measures, like measures to prevent concentration of wealth, are at best negative measures, to prevent capital flowing into socially undesirable channels. They cannot canalize investments into the priority sectors.

Added to these is acquisitiveness, which is again characteristic of capitalist societies, which finds ample opportunity in a developing society, plagued by shortages of necessities. Hoarding of commodities in short supply in order to aggravate the shortages further artificially to profit from these shortages is a common way of investing resources. Finally, capitalism, in the context of a poor country develops a vicious
circle, which is difficult to break. The interests of the great mass of the people remain unarticulated, while the rich, utilizing their position and power help suppress the voice of the former further. Class differences are, thus, accentuated, a dual society, one of comparative affluence and the other of dire poverty created and the contradiction between the rich and the poor aggravated. These are some of the characteristics that are aggravated in a state capitalist regime of this type.

While discussing the limited benefits and the disadvantages of state capitalist strategy, it is worthwhile to note that this is a via media between the dependent, neo-colonialist development approach and a socialist approach. Thus, in a continuum, with the dependent neo-colonial approach at the bottom and an autonomous socialist strategy at the top, state capitalist form of development is somewhere in the middle of the scale. Thus, it is not the best strategy that a developing country can follow. Because it is a sort of compromise, it is in an unstable position. The fledgling national capitalist class is not in a position to pursue a path of autonomous capitalist development. The state is continually in a state of precarious equilibrium. Both Petras and Berberoglu affirm that there is tremendous pressure on such a state from the right, comprising the feudal landlords, who have been dispossessed in the state's agrarian reforms, and the multinational capital and the comprador bourgeoisie; there is a similar pressure being exerted from the left also, from the labor class, the rural poor and the landless. The way the state swings in the light of the pressure will depend on the area from which the pressure comes: if the state
comes under increasing pressure from the right, it will move towards the left, espouse some leftist policies to secure support from the left; similarly, if the pressure is from the left, the movement of the state will be to the right. There is a possibility of external penetration. "But, being a petty bourgeoisie state, it governs at the delicate equilibrium of pressures from below. It is precisely this contradictory position of the post-colonial state that provides the key to an understanding of the dynamics and contradictions of State Capitalism in the periphery."69 As against this, in a truly socialist state, without the contradictions of a capitalist system, the state can ally with the "labouring population, extend the area of national control (through nationalization), reinvest the surplus of the national economy, or promote a redistribution of income within the general class structure."

It is possible to explain some of the major changes in the Indian government's policies with the help of the constant equilibrium that a state capitalist regime finds itself in. Francine Frankel has graphically illustrated the pressures on the government from the right to change its policies of industrial development, soon after the death of the First Prime Minister, Nehru.70 These pressures from the right, which culminated in the devaluation of the Indian rupee in 1966, under pressure from the IMF, account for the left leaning policies of the government, including the nationalization of the major private commercial banks.71 Similarly, the explanation of the policies followed during the period of national emergency between 1975-1977, as a turn to the right, in the wake of mounting unrest and strengthening of the left, can be better appreciated from the perspective of state capitalism. These
movements signify the tenuous nature of equilibrium in such a set up. These movements to the left and to the right to counteract threats to the regime have also been held responsible for the lack of a systematic right wing or socialist policies by the government. 72

State Capitalism and 'Independent' Development

An analysis of some of the features of a state capitalist approach to development, thus, casts doubts on its capacity to lead to 'independent' development. The strong nationalist streak in the state capitalist approach has prompted the ruling class to ward off a dependent neo-colonialist path of development. But, the essentially capitalist nature of this development approach puts serious limitations on autonomous development. A quick look into the issues favoring the possibility of autonomous development and those against it will be useful. Besides, a strong nationalistic fervor in the newly independent countries, one reason for the espousal of state capitalist strategy is the relative decline of the strength of the neo-colonial powers. In fact, most writers emphasize that state capitalism can surface mostly during a period of relative decline of the powers of the neo-colonial states. According to Petras, "The rise of national state capitalism occurs in a period of the relative declining power of U.S. imperialism, the growth of inter-imperialist rivalries . . . When we speak of relative decline of US imperial power, we are drawing a comparison with the recent past." 73

Another factor which tends to help reduce dependence on developed Western economies is the increasing support the state capitalist regimes
receive from the Soviet bloc of countries. The active support of the collective non-capitalist economies to Indian economic development is a telling example. When the U.S. government and Western private steel industry were reluctant to help the public sector in India set up an integrated steel plant, Russia came to its rescue and actively assisted India. Two Soviet writers, Solodovnikov and Bogoslovsky, probably for the first time interpreted, during the 20th Party congress of the CPSU, that India was following a path of development, independent of Western influence. They recommended the active support of the Russian government to countries like India following 'independent' paths of development irrespective of whether they were socialist or capitalist. The Soviet Union of countries has been actively involved in the state sector industries of the newly independent countries following state capitalist strategy. In the absence of this support, the possibilities of state sector industries developing in these countries would have been limited, given the hostility of the developed Western countries, especially the U.S. to state sector industries.

These two factors notwithstanding, it cannot be assumed that the state capitalist strategy avoids dependency. The very nature of capitalist mode of production in the periphery necessitates dependency of some kind, on the developed industrial powers of the West. This has been the view of many writers on state capitalism. Petras has indicated that many of the countries will, at some stage, as Mexico has done, recall the imperial firms. Dependency is only reduced, not eliminated by state capitalism. This is the conclusion of Dupuy and Truchil after a study of Peru and Algeria. Shortage of internal capital for
investment and lack of technical know-how have contributed to this. Dupuy and Truchil observe about Algeria: "International finance capital exerts pressures on the Algerian planners to allocate investments to the highly profitable exports sector (energy) by refusing to lend funds for investment in the less profitable, non-energy sectors." These authors also conclude that the technology and service needed for production in the Third World will necessitate the purchase of these from the multinationals and the strong advantage of these firms will put them in strong bargaining positions. This "dependency on foreign technology and services is another expression of the subordination of the Third World economies to foreign capital." They emphatically conclude from their study, "No Third World State Capitalist society has escaped the need to rely on foreign technology for their industrial and agricultural development." These examples of the behavior of state capitalist countries cast grave doubts on the claim of state capitalism to be a non-socialist alternative to dependency.

While accepting the view of Dupuy and Truchil, it is useful to keep in mind that another factor that determines how autonomous a state capitalist strategy will be: the size of the market available for the national capitalist firms. This, together with the availability of a protected market, thanks to total restriction on imports, reduces the need for constantly updating technology. While the former reduces the importance of exports to maximize profits, the latter contains competition. These local capitalists can use less sophisticated technology by exploiting a sellers' market. Indeed these two factors are closely related. Many writers have referred to this aspect of India's
industrial scene.\textsuperscript{79} The development strategy followed by India placed greater emphasis on import substitution over export promotion. Indeed, till the oil squeeze of 1973, which necessitated free foreign exchange for oil imports, exports received a low priority in the Indian strategy. The need for export earnings to pay for the increasing cost of oil, has led to the initiation of export promotion programs. This has necessitated modernization of technology, leading to increased dependency on foreign multinationals for knowhow, as Dupuy and Truchil have analyzed.

However, as in the case of Algeria, the progressive shortage of investment capital has led to increased reliance on capital from the international government agencies.\textsuperscript{80} This insatiable demand for investment capital, is in a way, built into the state capitalist system. India has shown a steady increase in dependence on capital from international bodies like the IMF and the World Bank. The recent sanction of a loan to the tune of $5.6 billion from the IMF to India, the highest ever sanctioned by the IMF to any country, denotes a high watermark in this regard. It is often claimed that borrowings from IGOs do not constitute dependency relations with multinational capital. Most of the Third World countries which seek loans from bodies like the IMF and World Bank have justified this by the above argument. The Indian government, during a defense of the IMF loan in Parliament insisted that this loan would not lead to entry of multinational capital into the Indian economy by-passing the Foreign Exchange Act. For, the IMF is a body financed by individual governments. But, example of most countries that have borrowed capital from these bodies belie this hope. Cheryl Payer, after an analysis of many Third World countries,
has concluded that loans from these bodies are like a trap, out of which it is difficult to extricate. Loans from IMF have invariably led to the penetration of the borrower countries by the multinationals. Thus, once a Third World nation gets into such a 'trap' it is difficult to follow autonomous development policies. The IMF/World Bank loans stipulate opening up of the debtors' economies to foreign imports. Often world tenders have to be called for the execution of projects, financed by these loans, thus giving opportunity for multinational capital. There are other stringent conditions attached to loans from the IGOs; these bodies closely monitor the debtors' economies, their fiscal and monetary policies require IMF approval and trade policies are scrutinized. The management of the general economy of the debtor is subject to close inspection and control by the IMF. Under these conditions, it is not possible to accept the contention that a country can borrow large amounts of money from the IGOs and still independently follow economic policies.

This action by India is more in line with Mexico's experience. Mexico, which was following a state capitalist approach to development, ultimately reinvited the multinationals. As Petras explains, "The maintenance of a national private sector allows state capitalists who accumulate at the expense of imperial capital to branch out at a later period in private ventures. The sequence in some state capitalist regimes is for the state capitalists to accumulate private wealth through salaries and other perquisites, to open opportunities for investment through the state . . . and eventually reinvite foreign capital . . . The Mexican example is illustrative of this."
seems to be a sense of inevitability to it; for, state capitalism is a capitalist mode of production. It is difficult to visualize a capitalist country which has developed independent of others. For, there is nothing like an autonomous capitalist development. In the final analysis, what form the restriction on foreign private capital in India will take, will depend on the changes in the complex nature of power relations in the country.
CHAPTER III--NOTES


5. Ibid.

6. Ibid., p. 23.


8. For a good discussion of the views of James Petras and Nicos Poulantzas on the nature of state, see Ronald H. Chilcote, Theories of Comparative Politics . . ., Ch. 5, pp. 139-216.


14. Ibid., p. 35.


20. Ibid., p. 120.

21. Ibid.


25. Ibid., p. 120.

26. Ibid., p. 122.


29. Thomas E. Weisskopf, "The Persistence of Poverty in India . . .," p. 35.

30. Ralph Miliband, p. 121.

31. Ibid.

32. For a good analysis of the characteristics of bureaucracy in India see Dilip Hiro, Inside India Today, Ch. 4, "Present Political-Administrative Structure," pp. 45-51.


A strong nationalist approach to capitalist development has been noticed in many Third World countries, following their de-colonization. This has led many of these countries to avoid the dependent, neo-colonial path, thus leading many writers to take an optimistic view of the transformative potential of state capitalist strategy. Many reasons have been cited for this sense of nationalism. As Petras sees it, this is due to "three inter-related issues, the social basis of nationalist predominance over socialism during the independence struggle, subsequently in the post-independence period and the political, social and economic possibilities opened by independence to nationalist regime."

40. Ibid., p. 18.
43. James Petras, Critical Perspectives ..., p. 42.
44. For a discussion see Dilip Hiro, Inside India Today, Ch. 8.
45. James Petras, Critical Perspectives ..., p. 87.
46. Ibid., p. 88.
47. Dilip Hiro, Inside India Today, Ch. 9. Hiro explains the dominant development philosophy followed by the government of India as 'Socialistic Capitalism.'
51. For a good discussion of the role of public sector undertakings in a socialist state see E.M.S. Namboodiripad, Economics and Politics of India's Socialist Pattern (New Delhi: People's Publishing House, 1966). The author questions the claim of the Central government that the public sector in India is designed to lead to a 'socialist' society. The author, who was the CPI Chief Minister of Kerala twice, explains how the public sector should perform in a socialist state and contrasts it with its role now, as aiding private capitalist development.

52. See R. C. Cutt, "The Developmental Challenges of the Eighties." Dutt, who was the Secretary in the Central Government's industries department, discusses the way prices of public sector goods 'ought' to be fixed: the price of the product covering the cost of production. This theory itself is not without its critics. Those planners who want the public sector to 'perform' like the private units want these public units to generate profits to provide for reinvestment.

Dutt explains how the present pricing policy hardly covers the cost of production. So as to provide a 'fair' price to the consumers, who are the private sector units, the price of the public sector units includes an element of subsidy built into it.

53. Ibid.

54. Dutt, op. cit.

55. Even on a statistical basis, this claim, at best, is tenuous, for, while the total amount invested in the public sector, an omnibus term, which comprises all economic enterprises owned or operated by the government, looks gigantic, its contribution to the net national income is very limited. As on March 31, 1980, the total investment in the public sector was Rs. 110,970 ml. ($13,871.2 ml.), before the recent nationalization of five small commercial banks and some large ailing textile mills in South India.

The share of the public sector in the net national product was 2.8 percent (7.4 percent if government administration is included) in 1950-'51, a figure which rose to 8.5 percent in 1972-'73 and 17.1 percent (34.3 percent if government administration is included) in 1980-'81, before the recent nationalization referred to earlier. (Source: India 1980- A Statistical Abstract, published by the Government of India; Indian Economy by Datt and Sundharam and "Economic Times," Special Issue on Indian Industries, April 18, '81.) These figures do not substantiate the claims that the public sector have reached the "Commanding Heights" of the economy. The rate of increase, excluding regular government administrative expenditure, is not very high. The public sector units are concentrated in heavy industries, transport utilities, oil exploration, etc., where the profit margin is limited. It has not entered into lucrative areas like chemicals or man-made fibers, where the rate of profits for the private sector is phenomenal.

57. Thomas E. Weisskopf, "The Persistence of Poverty...", p. 45.


59. S. K. Goyal, *The Impact of Foreign Subsidiaries on India's Balance of Payments* (New Delhi: Indian Institute of Public Administration, 1979), p. 12. Goyal, in a survey of foreign firms operating in India found that their numbers fell from 263 in 1956 to 195 in 1973 and 171 in 1976. But, there were many instances of consolidation and diversification. Goyal discusses the activities of India Tobacco Co., a British tobacco company, which, after bringing its stockholding down to 49 percent, in compliance with the FER Act, diversified into other lines, like hotels and fish canning. Thus, without new foreign investments, by reinvesting the additional resources made available by the compliance with FERA, many foreign units have entered into new avenues.

60. Goyal quotes an interesting account of the industrial activity of foreign subsidiaries, before restrictions on the use of foreign brand names. The following passage describes the place of transnationals in the everyday life of an individual belonging to the upper and middle classes of India:

"The moment he gets up in the morning, he takes out his Colgate tooth brush over which he spreads Colgate tooth paste (both products of Colgate-Palmolive (India) Ltd.,--a subsidiary of a US company of the same name) for his morning brushing-of-the-teeth ceremony, which is preceded or followed by a cup of tea packaged and distributed by Lipton (Unilever Controlled) or Brooke Bond (a subsidiary of a UK company). The tea would have been made on a stove lighted by a match box manufactured by Swedish owned WIMCO. After this, for his morning shave he uses Palmolive lather shaving cream and aftershave lotion of the same company. The blade he uses is either Erasmic (of Hindustan Lever, a Unilever affiliate) made under foreign collaboration or from stainless steel supplied by the foreign collaborator. Proceeding to his bath, he uses Lux or Rexona (Hindustan Lever) soap. He uses for his hair, vaseline hair tonic (product of Ponds). For his breakfast, he takes toasted Britannia bread (a product of Britannia Biscuit Company--a subsidiary of UK company), which is washed down with his favoured 'Nescafe' cup of coffee from Nestles of Switzerland. To go to his factory or office, he dresses himself in a tereylene suit of a mixed fabric dress consisting certainly of 'Terene' manufactured by Chemicals and Fibres India Ltd., a subsidiary of ICI. He has to catch a (Ashok) Leyland bus, or in the alternative a Tata-Mercedes Benz fitted with tyres manufactured by Goodyear, Dunlop or Firestone.

In the office, he does a good deal of writing with Parker quink or its variant Chelpark and refreshes himself with Coca
Cola. In the office, he gets his facts and figures through machines hired from IBM, ICL and he gets his material typed on a Remington type writer. In the evening when he returns home, he has a cup of Bournvita (Cadbury's product). He takes his children for a walk and they demand Cadbury's chocolate or Amul chocolate (which is manufactured under a license from a foreign company). He smokes cigarettes manufactured by the India Tobacco Company (a subsidiary of British-American Tobacco Company). But a friend advises him to take Charminar of Vazir Sultan, which has special links with Indian Tobacco. On important occasions, he goes for a lunch arranged by his friends in one of the India Tobacco Company's hotels (Chola or Maurya) or to Oberoi-Sheraton. At night his wife spreads a table for dinner with cutlery manufactured under foreign collaboration and serves him with poories fried in Dalda of Hindustan Lever. He retires to bed on a duniopillo (product of Dunlop) after taking, if he is on the wrong side of 45, Digene of Boots or in the alternative Gelucil of Warner Hindustan. If he does not sleep, he takes 'Valiem' of Roche. For his wife, he, of course, gets the best kit of cosmetic consisting of Ponds cold cream (manufactured by Cheesebrough Ponds Inc., USA) and face powder manufactured by the same firm and lipstick of Max Factor. His wife cooks food in "Hawkins" or "Killicks" cookers (manufactured under foreign license). When he is away, his wife sews some cloth pieces with Singer sewing machine or knits his puli-over or cardigan with Singer knitting machine (eventhough these machines are made by Merrit, they are marketed by Singer). When tired or bored, she turns on the radio/TV manufactured by the Philips/Murphy/GEC. For washing, of course, 'Surf' of Hindustan-Lever or Rin of the same company is used by her. When his wife goes out for shopping she does not forget to get "Bata" shoes or chappals for her husband and children. If she has a headache (she often has it) Roche's Saridon is the answer, or if the doctor advises differently Crocin is the substitute.


63. Ibid., p. 33.

64. Ibid., p. 34.

65. R. C. Dutt, "The Developmental Challenge . . .," p. 86.

66. Ibid. There has emerged clear trends showing concentration of wealth. The share of the top sections of the national population in the national income has been rising rapidly. Between 1953 and 1971, for instance, the share of the top tenth of the population in the national income rose from 28 to 37 percent, whereas that of the bottom 2/5th declined from 20 to 15 percent.
67. Dilip Hiro, op. cit.

68. James Petras, Critical Perspectives . . ., p. 43. One aspect of the characteristics of the state capitalist strategy which has not been emphasized by either Petras or Berberoglu, is the close resemblance to the Rostow stages theory. This resemblance pertains only to the approach to internal development. From an explanation of the capitalist model of development being followed in India, it seems as though a conscious attempt is being made to create the conditions listed by Rostow as being necessary for a take-off of the economy. State in this process has an important role to play, a role which has not been envisaged by Rostow. His four stages of development are essentially derived from a historical review of the economic development of the Western countries. An analysis of the development philosophy of India suggests strong possibilities that the Western model of development has been a strong motivating force in the adoption of this model of development. The resemblance between the Rostowian stages model and the state capitalist system is not clear beyond this level. And any further comparison along these lines would require empirical analysis.


74. Quoted in Berch Berberoglu, "Towards a Theory . . .," p. 27.

75. James Petras, Critical Perspectives . . ., p. 92.


77. Ibid., p. 13.

78. Ibid., p. 14.


81. For a critical analysis of the 'interference' of the IMF in the economic policies of the debtor countries, see Cheryl Payer, The Debt Trap . . ., pp. 1-38. The experiences of many Third World countries with the IGOs suggest that loans from these bodies give opportunities for trans-national capital to enter the economies of these countries.

82. James Petras, Critical Perspectives . . ., p. 92.
CHAPTER IV

BIHAR: TECHNOCRATIC STRATEGY AND GROWTH WITH INEQUALITY

Bihar is a state which has consistently adopted the kind of development policy which has placed emphasis solely on economic growth. Even when some measures to bring about distributional justice were introduced into governmental programs, they were done half-heartedly and the measures were not seriously implemented. It may be that the causes of such actions lie in the class structure of rural Bihar and its impact on developmental policies. A 'new style' of rural development policy was introduced by the middle of the seventies, featuring the Integrated Rural Development Program which can be interpreted in the context of the class structure in Bihar.

Economic Background

Bihar provides an example of needless poverty in a richly endowed state. It has considerable agricultural and mineral wealth. Yet, rural poverty is very high even for a developing country like India and is increasing. Bihar accounts for about 10 percent of the country's population. In spite of the concentration of steel, mining and heavy industries in the southeastern parts of Bihar, it remains predominantly an agricultural economy, in which the percentage of rural population is as high as 89.96. The importance of the rural sector to the workforce of Bihar is also pronounced. The percentage of workers in the agricultural sector is 82.26 in Bihar as against 69.67 for India as a
Figure 2. Map of Bihar Districts
whole. Nevertheless, Bihar accounted for only 6 percent of India's net area sown and about 7.4 percent of the value of agricultural output. Notwithstanding the predominance of agriculture to Bihar's economy, it has sizable resources and industrial activity. It produced a little over 65 percent of India's coal, 45 percent of iron ore, the entire output of copper ore, and fairly significant quantities of mica, manganese, graphite, bauxite and limestone, besides other minerals. However, Bihar's share of manufacturing enterprises was only about 7 percent.

In spite of the above-mentioned natural wealth and resources, the people of Bihar have remained poor. A look at the rural scene exposes the magnitude of this. In 1977-'78, 58.91 percent of Bihar's rural population lived below the poverty line as against an all-India figure of 50.70; Bihar contributed 12 percent of India's rural poor.² Bihar also has the lowest per capita income for any state in India and it is about two-thirds that of India.³ It was Rs. 375.50, in current prices, in 1968-'69, compared to Rs. 557.10 for India as a whole.⁴ The corresponding figures for 1974-'75 were Rs. 638 and 1038 respectively. This wide disparity has been persistent and the figures for 1980-'81 were Rs. 1037 for Bihar and Rs. 1710 for India, at current prices.⁵ The distribution of this paltry income is also very skewed.

A crucial factor contributing to rural poverty is the highly inequitable nature of landholdings in the state. Less than a fifth of the population continues to own more than three-fourths of the total land. As Table 4 shows there is a fairly high concentration of landholdings. Though according to the recent land ceiling legislations the
Table 4
Analysis of Landholdings: Bihar State and Ranchi District

<table>
<thead>
<tr>
<th>Size in Hectares</th>
<th>Percentage of Total Holdings</th>
<th>Per holding Average area</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Number</td>
<td>Area</td>
</tr>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Less than 0.5</td>
<td>25.75</td>
<td>46.32</td>
</tr>
<tr>
<td>0.5 -- 1.00</td>
<td>14.94</td>
<td>17.76</td>
</tr>
<tr>
<td>1 -- 2</td>
<td>15.18</td>
<td>14.70</td>
</tr>
<tr>
<td>2 -- 3</td>
<td>10.62</td>
<td>7.62</td>
</tr>
<tr>
<td>3 -- 4</td>
<td>8.40</td>
<td>4.52</td>
</tr>
<tr>
<td>4 -- 5</td>
<td>6.09</td>
<td>3.00</td>
</tr>
<tr>
<td>5 -- 10</td>
<td>11.38</td>
<td>4.25</td>
</tr>
<tr>
<td>10 -- 20</td>
<td>6.01</td>
<td>1.41</td>
</tr>
<tr>
<td>20 -- 30</td>
<td>1.07</td>
<td>0.26</td>
</tr>
<tr>
<td>30 -- 40</td>
<td>0.29</td>
<td>0.08</td>
</tr>
<tr>
<td>40 -- 50</td>
<td>0.13</td>
<td>0.03</td>
</tr>
<tr>
<td>50 and above</td>
<td>0.14</td>
<td>0.05</td>
</tr>
</tbody>
</table>

maximum land that anyone can hold is thirty acres, 23.81 percent of land is held by 1.83 percent of landholders; they hold more than 30 acres each, the maximum that can be held by anyone legally. As against this 54.08 percent of the holdings in the state have 2.5 acres, with 46.32 percent owning less than 1.5 acres. It is no exaggeration to say that Bihar presents some of the most acute cases of rural poverty and inequitable rural structure in India. As Thomasson Jannuzi says,

Not only has Bihar failed to implement agrarian reforms, the misery and poverty of her landless laborers, sharecroppers and small farmers are extreme even in a country where per capita incomes are less than one hundred dollars per annum . . .

Nowhere in India is there greater gulf separating the landholding elite and the masses of the peasantry than in Bihar. Yet, official reports tell us little about existing relationships of men to land or between various landholding classes and the tillers of the soil. Such reports tend to conceal the dynamic power relationships between those who control land resources in Bihar and those who lack the means to control those resources. Such reports give no indication of the manner in which the existing laws governing the relationships of men to the land have been bent and abused in calculated attempts by the traditional landholding elites to retain control over the land and to deny the new rights in land to those below them in the rural hierarchy. Such reports give little indication of the growing tension in rural area between haves and have-nots.

The landed class of rural Bihar has consistently fought against the half-hearted attempts at enforcement of land ceiling legislations. Successive governments, with rare exceptions, have also invariably adopted a pro-landowner stance, though mouthing pro-tenant slogans. In spite of the greatly inequitable pattern of land ownership in the rural areas, the land ceiling laws passed by the governments are quite liberal.

Even these laws remain a dead letter; six years after the new Land Ceiling Act came into existence the state does not have a comprehensive
record of surplus land available for distribution in the state.\(^8\)

Obviously very little land has been taken over by the state and even where the government has initiated proceedings to do so, the rich landlords have started litigation, thus stalling the process of distribution. The total land that has been distributed to the landless has been negligible. The landed class has been resorting to the display of muscle power to retain their hold on the rural scene. The unwillingness shown by the government to sincerely implement the various legislative acts further emboldened the rural rich.\(^9\)

The main reason for this state of affairs has been the capture of political power by the rural middle class. Middle class peasantry not the poorest, have the longest and strongest tradition of organizing for interests and this continues into the present. It is in the context of this rural structure and the prevailing class relations that the other rural development measures, like the Community Development Program, the Intensive Agricultural Development Program, the Small Farmers Development Program need to be analyzed. Before looking into these policies, it will be profitable to trace the evolution of the class structure that prevails in the rural areas of Bihar. This will help put policies in the proper perspective and show the inexorable relations between the power structure and the adoption of policies. For, as Pradhan H. Prasad says, "the social and economic roots of the contradiction which has brought about the current situation lies almost wholly in rural Bihar . . . and are historical in nature."\(^{10}\)
The Class Structure and the Agrarian Scene

The predominant mode of production in rural Bihar, on the eve of the British conquest, was feudal. The British annexation hastened its fall, substituting it with a colonial mode of production. Bihar then formed a part of the Bengal Presidency, which was the first area to be captured in India by the British. The British East India Company reorganized the agrarian scene and made drastic changes in the pattern of landownership. They imposed the Permanent Settlement in 1793, creating a new class of absentee landlords, called the 'zamindars'. They were absentee landlords and were modelled after the British landlords. After a detailed survey of land, called 'settlement', the total land in the province was parcelled out among these zamindars, who became the custodians of British interests in the rural areas. They were to pay a specific amount of rent, which was permanently fixed by the Company. Under the zamindars were tenants, sub-tenants and at the bottom, agricultural laborers. While the rent payable to the government by the zamindar was permanently fixed, there was no restriction on the rent he could collect from his tenants and others to whom he leased out his vast lands.

The zamindars soon started charging usurious rents which made them enormously rich and powerful in the rural scene. Thus, as Prasad says:

The high pitch of land rent and other share of zamindars robbed the tenant-landlords, cultivators and big peasantry of most of its surplus, deprived the middle peasantry of almost the entire of it and saw to it that the class of poor-middle peasantry also emerged as 'chronically deficit' households... The dynamics of the situation found the poor-middle peasantry and the agricultural labourers losing quite a significant part of their land to the landlords.
Figure 3

Hierarchy of Interest in Land

Bengal Presidency
(Bihar was carved out in 1911)
(The "Super Landlord")

The Zamindar--Legally a 'proprietor,' but acting as an intermediary of the state in the collection of rent from the tenants.

The Rural Rich

The tenure holder--Sometimes acting on behalf of the zamindar in the collection of rent from the sub-tenants.

The Middle Peasantry

The subtenants--a rent paying holder of land, not having the right of occupancy on land temporarily in his possession.

The Rural Poor

The landless agricultural laborers

Adapted from: F. Thomasson Jannuzi, Agrarian Crisis in India: The Case of Bihar (Austin, Texas: The University of Texas Press, 1974), p. 11.

The zamindars came to own vast rural wealth and thanks to the patronage of the British authorities, soon came to hold considerable political power in addition to economic power. It has now been interpreted by many sociologists, like Mishra, that the British authorities, while modelling the zamindar on the British lord, expected this class of absentee landlords to be an increasing source of market for British goods. The belief was that "the zamindars, as a result of their continuously increasing income, would import British goods. Thus, the market for British goods would expand." This hope of the British authorities was realized to a considerable degree and the zamindars became the pillars of the British power in rural India. But, the permanent nature of rent, while making the zamindars enormously rich, deprived the authorities of an increasing share of it. Therefore, the British government, which took over the governance of India from the East India Company after the War of Independence of 1857, opted for a direct relation with the cultivators in the areas it subsequently captured. In the southern and western parts of India, it introduced a system called 'ryotwari,' providing for direct relations with the 'ryots,' or cultivators, without an intermediary class like the zamindars, and what is more important, provided for periodic revision of land rent payable to the government. Thus, zamindari came to be restricted mostly to Eastern India, besides a few small pockets elsewhere; and Bihar came to experience a very oppressive version of it.

The Permanent Settlement created a three tier class system in British rural Bihar: the zamindari or landlord; middle peasantry; and agricultural labor. Among the middle peasantry there
were tenant landlords and tenants and laborers, a vast majority of them landless, constituted the bottom class. The usurious rents charged by the zamindars led the second and the labor class to become increasingly dependent on the top class. For, the high rents left little money with these classes and they started borrowing from the zamindars for consumption expenditure. A new class of moneylenders, most of them not owning land, also entered the rural scene to meet the consumption requirements of the middle and lower peasantry. The landlords and the moneylenders usually charged a high rate of interest and the lands of the peasantry had to be mortgaged for these loans. When most of the poor peasants defaulted, their lands returned to the zamindars or the moneylenders, and they joined the ranks of landless agricultural laborers. The moneylenders, thus, became landowners; but, the British government did not let them become zamindars. They had to be content with being tenant landlords. The usurious interest on the loans drove many of the middle peasantry to the ranks of landless agricultural labor. The moneylenders would not advance loans to this class as they had no land; the landless mostly had to turn to the zamindars for all their requirements. The landless were often unable to repay the loans; the landlords had to pay at least a bare minimum of subsistence wage and so made the laborers enter into bonds, promising to work in the landlords' fields until repayment of the loans. The cyclical famines and bad years of the 1920s and the 1930s increased the severity of rural indebtedness. The landless began to mortgage the labor of their children also to the landlords. Thus arose a class of bonded agricultural laborers, who had to work free for the landlords, to redeem the
loans taken by their forefathers. These bonded laborers continued to exist till they were legally freed of their bondage by the Abolition of Bonded Labour measures of 1975-'76. This feudal system of labor relationship was a marked feature of the 'permanently settled' zamindari areas of Bihar and most parts of Eastern India.

The zamindars became the pillars of the British colonial regime. But, the colonial mode of production did not contribute to the development of capitalist agriculture or even improvement in agricultural production. Most of the surplus was siphoned off to the metropolitan centers; as expected the British found in the zamindars a good market for their goods and British industries gained considerably at the expense of the rural areas. Thus, there was no investment in agriculture and in the rural areas.\(^\text{15}\) The imperial government intervened half-heartedly in the rural areas during years of famine by starting some employment works, mostly to pump in money into the depressed rural economy. However, this was scarcely sufficient; the burden of loan repayment allowed for hardly any succor.

The zamindars soon became the objects of hatred in the rural areas. The peasantry, led by the middle class, often revolted against the deterioration in their conditions. Agrarian clashes occurred in the early decades of this century at many places, the ones at Champaran being the most serious of these.\(^\text{16}\) Most of the people in the rural areas, started turning against the British, and the zamindar, as the agent of the British became the object of opposition. Even the money-lenders, whose ranks had increased by now and who came to possess large amount of land, came to join them. For, though they came to own land,
thanks to defaulting petty cultivators, they were not allowed to become zamindars because of the system of Permanent Settlement.

There began the formation of a coalition of all the rural classes opposed to the British and the zamindars. This coalition was not formed along class lines. The tenant farmers, the moneylenders, who could be said to constitute the upper and middle rural rich classes and, the tenants and the sub-tenants, the middle classes, initiated a movement against the zamindari. The poor agricultural laborers were also drafted into this. It was a coalition of all opposed to the rigors of Permanent Settlement and did not represent class interests. This organization started in Bihar in the late 1920s: their immediate demands were reduction in rent payable and return of the lands lost to the zamindars for repayment of loans. The movement gained momentum during the thirties. During this decade the movement of the Congress Party for independence was gaining strength under the leadership of Mahatma Gandhi. When his emissaries toured the rural areas of Bihar for mobilizing the people against the British, they found enthusiastic support among the tenant landlords and the tenants and sub-tenants--the upper crust of the middle peasantry. Through them the laborers and the poor--who were united with them against the zamindars--were absorbed into the independence movement. As the middle peasants became important leaders of the independent movement in Bihar, it began to echo the predominantly anti-zamindari sentiments of these classes. Further, the zamindars were the 'pillars of the British Raj', and there was no question of their supporting the struggle for independence from the
British. The movement for independence, thus, got a distinct anti-zamindari turn in Bihar by the 1930s.

The composition of the rural leadership in this developing coalition had an important bearing in the policies adopted by it. These did not go beyond a call for the abolition of the zamindari system. Such abolition was the combined aim of the middle peasantry and the landless labor. No benefits for the landless labor were advocated by this movement. That the middle peasantry was in the vanguard of the coalition was clear. There was no demand voiced for improving the living standards of the landless labor, providing them with land or at least assuring a minimum wage; nor was there an attempt to abolish the bondage to the zamindars.

The middle peasantry benefitted most from the agrarian reforms initiated soon after independence. The Congress Party came to power; zamindari abolition laws were passed and these were effectively implemented. The tenant landlords became landlords and the tenancy of the middle peasantry was protected. Broadly this group came to occupy the position of the displaced zamindars and became the new influential rural rich. The intermediaries between the agriculturists and the government were abolished. But, the tenants and the middle peasants now won permanent rights over the lands they had leased from the zamindars. In the absence of any effective ceiling on their landholdings they became a 'kulak' class. Thus, in effect, agrarian reforms stopped with the abolition of absentee landlordism; there was no effective change in the structure of land ownership.
Semi-feudal Production Relations

The semi-feudal productions continue to dominate the rural Bihar scene even after independence. The only noticeable change was that absentee landlords came to be replaced by a new class of 'self-cultivating' rich capitalist farmers. The semi-feudal production relations were distinctively different from capitalist labor relations. In the latter case, the proletariat is free to sell its labor power. In the former case labor is not free to do so; a laborer cannot move from one employer to another because of a relationship of bondage to the landed rich. This is strengthened by the continuing reliance of the agricultural laborer and the small farmer on the rich farmer for consumption loans. The landlord invariably lends to the borrower, often the loans exceeding the total assets of the borrower. Considerable empirical evidence is available to substantiate the high indebtedness of the poor rural households and the rigid system of bondage prevalent till the middle seventies, when the Bonded Labour Abolition Act of 1976 officially ended this semi-feudal relationship. The All India Rural Credit Survey Report for 1951-'52 and the National Sample Survey - 25th Round for 1970-'71, for example, provide evidence to substantiate this thesis. Research studies conducted in rural Bihar also give supporting evidence.

Cash borrowing, which give a partial picture of borrowing households, was reported by 51.7 percent of rural households in Bihar in 1951-'52 and 48.8 percent of time in 1961-'62. A major reason for this was family expenditure, meaning general consumption loans. To this must be added a considerable amount of other indebtedness due to the degree of non-monetization of rural Bihar economy, which was high
especially during the first two decades after independence. The percentage of rural households reporting negative net savings in Bihar was about 62.6 percent and their per capita monthly income was a paltry Rs. 12.64 in 1962-'63. As Table 5 further shows, the percentage of rural households reporting liability in Bihar was considerably higher than in states like Maharashtra, Rajasthan, Tamil Nadu, etc. It was considerably less in states like Kerala and West Bengal which have had strong agrarian movements to demand better living conditions for the rural poor. Table 6, giving break-up of income-wise of consumer expenditure to total income also establishes that the vast majority of households remain deficit. In some cases consumption expenditure is over ten times the net income. Further, as Table 7 shows, so serious is the deficit that the repayment of loans is invariably much less than the borrowings during the year. In the case of the poorest rural population group, that is those having total assets of less than Rs. 100 (US $12), according to the Reserve Bank classification, the total borrowings outstanding is more than the value of their total assets. All these point to a system of bondage to the creditor landlords. A similar trend is also underlined in Table 8.

The intent of the lender is not to make profits by charging high rates of interest—though the rate of interest charged is often as high as 50 percent per agricultural season—and recovering it. The 'kulaks' do not insist on full repayment; the debt obligation is used to force upon the direct producers in agriculture a system of 'unequal exchanges', and to derive considerable economic benefits in the form of cheap and assured labor and better terms for leasing out lands. 20 As Harry Blair concludes in an analysis of rural indebtedness and bondage in rural Bihar:
Table 5
Rural Indebtedness in India

<table>
<thead>
<tr>
<th>States</th>
<th>Reporting Liability to Total Households</th>
<th>Reporting Liability in Kind to Total Households Reporting Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Andhra Pradesh</td>
<td>37.26</td>
<td>6.84</td>
</tr>
<tr>
<td>Bihar</td>
<td>45.31</td>
<td>40.56</td>
</tr>
<tr>
<td>Gujarat</td>
<td>39.58</td>
<td>2.60</td>
</tr>
<tr>
<td>Kerala</td>
<td>19.42</td>
<td>5.92</td>
</tr>
<tr>
<td>Maharashtra</td>
<td>22.69</td>
<td>15.16</td>
</tr>
<tr>
<td>Punjab/Haryana*</td>
<td>39.84</td>
<td>5.40</td>
</tr>
<tr>
<td>Orissa</td>
<td>20.50</td>
<td>42.44</td>
</tr>
<tr>
<td>Tamil Nadu</td>
<td>35.49</td>
<td>1.49</td>
</tr>
<tr>
<td>West Bengal</td>
<td>29.30</td>
<td>31.74</td>
</tr>
</tbody>
</table>

*Haryana and Punjab samples were combined because Punjab sample for the categories was too small for any meaningful conclusion. Haryana was carved out of Punjab in 1965.

Source: Reserve Bank of India: All India Debt and Investment Survey 1971, Bombay.

Bonded Labor was abolished all over India in 1976 and theoretically now these liabilities are nil.
Table 6. Consumer Expenditure and Rural Indebtedness in Bihar

<table>
<thead>
<tr>
<th>Annual Total Net Receipt Per Household. In Rs.</th>
<th>Less than 300</th>
<th>300-599</th>
<th>600-999</th>
<th>1000-1999</th>
<th>2000-2999</th>
<th>More than 3000</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Lowest 10% of the Rural Households having Cultivable Land.</td>
<td>442.48</td>
<td>147.33</td>
<td>120.93</td>
<td>107.43</td>
<td>102.80</td>
<td>87.15</td>
</tr>
<tr>
<td>B. Non-Cultivating Wage Earner Rural Household.</td>
<td>143.11</td>
<td>120.11</td>
<td>111.15</td>
<td>93.38</td>
<td>74.28</td>
<td>97.45</td>
</tr>
</tbody>
</table>

Table 7. Repayment of Loans by Rural Households in Bihar

<table>
<thead>
<tr>
<th></th>
<th>Percentage of Loans Repaid to Loans Taken During the Year</th>
<th>Percentage of Total Value of Assets to Total Loans Outstanding for the Asset Group Having Total Assets of Less than Rs. 100.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A</td>
<td>A</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>B</td>
<td></td>
</tr>
<tr>
<td>Bihar</td>
<td>116.53</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>36.13</td>
<td>30.89</td>
</tr>
</tbody>
</table>

A: Lowest 10% of the Rural Households Having Cultivable Land  
B: Non-Cultivating Wage Earner Rural Household.

Source: As for Table 6.
Table 8. Percentage of Disbursement to Gross Farm Income for the Lowest 10% of Rural Households Having Cultivated Land by Annual Total Receipt Class

<table>
<thead>
<tr>
<th>Annual Total Net Receipt Per Household (Rs.)</th>
<th>Less than 300</th>
<th>300-599</th>
<th>600-699</th>
<th>1000-1999</th>
<th>2000-2999</th>
<th>More than 3000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar</td>
<td>78.58</td>
<td>50.28</td>
<td>32.83</td>
<td>31.80</td>
<td>27.51</td>
<td>23.42</td>
</tr>
</tbody>
</table>

Source: As for Table 6.
... within a short space of time the money lenders (who are mostly the big farmers) would, in a short order own everything in the countryside, lock stock and barrel. But, they do not, and the reason is that they never realise these monumental interest rates, nor do they intend to. Their purpose is not to own everything, but to keep everyone in thrall as much as possible. Thus, the basic point of lending money is to keep the borrower in one's debt, not to make profit.²¹

Roth's case study in Dhanbad district is another added evidence of this bonded labor system.²² Well-known Indian analysts of the agrarian scene of Bihar, like Ranjit Sau and Ashok Rudra also underline this point in their elaborately documented works.²³ Rudra emphasized:

If being bonded by various obligations to a particular employer and thereby not being the owner of free selling labour power be a characteristic feature of feudalism, then such feudalistic features continue to exist in various forms within farms cultivated by tenants and farms cultivated by hired labourers.²⁴

The high level of indebtedness of the poor and the resultant bondage to the landed class have created economic, social and political dependence of the poor on the 'kulaks'. With all its consequences it continuously widens the already existing gap between the rural rich and the poor in the rural areas. The economically weak groups are in a continuing disadvantage when it comes to obtaining goods and services for agricultural operations; they resort to distress sales after the harvest to generate consumption expenditure, to repay some of the loan and to prepare for the next agricultural season. A vast majority of the poor peasant households remain in a perpetual state of deficit; the rural rich on the other hand reap enormous benefits. For the rural economy as a whole the consequence has been an increase in the already large number of rural landless. A large number of small farmers and tenants have lost their lands and joined the ranks of landless laborers. As Table 9
<table>
<thead>
<tr>
<th>Year</th>
<th>Agricultural Laborers without Land, in Million</th>
<th>Total Agricultural Workers, in Million</th>
<th>Laborers as a Percentage of all Agricultural Workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>1951</td>
<td>3.17</td>
<td>12.50</td>
<td>25.40</td>
</tr>
<tr>
<td>1961</td>
<td>4.42</td>
<td>14.78</td>
<td>29.9</td>
</tr>
<tr>
<td>1971</td>
<td>6.87</td>
<td>14.45</td>
<td>47.5</td>
</tr>
</tbody>
</table>

shows, landless labor as a percent of all agricultural workers in Bihar rose from 25.4 percent in 1951 to 47.51 percent in 1971. As Rohini Nayyar says in a study of 'Poverty and Inequality in Rural Bihar', sponsored by the International Labour Organization,

If these figures are accepted at face value, it is evident that there must have been an enormous transformation of farmer cultivators (tenants, sharecroppers, and small landowners) into (landless) agricultural labourers. Undoubtedly, something of the sort did occur (in India as a whole), but the figures from Bihar are perhaps too drastic to be credible.

An Overview of Rural Development

It is in the context of the prevailing rural class structure and agrarian relations that the rural development policies that have been adopted in Bihar have to be analyzed. This will give a convincing reason for the preference for some policies over others. The rural rich who benefitted most from the abolition of zamindari-- by stepping into their shoes--had every reason to continue the existing inequitable agrarian relations.

The stamp of the privileged economic and political position enjoyed by the rural rich is evident in the rural development policies followed till the seventies when the contradictions in the policies and the rural class structure led to a deepening agrarian crisis. The two most important policies introduced soon after independence were zamindari abolition and Community Development Program. They were followed by the Intensive Agricultural District Program (the Package Program) and some land ceiling measures. An Agricultural Minimum Wages Act was passed in 1948. Of these the Zamindari Abolition Act was implemented with
considerable vigor. This was essential for the development of capital-
ist agriculture; the zamindari system discouraged investment in agricul-
ture and was substantially responsible for the stagnant agriculture in
Bihar for nearly a century preceding its abolition. Zamindari abolition
helped the 'kulaks' to come to prominence in the rural scene. On the
other hand development policies that would improve the condition of the
rural poor and thus change the status quo were not seriously enforced.
Effective policies were devised and implemented when these benefitted
the dominant classes; policies were made with loopholes and vagueness
when the policies were not in their interest.

With the rest of India Bihar introduced the CD Program in 1952. It
was the first comprehensive rural development measure instituted after
independence. It was an all-inclusive self-help movement, embracing
all activities of rural areas--agricultural development, provision of
drinking water, education and rural health and cottage and village
industries. "The role of the state was to catalyze, provide technical
support, some material . . . and financial assistance. Priorities and
needs were to be determined by the participants and the existence of a
spirit of cooperation and traditional informal consensus mechanism was
assumed. There was a firm belief that this effort to change attitudes
and institutions would generate growth to solve the basic problems of
want and ignorance and would in a decade or so, converting under-
utilized manpower to capital and goods." In the absence of a local
political cadre committed to this philosophy, the bureaucracy became the
main vehicle of implementation. Development blocks were formed in each
district of the state and the village level work was entrusted to a multipurpose field functionary, called the village level worker.

The CD Program resulted in no change in the existing rural social structure in Bihar. It intensified the existing gap between the rural rich and poor. The village level worker came to concentrate governmental assistance to the already better-off sections of the community. The bureaucracy which was the main arm of implementation of the CDP could not obtain the involvement of the rural people in the program. The bureaucracy had its roots essentially in the elite class and shared common attitudes and concern with the rich. It could not be depended upon to implement rural development policies designed to change the existing power structure. The CDP came to benefit primarily the affluent sections because of their access to the governmental apparatus, which helped to channelize investment into spheres directly beneficial to them.

It was to counteract this trend and to provide democratically elected rural governmental structure that CDP was closely followed by the introduction of Panchayati Raj. This involved the setting up of a system of democratically elected political institutions—called the panchayats—to decentralize political power in an effort to move decision-making centers close to the people, to encourage their real involvement and to put bureaucracy under popular control. Indeed the main reason for the introduction of the PR system was to provide a political force in the rural areas to boost rural development programs. But, contrary to the expressed desires of the government, this measure went to bolster the existing class relations in the rural areas. The
introductions of the elected panchayats was only beneficial to the rural rich. In the elections held, they quickly managed to capture the elective positions in the rural areas. This section of the community, which has come to control the levers of power in Bihar after independence extended its hold to the new rural governmental bodies also. As Haridwari Rai and Awadesh Prasad observe in a critical evaluation of the working of Panchayati Raj in Bihar,

In a way the Panchayati Raj tends to act as a system of popular control over the remotely and inadequately controlled and supervised rural bureaucracy and make it more responsive to the rural people. However, the role of the PR in strengthening a participatory democratic culture in rural areas is not particularly significant. It is common knowledge that the panchayats remained for decades under the control of the traditional leaders. Taking advantage of the escalator structure of the PR, the panchayat leaders captured the coveted offices of the samiti and parishad... The breed of leaders thrown up by the PR continues to be steeped in the traditional idiom of politics and has shown little commitment to development and democratic process. 30

The same sentiments are echoed by Mehta: "This would have been a sound policy had it come earlier and had been accompanied by an agrarian revolution... the vested interests had further consolidated their position and captured the new institutions as well." 31

Thus, the rural rich found an excellent opportunity in the new system to extend their hold in the political field. With control over the elected rural governmental apparatus, it was possible to control the rural economy and governmental funds in the desired areas. The election of the rural rich to the panchayats put them in a vantage position especially in relation to the implementation of the intensive agricultural development program which closely followed the setting up of the PR system. The Package Program emphasized intensive agricultural
practices, with special reference to the application of high yielding varieties of seeds, chemical fertilizers and pesticides and the intensive application of irrigation facilities. This project has been responsible for the remarkable rise in agricultural output in the sixties and the early seventies, which has been referred to as 'green revolution'. In Bihar agricultural production went up from 5.7 ml. tons in 1966-76 to 11.3 ml. tons in 1974. With the capture of the rural decision-making bodies, the kulaks were in the driver's seat; the Package Program pumped large sums of credit into the rural areas to finance agricultural production programs. Financial help was given for the provision of inputs like improved varieties of seeds, fertilizers and pesticides to areas where assured irrigation was available. There is considerable evidence now available to establish that the rural rich got the lion's share of the governmental financial help. Thus, while the green revolution increased Bihar's food output by 50 percent in a decade, it pumped in additional resources and incomes to the already rich sections of the rural society, thus exacerbating the existing gap between the rich and the poor.

The capture of the rural political institutions by the 'kulaks' helped them in another crucial way: besides helping direct governmental development aid to themselves and thus develop a strong capitalist agricultural base, it helped prevent reforms in the rural agrarian structure. This explains the reason for insufficient attention to the administrative aspects of land ceiling measures, against usurious rates of interest and in general for enforcing legislation like the Agricultural Minimum Wages Act of 1948. Schemes like the 'Package Program'
which directly benefitted the rural rich were readily welcomed. Full advantage was taken of the benefits offered to the rich by such schemes.35

An interesting question is why laws like the Minimum Wages Act are passed, laws which are likely to upset the existing agrarian relations and thus work against the interests of the rich. To answer this it is necessary to look into the modalities of political activities in India and the working of the political system. Even though agriculture and rural development are within the purview of the states in the Indian constitution, the Central government has an important role to play in the formulation of policies. The (national) Planning Commission prepares the Five Year development plans; although there is a provision for intensive consultation with the states, the professionals, and the final approval of the National Development Council, many factors go to make the Planning Commission the primary body in devising development policies.36 Among these is the financial allotment and division of resources between the states by the Planning Commission and the Central government. What is more important, however, is the political relations between the center and the states. Thus, if the same party is in power at the Center and the states, in a parliamentary system it is difficult for the state government to defy instructions from the Center. Bihar was ruled by the Congress party without interruption from independence in 1947 till 1967, when it first lost power after electoral defeat. By all accounts the party's central leadership immediately following independence was conscious of the problems of inequitable rural structure and the need to improve the living conditions of the rural poor.37
Enacting measures like land ceiling legislations made good electoral logic too. In the electoral system of India, it is not possible for the rural rich to win elections in a state without support from the poor, who after all outnumber the former. It is necessary to show that 'progressive' laws have been passed to help the poor, lest they should desert the party and opt for other parties, which have 'progressive' ideologies and reputations. Thus, in the backdrop of democratic elections and representative government it is necessary to appear to be aware of the needs of the poor. It is in the light of these realities that Myrdal's remark that the Indian governmental apparatus portrays a 'soft state', which cannot implement its own progressive laws, has to be interpreted. Myrdal tends to accept the rhetoric of government without question and cites absence of political will to implement the 'progressive policies'. My research did not cover the entire gamut of rural development policies in the whole country; it was restricted to three states in India. In the state of Bihar, the rural development policies of which are discussed in this chapter, many laws were passed, especially those relating to distributive justice, which were not meant to be implemented. The social class in control of state apparatus had limited interest in passing these laws—to show that it is 'progressive' and keen to bring distributive justice. But, its class interest was against enforcing the laws passed and therefore they were not effectively enforced.

The rural rich held undisputed political power in Bihar during the first two decades following independence; it controlled both the state and local level governmental apparatus. They, as a class supported
the Congress party during this period. As many observers of Bihar's political scene have pointed out, the 'kulaks' deserted the Congress in the elections of 1967 and 1969. For this among other reasons the Congress lost both these elections. But the kulaks' support went to other parties like Congress (O) and Bharatiya Kranti Dal which were filled with dissident Congressmen. Some of the elites went for parties like the Jana Sangh or even the two factions of the Socialist Party of India, which espoused radical rhetoric, but stopped short of putting it into action. 41 These parties later on came together on an all-India basis, to form the Janata Party.42 This group was prudent enough to supply candidates to the Congress also, but did at no time support the two Communist Parties of India, which were espousing the need for restructuring the economy within the democratic framework.

The undisputed sway of the rural rich in the economic and political scene came to be challenged during the seventies. During the first two decades after independence, as Harry Blair maintains, "despite the salvo of rhetorical bombast fired off on numerical occasions on land reforms, minimum wage, bonded labour and so on, they precluded any real change in the land structure after the Zamindari reforms of the 1950s. Thus, big farmers were guaranteed security of tenure." 43 This arrangement seemed to be working well till the late sixties, after which it started to come under attack. The system of direct elections to political offices, based on universal adult franchise, has had a crucial role to play in the changes that have taken place, albeit slowly, in the rural development scene in Bihar. The rural rich, who undeniably controlled the rural political scene could get the rural electorate to vote for
the Congress; it was the party which won independence, abolished absentee landlordism and promised economic development. But the expansionary nature of the Indian electoral system soon brought in representatives of the other classes both into political parties and the government. 44

As the other parties came to contest the Congress for supremacy at the state and local levels, the competition for votes increased. The numerous factions within the Congress and the other political parties began to reach out for support. In rural Bihar the various factions within the Congress and the other political parties began to reach out for support. In rural Bihar the various factions of the Socialist party began to appeal to the landless people specifically. The 'progressive' rhetoric of the government also increased politicization of the poor. Though these were not meant to be taken seriously, the rural poor increasingly began to organize themselves and demanding the enforcement of governmental promises on various measures. One such widespread activity was the 'land grab' movement of 1970; the various factions of the Socialist party and the Communist party organized the rural poor in many districts to occupy the vast lands of the rich cultivators. They resorted to direct action as the government was not enforcing land ceiling laws and distributing the excess lands to the landless. 45 Increasingly the poor began sympathizing with the revolutionary 'Naxalite movement' of neighboring West Bengal. 46 As Francine Frankel commented:

After twenty years of socialist rhetoric, new principles of legitimacy based on equality and participation were slowly taking hold, even as the democratic, political framework failed to provide effective organizational
devices for translating these ideals into action. Plan policies that offered little hope of benefit to the major­ity of the population risked serious dangers that dis­content would spill over into disorder and violence. Against the backdrop of economic failures . . . populist and Marxist parties emerged, committed to a strategy of mass mobilization for a direct attack on the propertied class and the constitutional system that buttressed their privileged position.47

The policy followed hitherto, that of "radical language . . . followed by conservative action," was becoming inadequate. Under the circumstances, a combination of many factors led to the adoption of some additional measures to improve the condition of the poor. These measures started in the early seventies, when the Congress party split into two and the ruling group was trying to establish power by claim­ing adherence to 'progressive' policies to 'abolish poverty'.48 To buttress the claim the central government, at the national level, nationalized many private commercial banks. At the insistence of the central party leadership, the Bihar government introduced some measures to improve the conditions of the rural poor.

One important measure was the abolition of the practice of bonded labor. The Bonded Labour Abolition Act declared null and void any agreement to repay loans by working as laborer for the creditor. It stipulated that:

Any agreement, whether entered into before or after the commencement of this Act, whereunder a scheduled debtor or any member of his family is required to work as a labourer or otherwise for the creditor, shall be void, and any such custom or tradition shall cease to prevail.49

It also cancelled all existing debts and debarred the courts from proceeding against debtors.50 In addition to this, another attempt was made to put new and reduced ceilings on the land that can be owned
by anyone in the rural areas. The Bihar Land Reforms Act was amended to provide a ceiling of 18 to 30 acres, depending on the class and type of land whether it is irrigated or not. Further, during the Fifth Five Year Plan (1974-179) two specific schemes were launched to help the rural poor: the Small Farmers Development Agency was set up to provide help to the small farmers, who owned between 2.5 and 5 acres of land to increase agricultural production and the Marginal Farmers and Agricultural Labourers development scheme to help the landless laborers and those owning up to 2.5 acres of land. The strategy involved the identification of about 50,000 beneficiaries in each district; financial help was given to them by the government, on a graduated scale, to use better agricultural inputs to increase production. The landless laborers were to be given financial assistance to purchase cattle and poultry to get additional income. The idea was to provide a version of the Package Program, which in the sixties helped the rich farmers gain from the green revolution.\textsuperscript{51}

However, if there was any expectation that the changing fortunes of political parties and increasing awareness of the rural poor would lead to going beyond passing 'progressive' legislation, there is little evidence to show this. The new land-reform measures did not lead to increase in surplus lands available for distribution among the rural landless. In fact, till today, six years after the passing of the last amendment to the Land Reforms Act, the government of Bihar still does not have details of lands that will be available for distribution. The measures taken are still entangled in legal snarls and the actual enforcement has been tardy.\textsuperscript{52} The measures taken by the government
justify Jannuzi's comment, after a study of the measures: "Agrarian reforms in Bihar have been rather extravagant in verbiage, but almost meaningless in fact. Such reforms as have been legislated have served mainly to raise peasants' expectations rather than to fulfill them." No statement on the latest bout of land ceilings in Bihar explain it better. The radical rhetoric following the break up of the Congress party in 1969 reached new heights during the Emergency period, when under considerable publicity a '20 point programme' was launched. The awareness of the masses reached new heights by these measures. But as enforcement lagged behind, there was a marked increase in agrarian tension. It was becoming difficult to contain the rising aspirations and demands of the rural poor by a combination of radical rhetoric and little action.

While measures to bring structural change in the rural areas and thereby change the status quo rarely took off the statute books, the Bihar government was paying more serious attention to growth and production oriented schemes. New legislation to abolish bonded labor in the rural areas and redeem debts and fix reduced ceilings on landholdings can be considered to be measures to bring structural change. In this sphere the performance of the Bihar government was no better than in similar attempts earlier. The SFDA, MFAL and the Integrated Rural Development Program, a new scheme introduced in 1975, were measures to increase agricultural production and productivity of the small and marginal farmers. The performance of the government in implementing these schemes was better than in the field of agrarian reforms. This underscores the philosophy of the development planners
of Bihar that increasing production and economic growth are substitutes for and more important than structural change. For the first time the small and marginal farmers received governmental aid to use improved agricultural inputs. But, as Frankel remarked: "Actually planners were not unconcerned about the need to enable small farmers to participate in the new technology. They attempted, however, to find solutions within the existing agrarian pattern that could satisfy the norms of profitability and enhance the entrepreneurial approach by helping larger number of cultivators to move from subsistence farming to commercial." 57

However, help under these schemes was not confined to the small and marginal farmers in Bihar as originally intended. As many important studies have now pointed out, though these schemes started out as restricted to the small and marginal farmers and landless laborers to increase their productivity and increase family income, soon the rich farmers started getting governmental assistance, though they were specifically debarred. This led no less than the Secretary to the Department of Rural Reconstruction to comment, "The results of evaluation of these projects have revealed that there has been a considerable amelioration in the economic conditions of some members of the target groups but, certain leakages of benefits to persons not falling in the target groups has also been noticed . . . Moreover, among the three categories of small and marginal farmers and agricultural labourers, the small farmers were able to obtain the maximum share of the benefit." 58 The SFDA and MFAL were attempts to bring to the small and marginal farmers the new green revolution technology but this was
attempted within the existing agrarian set up, without taking measures to broaden the base of the ownership of land. This was difficult to achieve; the results were similar to those of the green revolution package of the sixties.59

Integrated Rural Development: Rhetoric and Practice

It was during the second year of the Fifth Five Year Plan in 1975, that integrated Rural Development Program was introduced all over India in 1975. It was publicized as a 'new style' rural development approach. But, in effect it sought to apply on a wider scale the SFDA and MFAL package programs. It sought a massive increase in the investment in agricultural research in the rural areas; when it was started it was labelled a scheme for the 'intensive application of science and technology' for the development of the rural areas. The emphasis was clearly on an attempt to increase the technological base of the small farmers and the rural poor. It must, however, be mentioned to the credit of the Planning Commission (national) that the need for a strict enforcement of land ceilings was considered necessary for the success of the IRDP.60 The Bihar government, nevertheless, conveniently underplayed the land reform aspect of IRDP and concentrated on the production aspect.

In the administrative sphere, the IRD scheme attempted an 'integrated' or holistic rather than a piecemeal approach; it sought to integrate the agricultural production program with other rural welfare measures, such as the provision of drinking water, health and education. It was going back to the CDP concept from a purely agricultural
development concept, but, with an increased emphasis on technological
development which the CDP lacked.\textsuperscript{61} The separate but similar SFDA,
MFAL and Package programs were to be merged into a single, unified
rural development program, which would be easier to administer and
control. The emphasis was on a 'consortium approach', with a single
comprehensive body providing all the services. It started as an
ambitious project with coverage in one district in each state; but within
two years of inauguration the targets were scaled down and area of
coverage extended; and by 1980 it was further diluted to cover all the
districts in the states and a uniform financial allotment was provided
for each district.

Before discussing the experience of rural Bihar with IRD, it is
useful to look into the expectations of the planners. According to the
government IRD is:

\begin{quote}
the development and utilization of local resources by
bringing about necessary institutional, structural and
attitudinal changes and by creating infrastructural
facilities through economic and social networks and
programmes. The ultimate objective is to improve the
quality of life of the rural poor. This quality can be
imparted to the life-style of the poor mainly through an
augmentation in their incomes. Such an income increase
is planned to be brought about through increased oppor-
tunities for employment and production. The operational
goals of integrated rural development are;
\begin{itemize}
  \item removal of unemployment and significant under-employment;
  \item appreciable rise in the standards of living of the poorest
        sections of the population; and
  \item provision by the state to meet the basic needs of these
        sections.\textsuperscript{62}
\end{itemize}
\end{quote}

To achieve this end IRDP emphasized a packet of modern technology.
For each district a detailed resource inventory was to be prepared.
This will include details about physical resources in the district and
the ongoing rural development programs and the executing agencies. The inventory will also incorporate a survey of rural poverty in the district; the rural poor and the small farmers, who are the beneficiaries of the program will be identified in the survey. A Rural Science and Technology Complex would be established in each district. This Center serves as the base from which several of the key operations are to be conducted. It will make available to the district the services of agricultural scientists drawn from the Agricultural Universities in the state. It will act as a storehouse of scientific knowledge to help the District Rural Development Agency set up in each district under the IRDP. The underlying premises of the schema are:

(a) Scientific and technological input can make a vital impact on the everyday life of the rural masses;
(b) While there will be some opposition of inertia in effecting changes in age-old habits and patterns of resource-use, it should be possible to trigger the changes by demonstrating their profitability;
(c) the profile of development to be aimed at will be based on the maximum use of local resources, physical and human . . .
(d) by a deliberate reorientation of science policy, known technologies can be adopted or new technologies developed to suit local resource endowments;
(e) the inculcation of a scientific temper among the masses that this approach calls for, would be a potent gain in itself from a long term point of view, and one which would facilitate other social economic changes.

From this organization at the district level, which is to be a nucleus, the new program operates. In every block 600 beneficiary families are identified for assistance. The basic criterion to qualify for help is family income; no family with an annual income of more than Rs. 750 ($85 approx.) is to get help. The target of 600 families includes small and marginal farmers and agricultural laborers. While
the farmers are to get aid to increase agricultural production, the landless laborers are to be helped to start poultry farming or diary units or trained for self-employment in the rural areas. The exalted aim of the scheme is to help the 600 families selected each year to 'cross the poverty line' within two years. The District Rural Development Agency is to prepare project report for each family; after these are prepared by the experts, the families are given financial help in the mode of subsidies to carry out the plan. The progress made by each family is continually monitored by the district unit staff. In choosing the beneficiaries the poorest in the block are to be chosen first and priority is given to people belonging to the Scheduled Castes and the Scheduled Tribes. At least 20 percent have to be from this category. The Central and the state governments share the subsidy part of the program on a 50:50 basis. Within the broad policy guidelines of the Central government the states have the powers to modify the schemes to suit the local needs. In Bihar, for example, the family is the unit chosen for assistance whereas it is the community in West Bengal. The financial allotment per block is Rs. 5 lakhs per year ($55,000).

The governmental subsidy covers only a maximum of 25 percent of the cost of the scheme for a small farmer and 33 percent for a marginal farmer and landless laborer; the rest has to be loans from the lead bank of the district. It is the responsibility of the district development agency to prepare the loan applications to be sent to the bank. Thus, the district unit has to act as a technical consultant to prepare a viable project for the beneficiary as also a broker between the beneficiary and the bank. Thus, the poor beneficiary has to be located, suitable
avocations designed, an appropriate project profile prepared, and finally the whole thing to be consolidated and sent as a bankable proposition. Most of the work is done by government officials; the beneficiary is constantly spoon-fed and often he has no definite voice in the scheme prepared to 'benefit him'. Even though there is reference in the procedure to consult the beneficiaries, in practice it essentially involves a top-down system of planning and assistance.

The philosophy of IRD seems to be that the increase in agricultural production that Punjab saw during the green revolution years can be repeated in the small farms of the rest of India by applying the same 'package'. The Punjab Agricultural University and the research scientists attached to its agricultural department played a notable part in communicating the latest development in agricultural production techniques to the farmers. Punjab has often been cited as a good example of 'application of science and technology for the development of rural areas'. Therefore there has been an eagerness to repeat the 'Punjab experience' in the rest of India. The small farmers and agricultural laborers are to be at the vanguard of the new revolution. However, as in most previous development schemes of Bihar there seems to be a gap between theory and practice. Those described as beneficiaries turn out not to be. The IRD Program can be analyzed in two ways: the structural, how it fits into and affects the present class structure; (2) policy and administrative aspects or formulation and implementation. Apart from a detailed review of literature and discussions with officials, planners and the intended beneficiaries, I gathered information by observing field conditions during a visit to a project in Namkum block, Ranchi district, in Bihar state.
Structural Critique

IRDP tended to favor the small farmers, although the marginal farmers and the agricultural laborers were less privileged in the target group than the small farmers. In Bihar they constitute 35.44 percent of the working population and in Ranchi 14.35 percent; but, they constituted only 17 percent of the coverage under the scheme in Bihar as a whole and 8.7 percent in Ranchi district. Among the three groups the small farmers constituted the 'most receptive farmers'. Field workers said that they are more receptive than the others and they had the means to absorb the extension material given and knowledge imparted; they were more capable of reaping benefit from the intensive method of cultivation being propagated by the extension workers.

The slant of the program toward the better off in the target group is evident. As the Package Program of an earlier decade showed a distinct bias toward the rural rich so does the IRDP show a marked preference for the relatively less disadvantaged of the rural poor. Many of the guidelines have been breached to aid the small farmers. One reason for this has been a failure to take into account the non-agricultural income of the families getting assistance. No family getting more than Rs. 2400 per annum from non-agricultural sources is supposed to get a subsidy; but some middle level agriculturists have been given benefits because their non-agricultural income was not taken into account. Furthermore, when the landholdings have been computed, frequently a family has not been taken as the unit, although the Bihar government has adopted the family as the unit for assistance. Lands held by the beneficiaries in areas outside the villages where the
scheme was in force have not been taken into account. Quite a few who were recorded as small farmers turned out to have large parcels of lands outside the village, often in other districts. If the amount of the total lands in possession of such beneficiaries were known in advance, many would have been excluded from the program. Many medium and large farmers have, thus, taken advantage of the scheme though they are specifically debarred from getting assistance under IRDP.

In addition, in Ranchi district a noticeably large number of schoolteachers and government officials were getting assistance under the scheme; this has happened in spite of the fact that they earn more than the non-agricultural income limit for help. Finally, some government officials were also noticed to receive assistance in their wives' names.

The undue eagerness to help the better off and neglect the people at the very bottom of the target group also has led to improper identification of marginal farmers. Many small farmers have been categorized as marginal farmers, as many as 7.5 percent for Bihar as a whole and 5.9 percent for Ranchi district. This has led to paying them 33-1/3 percent subsidy as against 25 percent allowed to small farmers. In the case of 17.5 percent cases in Bihar and 7.5 percent in Ranchi district, more than one member of the family derived benefits from the program. In some cases, the concerned agents of the rural development unit have connived with the rich and the influential sections of the rural population to include rich farmers--those owning more than 30 acres each--as beneficiaries. It is obviously difficult to quantify the effect of these factors but their existence has been testified to by many field workers.67
Table 10. Class Composition of Members of State Vidhan Sabha  
(Lower House of Legislature)

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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Rich</td>
<td>71.7</td>
<td>72.8</td>
<td>65.6</td>
<td>63.3</td>
<td>62.8</td>
</tr>
<tr>
<td>Middle Class</td>
<td>0.5</td>
<td>3.1</td>
<td>1.3</td>
<td>1.5</td>
<td>2.3</td>
</tr>
<tr>
<td>Rural Poor</td>
<td>23.7</td>
<td>20.9</td>
<td>29.0</td>
<td>34.3</td>
<td>32.8</td>
</tr>
</tbody>
</table>

(Percentage of Elected Members)

Note:  
'Rural Rich': Those owning 30 acres or more  
'Middle Class': Those owning 10 to 30 acres  
'Rural Poor': Those owning 0 to 10 acres; landless laborers  

Total does not round off as urban members, professionals, etc. are not included.

Source: Harry W. Blair, "Rising Kulaks and Backward Classes in Bihar,"  
*Economic and Political Weekly*, January 12, 1980, pp. 67-68,  
and Legislative Assembly Abstracts for the various Vidhan Sabhas.
The influence of the 'kulaks' on the rural development apparatus is considerable. All the officials working in the Rural Development Agency--looking after the day-to-day administration of IRD--and the rural Science and Technology Center are at least middle level landowners--10 acres or more. This in no small measure may account for the preference for the small farmers over the 'poorest of the poor' and diversion of benefits to the rich. During my discussions with the rural development officials one point that they kept repeating was that the better off of the target group, meaning the small farmers, had better capacity to absorb modern scientific inputs and take advantage of the financial aid programs. The field workers had 'targets to achieve'; it took longer to motivate and convince the marginal farmers and laborers. On the contrary, the small farmers were 'ripe for' IRD and could show concrete achievements. While it is possible that the obsession with achieving targets weighs heavily in the minds of the officials this is not a convincing reason for the slant towards the 'better off of the target group'. The scheme, as it is designed and implemented discriminates against the 'poorest of the poor'. Another example pointing to this is the reluctance of the government-owned banks to lend money to the landless and marginal farmers; the loan applications of the landless laborers for purchase of poultry or draught animals take a long time to process and are often rejected on insignificant grounds like, for example, incomplete certificates. This is in spite of the fact that the rural development agency of the state government has sanctioned the individual project and approved a 33-1/3 percent subsidy.
Policy-Administration Critique

Besides these structural elements which discriminate against the 'poorest of the target group' there are some administrative and policy problems which also work to harm the interests of the poor. At the outset it will be useful to attempt an evaluation of the overall adequacy of IRD scheme in relation to its objectives. The average subsidy element per beneficiary in the various schemes is of the order of Rs. 300. The estimated number of the 'target group', the small and marginal farmers and agricultural labor in Ranchi is about 9000. This means that to ensure full coverage of the government provision for subsidy alone should be about Rs. 2.7 million; the banks would require two to three times this amount by way of credit. However, with the 'thinning out' of IRD, by extending it to all the districts, the annual allotment per block is only Rs. 500,000, which comes to just about 9 percent of the demand. So, even if the scheme is effectively implemented, it cannot cover all the beneficiaries and it is likely to be thinly spread. Because of the extension of the scheme to all the districts in the state, schemes other than agricultural production programs and aid to the landless to purchase poultry birds or draught animals have practically been given up. IRD, as it was originally conceived, intended to 'attack rural poverty' on all its fronts; side by side with agricultural programs, rural health and sanitation, education and allied programs were to be implemented. But, these subsidiary programs have been given up. The funds allotted now are not sufficient even for the agricultural production programs and help to the landless laborers.
There is every reason to believe that the losers in this shortage of funds are likely to be the landless laborers.68

The identification of the beneficiaries leaves much to be desired. The government guidelines stipulate that a census of the likely beneficiaries—the small farmers, the marginal farmers and the landless laborers—should be completed in each block before the commencement of IRD. The names and details are to be kept in a register for easy implementation of the scheme. The register in Ranchi was prepared more than five years prior to the introduction of the scheme and many doubt its reliability. Many officials confided that it is neither accurate nor complete; many landowners managed to get their names entered anticipating the extension of the earlier SFDA and MFAL schemes. In any case no effort has been made to keep it up to date. The names of the agricultural laborers were not included in the register in many villages. Some officials said that this category was so numerous that it was very difficult to identify all of them and get their names tabulated! The absence of proper enumeration has often made it difficult for the laborers to establish their claims for help under the scheme. It has also helped the rich to usurp the benefits meant for the rural poor.

Another combination of factors has also tended to discourage the participation of the landless laborers in the IRD programs. The implementation of the scheme has, in many instances, led to increasing indebtedness among the landed laborers. The most popular scheme under IRD for this category of beneficiaries has been the provision of milch cattle on a loan-cum-subsidy basis, a third of the cost coming from the
Table 11. Rural Population and Land Ownership in Bihar

<table>
<thead>
<tr>
<th></th>
<th>Area to Total area in Bihar</th>
<th>Population to total population of Bihar</th>
<th>Literate population to total population</th>
<th>Workers to total population</th>
<th>Cultivators to total workers</th>
<th>Agricultural laborers to total workers</th>
<th>Cultivating Households Operating with Less than 1 acre</th>
<th>1-2.5 acres</th>
<th>Leasing in land</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bihar</td>
<td>100</td>
<td>100</td>
<td>26.01</td>
<td>29.65</td>
<td>43.77</td>
<td>35.44</td>
<td>21.56</td>
<td>26.67</td>
<td>32.10</td>
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<tr>
<td>Ranchi Dt.</td>
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<td>8.92</td>
<td>31.32</td>
<td>34.63</td>
<td>61.95</td>
<td>24.35</td>
<td>19.63</td>
<td>24.96</td>
<td>31.03</td>
</tr>
<tr>
<td>Namkum Block</td>
<td>0.22</td>
<td>0.25</td>
<td>29.87</td>
<td>32.17</td>
<td>52.65</td>
<td>26.91</td>
<td>16.34</td>
<td>25.22</td>
<td>28.60</td>
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</tbody>
</table>

government as subsidy and the rest as a loan from a government bank operating in the district. The idea behind the scheme is that the landless laborers will be able to augment their incomes substantially by starting small scale dairies or by selling milk to existing dairies. The potential for a significant boost in household incomes for the landless is high. But, my study showed that given the prevailing prices for milk, the cattle feed and the restricted lactation period, the beneficiaries are left with little surplus for the repayment of the bank loan and interest; in most of the cases the beneficiaries could not return the loans in the stipulated twenty months. A farmer with some land to fall back on will be able to withstand the initial deficit, meeting it from his own resources, in the hope of recouping it once the loan is repaid. But the landless laborer, with no financial security has to depend on private borrowing to repay the loan taken from the banks and to finance his expenses in the initial period. Alternatively, the feed that he gives his animals was inadequate, the milk yields went down, his income fell and indebtedness increased. In many cases the scheme became a trap, rather than a benefit. It is possible that over the years the cattle will pass on to the private moneylenders. Added to this is the initial cost of the animal involved. It was often very high, higher than the subsidy ceiling; the provision of subsidies and the centralized purchasing scheme were themselves reported as facts that pushed up the prices. The beneficiaries, poor as they are, find it difficult to meet the excess cost.

Given these facts, it is not surprising that about 17 percent of the landless agricultural laborers did not want to 'benefit' from the
scheme. They feared getting deeper into debt by entering the scheme. Many had overdues on past borrowings and were not eligible for full subsidy and loans. In many cases the economics of the scheme worked against any benefits accruing to them. Many pointed out to me during my interviews that besides making them more and more dependent on the 'bania' or moneylender, the scheme had little chance of success. For, in many areas there were no infrastructural facilities provided by the government. For example, animal health care, good quality cattle feed at reasonable prices, cattle insurance and reliable milk marketing facilities were nonexistent at most of the places. These existed around the town of Ranchi; but in the interior area these were absent. Thus, the value of the scheme was eroded. Instead of recognizing the deficiencies of the scheme and trying to remove the bottlenecks the officials at the rural development agency tended to decry the lack of 'entrepreneurial skills' of the landless laborers; their lack of enthusiasm for these schemes, though justified because of the practical difficulties and diseconomies, were interpreted as capacity to take advantage of the benefits offered by the government. The alleged failure of the poor is contrasted to the eagerness of the middle classes and the rich to take advantage of governmental aids and benefit from them; it is also pointed out that helping the better off sections helped the common good—the argument being that the better off farmers did not default on loans and by working successful dairies increased milk production. The fallacy in this argument is that the very structure of the schemes adopted works against the beneficiaries. Removing these difficulties rather than deserting the poor beneficiaries would seem to be the appropriate solution.
The influence of the social standing of the beneficiary to the success of IRD schemes is, thus, very strong. This can be explained with reference to another individual scheme. The scheme for supplying sheep units and plough bullocks and bullock carts would appear to be of high value to the marginal laborers and landless laborers. However, the agronomic conditions and the enormous power of the rich landed cultivators are crucial to the success of this scheme. In areas with a high intensity of farming, plough bullocks and bullock carts could be hired out for transportation and thus cover the feed charges and loan repayments. The prospects for such operations in rainfed single crop areas are limited. Furthermore, the scheme works if there is a large number of cultivators owning smaller units of land; if a few rich landlords own most of the lands in a village they often have mechanical implements, tractors. They also frequently conspire, thanks to their superior economic power in the villages, they can either lower the hire charges or completely boycott the bullocks and carts of the landless. This has happened in quite a few villages and in such cases not only are the landless laborers stuck with an unremunerative activity, they are also saddled with a hefty loan.

An overall review of the IRD schemes supports two crucial conclusions: first, that the state and structure of poverty blunt the dents that are sought to be made through these schemes; secondly, the type of scheme, the scale of subsidy and the terms of lending need to be more flexible and closely aligned to realistic returns that can be expected from each scheme and the economic status of different groups of beneficiaries.
Communication Policies

The communication policies of the Bihar government have been in tune with the predominant development policy—that development is defined as increase in production and economic indicators. To increase agricultural production, which is the answer to rural development problems, the essential prerequisite is to motivate the 'rural target audiences', primarily farmers, to change. The crucial element here is effective agricultural extension. Modern agricultural practices, including the use of high yielding varieties of seeds, fertilizers and pesticides have to be 'sold' to the farmers and they have to be persuaded to accept and follow these. Agricultural extension machinery has to be supported by mass media and radio; in the last decade there has even been a small input by a rural television station in Muzzafarpur. In fact communication policies seem designed to help the rural rich, not the rural poor. As Halloran says while discussing the philosophy of the diffusion approach:

It would appear to follow . . . that within a bourgeois society . . . the dominant classes will dominate the [communication] system to spread their own ideology . . . We need to remember that, on the whole, the communication media lends to operate primarily in one direction from the top down-ward and to serve the interest of those in power.69

Agricultural extension machinery has been traditionally top down and vertical; it has played the role of educator of primarily the rich farmers to remarkably increase agricultural production. The extension machinery concentrated its efforts on the 'easy to convince' farmers, who had the financial capacity to invest in the new techniques of production and to take risks. It had little to offer the poor. Due
to this reason the diffusion process has come to be accepted as an
imperfect equalizer of development benefits. The resultant gap between
the rural rich and the poor has also been aptly described as 'communica-
tion effects gap' by Tichenor, among others, who have critically analyzed
the effects of agricultural extension technique in the Third World
countries. 70

A major reason for the gap has been the nature of the extension
machinery. As Figure 4 explains the extension machinery in a typical
rural area runs down from the state agricultural department and agricul-
tural university, specializing in research into modern agricultural
practices, to the farmer. In Bihar, the Rajendra Agricultural Univer-
sity at Pusa in Muzzafarpur district conducts research in improved
methods of cultivation and seeks to transmit the valuable information
gained in the field. It has a large department of agricultural
extension which gives technical advice and support to the state depart-
ment of agriculture. The advice it relays is 'technical', mostly about
improved practices in farming, plant protection, etc.

At the district level there is a District Rural Development Agency
working under the overall control and supervision of the District
Collector/District Magistrate. The district unit is manned by officials
specialized in rural extension, finance and accounts to keep a close
liaison with commercial banks, animal husbandry specialists and experts
in land development. These staff members are under the administrative
supervision of the district collector. The district science and
technology center is the body responsible for integrating the extension
package and coordinating agricultural research material for
Figure 4
The Extension-Communication Setup in an IRDP District
dissemination. It is staffed by agricultural scientists, their number depending upon the demands of the district, its agronomical qualities and other specialized conditions. These officials are under the technical supervision of the state agricultural department, but administratively, they fall under the district agency. They maintain close liaison with the agricultural university to keep in touch with the modern developments in agricultural practices.

At the village level, where the rural development department comes into direct contact with the 'beneficiaries', the crucial extension agent is the 'gram sewak' ('Servant of the Village'), or the Village Level Worker. The Gram Sewak (GS) covers all the target families, 600 in all. The target group is divided into six groups, with each group having ten contact farmers. The GS is expected to visit about ten farmers every day to advise and help; he normally visits a group on a fixed day so that other beneficiaries living nearby can visit him and attend his meetings. The Extension Officer - Agriculture is the immediate supervisor, looking after the work of about six GSs. Besides supervising the work of the GSs he also visits beneficiary farmers periodically. The work of six Extension Officers is supervised by a Sub Divisional Officer - Agricultural (SDO-A); there is one SDO-A per taluq. He is assisted by four Subject Matter Specialists. They help the 500 with specific problems in their respective fields, like agronomy, cropping pattern and crop protection. They also periodically visit the contact farmers to update the technical aspects of agricultural practices. The district head of agriculture department is the District
Agricultural Development Officer, who supervises the work of four to five SDOs-A, according to the number of taluqs there are in the district.

The subject matter specialists at the levels of the district and the subdivision have close contact with the district science and technology center; they keep abreast of the latest developments in agricultural practices to guide the village level workers and the extension officers. They are also frequently called to seminars and refresher courses. The GSs also have to attend a few of these courses; often classes are conducted by the district centers in the villages, which the beneficiaries attend. These take the shape of demonstration or extension fairs, called 'Krishi Melas' or agricultural fairs. Practical demonstrations of new and improved methods of cultivation and plant protection are exhibited; the emphasis is clearly on increasing production and the underlying philosophy is the dissemination of superior knowledge to the poor farmers. Thus, it is a one way, top down flow of communication. The scope for input by the beneficiary is limited; it takes the shape of feedback and nothing more. Since this agricultural set-up also distributes the scarce inputs like chemical fertilizers and pesticides the scope for individual farmers to toe a different line is limited.

Thus, extension becomes a technical or scientific activity. Rarely are issues like land reforms and distributive justice debated by the extension machinery. Land reforms in Bihar, like in most states of India, come under the purview of the department of land revenue. It has no extension machinery 'to sell' the need for land reforms. Broadly,
production-oriented programs—like the CDP, the Package Program, the IRD, etc.—have strong communication wings, but programs attempting social justice, albeit feebly, have no extension machinery. Other media, like radio, also emphasize the same; while farmers' forums and rural radio groups provide detailed instructions over the radio as to how to adopt modern practices of agriculture to increase production, there are no such programs to propagate agrarian reforms. The farmers' forums have played an important role in agricultural extension and a new 'miracle variety' of rice strain is called 'radio rice' in India, as it was propagated through such forums. But, there is hardly an instance of 'radio land reforms'! When this issue was discussed with Dr. K. K. Verma, the head of the department of sociology at the Rajendra Agricultural University, the only social science department at that University, he stated the lack of results in land reforms was because the emphasis was only on increasing production. The effects in this case are easily achieved and are tangible and evident. Extension can be carried out by a technical bureaucracy which is trained. In Bihar it is capable of 'delivering the goods'. But agrarian reforms involve radical change in the existing conditions; they seek to change the status quo. They call for an entirely different communication strategy. Land reform cannot be carried out by a bureaucracy like the present one, with close links to the landed class. The bias of Bihar's bureaucracy for the rural rich is 'quite notorious'. To propagate measures like land reforms, it will be necessary to place reliance on a politically committed cadre of workers, who are keen to change the present inequitable social structure. The present class structure
mitigates against any such move, but in the long run, Dr. Verma said he did not see how 'such change can be avoided in Bihar'.

An overview of the communication policy of Bihar points out the defects of the diffusion method. It echoes Beltran's remark:

Diffusion research has shown us that those few privileged farmers who (i) own land (particularly more than most others), (2) enjoy a high socio-economic and educational status, and (3) have ample mass communication opportunities are the most innovative in adopting new agricultural technologies. Did we not somehow know this long ago in Latin America? And, if we did to what use are we putting our knowledge today? To concentrate rural development energies in the service of the "easy-to-convince" minority so that it gains even more economic and social power while the peasant majority is further deprived and oppressed? The ultimate questions, are, why is this so and what should be done about it. The answer--"structural changes"--comes through strongly over and over again.71

This statement strongly hints at the class bias of diffusion strategy; the reason for continuing emphasis on this strategy is also obvious. Adoption of a communication strategy more suitable to helping the rural poor would have helped make IRDP achieve some of its advertised goals. Everett Rogers, among others, while analyzing the communication effects gap created by this strategy, has called for new communication approaches to specifically help the rural poor in a developing country. According to him:

If more equitable distribution of socio economic benefits were indeed a paramount goal of development activities, the following communication strategies might be considered in a developing nation:
(1) use the traditional mass media as credible channels to reach the most disadvantaged audiences
(2) Identify the opinion leaders among the disadvantaged segment of the total audience and concentrate development effort on them
(3) use change agent aids who are selected from among the disadvantaged to work for development agencies in contacting their homophilous peers
(4) Provide means for the disadvantaged audience to participate in the planning and execution of development activities and in the setting of development priorities.

(5) Establish special development agencies that work only with the disadvantaged audiences. An example is the Small Farmers Development Agency in India set up in 1970 to provide agricultural information and credit only to small sized farmers.

(6) Produce and disseminate communication measures that are redundant to the "ups" because of their ceiling effect, but which are of need and interest to the "downs."72

These observations address some of the problems associated with the diffusion approach. Adopting these suggestions has the potential to make it more responsive to the needs of the rural poor, but it does not emphasize the need for achieving distributive justice. As the experience of some 'special development agencies that work only with the disadvantaged audiences' in Bihar has shown these face considerable handicaps in the existing rural class structure. These agencies could be misused by the rich and the structure of these bodies also tends to check their effectiveness. These issues point to the fact that diffusion policy cannot be expected to lead to a substantial improvement in the conditions of the rural poor, for that will change the existing status quo which is beneficial to the rural rich. As Halloran has said diffusion policy cannot result in changing the existing power relations and weakening the position of the dominant classes.

Conclusion: Increasing Rural Violence

An analysis of IRDP and earlier rural development measures followed in Bihar underlines, at the risk of being repetitive, the strong faith in production oriented measures. The class interests of the dominant classes militate against any structural changes in the rural areas. It is useful to note here that agricultural development programs like IRD,
specially geared to the poorer sections of the community have tremendous potential. If these are tailored to suit the interests of the poorer sections, they can lead to considerable benefits for this class. Making available the latest agricultural practices to the small and marginal farmers can help them improve productivity and family income. That the small farmers in India are more productive than large farms has been the conclusion of many studies of agricultural productivity. In two research studies, carried out in two different parts of India, K. N. Raj has emphasized this. Raj's argument is that in countries like India, with a relatively abundant supply of labor, the optimum size of the farming unit is small. This view has been echoed by Hanumantha Rao also. Rao's study suggests that "with labor-intensive techniques, productivity of land and output can be raised, but under a more even distribution of land . . ." A. M. Khusro also supports this after studies in Andhra Pradesh and Uttar Pradesh. All these point out the possibilities of successful special production programs for the poor.

But, as experiences in Bihar have consistently established, these schemes can succeed in improving the lot of the poor to the desired extent only if effective and widespread redistribution of rural assets take place. In fact, as will be discussed in detail in the chapter analyzing the experiences of West Bengal, after the first step of redistribution of land in the rural areas is undertaken, successful implementation of schemes like the IRDP is essential for improving the living condition of the rural poor. 'Intensive application of science and technology', when done without land reforms, even when directed towards the rural poor, may achieve its aim, to help some of the poor,
but the rich are able to exploit it because of the existing imbalances and monopolize the benefits of these schemes. Development in agricultural practices and farming technology can be considered to be neutral to scale only theoretically; in an inequitable institutional set-up as in Bihar, it is decidedly biased in favor of those able to exercise their access to resources. Thus, while IRD has many positive sides and has considerable potential for improving the standard of living of the rural poor, when implemented in this form in the current rural structure, it produces distorted results.

The widening gap between the rich and the poor has led to a considerable political awakening among the rural poor. The increasing publicity to 'progressive intentions' of the government has helped to increase the expectations of the people. The bonded labor abolition acts passed in 1976 gave additional impetus. A. K. Lal, after a study of the Bonded Labour Abolition Act, has concluded that this measure has been an important catalytic agent of social ferment in the rural areas. Rural poor of Bihar have experienced the most severe form of bondage to the moneylenders and the rich and it has been all pervasive: the publicity given to the abolition of this practice has led to clashes between the rural poor and the rich moneylenders. When the rich tried to ignore the Act and enforce the old contracts the poor have refused to abide by them. Often the moneylenders have resorted to acts of violence to coerce the poor.76 There have been instances of the poor organizing and fighting back; between July and December 1977, twenty-four major clashes, involving loss of life, between the rural poor and the landlords and the moneylenders, have been reported in the rural areas. This
represented a 50 percent increase in such cases. Over the previous year. Cases of agricultural laborers refusing to work in the fields of the moneylenders and violence arising out of coercion by the latter went up by nearly 66 percent. According to official reports the rural poor have been increasingly sympathetic to the Naxalite movement.

As the landless laborers have been casting off their bonded or attached status to free labor they have found themselves worse off than earlier. For, the abolition of bonded labor and the reluctance of the debtors to abide by the old bonded relationship have brought down the loans available from the moneylenders to a trickle; institutional sources like cooperative societies and government-run commercial banks have been tardy in lending to the landless. There has been steep fall in the already low standards of living of the poor. As Blair caustically remarked, these measures have led the poor to "give up a position of degradation with some security for one of degradation without any security at all." As their welfare goes down their militancy in terms of confrontation with the rich has been going up. Governmental rhetoric about land reforms and distributional justice help to increase the determination of the rural poor. Harry Blair sees in this and the increase in the members elected to the legislature from those political parties calling for a redistribution of rural assets, a definite beginning of a movement by the poor to assert themselves in issues concerning their lives. In the increasing violence one can see the strengthening of a movement which may effectively create a strong organization of the rural poor to change their living conditions.


7. The maximum land that can be held by an individual depends on the class and type of land held by him and whether it is irrigated or not. Under a complex classification the limit varies from 18 to 30 acres. But, there are many exemption classes. For a critical analysis of the land ceiling laws and their implementation see P. C. Joshi, Land Reforms in India: Trends and Perspectives (New Delhi: Institute of Economic Growth, 1975), chapter on Bihar, pp. 165-179.


11. Amalendu Guha, "Marxist Approach to Indian History--A Framework," in K. Mathew Kurian, India--State and Society (Madras: Orient Longman, 1975), pp. 47-54. Most social scientists now converge on this view; among them are D. D. Kosambi and Irfan Habib. This view was at first open to challenge because of the controversy surrounding the question whether Indian society passed from primitive communism to slavery and from the latter to feudalism. This
controversy itself arose because of Marx's reference to the 'Asiatic Mode of Production', which he thought prevailed in India when the Europeans started colonizing it. Marx in his posthumous papers, Pre-Capitalist Capital Formations (London, 1964), noted the absence of private property in land in India; the lands belonged to the king. Indian village communities were isolated and self-sufficient units, independent of each other. It was on the basis of this understanding of the rural set-up in India that Marx wrote of the British 'mission' in India:

England to fulfill a double mission in India: one destructive, the other regenerating--the annihilation of old Asiatic society and the laying of the material foundations of Western society in Asia. (Karl Marx, "The Future Results of British Rule in India," in a letter to the New York Herald Tribune, July 22, 1853, in Shlomo Avineri, ed., Marx on Colonialism (Garden City, N.Y.: Doubleday, 1968).

But, his view was based on the reports of the British-India offices to the British Parliament and the writings of European travelers to India.

It is now explained by writers like Hobsbawn (Hobsbawn, ed., Karl Marx: Pre Capitalist Capitalist Formations [London, 1964]) that Marx realized that he had erred when he said that private landed property did not exist in India and accepted that feudal elements were present in India at the time of the British conquest of India. This is explained as the reason why Marx did not publish this view. When Marx wrote about India, British India comprised primarily of the Bengal Presidency--the current states of West Bengal, Bihar small pockets around the cities of Bombay and Madras and in Uttar Pradesh.

Social historians are now unanimous about the feudal nature of Indian society when the British came. The mainstream view is that of D. D. Kosambi (An Introduction to the Study of Indian History, Bombay, 1956; and "The Basis of Ancient Indian History," Journal of American Oriental Society, 75, 1 Jan. 1955). Kosambi said that Indian feudalism differed from its European counterpart only on superficial counts, like an increase of slavery, absence of guilds and the lack of organized Church in India. According to him, the manorial system had begun to come into existence. On the whole the society was feudal when the British came--a parallel but comparable form of its European counterpart.


14. Zamindari and Ryotwari became the two predominant land systems in India at the time of independence. Zamindari was the older of the two, having been initiated by the British East India Company in 1793.
Ryotwari came into being after the British government took over the administration of India from the Company in 1857. This system provided for direct relations between the government and the cultivators, or 'ryots'. The state could revise land-revenue periodically and demand the ryots to pay more, thus getting a share of the increasing value of land.

Because of the nature of 'survey and settlement work', which took place once in two decades or so, and because the government directly collected land revenue the administrative system became more professional than in the zamindari areas. The ryotwari system prevailed in the post-1857 acquisitions of the British, mostly in the Southern and Western Indian provinces besides small pockets in Central India.

For a detailed account of the different land systems see Girish Mishra, op. cit.


29. Kuldip Mathur, "Administrative Institutions, Political Capacity and India's Strategy for Rural Development," in Inayatullah, ed., Approach to Rural Development: Some Asian Experiences (Kuala Lumpur: Asia and Pacific Development Administration Centre, 1979), pp. 171-198. Setting up of elected institutions, called 'Panchayati Raj or 'Representative Government', in the rural areas was recommended by an all-India committee headed by Balwantrai Mehta, in 1956. It suggested the starting of elected councils at the village--'Gram Panchayat'--the development block--'the Panchayat Samiti'--and the district--'Zilla Parishad'--levels. These bodies would have freedom to decide rural development policies and to execute programs. While a broad all-Indian pattern was suggested by the Committee, individual states were to make changes and adopt a pattern most suitable to them. Bihar, broadly, followed the recommendations of the Committee.

Panchayati Raj was recommended to fill in the void felt in the areas of rural development administration by the absence of elected representatives below the level of state assemblies. The bureaucracy's--which was entrusted the work of rural development in the absence of another body--performance in CDP was uneven, with considerable potential for restricting the influence of the bureaucracy and bringing in representative institutions in the rural areas.


The use of high yielding varieties of seeds and chemical fertilizers increased considerably contributing to this increase in production. The following figures show the phenomenal increase in these in Ranchi district:

<table>
<thead>
<tr>
<th>Year</th>
<th>Acreage under high yielding varieties.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1969-'70</td>
<td>11 527.04</td>
</tr>
<tr>
<td>1970-'71</td>
<td>21 375.50</td>
</tr>
<tr>
<td>1971-'72</td>
<td>37 189.00</td>
</tr>
<tr>
<td>1972-'73</td>
<td>60 400.55</td>
</tr>
</tbody>
</table>

Increase in the use of chemical fertilizers:

<table>
<thead>
<tr>
<th>Year</th>
<th>Fertilizers use in tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-'71</td>
<td>14 304.11</td>
</tr>
<tr>
<td>1971-'72</td>
<td>28 936.25</td>
</tr>
<tr>
<td>1972-'73</td>
<td>37 813.21</td>
</tr>
</tbody>
</table>


34. This is confirmed by a number of studies; see Wolf Ladejinsky, "Green Revolution in Bihar; The Kosi Area: A Field Trip," Economic and Political Weekly (Survey of Agriculture), Vol. 12, No. 39, 1969. See also: Kedarnath Prasad, The Economics of a Backward Region in a Backward Economy (A Case Study of Bihar), Vol. 1 (Calcutta: Scientific Book Agency, 1967).

35. Harry Blair, op. cit.

37. Many critical analysts of Indian development experience have expressed the view that the Central government was more 'progressive' than most state governments; the central planning officials and central leadership of the Congress party were conscious of the need for distributive justice. The central Congress party leaders have, since the Second World War, been passing resolutions about the need for land reforms; it was leading the independence movement at that time; To a considerable extent this has been the result of a group within the party, called the Congress Socialist party. Further, the influential central leaders like Gandhi, Nehru, Patel and Jaya Prakash Narayan were not landholders and had urban backgrounds. For a detailed analysis of the background and class origins of the central leaders see Francine R. Frankel, India's Political Economy 1947-1977: The Gradual Revolution (Princeton, NJ: Princeton University Press, 1978), pp. 14-27.

38. State leaders would have liked to tone down 'progressive' rhetoric; they feared that raising electoral promises and radical rhetoric would push up the expectations of the people. During my discussions with the lawmakers in Bihar I gathered that they viewed the national leaders as urbanites, who had 'no stakes' in the rural areas. This possibly referred to the fact that more landowners were represented in the state legislature than in Parliament. Thus, the state leaders stood to lose from radical land reforms. The complaint raised often is that while the rural rich are portrayed as the villains who obstructed distributive justice, and measures were taken to limit the lands held by them, there were no such limitations on the 'urban rich'. While this raises an interesting issue which is beyond the scope of this study, it cannot be accepted at face value: for, Parliament has enacted legislation to fix ceiling on urban lands and houses and building spaces that can be held by individuals; further, agriculturists pay no central income tax on agricultural income. This is not to say that the state government or the rural rich is the villain and that the central leadership had the best of intentions. The increasing gap between the rural rich and the poor during the period of the 'Green Revolution' could not have happened if the central government had firmly pursued a more redistributive policy. But there is evidence to show that the Central leadership has been aware of the fact that absence of structural reforms in the rural areas would serious threaten the existing political institutions in India and undermine the democratic system. Studies by Central government, like Causes and Nature of Current Agrarian Tension (New Delhi: Ministry of Home Affairs, 1969) reflect this concern. The difference in the approach to agrarian problems between the state and the central
leaders surfaced in a meeting of the Chief Ministers in 1970. Many Chief Ministers argued that it was wrong to tackle the agrarian problem 'on the basis of slogan shouting and political considerations'. The Prime Minister countered: "In recent times the growth and prosperity of nations like Mexico, Japan ... had started with land reform ... on the other hand, the Austro-Hungarian Empire and Tsarist Russia had failed to heed the need for land reform and both the regimes had perished." (Dilip Hiro, Inside India Today [New Delhi: Monthly Review Press, 1976], p. 102).

39. Gunnary Myrdal, Asian Drama: An Inquiry into the Poverty of Nations, Abridged edition (New York: Pantheon, 1971), pp. 52-53. For Myrdal, South Asian governments like India, "remain in a paradoxical position: on a general and non-committal level they freely and almost passionately proclaim the need for radical social and economic change, whereas in planning their policies they tread most warily in order not to disrupt the traditional social order. And when they do legislate radical institutional reforms ... they permit the laws to contain loopholes of all sorts and even let them remain unenforced." Hence they are called 'soft states.'

40. Thomas E. Weisskopf, op. cit.


42. The Janata Party was formed in 1977 merging the erstwhile Congress (Organization) Party, Bharatiya Cranti Dal (Indian Revolutionary Party), a party of middle peasants in North India, the Praja and the Samyukta Socialist Parties and the rightist parties of Swatantra and Jana Sangh.

43. Harry W. Blair, "Rising Kulaks ...," p. 43.

44. Harry W. Blair, op. cit.

45. Indradip Sinha, op. cit.

46. This name for a movement to take over land held by large landholders, started by the Communist Party of India-Marxist-Leninist in Naxalbari, a village in West Bengal. This party which advocated mass action and revolutionary movement outside the parliamentary set-up, a policy opposed by the Communist Party of India-Marxist. The movement was put down by the United Left Front government led by the Communist Party of India-Marxist in 1967-'68. It led to an urban guerrilla movement before being put down in the 1970s. CPI-ML cadre has been active in the rural areas of Bihar demanding land reforms. For a detailed account of the Naxalite movement see Dilip Hiro, Inside India Today,


50. Ibid.


52. P. C. Joshi, op. cit.


54. Among the much publicized 20 point economic program for development, five were related to rural development:
   - no. (iii) to provide land and house-sites to the weaker sections of the society;
   - (iv) To end bonded labor;
   - (v) To end rural indebtedness;
   - (vi) To improve agricultural wages; and
   - (vii) To increase irrigation area.
   For a discussion of their implementation see Francine R. Frankel, *India's Political Economy* . . ., pp. 548-582.


56. Jannuzi, op. cit.


58. S. C. Varma, *India's Attack on Rural Poverty* . . ., p. 44. (Emphasis added.)


61. Ibid.


64. Ibid., pp. 75-76.


66. Pranab Bardhan, "'Green Revolution' and Agricultural Labourers," in Charan Wadhva, ed., Some Problems of India's Economic Policy: Selected Readings on Planning, Agriculture and Foreign Trade (New Delhi: Tata-McGraw-Hill Publishing Co., Ltd., 1977), p. 538. He writes "Confidence in the essential soundness of this policy has been nurtured by the glowing accounts by visiting foreign friends about the all-round prosperity they have seen while driving through their favourite Punjab villages, and by occasional Government or Semi-Government reports about the high cash wages that the agricultural labourers supposedly demand and get nowadays."

67. I gathered this from field observations and discussions with the officials of the district rural development agency.

68. I was informed of these fears by the district officials.


It is noteworthy that while suggesting steps to orient communication strategies to benefit the poor, Rogers did not underline the need for structural change, i.e., agrarian reforms, which Tichenor recognized. While Roger's suggestions are valid the need of land reforms for the success of these measures seems to be fundamental. The experience of SFDA in India, which Rogers has recommended here is a moot point. While SFDA helped identify and concentrate governmental aid to small farmers in the absence of
prior agrarian reforms in most of the states, its progress was uneven. For analyses of SFDA see reference in note 59.


78. Arun Sinha, "Bihar: Class War in Bhojpur," ibid, 21 January, 1978, p. 90. The Naxalite prescription of a need for a violent revolution to change the existing inequitable agrarian situation is finding increasing acceptance; at the same time, many poor peasants have been dubbed 'Naxalites' by the rich landlords to turn official wrath on them. As Sinha writes: "'Naxalite' has become in the vocabulary of the police and the landlords a word to describe any landless or poor peasant walking with a straight neck and talking like a man and not as a slave," p. 92. See also Sinha, "Not Out of Bondage," ibid, September 10, 1977, and "Politics of Panchayat Elections," ibid, June 17, 1978.


80. Ibid.
CHAPTER V

A RADICAL APPROACH TO RURAL DEVELOPMENT:
DISTRIBUTIVE JUSTICE AND ECONOMIC DEVELOPMENT

West Bengal is a state which started with a technocratic approach, but changed course to adopt a radical approach emphasizing equity and redistribution of assets. Nearly two decades of emphasis on economic growth and increasing production in the state of West Bengal led to conditions not very different from those of Bihar; there was an increase in rural poverty and deteriorating living conditions for the rural poor. Then, due to a combination of factors, economic and political, a group of political parties emphasizing distributive justice and redistribution of assets came to power and radically changed the development policies followed in West Bengal.¹ This resulted in radical change in the rural areas and has led to marked improvement in the standards of living of the rural poor.

This chapter begins with a look at the evolution of the rural class structure and the mobilization of the peasantry during the colonial days, followed by an analysis of the rural development from independence in 1947 till 1967. Then the radical approach to development adopted with the election to power of the Communist Party of India-Marxist (CPM) and its effects on the rural scene are examined. This approach carries the potential for equitable rural development which is lacking in the conventional approach emphasizing economic growth and agricultural production.
Figure 5. Map of West Bengal.
The social scene of West Bengal has many similarities to that of Bihar. This is not surprising, for Bihar, till the second decade of this century, was a part of the Diwani of Bengal (Bengal Presidency), the first part of India acquired by the British. The agrarian scene of Bengal, thus, was like Bihar's. The zamindari system, created by the Permanent Settlement of land in 1793 created an oppressive tenurial system; as in Bihar, the economic dependence of the rural poor on the rich created a semi-feudal relationship between the landlords and the poor.

The similarities however, did not go far. Unlike the poor peasantry of Bihar, the Bengali peasants came to be radicalized and strong peasant movements forced the British to make some changes, though half-heartedly, to ease the conditions of the poor. The emergence of a strong peasant movement, the partition of Bengal into Muslim East Pakistan and the Indian state of West Bengal, among other things, led to the emergence of a class structure in West Bengal quite different from its counterpart in Bihar.

The composition of the class structure of West Bengal was, in no small measure, responsible for the development of the radical strategy. Indeed the adoption of a redistributive approach to rural development was the result of a relation of forces in which the big landowning interests were in a relatively weak position and the pressure of the landless came to be continuously strengthened by the consequences of the initial technocratic strategy and by the influx of refugees from the
East. The rich peasants have been unable to provide the necessary social base for the adoption of policies beneficial to their interests, as their counterparts in Bihar have been able to do.

Strategically located as it is, West Bengal shares borders with Bangladesh, Bhutan, Nepal and the Tibet region of China. It was the leading industrial state of the country at the time of partition, a position which it gradually lost to Maharashtra. With an area of 34,214 sq. miles, it forms 3 percent of India's land area and according to the 1981 census supported 54.48 million people or 8 percent of the country's population. West Bengal's importance in the industrial economy of India has been declining; nevertheless, 15 percent of the country's factories are located in this state and it accounts for over 21 percent of the gross output of the nation. About a third of the country's coal requirements are met by the state which also enjoys a monopoly in jute textiles. West Bengal accounts for half of the total engineering capacity of the country and a large part of the chemical and pharmaceutical industries. Besides a share in the vital aluminium industry, West Bengal also produces a third of the country's steel.

Its industrial infrastructure notwithstanding, agriculture is the largest economic activity of the state. It employs 76 percent of the population. Agriculture contributed a little over 34 percent of the state domestic product in 1951, a figure which went up to 43.10 percent by 1960-'61 before declining marginally to 42.81 percent in 1976-'77.

Any account of the socioeconomic scene of West Bengal would be incomplete without a reference to the massive influx of refugees from the erstwhile East Pakistan. There has been a continuous movement of
refugees from East Pakistan into West Bengal from 1946 to the formation of Bangladesh in 1971. As Table 12 shows the total refugee population in West Bengal has been over six million, or more than 10 percent of the present population of the state. The annual flow was conditioned by the nature of Indo-Pakistan relations at the time; periods of heightened tension between the two countries have seen a high level of refugee arrivals in West Bengal. It reached a climax in 1970-'71, when over two million moved into West Bengal from the East. It was only after

Table 12
Influx of Refugees from East Bengal, 1947-1971

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Persons</th>
<th>Year</th>
<th>Number of Persons</th>
</tr>
</thead>
<tbody>
<tr>
<td>1946</td>
<td>44,624</td>
<td>1961</td>
<td>10,095</td>
</tr>
<tr>
<td>1947</td>
<td>377,899</td>
<td>1962</td>
<td>12,804</td>
</tr>
<tr>
<td>1948</td>
<td>419,018</td>
<td>1963</td>
<td>14,601</td>
</tr>
<tr>
<td>1949</td>
<td>275,592</td>
<td>1964</td>
<td>667,125</td>
</tr>
<tr>
<td>1950</td>
<td>925,185</td>
<td>1965</td>
<td>159,989</td>
</tr>
<tr>
<td>1951</td>
<td>60,476</td>
<td>1966</td>
<td>4,214</td>
</tr>
<tr>
<td>1952</td>
<td>477,186</td>
<td>1967</td>
<td>6,895</td>
</tr>
<tr>
<td>1953</td>
<td>60,647</td>
<td>1968</td>
<td>6,589</td>
</tr>
<tr>
<td>1954</td>
<td>105,850</td>
<td>1969</td>
<td>11,068</td>
</tr>
<tr>
<td>1955</td>
<td>211,573</td>
<td>1970</td>
<td>648,158</td>
</tr>
<tr>
<td>1956</td>
<td>246,840</td>
<td>1971</td>
<td>1,442,078*</td>
</tr>
<tr>
<td>1957</td>
<td>9,133</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1958</td>
<td>4,285</td>
<td>Total</td>
<td>5,711,002</td>
</tr>
<tr>
<td>1959</td>
<td>5,539</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1960</td>
<td>8,629</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Statistical Officer, Office of the Refugee Rehabilitation Commissioner, Government of West Bengal.

*Approximately. These figures do not include East Bengal refugees resettled in the other Indian states.
the formation of Bangladesh in the wake of the Indo-Pakistan war of
1971 that the situation eased and the refugee influx stopped. But even
this did not encourage a significant number to return. The large-scale
movement of population into the state has been responsible for the
high rate of population increase in West Bengal and has had an unsettling
effect on the social and political scene of the state.  

As Marcus F. Franda notes, "It is largely because of this accumulation that the
population of West Bengal increased by 64.7 percent between 1951 and
1971, a figure considerably above the all-India average increase of
41.6 percent." As will be seen subsequently, the vast refugee
population, most of whom were settled in the rural areas, significantly
affected the rural class structure and went to strengthen the rural
poor in the continuing clash of class interests.

The Rural Class Structure Over the Years

The socioeconomic and political history of the present state of
West Bengal is not very different from that of Bihar. Bihar, with
West Bengal, earlier, was part of the Bengal Presidency, the first
piece of real estate the British East India Company captured in India.
Bengal Presidency of the late eighteenth century was a country by
itself, comprising the present Indian states of West Bengal, Bihar and
Orissa, besides the eventually independent country of Bangladesh.
It was also agriculturally and industrially the most developed area
of the British Indian Empire. The Ganga-Padma basin helped Bengal become
the granary of India. Small scale cotton and jute industries were well
developed, the Dacca muslin being a well-known, hand-woven cloth
produced in Bengal.
The colonial mode of production soon drained Bengal of most of its riches and turned it into a land of famines.\textsuperscript{13} The Permanent Settlement Act, the worst features of which were experienced in Bengal, accelerated the process.\textsuperscript{14} Indeed permanent settlement was only a feature of the colonial mode of production. A new class of absentee landlords, or zamindars, was created and was conferred the rights of agents of the state for the principal purpose of providing revenue, fixed in perpetuity, in lieu of almost unfettered rights to extort rent from the tenants and sub-tenants.

The zamindars helped to drain resources away to the urban areas with their increasing prosperity providing a lucrative market for the British industries, especially cotton textiles. Imported English cloth flooded the Bengal markets and the local weaving industry, including the renowned Dacca muslin was ruined. British goods could be imported into Bengal free of any impost whereas a stiff import duty was slapped on Bengal's exports into England. The cheap British goods drove the local goods out of the market; the resulting aggressive transfer of wealth from the 'jewel of India', Bengal, to England hurt both the flourishing cottage industries and the rural sector.

The cotton textile industry of Bengal had a direct bearing on the rural economy of Bengal. These units were scattered in the small towns in rural Bengal. The industry employed mostly rural agriculturists who received considerable supplemental income, which went to support the agricultural sector, especially during the off-season. The decay of the cottage industries expedited the pauperization of the rural peasantry.\textsuperscript{15}
Analysts of the agrarian scene of colonial Bengal have emphasized the crucial role played by the decay of the cottage industries in the destruction of the agrarian economy. Daniel Thorner and P. C. Joshi both hold the view that this event had the effect of destroying the existing self-contained village economy without substituting a capitalist agriculture in its place. After a survey of the zamindari system in vogue in the nineteenth century, Joshi remarks that the landed proprietors were, by and large, merely renters who held landed property without ever being the managers of large-scale agricultural enterprises. The actual units of cultivation in most cases were the small parcels of land, largely cultivated for subsistence by poor and oppressed tenants. The landed usually leased out their land to the tenants, extracted the maximum surplus produce and squandered it away in conspicuous consumption.

Together with the import of British textiles into Bengal, the British also started the import of Indian cotton raw materials into England. The flooding of Bengal markets with British goods undermined the foundations of village self-sufficiency. It also led to the penetration of the commodity economy into the rural areas. Joshi and A. R. Desai have observed that this created conditions for the development of capitalist production relations in the agrarian sector, inasmuch as the destruction of village self-sufficiency created a 'commodity market' for capitalism; the bankruptcy of a large number of artisans created an appropriate labor market for such a situation.

The commodity economy whose development was accelerated by British rule enabled the British rulers to subordinate and transform Bengal's
agricultural production according to their needs and requirements. However, the commodity market created by the break-up of the small-scale cottage handloom industries did not become an 'internal market' of national industry; on the contrary, it became a market for British capitalism.

On the other side, the labor market created by the breaking up of the cottage industry led only to the pauperization of rural labor not its proletarianization, a difference both Joshi and Thorner note. The rural masses became poor and could now become only laborers. In the absence of industrial development of Bengal, the break-up of the rural cottage industries led only to the creation of a vast force of rural unemployed.

The process arising out of the colonial mode of production had far-reaching repercussions for the agrarian scene, which continues to be felt even to this day. The pauperization of the peasantry led to ever-increasing pressure of population on land as the ruined artisans had nowhere to go and no alternate avenues of employment. They fell back upon land, becoming tenants at will, or sharecroppers or agricultural laborers working on highly disadvantageous terms.

The high concentration of landholding enabled the landlords to extract high rents from the tenants. At the same time the possibilities of earning increased income from rents, thanks to the growing pressure of population, kept the landlords away from productive entrepreneurial activities in the rural sector. There was no incentive for intensive agricultural activities; thus a capitalist development of agriculture was retarded. As Joshi says:
In a nutshell, the development of a commodity economy under foreign rule, instead of paving the way for the growth of agriculture on modern lines, served to strengthen the depressive framework of landlordism by means of which economic surplus from the agricultural sector was extracted by a conglomeration of rentiers, merchants and usurers. The utilization of this economic surplus for conspicuous consumption and as usurious capital prevented productive investment in agriculture and therefore, checked progressive agricultural development on the basis of modern farming methods.

This peculiar agrarian set-up has been, in the words of Daniel Thorner, 'a built-in depresser', which was the direct cause of the state of stagnation and backwardness of the agricultural economy. This development has directly contributed to the evolution of the class structure as it arose in Bengal.

The British colonial trade policy devastated the Bengali cottage industry in a brief three decades. The decline was so serious that in September 1831, 117 Bengali traders in cotton and silk sent a petition to the British government. It said, "The import of foreign cloth has recently assumed such proportions that our business has practically come to a stand still. No duty is imposed on imported foreign cloth whereas, cotton and silk goods of Bengal have to pay a duty of 10 and 24 percent respectively for import into England. We, therefore, pray that Bengal textiles imported into England should not pay more duty than what English textiles will have to pay for import into India." The prayer produced no results.

The virtual destruction of the textile industry and the increasing rents impoverished the tenants and the sub-tenants. Assured of permanent income, the zamindars moved to the cities, where they had access to increasing British imports and had no interest in improving
agriculture. Bengal, the granary of India, began to witness famines. Many contemporary Englishmen have recorded the misfortunes of Bengali agriculturists. William Fullerton, a member of the British House of Commons noted in 1807:

Previously Bengal was the granary of all peoples and was regarded as the centre of trade in the East and repository of untold wealth. But, as a result of our misrule during the last twenty years, parts of the country have turned into desert. Extensive lands remain uncultivated and have been overgrown with jungle. Agriculturists have been mulcated of their possessions, artisans are the victims of oppression. The country suffers from repeated famines and as a result, the population is on the decline.25

The recurrence of famines in the early nineteenth century made the conditions of the rural poor deplorable. The high rents and the negligible agricultural produce impoverished them and increased their indebtedness.26 But, unlike the peasantry of Bihar, Bengali peasants started organizing themselves, albeit slowly. According to the British district officers, who had worked both in Bihar and Bengal in the nineteenth century, the Bengali peasants were conscious of their plight and showed growing independence.27 The landlords started resorting to cancellation of the tenancies of the troublesome tenants; there were no written contracts and the British administration was sympathetic to the zamindars. Slowly a movement started for demanding occupancy rights for the tenants. Confrontation between the absentee landlords and the tenants also increased.28 The increasing incidents of such confrontations near Calcutta, the seat of British power in India, focused the colonial government on the issue. As a consequence the government passed a half-hearted measure to ease the conditions of the tenants; a Rent Act was passed in 1859, which attempted to reorganize the concept of a sharecropper and occupancy rights.29
However, under pressure from the zamindars, who were the loyal supporters of the British rule in India, the Rent Act neither gave occupancy rights to the tenants nor restricted the rents that could be charged by the landlords. Apart from an acknowledgement of the problem of high rents and insecurity of the tenants, it gave little by way of relief to the rural poor. As Sunil Sengupta notes the Act helped to raise the expectations of the peasantry but did not meet any of their demands. Consequently, the militancy of the peasants increased. The zamindars encouraged by their success in preventing the passage of measures to provide occupancy rights to the tenants, continued increasing the rents. The increasing poverty of the peasants helped the landlords extend their sway over the rural areas.

Many contemporary reports talked of the abject conditions of the rural peasantry. The Rev. Alexander Duff and twenty other British missionaries petitioned the British Governor General in 1875, "The zamindars treat the cultivators not as their tenants but as slaves and consider themselves as Rajas and Maharajas. They realize by diverse means more than their dues from the tenants and make them render various services without any payment whatsoever. The tenants are subject to untold repression." Even those tenants who embraced Christianity to curry favor with the colonial administration were not spared. As Rev. Duff and others continued:

A few years back some Christian tenants of Dholmari, Chapra, Kapasdanga and other villages, thinking that their religion will protect them, refused to carry out some directions of their landlords. The landlords of Bengal are not afraid of the English missionaries nor do they care for their religion; the recalcitrant tenants were heavily punished and the missionaries could not afford them any protection. The Christian tenants took their lesson and have been submissive since then.
The increasing unrest among the tenants and sharecroppers, and the counter violence of the landlords, left the Bengal rural scene in a disturbed state. By the late nineteenth century the movement for occupancy rights to the sharecroppers and tenants gained momentum. Realizing the strength of the movement the British government passed the Bengal Tenancy Act in 1885, which had far-reaching social consequences. It recognized the legal right of the tenants immediately below the zamindars to occupancy, but the government did not want to offend the zamindars and so left the implementation of this Act to the courts, civil and revenue. Thus was de jure recognition granted to the middle-class peasantry, which was to play an important part in the rural areas and which became the main beneficiary of the zamindari abolition measure after independence. Though it was a halfhearted measure and safeguards were introduced to perpetuate the overlordship of the zamindari class, it was an important step for the middle-class peasantry. It helped them to rally the sub-tenants, the sharecroppers and the agricultural laborers against the zamindars. It indirectly recognized the leadership role of the middle peasantry in rural Bengal.

But the middle-class peasantry did not immediately gain occupancy rights. Nor were they able to enforce the measures of the tenancy act, for the British administration did not implement the act. The tenants started approaching the civil courts for redressing their grievances against the zamindars. Many organizations of agriculturists were formed to fight unitedly for their rights. The zamindars did not take things lying down and fought back for retaining their overlordship and denying
occupancy rights of tenants. The sympathy of the British administra-

tion was clearly with the zamindars. The middle peasantry was able to
mobilize the rural poor against the landlords. The peasant organiza-
tions formed to fight the zamindars essentially followed a two-
pronged strategy; to seek redress through the courts to implement the
limited occupancy rights granted to the middle-class tenants and to
resort to united agitations to check the atrocities of the landlords.
Evidently these leagues were headed by the middle-class peasantry.

As in Bihar, the whole peasantry came to be united in its opposi-
tion to the zamindars. But, unlike in Bihar, thanks to the limited
occupancy rights granted to the middle peasantry by legislation, the
peasants were able to resort to legal action to enforce their rights.35
The Tenancy Act of 1885, thus, united the whole peasantry against the
zamindars and increased in them, if not class consciousness, militant
opposition to absentee landlordism.

Class Consciousness and Radicalization of the Peasantry

The disturbed state of rural society of Bengal has continued ever
since. The Peasant movement was not of uniform intensity throughout
Bengal. It was most intense in the area comprising the present West
Bengal. It was less intense in East Bengal and hardly evident in the
plantations in the hilly area comprising the present North Eastern
states of India.36 Many reports of the British officials in Bengal
point out the increasing resistance of the tenants and cultivators.
The Lt. Governor of Bengal, George Campbell referred to the "growing
independence of the 'ryots'--i.e., cultivators--which was caused by
the increasing knowledge of their legal rights."
That the mobilization of the peasantry was increasingly successful in disputes with the landlords is also evident from the numerous complaints submitted by the zamindars to the British government. A prominent Bengal zamindar of the times, Joy Krishna Mukherjee of Uttarpuraj in a letter to the newspaper Friend of India, lamented, "The law and the courts have vested mere squatters on land with rights of occupancy . . . The most meagre evidence adduced by the ryots to support a claim for right of occupancy . . . has been held sufficient to prove their case." 37

The relatively low level of peasant activity in East Bengal was in no small measure due to the composition of the rural population. A very high percentage of the landlords and middle-class peasants in the East were Hindus, whereas the poor tenants, sharecroppers and laborers were Muslims. In West Bengal there was rough parity between Hindus and Muslims among the landlords, but there were very few Muslim sharecroppers and landless laborers in the West. 38 As there was a high representation of Hindus in the middle peasantry in East Bengal, a strong movement of the rural peasantry against the zamindars, led by the middle class did not develop. Tensions developed between the Hindu middle peasantry and the predominantly Muslim poor peasantry. On the other hand in the West, as tension mounted between the Hindus and the Muslims in the twenties and thirties of this century, the Muslim landlords started moving to the cities in large numbers; absentee landlordism increased, but the hold of the landlords declined which also contributed to the decay of the agricultural sector in the West. 39 The religious distribution of population came to have an impact on the rural class structure after the partition of Bengal at the time of independence.
The different levels of peasant awareness led in the course of time to the evolution of three variations of zamindari. By the early decades of this century three patterns were visible: (1) The present region of Bangladesh had a strong system of zamindari with little dilution in the sway of the absentee landlords. (2) West Bengal started witnessing a weakening of zamindari. This region had a high incidence of tenancy and sharecropping; the increasing militancy of this class led to a marked increase in its collective power and improved its bargaining position against the landlords. The attempts of the zamindars to counter the movement of the rural poor led to increased resistance and led to increased agrarian violence. (3) In the North-Eastern hill areas the zamindari system came to yield place to the developing corporate plantations.40

As peasant militancy and landlord-sponsored violence increased in the rural areas, Marxist and revolutionary ideas started taking roots. The twenties and thirties also witnessed a strengthening of the movement led by the Congress for independence. But in Bengal, many organizations unhappy with what they saw as an inadequate response of the Congress movement towards the problems of the rural poor, formed the Workers and the Peasants Party in 1926.41 It was the forerunner of the Communist Party and it gave a Marxian interpretation to the agrarian question. As Binay Bhushan Choudhry, a sociologist who has studied the rural class structure in Bengal noted:

Its world outlook was Marxian, and it applied Marxian principles to its study of the contemporary political situation and the social and economic organization in India. The background of the formation of the party was the result of a growing feeling that the way the Congress had been leading the country’s struggle for
freedom was wrong. The Congress, the founders of the party felt, misunderstood the class character of the groups hostile to this struggle and this had resulted in weakening the struggle. 42

The new party advocated a militant rural movement for the legitimate demands and aspirations of the rural poor. The party's popularity grew and with it increased the influence of Marxism in Bengal. 43 Besides the peasantry, the new party appealed to a large section of the intelligentsia of Dacca and Calcutta; many prominent intellectuals, attracted by the ideology of the party went into the rural areas to organize the peasantry. They taught the poor sharecroppers and the tenants that the zamindars were mostly responsible for their poverty and misery and that the abolition of the zamindari system was essential for improving the living conditions of the poor.

After the Russian Revolution Bolshevik literature started flowing into Bengal. What happened in Russia was presented as a prototype of things to come in Bengal after the abolition of zamindari. 44 The mass appeal of Marxian ideology and the popularity of the new party have been noted by many including social workers and government officials. Rathindranath Tagore, son of the nationalist poet laureate, Rabindranath Tagore was one of them. He observed that innumerable local literary journals and organizations propagated the need for the unity of the rural poor to fight the landlords and the moneylenders. 45 Jatindra Mohan Tagore, Secretary of the British Indian Association, an organization of the zamindars, talked of the radicalization of the peasantry and increasing class consciousness:

They have neither status nor stake in society and to attain the one or other or both, they resort to various kinds of agitations, social, religious, reformatory, and so on . . .
They go to the ryots, pretend to be their friends, sow seeds of dissension between them and the zamindars and thus set class against class. In their pretended zeal for the interests of the ryots they had, two years ago, nearly brought the countryside to a blaze of agrarian insurrection. The Bengal Tenancy Bill has proved to be a weapon in their hands for setting class against class.

With the formation of the Communist Party of India and the breakup of the Congress Socialist Party in the thirties radical ideology was spreading. The predominantly Muslim tenants of Bengal came to be impressed with radical ideology and there were peasant uprisings at Rajshahi and Khulna. The increasing incidence of rural violence dislocated the agrarian system. The zamindars, especially those of the Western part, started migrating to the cities.

In the East the increased rural violence led to a sharp fall in food production. The Great Bengal Famine of 1940 led to the death of nearly three million people in Bengal and to the destruction of the Bengal agricultural system from which the region did not recover till the sixties.

The calamity also increased the cleavage between the rich and the poor in the rural area. During the troubled days many more radical movements started in Bengal. The Congress movement for independence also got a more radical expression in Bengal. In the forties it came under the spell of Subhas Chandra Bose. Bose, who came to be called 'Netaji'—leader of the nation—advocated siding with Germany and Japan during World War II to oust the British from India. These movements made rural Bengal more politicized than the rest of India and more sympathetic to radical ideas than the rest of rural India.
On the eve of independence it was possible to identify three broad classes in rural Bengal. At the top of the spectrum were the 'bhadraloks'—literally 'gentle people'—the rural rich. They were the large landholders and zamindars, mostly non-cultivating, whose power in the rural areas was still considerable. Below them were the middle class peasants, mostly self-sufficient. Besides cultivators, as Broomfield notes, this class also included artisans and traders. At the bottom of the social structure were the rural poor, tenants or sharecroppers, called 'bargadars', or landless laborers. They were invariably dependent on the two upper classes for work.

**Partition and Changed Class Equation**

Independence in 1947 brought about drastic and far-reaching changes in the rural class structure of Bengal. The partition of the province into the Muslim East Pakistan and the Indian state of West Bengal resulted in large-scale uprooting of population. The migration and killings increased the suffering of the famine devastated rural population. West Bengal suffered the most. The non-Muslim population of East Bengal was more than the Muslim population of the Western part of the state.

As a result of the large-scale movement of population, West Bengal's population increased by 32.8 percent as against an all-India increase of 21.5 percent. It drastically altered the class structure of rural West Bengal by reducing the influence of the middle-class peasantry and the 'bhadralok'. The large number of Hindu landlords and middle peasantry who migrated to the west from the east had lost all their belongings; with no landholdings in the west, they joined the
urban metropolitan elite of Calcutta. Having lost all the lands they possessed they had little stake in the rural areas or in the perpetuation of landlordism. This also led to an expansion of the urban middle class of West Bengal. 52 The urban expansion led to a tilting of the balance against the rural middle-class peasantry, which was a blow to landlordism. As Sengupta observes, "The middle class peasantry of West Bengal could get no sympathy or support from their counterparts coming from East Bengal, now totally relieved of their rural landed interests, settled in Calcutta and other urban areas, mostly making their places in the tertiary sector by virtue of better formal education."53 Their class interests were similar to those of the urban middle class of West Bengal and they found little in common with the rural rich.

Thus, at the time of independence, the composition of the class structure of West Bengal was different from that of Bihar's. The changed class structure of Bengal was reflected in the composition of the bureaucracy also. As Bandhyopadhyaya notes, the bureaucracy of West Bengal did not have the link with the rural landed interests which its counterparts in many Indian states, notably Bihar, had. 54 This is also the observation of Ratan Ghosh and Kalyan Dutt. 55 A very high percentage of the bureaucracy had no land at all, and thus, their class interests cannot be said to have been inimical to the implementation of land reforms. Indeed as Marcus Franda notes, like the urban intellectuals of Calcutta and the new migrants from East Pakistan, the bureaucracy was responsive to Marxian ideology. 56 Thus, unlike in Bihar, the structural constraints to the adoption of a radical solution to the rural development problems had limited opposition in West Bengal.
The rural economic realities of West Bengal also reinforced this trend. Tables 13 and 14 explain the structural characteristics of pre-land reform in West Bengal as compared to the whole country. The average size of landholding in West Bengal in 1953-'54 was 3.01 acres, half the all-India figure of 6.25 acres. An analysis of the landholding pattern at the national level showed rich cultivators, making up 10 percent the total landholders, owned 51.51 percent of the land, their holdings averaging between 15 and 24 acres. In West Bengal this category of rich landowners constituted only 2.6 percent of the farmers' holdings and accounted for 26 percent of the area. In the 25-49 acres holding category in West Bengal, 0.7 percent of the landholders owned 11.2 percent of cultivated area; for India as a whole, landholders in this category were 3.60 percent of total cultivators and they accounted for 36.7 percent of area under cultivation. Going further up, holdings above 50 acres accounted for 17.54 percent of all land in the country held by .94 percent of all landholders. In sharp contrast, in West Bengal, this category constituted .01 percent of all holders with a little more than 2 percent of the total land.

Looking at the other end of the spectrum, we find a higher concentration of small and marginal farmers in West Bengal than in the rest of India. More than 34 percent of the entire cultivated area consisted of holdings of less than 5 acres in West Bengal; the corresponding all-India figure was only 16 percent. There is a higher concentration of poor farmers in West Bengal than in the country as a whole. Further, in 1950-'51, nearly 60 percent of the entire geographic area of West Bengal was under cultivation, while the figure was 45.5 percent for the rest of the country. At the same time
Table 13. Distribution of Ownership, West Bengal

<table>
<thead>
<tr>
<th>Size class of ownership holding (acres)</th>
<th>Percentage of households</th>
<th>Percentage of area owned</th>
<th>Concentration Ratio (P.C. of a.w./P.C. of h.h.)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1953-54</td>
<td>59-60</td>
<td>71-72</td>
</tr>
<tr>
<td>Up to 0.49</td>
<td>45.02</td>
<td>44.17</td>
<td></td>
</tr>
<tr>
<td>0.50 - 0.99</td>
<td>56.83</td>
<td>8.94</td>
<td>9.95</td>
</tr>
<tr>
<td>1.00 - 2.49</td>
<td>16.64</td>
<td>18.14</td>
<td>22.26</td>
</tr>
<tr>
<td>2.50 - 4.99</td>
<td>12.61</td>
<td>14.33</td>
<td>13.34</td>
</tr>
<tr>
<td>5.00 - 7.49</td>
<td>5.43</td>
<td>6.22</td>
<td>5.58</td>
</tr>
<tr>
<td>7.50 - 9.99</td>
<td>3.14</td>
<td>2.66</td>
<td>2.02</td>
</tr>
<tr>
<td>10.00 - 12.49</td>
<td>1.59</td>
<td>1.35</td>
<td>1.35</td>
</tr>
<tr>
<td>12.50 - 14.99</td>
<td>2.76</td>
<td>1.01</td>
<td>0.47</td>
</tr>
<tr>
<td>15.00 - 19.99</td>
<td>1.22</td>
<td>1.31</td>
<td>0.50</td>
</tr>
<tr>
<td>20.00 - 24.99</td>
<td>0.63</td>
<td>0.60</td>
<td>0.21</td>
</tr>
<tr>
<td>25.00 - 29.99</td>
<td>0.23</td>
<td>0.09</td>
<td>0.05</td>
</tr>
<tr>
<td>30.00 - 49.99</td>
<td>0.42</td>
<td>0.09</td>
<td>-</td>
</tr>
<tr>
<td>50.00 &amp; above</td>
<td>0.09</td>
<td>0.00</td>
<td>-</td>
</tr>
</tbody>
</table>

All size 100.0 100.0 100.0 100.0 100.0 100.0

Source: Government of India, National Sample Survey Report, 8th Round No. 66.
National Sample Survey, 16th Round, No. 159.
Table 14. Distribution of Leasing Agricultural Land, West Bengal

<table>
<thead>
<tr>
<th>Size class of household operational holding</th>
<th>Estimated no. of operational holdings</th>
<th>Percentage of holding reporting leased-area for share of produce</th>
<th>Percentage of holding reporting leased-in area under any term</th>
<th>Percentage of operated area leased-in for share of produce</th>
<th>Percentage of operated area leased-in total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>All India W.B. All India W.B. All India W.B. All India W.B. All India W.B. All India W.B.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0.01 - 0.49</td>
<td>6723 6409</td>
<td>6.59 8.18</td>
<td>20.90 14.14</td>
<td>8.25 9.96</td>
<td>20.85 14.00</td>
</tr>
<tr>
<td>0.50 - 0.99</td>
<td>5404 4590</td>
<td>13.18 30.24</td>
<td>27.50 35.12</td>
<td>9.97 22.46</td>
<td>20.70 24.88</td>
</tr>
<tr>
<td>1.00 - 1.24</td>
<td>3221 2312</td>
<td>13.68 28.55</td>
<td>28.17 40.96</td>
<td>10.49 20.14</td>
<td>20.63 29.45</td>
</tr>
<tr>
<td>1.25 - 2.49</td>
<td>10768 10122</td>
<td>17.46 38.38</td>
<td>30.28 41.18</td>
<td>10.37 24.96</td>
<td>18.18 26.36</td>
</tr>
<tr>
<td>2.50 - 4.99</td>
<td>12773 8729</td>
<td>15.53 41.93</td>
<td>27.83 45.06</td>
<td>8.10 22.64</td>
<td>14.60 24.08</td>
</tr>
<tr>
<td>5.00 - 7.49</td>
<td>6716 3584</td>
<td>13.58 29.91</td>
<td>24.97 29.91</td>
<td>5.79 12.31</td>
<td>11.54 12.37</td>
</tr>
<tr>
<td>10.00 - 12.49</td>
<td>2399 616</td>
<td>8.80 19.48</td>
<td>20.00 19.48</td>
<td>3.94 4.39</td>
<td>8.48 4.39</td>
</tr>
<tr>
<td>12.50 - 14.99</td>
<td>1297 194</td>
<td>10.64 12.89</td>
<td>19.31 12.89</td>
<td>3.78 5.80</td>
<td>8.44 5.80</td>
</tr>
<tr>
<td>25.00 - 29.99</td>
<td>553 26</td>
<td>9.35 -</td>
<td>17.38 -</td>
<td>3.95 -</td>
<td>7.16 -</td>
</tr>
<tr>
<td>30.00 - 49.99</td>
<td>881 -</td>
<td>4.70 -</td>
<td>15.06 -</td>
<td>2.16 -</td>
<td>6.04 -</td>
</tr>
<tr>
<td>50.00 &amp; above</td>
<td>325 -</td>
<td>5.45 -</td>
<td>15.33 -</td>
<td>1.75 -</td>
<td>5.09 -</td>
</tr>
<tr>
<td>All sizes</td>
<td>57070 38284</td>
<td>13.00 30.64</td>
<td>25.68 34.56</td>
<td>5.06 17.34</td>
<td>10.57 18.73</td>
</tr>
</tbody>
</table>

Source: N.S.S. 26th Rd.
No.: 215 (All India)
215 (State W.B.)
West Bengal had 24 percent of its population living in the urban areas, as against 17.35 percent for the rest of the country. The incidence of sharecropping was also more in West Bengal than in the country as a whole; similarly there was a higher proportion of agricultural laborers in West Bengal than in the rest of the country.

As Sengupta notes:

In pre-reform West Bengal we already observe, compared to the whole of the country, a much higher pressure on land, a much higher preponderance of small and marginal farmers and farms, a higher incidence of sharecropping and agricultural labourers, a much higher resort to extensive cultivation (through a much larger using up of the geographical area) and a relatively weak existence of big landowners at the other pole of the economy.

All these obviously reflected a certain relation of forces that obtained in West Bengal, which differed from the rest of the country.

Thus, when the First Five Year Plan was launched in 1952, West Bengal had a highly politicized and radicalized rural population with weak rural rich--bhadralok--and a high incidence of sharecroppers and agricultural laborers, a combination, which, as Marcus Franda notes, was favorable for the adoption of 'radical politics'.

Rural Development: Rural Reforms and Agricultural Development--1947-1967

The first phase of rural development after independence saw the enactment of legislation to abolish absentee landlords and to fix a ceiling on legal landholding. Simultaneously, the CD Program was introduced, which was followed by the Package Program in 1961. The composition of rural class structure and the 'relation of forces' enabled West Bengal to achieve limited success in land reforms.
The zamindari system was abolished and West Bengal's experience with land ceiling was much better than that of Bihar's.

This is not to deny that the 'bhadralok' did not organize themselves to perpetuate their dominance in the rural areas, but rural West Bengal offered greater opportunity for the enforcement of land reform legislation than states like Bihar. The West Bengal Estates Acquisition Act was passed in 1953 which abolished absentee landlordism. It was incorporated into the West Bengal Land Reform Act of 1955, which fixed a legal ceiling on all agricultural holdings.61

A contrast is offered by Bihar which shared with Bengal the damaging consequences of the zamindari system. Bihar was technically the first state to initiate measures for the abolition of zamindari, but in the light of considerable opposition from the landed rural rich there was no ceiling imposed on landholdings. By 1976 only a paltry 8,956 acres of ceiling land was acquired by the government and out of this only 1,100 had been distributed to the rural landless.62 Even though the performance of West Bengal was much better there were some escape clauses provided in the act for the benefit of the landed class. The landlords were allowed a liberal allowance for personal cultivation. And the term 'personal cultivation' was liberally interpreted to include large-scale cultivation by hiring laborers.63

The limited land reform program was followed by the Package Program in the early sixties. This intensive agricultural development program did not produce results very different from those of Bihar. A "green revolution package" helped increase agricultural production in West Bengal, but it widened the gap between the rich and the poor in the rural areas.
Table 15. Land Leasing Patterns in West Bengal

<table>
<thead>
<tr>
<th>Size class of ownership holding</th>
<th>Percent of household leasing out land</th>
<th>Percent of owned area leased out</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>on crop-sharing basis</td>
<td>under any term</td>
</tr>
<tr>
<td>All India</td>
<td>W.B.</td>
<td>All India</td>
</tr>
<tr>
<td>0.01 - 0.49</td>
<td>0.95</td>
<td>2.13</td>
</tr>
<tr>
<td>0.50 - 0.99</td>
<td>5.08</td>
<td>6.91</td>
</tr>
<tr>
<td>1.00 - 1.24</td>
<td>6.62</td>
<td>13.37</td>
</tr>
<tr>
<td>1.25 - 2.49</td>
<td>5.85</td>
<td>10.17</td>
</tr>
<tr>
<td>2.50 - 4.99</td>
<td>5.29</td>
<td>12.57</td>
</tr>
<tr>
<td>5.00 - 7.49</td>
<td>6.20</td>
<td>0.00</td>
</tr>
<tr>
<td>10.00 - 12.49</td>
<td>6.43</td>
<td>32.91</td>
</tr>
<tr>
<td>12.50 - 14.99</td>
<td>20.96</td>
<td>20.33</td>
</tr>
<tr>
<td>15.00 - 19.99</td>
<td>4.62</td>
<td>30.53</td>
</tr>
<tr>
<td>20.00 - 24.99</td>
<td>5.96</td>
<td>40.74</td>
</tr>
<tr>
<td>25.00 - 29.99</td>
<td>3.25</td>
<td>-</td>
</tr>
<tr>
<td>30.00 - 49.99</td>
<td>3.89</td>
<td>-</td>
</tr>
<tr>
<td>50.00 &amp; above</td>
<td>5.19</td>
<td>-</td>
</tr>
<tr>
<td>All classes</td>
<td>4.26</td>
<td>7.37</td>
</tr>
</tbody>
</table>

Source: N.S.S. 26 Rd.
No.: 215 (All India)
215 (State W.B.)
Table 16
Leasing-out Operation by Ownership Size Groups,
West Bengal

<table>
<thead>
<tr>
<th>Size of ownership holdings (acres)</th>
<th>Percentage of households</th>
<th>Percentage of households leasing out land</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1953-54</td>
<td>59-60</td>
</tr>
<tr>
<td>(1)</td>
<td>(2)</td>
<td>(3)</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>----------</td>
<td>--------</td>
</tr>
<tr>
<td>Up to 0.49</td>
<td>36.13</td>
<td>41.35</td>
</tr>
<tr>
<td>0.50 - 0.99</td>
<td>56.83</td>
<td>10.39</td>
</tr>
<tr>
<td>1.00 - 2.49</td>
<td>16.64</td>
<td>21.08</td>
</tr>
<tr>
<td>2.50 - 4.99</td>
<td>12.61</td>
<td>16.65</td>
</tr>
<tr>
<td>5.00 - 7.49</td>
<td>5.43</td>
<td>7.23</td>
</tr>
<tr>
<td>10.00 - 12.49</td>
<td>1.84</td>
<td>1.42</td>
</tr>
<tr>
<td>12.50 - 14.99</td>
<td>2.76</td>
<td>1.17</td>
</tr>
<tr>
<td>15.00 - 19.99</td>
<td>1.22</td>
<td>1.52</td>
</tr>
<tr>
<td>20.00 - 24.99</td>
<td>0.63</td>
<td>0.70</td>
</tr>
<tr>
<td>25.00 - 29.99</td>
<td>0.23</td>
<td>0.10</td>
</tr>
<tr>
<td>30.00 - 49.99</td>
<td>0.42</td>
<td>0.10</td>
</tr>
<tr>
<td>50.00 &amp; above</td>
<td>0.09</td>
<td>0.00</td>
</tr>
<tr>
<td>All classes</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: 1) NSS Report 8th Round No. 66
Report on landholdings (4)

2) NSS Report 16th Round No. 159
The Package Program emphasized governmental help for applying modern developments in agricultural technology. The farmers were helped to use high yielding varieties of seeds, and chemical fertilizers and were provided with irrigation and easy credit. But, as has been documented elaborately by now, the governmental help was biased in favor of the rural rich who reaped enormous benefits at the expense of the poor. The rural poor, with neither the financial capability nor appreciable governmental help, were left behind. Their condition deteriorated. A look at the rural poverty line confirms this. The percentage of population living below the poverty line in West Bengal was 40.4 percent in 1950-'51; it jumped to 66 percent by 1970-'71. A good study of the effect of the green revolution in West Bengal was Francine Frankel's. After an elaborate survey of Burdwan district, Frankel showed that agricultural production increased by nearly 50 percent in the late sixties, but during this period the total number of the landless increased, the conditions of the tenants and sharecroppers declined and rural poverty grew.

The sixties saw further deterioration in the condition of the rural poor. Indo-Pakistani relations deteriorated to their lowest ebb since independence and a brief war ensued in 1965. The flow of refugees from East Pakistan increased considerably; as Table 12 shows, more than 800,000 came in 1964-'65. Almost all development activities of the government collapsed and refugee rehabilitation became the sole preoccupation of the government. In the elections to the state legislative assembly in 1967 the ruling Congress party was defeated and a coalition of left wing parties led by the Communist Party of India-Marxist and the Communist Party of India came to power. The new
United Front government made a radical departure from the development policies followed heretofore. It made a pronounced move from rural development policies emphasizing increased agricultural production to a policy emphasizing a redistribution of rural assets.

**Radical Reforms: First Steps**

The new government, in fact, started with a strict enforcement of the West Bengal Land Reforms Act, passed by the earlier Congress government. Within a year the new government was able to distribute 248,000 acres of land to the rural landless. It fixed a minimum wage for agricultural labor and proceeded to give tenurial rights and protection to the sharecroppers.

The new government emphasized that rural development must begin with redistribution of land. After measures are taken to achieve distributive justice only then should increasing production be emphasized in order to help the new landowners improve their economic conditions and help them break away from their bondage to the rural rich. This was a radical departure from the technocratic policy which emphasized increasing production, with only weak attention to distributive justice.

The United Front government, however, did not have a comfortable legislative majority and it was defeated in the assembly, although the land reform program initiated by the left wing government was immensely popular in the rural areas. The government was able to earn enormous goodwill in the rural areas which enabled it to win the elections and come back to power with an improved majority.
The Second United Front government sought to consolidate the programs initiated by it in 1967 and to organize the rural poor. It went ahead with redistribution of surplus land held by the rich cultivators. This was achieved by the government's taking over excess land held by the rural rich, or by detecting *mala fide* transfers of land by the landlords. The detection of excess land held by the landlords was made possible by the information passed on by the agricultural laborers to the peasant organizations of the Marxist party. The rural poor were encouraged by the government to form organizations and to help the administration detect illegally held lands. As Hare Krishna Konar, the land reforms minister of the UF government noted, "For the first time in their life thousands of poor peasants took an initiative and it was successful, a truly electrifying experience for them."70

The formation of rural organizations of the poor helped create a climate for thoroughgoing land reforms. Besides helping detect illegal holdings, these councils helped counter the power base of the rural rich. As an editorial in the *Economic and Political Weekly* noted:

In the course of the drive for recovery of benami (i.e., malafide) lands, the state government and the United Front parties have succeeded in unleashing a massive force in the countryside, which has not only brought direct benefits to a section of the peasantry, but has also dealt a heavy blow to the social base of conservatism and reaction in the rural areas.71

The landlords were further handicapped by the fact that the state government was far from 'neutral' in the clashes between the rural rich and the poor; it decidedly intervened on behalf of the landless, the sharecroppers and tenants and the rural poor.72 The government, as
Hiro notes, effectively put down violence perpetrated on the poor by the landlords.

The state government also encouraged the rural poor to detect excess land and occupy the land made available in accordance with programs approved by the local unit of the CPI-M. The government then went ahead to legalize the new occupants by legislation and allot the land to them. This was a departure from the practice of delegating the function of implementing land ceiling laws to the administrative machinery. The new procedure, apart from checking possible slackness in implementation of progressive laws also went to deny tacit support from the bureaucracy to the landlords. It also helped enforce popular control over the bureaucracy.

Hiro, discussing the implementation of thoroughgoing land reforms enforced by the United Front governments, notes that the government succeeded in "combining 'mass struggle' with administration." This helped to heighten the class consciousness of the rural people in the state, which in its turn helped to organize the rural people to demand their rights. This policy of the left wing government has been confirmed by Hargrave, who stated "The Marxists . . . sought to continue 'administration and struggle', popular initiative plus utilization of the administrative machinery for the advancement of the 'basic classes' . . ." Thus, the government followed a two-pronged administrative strategy, that of organizing the rural people and maintaining pressure on the rural rich and utilizing governmental powers to achieve social objective effectively.

The new measures of the United Front governments decidedly tilted the balance of power in the rural areas in favor of the poor. But the
second United Front government did not last its full legislative term. Two major events contributed to the early fall of the government: (1) the emergence of the extra-parliamentary communist party called CPI-Marxist-Leninist—or the Naxalites—and its resort to violence to put down the landlords and the rural rich; and (2) the Indo-Pakistan war of 1971 which led to the birth of Bangladesh.

The formation of the CPI-M led UF governments saw intensive discussions within the radical parties about the policy of continuing the parliamentary path within India's constitutional system to win state power. While the two main Communist parties, the CPI and the CPI-M, their decisions reinforced by their electoral victories, expressed faith in remaining within the parliamentary system, the new breakaway group—also called the Naxalites, after the village of Naxalbari where they started their activities—disagreed with them. The new party proclaimed that revolution was the only way to win political power in India. The CPI and the CPI-M believed that it was essential to achieve a coalition of the poor and the oppressed classes and the progressive elements of the bourgeoisie to fight feudalism and capitalism. This was possible by working within the Indian constitution; the party should form such a coalition to capture state power.

The Naxalites strongly disagreed with this interpretation of the other two communist parties and sought to resort to class war to fight class enemies and eliminate the landlords and moneylenders. The CPI-ML wanted to fight and eliminate the class enemies and organize the revolutionary potential of the oppressed classes to throw out the government and form a socialist state.
In the political plane it saw the CPM, the more popular of the two communist parties of India and the Congress party as its twin enemies. It started violent attacks on the followers of both the parties. The Naxalites later on went to the extent of portraying the Congress as the lesser of the two evils. The CPM saw political adversaries in the Congress party and the Naxalites, the former ideologically to the right and the latter to the left of the CPM. The two started uniting to fight the growing popular appeal of the CPM. The UF government took strong measures to put down the Naxalite violence. Confrontation between the government and the Naxalites led to widespread violence in the state and dislocated the reform measures initiated by the government. The Naxalites thus, helped pull down the CPM government and confirmed the view of the CPM that the breakaway movement was working to the advantage of the Congress.

The second event had a more far-reaching effect. The violence perpetrated by the Pakistani army on the people of East Bengal led to a massive exodus of people into West Bengal. In two years over two million people took refuge in the state. This exodus totally dislocated normal functioning of the government in most parts of West Bengal. The resultant war and the formation of Bangladesh led to the victory of the Congress party in the ensuing elections to the state legislative assembly. With the defeat of the CPI-M led United Front government in the elections the land reform program received a setback. Though the new government did not nullify the agrarian reforms implemented by the previous government, it was considerably slowed down; old programs were revived and emphasis was shifted to production-oriented schemes.
Radical Policy in Full Swing

The rural development policies of West Bengal took a decisive radical turn with the election to power of the CPI-M at the head of a Left Front government (LF) in 1977. The new government, with its substantial legislative majority and the favorable political climate, consolidated the gains made by the rural poor in the late sixties and revived the policy followed by the UF government till its defeat. The election manifesto of the LF gave expression to the rural development policies the government would be following. The 36 point program of the Left Front contained ten points dealing with rural development and they give a comprehensive picture of its philosophy and approach to rural development. The manifesto explained the main features of the approach of the LF government:

i. Distribution of already available ceiling surplus vested lands among the landless and the rural poor with the active cooperation of the Panchayati Raj institutions;

ii. Quick recording of the names of the sharecroppers ('bargadars') through 'operation barga' and thereby securing to them the legal rights that they are entitled to;

iii. Drive to detect and vest more ceiling surplus lands through quasi-judicial investigative machinery with the help of rural workers' organizations and PR institutions.

iv. Giving institutional credit cover to the sharecroppers and the assignees of vested land to irreversibly snap the ties of bondage they have with the landlords and moneylenders;

v. Assigning permanent title for homestead purpose to all the landless agricultural workers (including sharecroppers), artisans and fishermen up to 0.09 acres ... who are occupying lands of others as permissive possessions;

vi. Providing tiny sources of irrigation to the assignees of vested lands through bamboo tubewells where
underground hydrological conditions permit such technology and bank financed dugwells with heavy subsidy from the state in other suitable areas with a view to induce such assignees to go in for high value multiple cropping to improve their economic status.

vii. Giving financial assistance in the form of subsidies to the assignees of vested lands for development of lands.

viii. Abrogation of the old--i.e., the existing--revenue system which is a hangover from the zamindari era and substituting it by a new measure under which revenue is assessed on land holding above a certain valuation on progressive rate. Small and marginal farmers have been exempted from revenue burdens.

ix. Restoration of land alienated by poor and marginal farmers through distress sale provided the purchaser himself is not a poor peasant having land holding less than one acre.

x. Designing Food For Work program for developing rural infrastructure which would permanently benefit the assignees of vested land and marginal farmers as well as to give them sustenance during periods of distress to tide over the crisis and to prevent transfer of land to affluent farmers.80

After such a comprehensive resettlement of the small farmers intensive agricultural development of the small peasant-based agrarian economy was planned. The government would subsidize the small peasants' agricultural development through provision of credit, irrigation and modern scientific inputs. Thus, it is a comprehensive rural development program and does not stop with redistribution of land; redistribution was only the beginning.81

From the experience of the land reforms programs in many parts of India and the UF governments in Bengal it was realized that limited measures were inadequate. For example, distribution of land to the poor peasants by itself did not improve their lot. The small peasant proprietor was dependent on the moneylender for financial help as he was landless, and in the absence of governmental help to increase
production in his small plot of land, his new possession did not improve his condition. The small plot of land gained by him often reverted back to the landlords and the new owner ended up again as sharecropper or laborer. As there was no support system for the new beneficiaries, their condition was no better off. The new program of the LF government sought to provide this support in the form of loans and subsidies, irrigation measures and help for intensive cultivation of the newly gained land. Thus, a package program tailored to the small landowners was to be adopted after comprehensive agrarian reforms. The new IRDP, as developed by the LF government, was tuned to help the small landholders benefit from modern developments in agricultural technology whereas in most other states of India IRD is oriented towards serving the rural rich.

The program of the LF government seeks to completely reorient the rural development strategy pursued in Bengal before 1967. A government document explaining in detail the new development policy of the government starts with a telling indictment of the technocratic strategy:

> It is now well recognized that development policies pursued during the last three decades in our country failed to alleviate rural poverty. On the contrary, there is evidence to indicate that overall growth was accompanied by growing immiseration of the rural poor. Institutions established for the benefit of the disadvantaged groups often served the interests of the rural rich. The poor were not allowed access to their services. Technical extension services invariably served surplus farmers and institutional credit meant for the poor reached those who often refinanced it to the poor at usurious rates of interest. The poor were deprived of the benefits accruing from the totality of activities which went on in the name of development . . .

The entire development strategy followed so far, particularly in respect of rural sector, had been
basically technocratic in nature. It was thought that given the system as it were, injection of adequate dosages of input-mix together with the building up of basic infrastructure like road, electricity, output would increase; and this would have a general toning up effect on the rural economy, benefitting all concerned. Advent of the 'miracle seed' buttressed this thesis. Unfortunately, the beneficial fall-out of the new technique of agricultural production was very limited in its spread and it sharpened rural differentiation both relatively and absolutely.82

It was this distortion that the new strategy sought to correct; and as this research report indicates, there is considerable evidence to suggest that this strategy is working.

Daniel Thorner in a classic analysis of land reforms in India, pointed out the failure to insist on the identification of actual tilling with rights of cultivation.83 The tiller of the soil has mostly been different from the owner of land. With a view to give to the tiller the rights of ownership, the LF government initiated measures to identify the sharecroppers--'bargadars'--and register their claims which had been ignored all these years. It simultaneously plugged the loopholes in the land ceiling legislation to distribute ceiling land to the rural landless.

**Tenancy Reforms**

The scheme to register the legal rights of the sharecroppers, called 'operation barga', was the first program the government initiated. As discussed earlier (Table 15), Bengal has the highest incidence of sharecropping for any state in India; an insignificant number is registered as sharecroppers with tenurial protection. For sharecropping is rarely on record and most arrangements are based on oral contracts with little documentary proof.
Earlier attempts to give security of tenure met with little success. According to the West Bengal Land Reforms Act of 1955, a bargadar or sharecropper is "a person who, under the system generally known as . . . barga . . . cultivates the land of another person on the condition of delivering a share of the produce of such land to that person." According to Ratan Khasnabis, a survey of bargadars found that he is often a tenant, a sharecropper with no written contract and paying traditionally 50 percent of the produce as rent with no participation by the lessor. The state government estimate of the total number of these sharecroppers is 2 million and according to the National Sample Survey, they cultivate over 20 percent of the total cultivated land of the state. According to this source they are the landless, small and marginal farmers. One reason for the failure of the 1955 Act to record the rights of the sharecroppers is that till the LF government came to power the onus of proof was on the sharecroppers. In the absence of written contracts the sharecroppers found this to be a difficult provision to meet. The new government amended the act and announced that any person working on another's land, not as laborers for wages, will be presumed to be a sharecropper, if he is not related to the landlord. It was for the landlord to adduce documents to prove that he was not a sharecropper. In a situation where most of the sharecropping contracts were oral in character, this is a significant step advancing the interests of the tenants.

The government also took another significant measure to promote the interests of the bargadars. Noting that the landlords often coerced the sharecroppers to legally renounce their tenancy rights, all such attempts were declared criminal offenses, punishable with imprisonment
for six months. As it turned out, this had a favorable impact in the rural areas.

With these far-reaching changes the government started a major drive to register the sharecroppers and give them secured tenancy. 'Operation barga' was able to register more than 50 percent of the bargadars. As Table 17 shows, by 31 December 1980, the consolidated figures for which period are available 1,001,986 such sharecroppers have had their tenancy legally protected and occupancy rights restored. This figure compares very favorably with only 200,000 between 1955 and 1977. Midnapore district, the object of a field survey for this study, recorded the highest registration for any district, 213,698. According to government projections all the sharecroppers were to get full legal benefits by the end of 1982. Judged from the progress of the recording work, this target does not seem to be overly ambitious.

To achieve this, the government made some far-reaching changes in the administrative practices. Learning from the experience of combining popular movements and administration during the days of UF governments, the LF administration closely involved the beneficiaries at every stage of the program. Till now the procedure required the sharecroppers to move the revenue courts and produce documents to prove their claims. It has long been contended that this procedure, with its bureaucratic delays, tended to discriminate against the poor sharecroppers. The landlord with his superior economic power was able to obtain legal aid, while the poor tenants often could afford no legal help. Fear of retaliation from the landlords also prevented the sharecroppers from approaching the revenue courts.
Table 17

Registration of Sharecroppers under 'Operation Barga' up to December 31, 1981

<table>
<thead>
<tr>
<th>Name of District</th>
<th>Number Registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Parganas</td>
<td>131,042</td>
</tr>
<tr>
<td>Howrah</td>
<td>30,743</td>
</tr>
<tr>
<td>Nadia</td>
<td>38,691</td>
</tr>
<tr>
<td>Murshidabad</td>
<td>48,248</td>
</tr>
<tr>
<td>Burdwan</td>
<td>79,825</td>
</tr>
<tr>
<td>Birbhum</td>
<td>60,449</td>
</tr>
<tr>
<td>Bankura</td>
<td>77,559</td>
</tr>
<tr>
<td>Midnapur</td>
<td>213,698</td>
</tr>
<tr>
<td>Hooghly</td>
<td>66,329</td>
</tr>
<tr>
<td>Malda</td>
<td>60,325</td>
</tr>
<tr>
<td>West Dinajpur</td>
<td>84,955</td>
</tr>
<tr>
<td>Cooch Behar</td>
<td>54,797</td>
</tr>
<tr>
<td>Jalpaiguri</td>
<td>45,405</td>
</tr>
<tr>
<td>Darjeeling</td>
<td>9,820</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,001,986</strong></td>
</tr>
</tbody>
</table>

The procedure was changed and the responsibility of locating and recording the rights of the bargadars was placed on these quasi-judicial bodies. Organizations of the rural poor were actively involved in the identification of sharecropping and these bodies assisted in the work of the revenue courts. As Kalyan Dutt notes, "Group meetings are held with bargadars and they are encouraged to speak out their de facto status. This is followed by public verification of bargadars claims in field in the presence of both the landowners and the claimant sharecroppers."87

In the group meetings organizations of tenants represented the tenants and their version was accepted as to the tenancy of the bargadars unless the landlord had evidence to the contrary. It was for the landlord to prove that the bargadar was not a tenant. The objections of the landlords are verified in public. Thereafter certificates of tenancy are distributed among the sharecroppers whose claims have been determined in public. This revised procedure has been very helpful in detecting concealed tenancy and to remove the bias of the traditional administrative system against the tenants.88

The crucial changes in law and the new procedure have been the main reasons for the success of the drive to confer tenancy rights on the bargadars. But this procedure came under attack from the law courts. The association of the sharecroppers and their organizations in the process of recording tenancy rights was interpreted by the High Court to be partisanship on the part of the administration.89 The administration was expected to be neutral between the contending parties and not actively help one of the parties. A protracted legal battle followed. The government formed a separate legal cell in the land reforms

87 Kalyan Dutt, "Group meetings are held with bargadars and they are encouraged to speak out their de facto status. This is followed by public verification of bargadars claims in field in the presence of both the landowners and the claimant sharecroppers."
88 "The revised procedure has been very helpful in detecting concealed tenancy and to remove the bias of the traditional administrative system against the tenants."
89 "The association of the sharecroppers and their organizations in the process of recording tenancy rights was interpreted by the High Court to be partisanship on the part of the administration."
department; a panel of progressive lawyers came forward to help the state and the sharecroppers. It was pointed out that the new methodology of associating the rural workers in the quasi-judicial proceedings was in tune with the recommendation of the International Labour Organization, which was ratified by the Indian Parliament. The ILO covenant said that such organizations should be actively involved in agrarian reforms. Therefore, the government contended that the methodology of operation barga was justified and it had legal sanction. After lengthy arguments the High Court upheld the government action. With this major legal victory the program was able to effectively help the tenants.

**Land Ceilings**

The other major aspect of the agrarian reform strategy of the LF government has been the detection and acquisition of lands held in excess of legal ceiling and its distribution among the rural landless. As noted earlier, between the passing of the comprehensive WBLR Act of 1955 and the formation of the first UF government of 1967 only about 350,000 acres of land was acquired by the government. During the tenure of the two UF governments between 1967 and 1971 about 500,000 acres were vested in the government. Thus about 850,000 acres came to the government for redistribution among the landless. After the lull between 1972 and 1977 when the CPI-M was in the Opposition, government acquisition of ceiling excess land continued. As Table 18 shows, between 1977 when the LF government came to power and the end of 1980, over one million acres of land, that is, more than the total land acquired between 1955 and 1977, came to be taken over from the rural rich for distribution among the poor. In few states has so much
<table>
<thead>
<tr>
<th>District</th>
<th>Vested Land Total (Acres)</th>
<th>Land Distribution affected by Court Injunctions (Acres)</th>
<th>Land Available for Distribution (Acres)</th>
<th>Land Distributed (Acres)</th>
<th>Net Land Available for Further Distribution (Acres)</th>
<th>Number of Beneficiaries (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Parganas</td>
<td>124552.12</td>
<td>38463.94</td>
<td>86148.18</td>
<td>53710.89</td>
<td>32437.29</td>
<td>120.2</td>
</tr>
<tr>
<td>Howrah</td>
<td>6343.55</td>
<td>2252.08</td>
<td>3091.47</td>
<td>2469.07</td>
<td>1622.40</td>
<td>13.3</td>
</tr>
<tr>
<td>Nadia</td>
<td>23879.96</td>
<td>5766.45</td>
<td>18113.51</td>
<td>11570.58</td>
<td>6542.93</td>
<td>37.8</td>
</tr>
<tr>
<td>Murshidabad</td>
<td>53558.56</td>
<td>10008.44</td>
<td>43550.12</td>
<td>22546.55</td>
<td>27003.57</td>
<td>61.3</td>
</tr>
<tr>
<td>Burdwan</td>
<td>78154.98</td>
<td>22289.46</td>
<td>55865.52</td>
<td>34969.10</td>
<td>20896.42</td>
<td>87.4</td>
</tr>
<tr>
<td>Birbhum</td>
<td>38559.95</td>
<td>9736.45</td>
<td>28817.50</td>
<td>20372.00</td>
<td>8445.50</td>
<td>42.9</td>
</tr>
<tr>
<td>Bankura</td>
<td>57497.34</td>
<td>7588.64</td>
<td>49908.70</td>
<td>38779.33</td>
<td>11129.37</td>
<td>63.9</td>
</tr>
<tr>
<td>Midnapore</td>
<td>281480.57</td>
<td>34886.37</td>
<td>246594.20</td>
<td>162798.84</td>
<td>83795.36</td>
<td>335.3</td>
</tr>
<tr>
<td>Hooghly</td>
<td>17765.59</td>
<td>4733.72</td>
<td>13031.87</td>
<td>8027.28</td>
<td>5004.59</td>
<td>29.5</td>
</tr>
<tr>
<td>Purulia</td>
<td>88761.96</td>
<td>12419.35</td>
<td>72661.16</td>
<td>35942.72</td>
<td>40399.89</td>
<td>38.8</td>
</tr>
<tr>
<td>Malda</td>
<td>80917.54</td>
<td>8256.38</td>
<td>72661.16</td>
<td>49149.24</td>
<td>23511.92</td>
<td>82.7</td>
</tr>
<tr>
<td>W. Dinajpur</td>
<td>148696.21</td>
<td>14388.30</td>
<td>134307.91</td>
<td>81825.12</td>
<td>52482.79</td>
<td>129.8</td>
</tr>
<tr>
<td>Cooch Behar</td>
<td>58762.31</td>
<td>2944.00</td>
<td>55818.31</td>
<td>46640.00</td>
<td>9178.31</td>
<td>62.4</td>
</tr>
<tr>
<td>Jalpaiguri</td>
<td>116744.58</td>
<td>4584.16</td>
<td>112160.42</td>
<td>86250.67</td>
<td>25909.75</td>
<td>68.7</td>
</tr>
<tr>
<td>Darjeeling</td>
<td>35947.53</td>
<td>949.47</td>
<td>34998.06</td>
<td>10401.24</td>
<td>16596.82</td>
<td>20.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1211616.75</strong></td>
<td><strong>179207.21</strong></td>
<td><strong>1032409.50</strong></td>
<td><strong>673452.63</strong></td>
<td><strong>358956.90</strong></td>
<td><strong>1194.0</strong></td>
</tr>
</tbody>
</table>

excess ceiling land been taken over by a rigorous implementation of land ceiling laws. The total of such land taken over all over India is a little over 4 million acres and close to 25 percent is in West Bengal. As Table 18 further shows, out of the 1.2 million acres of land acquired by the government, 670,000 acres have been distributed to the landless, 1.2 million beneficiaries having already been benefitted. Thus, the ownership base of land has been considerably increased though the average of about 0.6 acres per beneficiary points to a continuation of the existing small peasant-based rural economy.

The increase in the take-over of excess land has been made possible by crucial changes in the existing Land Reforms Act which the new government made. The main reason for the hitherto slow rate of acquisition of excess land has been the generous provision allowing the landowners to retain land and to evict tenants for personal cultivation, using paid laborers. The new government restricted the provision of 'personal cultivation' to cultivation by the person concerned without the help of laborers or servants. This new limitation had the effect of making more land available for distribution.

Further, as in the case of 'operation barga', a major change was introduced into the bureaucratic procedure. Instead of making the administration solely responsible for detecting excess landholding the rural poor and their organizations were mobilized to detect land held by the landlords in excess of the ceiling allowed. After they do so the revenue administration, with the active participation of the organization of the rural poor, conducts an enquiry and acquires the land concerned.
The strategy, as in the case of 'operation barga', has been to create class consciousness and unity among the rural poor and organize them to help and control the administration. That this approach has paid dividends is shown by the large acreage of land already acquired by the government. However, the distribution of the land acquired has been lagging. Only 673,452 acres out of 1,032,409 acres available for distribution have been distributed. As the government documents highlighting the progress of land reforms points out, "Distribution of ceiling surplus vested lands to the eligible landless and poor agricultural labourers and sharecroppers has been rather tardy." The document goes on to assign reasons for this:

Often former landowners continued to exercise possession and enjoy usufruct of the lands by clandestine arrangement with the lower echelons of the bureaucracy. ... There were cases where the old owners who continue to dominate the village life, just asked the landless workers and sharecroppers not to prefer their claims on such land. The way to get over this shortcoming has been recognized to be increasing politicization of the rural poor and their organizations along class lines. Such organizations have an important role to play in detecting clandestine breach of ceiling laws and helping the rural poor withstand the pressure of the landlords. The rate of distribution of acquired excess land has been accelerated with over 59,000 acres being distributed to about 175,000 beneficiaries.

The changes have not proceeded in an unimpeded manner. A number of legal challenges have stalled the land reform measures. Innumerable writ petitions have been filed by the landlords against the acquisition by the government of excess land; it is estimated that there are 27,000 such cases in the civil courts and 20,000 in the Calcutta High Court.
The courts have stayed the acquisition and distribution of 179,207 acres of land, as Table 18 explains. The LF government has been perturbed by the implication of such litigations. A special cell of legal experts for the conduct of cases regarding land reform issues has been organized and a sum of Rs. 16 million has been established for providing legal assistance to the land reform measures. Official explanations for legal delays are quite forthright:

Tradition of inviolability of private property inculcated through centuries permeates the judicial system including the legal profession in general and it becomes easy for the affected propertied classes to draw judicial sympathy with the plea of injured innocence on any anti-property legal measure. What appears to be very surprising is the role of the legal profession... by and large the profession in the state failed to rise to the occasion in the legal battles in the law courts. Perhaps their class interests often transcended their professional ethics with the result that the programme was stalled through innumerable injunction orders. 96

Such legal challenges have been substantially delaying the acquisition and distribution of the lands under dispute. However, apart from the frustrating delays involved in legal scrutiny, the courts have not invalidated any provision of the land reform laws.

Side by side with these thoroughgoing agrarian reform measures, the LF government has initiated an integrated Rural Development Program (IRD) for the economic advancement of the rural poor. A major component of this has been the scheme to provide institutional credit to the new beneficiaries of land reforms. As noted earlier, the mere transfer of small pieces of land to the landless poor does not improve the standard of living of the poor. Indeed, without considerable institutional support the position of the poor may even slide backward, for the landlord and moneylender often refuse to lend money to the new
landowner whose small gain is an eyesore to the rural rich. The rich collude to neutralize the gain of the small beneficiary by trying to throttle him economically. The new beneficiaries require institutional credit both for consumption and for the conduct of agricultural operations. Without this, the new small landowner will end up mortgaging his small piece of land for loans taken at usurious rates.

West Bengal, under the LF government, was perhaps the first state to provide a comprehensive institutional credit program under the IRDP to the new beneficiaries. Bandhyopadhyaya, the Land Reforms Commissioner of the state notes:

Immediately after launching of DB, reports were received about stopping of consumption credit by landowners and hiking of rates of interests as retaliation. Though cooperative system has fairly widespread network, as elsewhere it is controlled by the rural rich. There were reports of using cooperative finance by the landowners for usury. Promulgation of law for universal membership was followed by large-scale default by cooperative credit societies. It was not unlikely that societies were made temporarily defunct to dissuade and to prevent the marginal farmers and sharecroppers from becoming members and to dry up the source of institutional credit, forcing them to come to the landowners and moneylenders for credit. 97

Therefore, the LF government initiated during the 1978 agricultural season a major drive to finance the agricultural operation of the sharecroppers and new allottees of ceiling land, through credit by the government owned commercial banks. 98

Initially the scheme did not find favor with the banks. Even after the nationalization of the major commercial banks, many of these were run on the old lines. Most banks were accustomed to deal with a few large accounts. Many were still urban oriented. Bank officials had strong reservations about financing such non-bankable entities as sharecroppers, small and marginal farmers. 99 Many administrative
hurdles, such as inadequate staff in the rural branches, cropped up. After considerable discussions with the government, the government-owned banks and the rural banks (Gramin Banks) and some privately owned banks were persuaded to provide finance to the new landowners. The state government's commitment to the new scheme is highlighted by the fact that it undertook to guarantee the repayment of the loans. It also introduced complete interest subsidy to those who pay back the loans within the stipulated time. The state government agencies have also been actively involved in helping the new landowners get the loans by helping them prepare applications and by supplying to the banks the necessary information on the new landholders.

During the first agricultural season, in 1979 about 52,000 were provided with bank loans. As Table 19 shows, this figure jumped to 130,200 during the second season; it was expected to go up to 250,000 in 1981. Although this figure appears small—about 6 percent—when compared to the total number of sharecroppers with newly gained legal rights its significance can be understood when compared with the corresponding figures during the seventies. Between 1972 and 1978 all the banks in West Bengal sanctioned only 79,000 loan accounts at low rates of interest in the rural areas. And all these are not necessarily granted to the small farmers and sharecroppers. The progress of the scheme within two years seems to be encouraging. Although the number of beneficiaries yet to be covered is very high, given the commitment of the LF government to this scheme and the rate of progress now shown point to the likelihood of achieving the target by the end of the VI Five Year Plan in 1985.
Table 19

Progress of Institutional Credit Support Program

<table>
<thead>
<tr>
<th>Name of District</th>
<th>Number of Recorded Sharecroppers and new Allottees of Land (000s)</th>
<th>Number of Beneficiaries of Institutional Finance (000s)</th>
<th>Target for 1981 (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>24 Parganas</td>
<td>251.2</td>
<td>2.6</td>
<td>25.2</td>
</tr>
<tr>
<td>Howrah</td>
<td>44.0</td>
<td>0.6</td>
<td>2.4</td>
</tr>
<tr>
<td>Nadia</td>
<td>76.5</td>
<td>8.4</td>
<td>12.7</td>
</tr>
<tr>
<td>Murshidabad</td>
<td>109.5</td>
<td>18.8</td>
<td>22.0</td>
</tr>
<tr>
<td>Burdwan</td>
<td>167.2</td>
<td>10.0</td>
<td>16.7</td>
</tr>
<tr>
<td>Birbhum</td>
<td>103.4</td>
<td>29.0</td>
<td>32.0</td>
</tr>
<tr>
<td>Bankura</td>
<td>141.6</td>
<td>8.2</td>
<td>12.0</td>
</tr>
<tr>
<td>Midnapur</td>
<td>549.0</td>
<td>5.9</td>
<td>48.6</td>
</tr>
<tr>
<td>Hooghly</td>
<td>95.9</td>
<td>4.2</td>
<td>7.5</td>
</tr>
<tr>
<td>Maida</td>
<td>143.1</td>
<td>7.8</td>
<td>14.0</td>
</tr>
<tr>
<td>West Dinajpur</td>
<td>214.7</td>
<td>8.7</td>
<td>21.0</td>
</tr>
<tr>
<td>Cooch Behar</td>
<td>117.2</td>
<td>15.7</td>
<td>20.0</td>
</tr>
<tr>
<td>Jalpaiguri</td>
<td>114.1</td>
<td>2.2</td>
<td>6.0</td>
</tr>
<tr>
<td>Darjeeling</td>
<td>29.9</td>
<td>2.9</td>
<td>4.0</td>
</tr>
<tr>
<td>Purulia</td>
<td>38.9</td>
<td>3.1</td>
<td>6.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2196.2</strong></td>
<td><strong>130.2</strong></td>
<td><strong>250.0</strong></td>
</tr>
</tbody>
</table>

Source: Land Reforms in West Bengal: Statistical Report V.
Another major component of the IRDP in West Bengal is the Rural Works (RWP) and Food for Work Programs (FFW). West Bengal together with Maharashtra was the first to introduce job opportunities to the rural poor in public construction works; rural workers under these schemes are paid a minimum wage partly in cash and partly in kind. This scheme is also expected to help those small landholders and sharecroppers who have not yet been able to get bank loans. Construction of such infrastructural facilities as roads, canals, and flood control measures are executed under these schemes. The prevailing daily rate of pay is Rs. 2 in cash and 3 kgs. of wheat.

These schemes are planned and executed by the Gram (Village) Panchayat. According to the state government 53 million man days of work were generated during 1978-'79 and 54 million in 1979-'80 (Table 20). If it is assumed that all the recorded sharecroppers and allottees of surplus ceiling land are involved in these schemes, then on an average 25 man days per beneficiary can be said to have been generated. Thus each beneficiary of agrarian reforms got Rs 75 and 75 kgs. of wheat. If the total number of the agricultural labor force in West Bengal numbering 3.3 million is also included, then the number of man days generated goes down to 10; that is, on an average, each person got Rs. 30 and 30 kgs. of wheat. So even if it is assumed that all categories of rural households—small farmers, agricultural laborers and sharecroppers—tipped in the employment guarantee programs, then each person would have had 10 more days of work each year.

In a state where 66 percent of the rural people lived below the poverty line in 1977, this is a considerable infusion of money and food into the rural economy. But all the poor peasants and sharecroppers...
Table 20. Rural Employment and Wage Rates in West Bengal

<table>
<thead>
<tr>
<th>District</th>
<th>No. of Registered Sharecroppers and Assignees of Vested Land up to Dec. 31, '80 (000s)</th>
<th>Employment Generated by Rural Development Program</th>
<th>Average Daily Wage Rates of Agricultural Laborers</th>
<th>Col 4/ Col 2 (Man days)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>24 Parganas</td>
<td>251.2</td>
<td>48.9</td>
<td>64.4</td>
<td>5.75</td>
</tr>
<tr>
<td>Howrah</td>
<td>44.0</td>
<td>42.0</td>
<td>33.2</td>
<td>6.50</td>
</tr>
<tr>
<td>Nadia</td>
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<td>45.5</td>
<td>5.80</td>
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<tr>
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<td>51.3</td>
<td>38.6</td>
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</tr>
<tr>
<td>Birbhum</td>
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<td>32.8</td>
<td>31.5</td>
<td>5.55</td>
</tr>
<tr>
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<td>141.6</td>
<td>48.2</td>
<td>47.1</td>
<td>7.10</td>
</tr>
<tr>
<td>Midnapur</td>
<td>549.0</td>
<td>96.5</td>
<td>77.7</td>
<td>5.40</td>
</tr>
<tr>
<td>Hooghly</td>
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<td>45.9</td>
<td>39.4</td>
<td>5.60</td>
</tr>
<tr>
<td>Malda</td>
<td>143.1</td>
<td>16.4</td>
<td>20.1</td>
<td>4.50</td>
</tr>
<tr>
<td>W. Dinajpur</td>
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<td>15.6</td>
<td>22.5</td>
<td>4.70</td>
</tr>
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<td>16.0</td>
<td>22.1</td>
<td>5.05</td>
</tr>
<tr>
<td>Jalpaiguri</td>
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<td>12.6</td>
<td>19.3</td>
<td>5.20</td>
</tr>
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<td>7.3</td>
<td>9.5</td>
<td>5.90</td>
</tr>
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<td>38.9</td>
<td>30.5</td>
<td>40.1</td>
<td>7.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2196.2</strong></td>
<td><strong>531.1</strong></td>
<td><strong>540.9</strong></td>
<td><strong>5.65</strong></td>
</tr>
</tbody>
</table>

Source: As in Table 19.
and the rural landless did not participate in these programs; therefore, the actual man days generated and income and food received are much more than they first appear. The rural employment programs have added substantially to the income of the rural poor and improved the rural economy. Many of these works are undertaken by the village panchayats during the lean season; this helps the rural poor to resist the need to go to the landlords and moneylenders for consumption loans. Further, the landless and the poor have gained increased confidence and the agricultural laborers are able to increase their bargaining capacity thus pushing up the daily wage in the open market.

In Midnapur district, for example, the daily wage climbed to Rs. 7.15. During 1976-'77, before the LF government came to power, the average wage rate was Rs. 5.65. As Table 20 shows, it reached 6.95 by 1979-'80. Thus, instead of officially fixing minimum wage and taking no action to implement it, as most states have done, the LF government, by starting rural employment works and offering the laborers the minimum wages, has caused the rural minimum wage to rise. The availability of alternate employment in the government-sponsored works has helped the poor to resist low wages and encourage the landlords to offer decent wages to the laborers. This is in sharp contrast to the experience of the minimum wage legislation in Bihar. In the absence of guaranteed alternate employment, the bargaining power of the rural poor of Bihar was weakened. Since the government did not enforce the minimum wage legislation, as seen in Chapter IV, it has remained a dead letter.
A discussion of the rural development policies of the LF government shows that they have centered around thoroughgoing land reforms, widening of the base of land ownership and provision of financial help to the new small owners to improve production. Unlike the technocratic strategy of Bihar, the IRDP, as implemented in West Bengal did not establish science and technology centers in the rural areas. The approach in Bihar was selective, mostly benefitting the better-off sections of the rural community, selected small farmers and rural poor and helping them to cross the poverty line. The Bengal approach covers the entire gamut of the rural economy. After land distribution to the rural poor, the strategy provided for giving financial and economic support to the rural poor to increase their income. Thus, the emphasis was on redistribution of rural assets, followed by a scheme resembling the Package Program to help the new landowners improve their economic condition.

Communication Policy and Mobilization of the Poor

The rural development strategy followed by the LF government has placed considerable emphasis on the mobilization of the masses and their politicization to make them class conscious. It seeks to harness class conflict for equitable rural development. The communication strategy has been tailored to the organization of the poor and harnessing their class unity for rural development.

As seen in Chapter IV traditional communication policies have followed a top down approach. The purpose of communication has been identified as the conveyance of superior information and knowledge
from the developed 'modern' section of the society or the developed countries, to the poor, depressed, backward groups within the country or to the less developed countries. Communication has been transmission from the superior to the inferior the message of modernization. Communication has not been between equals but from the developed modern sections of society to the poor and backward.

As experience in the developing countries shows, communication policy never bridged the gap between the two sections of the population. On the contrary, it increased the gap between the two and communication strategy came to be viewed as an important factor in increasing the gap between the rich and the poor. Communication policies in the radical approach to development, however, make major changes in this prevalent style. The experience of West Bengal points out that communication policies have been formulated with a view to fostering class consciousness among the poor for resisting the dominance of the rural rich.

The main vehicle for the implementation of the radical policy has been the Panchayati Raj system. After a survey of the working of the PR system in West Bengal, Bhabhani Sengupta notes, "They combine grassroots participation in economic development . . . with CPI-M's class oriented political mobilization of the rural poor." The responsibilities of the rural development policy implementation were transferred to the three tiers of local government. To prevent the system from being excessively bureaucratized as in many other states, elected officials have been given considerable say in the design of policies. The CPM, with its rural cadres, has been able to win control over these bodies in the elections held in 1978. As Sengupta notes:
In less than two years, nearly 36,000 CPI-M cadres elected to the three tiers of the panchayat system—to 3,242 gram panchayats, 324 panchayat samitis and 15 zilla parishads—have shifted the hub of West Bengal politics from the cities to its 36,000 villages, where 70 percent of the state's 40 million people live. These Marxist cadres work with at least an equal number of party and kisan [agriculturalist] front cadres. This has made the panchayats an effective vehicle of rural development and has politicised a large section of the peasantry. And since the party and the LF government are both equally disposed toward the panchayat system it has led to a party government simbiosis in the villages.

The PR bodies have organized meetings of the rural poor to educate them and to organize them to work unitedly against the rural rich. This has led to an increase in the political education of the rural poor. In Bengal, zilla parishads, not the bureaucracy as in other states, decide who will get the excess land acquired by the government and who will be the next beneficiary. To prevent complaints of political partisanship, representation has been given to all political parties in the rural organizations of the poor. This has provided the villagers with a new sense of involvement in their own development; instead of their being mere objects of development and being manipulated by the rural rich, they have been taking charge of their lives. To quote Sengupta:

For the villagers the most exciting and the newest thing is that they are asked to debate, discuss and decide what the panchayat will do to identify people who need employment, assign who will be given khas or vested lands, and who needs relief more than others. The quiet flow of rural life in Bengal is now broken by countless meetings where villagers learn both development and politics. Attending these meetings are not only the elected members of the panchayats but also, quite often, the CPI-M MLA (Member of the Legislative Assembly) of the region . . . Panchayats have been assigned the gargantuan task of recording the names of the sharecroppers . . . The villager-staffed bodies will also market potato and mustard seeds, and identify landless labourers for government pensions.
These panchayat meetings, called group meetings, have helped the rural poor to form organizations through which they express their collective will. Through the organizations of the rural poor it has been possible for the rural poor to resist the economic and political domination of the rich. Politicization of the poor has helped to attain popular control over the bureaucracy. There is a close watch on the implementation of development programs. Through the panchayats the poor have been able to thwart attempts of the rich to delay the implementation of the radical programs.\textsuperscript{110}

The successful implementation of land reforms and tenancy reforms is in no small measure due to the strategy of effectively organizing the rural poor. As part of this strategy, reorientation camps are held where the sharecroppers, agricultural laborers and poor peasants live with the officials and bureaucrats for three days and hold 'free and frank discussions'.

Two of these camps were held on an experimental basis in 1978 in the districts of Midnapur and Hooghly where interviews were conducted as part of this research. They were later extended to cover the other districts. These camps are held periodically to bridge the gap between the rural poor and the administration and establish popular control over the administration. Records of these meetings show that these were highly informative for both the administration and the rural beneficiaries of the government programs.\textsuperscript{111}

The administration also received a first hand account of what the rural poor thought about their problems and about themselves. The poor were reported to believe that the administration sided with the
landowners and that if the LF government fell, the poor beneficiaries thought the rural rich would take revenge on them. These fears had to be overcome by continuous discourses with the beneficiaries; it was through these meetings that the poor peasants were encouraged to overcome their fear and organize themselves to counter the rural rich.

Bandhyopadhyaya, the Land Reforms Commissioner, notes the benefits of these meetings:

The government has undertaken a programme of holding re-orientation camps, where 30 to 40 landless agricultural labourers and share croppers a dozen or two officers of different ranks stay together, eat together, and work together for 3 to 4 days. The village poor are encouraged to speak out their bitterness and to identify according to their perception the reasons of their being destitute and poor and to suggest remedial measures. Having seen their own images in the eyes of the poor, quite a few officials felt disturbed and started questioning the correctness of their past behaviour and activities. It sets in a process of change of mind at least among a few functionaries at the cutting edge of the administration.

The interpersonal communication strategy followed was essentially horizontal, to and from equals. Through discussions with the rural poor as equals, a process of conscientization of the deprived classes has begun. The working of the panchayats, the vehicles of the process of mobilization of the poor, is closely supervised and monitored by the local CPM committee. The panchayat sub-committees of the CPM are made up of the cadres elected to the gram panchayats and the panchayat samitis and the party and kisan front cadres in the area, besides the local CPM members of the West Bengal legislative assembly. The local committee lays down the guidelines for the panchayats; the panchayats then discuss these in the meetings of the villages and in these meetings the village poor discuss the programs and an agreed relief program is
drawn up. As Bhabhani Sengupta reports, "No longer is the life of the villages in the bureaucratic hands of the BDO--Block Development Officer--an official usually of the state civil service. The centre of power has shifted to the democratic structure of the panchayats."[113]

The class structure of the newly elected PR institutions has also been conducive to the adoption of redistributive rural development policies. As Figure 6 shows, marginal and small farmers constitute 50.7 percent of these members; the rural poor contribute a vast majority of these elected members of rural governmental institutions. The large farmers and the 'bhadralok' have only 14.8 percent of the elected seats.

Summary

The rural development policies initiated by the LF government have benefitted the rural poor considerably. Comprehensive figures of the changes in rural poverty between 1977 and 1981 are not yet available. They will be seen only when the detailed census figures for 1981 are issued. But, when these figures come out, they are expected to show considerable improvement in rural poverty. In the meantime as the erstwhile finance minister of the LF government, Ashok Mitra claimed in the West Bengal Legislative Assembly in a budget speech, there has been "a modest increase in per capita income, a distinctly distributive tendency in all spheres of life, and a slight shift in the rural balance of power in favour of the poor."[114]

Thanks to the radical strategy of development the economic conditions of the rural people have improved to a certain extent. The
Figure 6. Who are West Bengal's Panchayat Members (in percentage)

pauperization of the peasantry has been checked. This is reflected in the sales of the traditional shopkeepers in the rural markets. A survey conducted by the Socio Economic Research Institute, Calcutta, shows a more than 20 percent increase in the sales of the petty rural shopkeepers. Distress sales of land by the rural poor also has been falling over the last three years. Table 21 shows that between 1975-’76 and ’79-’80, the number of sales in the rural areas of the state declined by about 20 percent. Although the decline was very sharp between 1975-’76 and ’76-’77, "the trend itself is quite distinct."116

A distinct improvement in the lives of the rural poor was felt in Midnapore district, along with the other districts. The personal survey showed that in village Bairabpur, 200 out of the 212 sharecroppers had their claims accepted and their names duly recorded. As Table 22 shows, they own, on an aggregate, 280.46 acres; 20 of them leased in .01 to .05 acres; 150 of them leased in 1 acre or less; 10 had between 2.5 and 5 acres and 10 between 10.01 and 15 acres. It is interesting to note that the only sharecroppers whose rights were recorded under the old dispensation, prior to the election to power of the LF ministry, were those who were granted 10 to 15 acres of land.

After the recording, 80 tenant households reported increase in paddy yields. Regarding family finances, 130 families reported increase in income, 20 a decrease and 50 no change at all. Most of them obtained loans for farming operations from the State Bank of India, other banks or the state government. All of them were conscious of their rights and none of them approached their landlords for loans. This could also be due to the suspicion that the landlords would not finance their
Table 21. Sale Deeds Registered from 1975-'76 to 1979- '80

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Burdwan</td>
<td>101,624</td>
<td>103,030</td>
<td>93,292</td>
<td>187,712</td>
<td>84,084</td>
</tr>
<tr>
<td>Cooch Behar</td>
<td>92,906</td>
<td>82,730</td>
<td>78,181</td>
<td>52,165</td>
<td>52,721</td>
</tr>
<tr>
<td>Purulia</td>
<td>59,477</td>
<td>49,189</td>
<td>48,214</td>
<td>40,172</td>
<td>42,461</td>
</tr>
<tr>
<td>Bankura</td>
<td>63,335</td>
<td>55,354</td>
<td>51,092</td>
<td>47,895</td>
<td>47,199</td>
</tr>
<tr>
<td>West Dinajpur</td>
<td>120,131</td>
<td>101,020</td>
<td>81,540</td>
<td>83,240</td>
<td>80,392</td>
</tr>
<tr>
<td>Jalpaiguri</td>
<td>51,831</td>
<td>42,430</td>
<td>44,069</td>
<td>38,409</td>
<td>41,431</td>
</tr>
<tr>
<td>Hooghly</td>
<td>83,763</td>
<td>77,871</td>
<td>71,486</td>
<td>69,181</td>
<td>63,802</td>
</tr>
<tr>
<td>Nadia</td>
<td>57,144</td>
<td>52,634</td>
<td>67,780</td>
<td>10,322</td>
<td>68,255</td>
</tr>
<tr>
<td>Darjeeling</td>
<td>10,729</td>
<td>8,808</td>
<td>10,221</td>
<td>10,322</td>
<td>10,322</td>
</tr>
<tr>
<td>Murshidabad</td>
<td>150,017</td>
<td>98,702</td>
<td>99,815</td>
<td>100,300</td>
<td>95,007</td>
</tr>
<tr>
<td>Malda</td>
<td>66,278</td>
<td>41,087</td>
<td>59,468</td>
<td>61,244</td>
<td>64,525</td>
</tr>
<tr>
<td>Midnapur</td>
<td>221,066</td>
<td>199,755</td>
<td>177,863</td>
<td>153,026</td>
<td>145,833</td>
</tr>
<tr>
<td>Rural Calcutta</td>
<td>1,902</td>
<td>2,102</td>
<td>2,304</td>
<td>715</td>
<td>2,290</td>
</tr>
<tr>
<td>Birbhum</td>
<td>71,072</td>
<td>79,654</td>
<td>65,429</td>
<td>63,720</td>
<td>63,398</td>
</tr>
<tr>
<td>Howrah</td>
<td>36,452</td>
<td>44,117</td>
<td>37,704</td>
<td>29,985</td>
<td>34,000</td>
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<tr>
<td>24 Parganas</td>
<td>269,642</td>
<td>246,508</td>
<td>276,358</td>
<td>272,932</td>
<td>263,025</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>1,459,069</strong></td>
<td><strong>1,284,991</strong></td>
<td><strong>1,264,816</strong></td>
<td><strong>1,178,004</strong></td>
<td><strong>1,158,744</strong></td>
</tr>
</tbody>
</table>

Source: Same as for Table 20.
Table 22

Statistical Abstract: Midnapur District and Bhairabpur Village

<table>
<thead>
<tr>
<th>Area of District:</th>
<th>13,724 Sq. Kms.</th>
</tr>
</thead>
</table>

Administrative: No. of Talukas: 5

- No. of Talukas: 5
- Zilla Parishads: 1
- Gram Panchayats: 470

Ratio of Population (Percent):

- Rural: 92.37%
- Urban: 7.63%
- Workers: 26.70%

Total Cropped Area: 920,300 hectares.

Area under Principal Crops:

<table>
<thead>
<tr>
<th>Crop</th>
<th>Area (in 000 hectares)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice</td>
<td>938.9</td>
</tr>
<tr>
<td>Wheat</td>
<td>17.2</td>
</tr>
<tr>
<td>Maize</td>
<td>1.4</td>
</tr>
<tr>
<td>Gram</td>
<td>0.6</td>
</tr>
<tr>
<td>Other</td>
<td>47.7</td>
</tr>
<tr>
<td>Others</td>
<td>0.9*</td>
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</tbody>
</table>

Distribution of land Owned, Possessed, Leased out and Leased in by households in Village Bhairabpur:

<table>
<thead>
<tr>
<th>No. of Households</th>
<th>Area in Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Owned</td>
</tr>
<tr>
<td>512</td>
<td>620.13</td>
</tr>
</tbody>
</table>
Distribution of Households by Size of Land Owned in Bhairabhpur:

<table>
<thead>
<tr>
<th>Size Class in Acres</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.01-0.05</td>
<td>87</td>
</tr>
<tr>
<td>0.06-0.10</td>
<td>71</td>
</tr>
<tr>
<td>0.11-0.25</td>
<td>50</td>
</tr>
<tr>
<td>0.26-0.50</td>
<td>42</td>
</tr>
<tr>
<td>0.51-1.00</td>
<td>45</td>
</tr>
<tr>
<td>1.01-2.50</td>
<td>52</td>
</tr>
<tr>
<td>2.51-5.00</td>
<td>44</td>
</tr>
<tr>
<td>5.01 and above</td>
<td>31</td>
</tr>
<tr>
<td>Total</td>
<td>422</td>
</tr>
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</table>

Distribution of Bargadars Households by Land Owned and Land Possessed: Bhairabhpur

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Size class of land in acres</th>
<th>Owned 0.26-</th>
<th>0.51-</th>
<th>1.01-</th>
<th>2.51-</th>
<th>5.01-</th>
<th>Total households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>0.50</td>
<td>1.00</td>
<td>2.50</td>
<td>5.00</td>
<td>7.50</td>
<td></td>
</tr>
<tr>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>0.01-0.05</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>0.06-0.10</td>
<td>10</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>3</td>
<td>0.11-0.25</td>
<td>-</td>
<td>10</td>
<td>20</td>
<td>30</td>
<td>-</td>
<td>60</td>
</tr>
<tr>
<td>4</td>
<td>0.26-0.50</td>
<td>20</td>
<td>-</td>
<td>10</td>
<td>10</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>5</td>
<td>0.51-1.00</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>1.01-2.50</td>
<td>-</td>
<td>20</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>30</td>
</tr>
<tr>
<td>7</td>
<td>2.51-5.00</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>8</td>
<td>5.01-10.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>10.01-15.00</td>
<td>-</td>
<td>-</td>
<td>10</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>All</td>
<td>50</td>
<td>40</td>
<td>60</td>
<td>40</td>
<td>10</td>
<td>200</td>
</tr>
</tbody>
</table>
## Distribution of Bargadar Households by Employment of Households and Hired Labor in the Aman (First) Agricultural Season in Bhairabhpur

<table>
<thead>
<tr>
<th>Serial No.</th>
<th>Man days hired</th>
<th>Number of Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>0.00</td>
<td>1-25</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>2</td>
<td>1-25</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>26-50</td>
<td>10</td>
</tr>
<tr>
<td>4</td>
<td>51-100</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>101-200</td>
<td>10</td>
</tr>
<tr>
<td>6</td>
<td>201-300</td>
<td>-</td>
</tr>
<tr>
<td>7</td>
<td>301-400</td>
<td>-</td>
</tr>
<tr>
<td>8</td>
<td>401-500</td>
<td>-</td>
</tr>
<tr>
<td>9</td>
<td>501-600</td>
<td>-</td>
</tr>
<tr>
<td>10</td>
<td>All</td>
<td>20</td>
</tr>
</tbody>
</table>

agricultural operations. Seventy percent of them said that their landlords were hostile to them now. There were fewer than twenty new owners of ceiling land. Their views on the effect of land reforms were also similar. The sharecroppers also expressed the hope that the new measures would succeed as the government is sympathetic towards them. They also expect that yields will rise with continuing government assistance.

The agrarian scene in West Bengal, both in terms of the number of households and the percent of land area held under them, now stands further tilted towards marginal and small farms. There is now a large number of small to marginal farmers and farms that coexist with a large number of agricultural laborers. The next step in the government strategy will be to provide employment for the increasing number of landless laborers in agro-based industries, for providing employment in government development programs and the supplying of food cannot, in the long run, be a continuing program. The impressive growth of food-grains in recent years should help capital formation in the rural areas bringing the economy closer to the long-term goal of rural industrialization.
CHAPTER V--NOTES

1. A coalition of left wing parties led by the CPM defeated the Congress party in the elections to the State Assembly in 1967 and formed a coalition government. It did not have a decisive majority in the Assembly though, having won 140 of the 280 seats. The Congress had won the three earlier general elections and formed governments. The new coalition government, called the United Front (UF) government, was in power only for a little over six months; it lost legislative majority as some coalition partners withdrew from the United Front. However, the remaining parties in the UF won the subsequent elections to the West Bengal Legislative Assembly with a considerably higher margin of 214 out of 280 seats. They formed another coalition government, called the Second United Front government. It was more stable this time and lasted in power till the Bangladesh crisis. For a detailed account of the political development of West Bengal after 1967, see, Dilip Hiro, Inside India Today (New York: Monthly Review Press, 1976), pp. 165-180.

2. The system was similar to the social system prevalent in Bihar at that time; it has been discussed extensively in Chapter IV. The zamindar, who had the freedom to increase the rent he collects from his tenants, with little legal ceiling, extracted a high rent. The high rent left little with the cultivators for consumption purposes, which led them to borrow from the landlords and the moneylenders. The creditors charged usurious rates of interest which the poor tenants could not obviously do. The economic dependence of the tenants on the rural rich entered into social relationships. More than trying to recover the loans and interests, the landlords extended their control over the tenants by getting them to work free for the repayment of the loans. This economic and social bondage extended to the families of the tenants also. Thus, the economic and social hold of the rich on the rural areas spread. This semi-feudal production relations, as seen in Chapter IV, directly went to depress agricultural production. For details, see note 18, Chapter IV.


10. The partition of West Bengal in 1947 and the seemingly unending stream of refugees have had a far-reaching influence on political development in West Bengal. It increased the strain on the West Bengal economy already suffering due to the decline in industrial activity. From the position of the most important province in India, when Calcutta was the capital of Imperial India, till the first decade of this century, it slid down to the position of a relatively poor state, becoming increasingly dependent on the Center for maintaining many social services, like refugee relief. As Franda notes it was a tremendous blow to the Bengali psyche. Bengali intellectuals used to emphasize their leadership position in India; the old saying, 'as Bengal thinks today, so does the rest of India tomorrow,' suddenly seemed to lose its meaning. Many authors like Franda, emphasize that the partition and the refugee problem played a decisive role in the radicalization of the political and social life in West Bengal. For a detailed account of this issue, see Marcus F. Franda, Radical Politics in West Bengal (Cambridge, Mass.: The M.I.T. Press, 1971).

11. At the turn of the century, Bengal Presidency was the largest and most important state in British India. It comprised the present Indian states of Bihar, Orissa, West Bengal, Assam, Meghalaya, Manipur, Tripura and Nagaland and the Union Territories of Mizoram and Arunachal Pradesh, besides the independent country of Bangladesh. After the partition of 1947, it shrank to the position of the third smallest state in India, in area.


13. The colonial mode of production, which led to the draining of rural wealth to the cities and the wealth of the colonies to the 'Home Country' has been accepted to be the main reason for the impoverishment of the rural agrarian scene in the colonies. For a detailed discussion see Hamza Alavi, note 15, Chapter IV.

14. The features and the effects of Permanent Settlement have been discussed in Chapter IV, see notes 13 and 14.


17. P. C. Joshi, op. cit.


20. This effect of the colonial mode of production has also been noted by others like Alavi. Many other observers of colonial agrarian scene of India have also agreed that pauperization increased among the rural areas with no industrial employment absorbing the unemployed artisans. For a strong argument on similar lines see John McLane, "Landed Principle in the Past," in Robert Eric Frykenberg, ed., *Land Tenure and Peasant in South Asia* (Madison, Wisconsin: Land Tenure Center, University of Wisconsin, 1978).


22. P. C. Joshi, "Land Reforms in India . . .," p. 446.


25. Ibid., p. 365.

26. See note Chapter IV.


28. Agrarian unrests of varying intensity occurred early in the nineteenth century. The strategic location of Bengal and its importance to the colonial power among other reasons resulted in official attention to these disturbances. See Kalyan Kumar Sengupta, "Agrarian Disturbances . . ."

29. The colonial government reacted to the agrarian unrest by passing the Rent Act of 1859. It accepted in principle that any tenant with at least 12 years' tenancy under one zamindar was entitled to occupancy rights. Even though it seems to have conceded a major issue to the tenants, the absence of written contracts limited the utility of the act. For an analysis of the Rent Act
see Binoy Choudhury, "Agrarian History," in N. K. Sinha, ed.,
History of Bengal (Calcutta: G. Bharadwaj and Co., 19 ),
pp. 258-269.

30. Sunil Sengupta, "West Bengal Land Reforms and the Agrarian Scene,"
in Economic and Political Weekly: Review of Agriculture, June


32. Ibid.

33. Besides defining tenancy to give occupancy rights to more tenants­
at-will, it also sought to fix the maximum legal rent that can be
charged by the zamindars. For a detailed analysis of the provisions
of the bill see, A. Sen, "Agrarian Structure and Tenancy Laws
(1850-1900)," Perspectives in Social Science, Vol. II (Calcutta:
Centre for the Study of Social Sciences).

34. P. Bhattacharya, "Agrarian Structure in Pre-Partition Bengal,"
Perspectives in Social Sciences, Vol. II, Centre for the Study of
Social Sciences.

35. Ibid.

and Peasant Rebellion in Colonial India (Cambridge: Cambridge


38. Binoy Bhushan Choudhury, "Agrarian Movement in Bengal and Bihar,"
in B. R. Nanda, ed., Socialism in India (Delhi: Vikas, 1972),
p. 192.


40. Most of the tea grown in India comes from Darjeeling and Assam
areas of the erstwhile Bengal presidency; while Darjeeling is in
the state of West Bengal, Assam is a state in India. Most of the
tea is grown by joint stock companies.


42. Ibid.

43. Two journals started by the party, Langal--meaning plough--and
Ganavani--Voice of the People--carry the message of the party.
These journals carried articles by the leading literary and
academic figures of contemporary Bengal.
44. P. Chattopadhyaya, "Agrarian Structure . . ."


46. Ibid., p. 192.

47. For a chronological account of the formation of the Communist Party of India and the absorption of the Workers and Peasants Party into it, see Marcus F. Franda, Radical Politics . . .

48. The British government appointed a Commission to enquire into the reasons for the famine and to suggest measures to prevent its recurrence. The figures of the victims of the famine are given by the Enquiry Commission (Floud Commission). See P. Chattopadhyaya, "Agrarian Structure . . ."

49. The official attitude of the Congress party towards the Second World War was ambivalent. Indeed the Congress protested against the dragging of India into the war and the Congress ministries in some of the provinces, elected under the system of limited self-rule in 1937, resigned. The entry of Russia gave moral weight to the Allies in the eyes of the party. But, it remained essentially a European war. The entry of Japan and its initial victories—it captured territories up to Malaya and Singapore and bombed the Andaman Islands, Calcutta and Madras cities—made the radical elements in the Congress to believe that they should ally with Japan to get rid of the British. It became so popular that Bose defeated the official candidate, put up by Gandhi to the presidency of the Congress party, in the party elections in 1942. Bose went to Japan and organized the Indian National Army, from among the Indian POWs of the British Indian Army and later died in a plane crash in Japan.


51. Marcus F. Franda, op. cit.


53. Ibid.


56. Marcus F. Franda, op. cit.


60. Marcus F. Franda, *Radical Politics*.


66. Though the two communist parties were dominant in the United Front, the Chief Minister was a respected parliamentarian from a left-wing breakaway, Bangla Congress party. I have not gone into the specific reasons for the defeat of the Congress party in the elections as it is not central to the main theme. A combination of issues discussed here, among others, contributed to the change in the ruling parties. For a detailed political analysis see Marcus F. Franda, *Radical Politics*.


68. Ibid.

69. Ibid.

70. Ibid., p. 169.


72. In the traditional administrative ethos of India, largely a legacy of the British colonial rule, governmental emphasis has been placed on the maintenance of 'law and order'. This has been
my experience too, during my career spanning twelve years. A strong and valid criticism of this approach has been that this has resulted in the governmental machinery siding with the forces interested in the maintenance of the status quo. Thus, in a wage dispute involving agricultural laborers and landlords, the official concern for law and order works against the interests of the laborers. The official view would be that the issue of wages would have to be settled in the law courts. Besides, work stoppage at crucial agricultural season affects agricultural production.

As Bandhyopadhyay, an official of the Left Front government notes the age-old administrative tradition mostly maintained order with or without law.

73. Dilip Hiro, op. cit.


75. For a detailed analysis of the Naxalites, their philosophy and policies see Mohan Ram, Maoism in India (Delhi: Vikas, 1976). Also, Mohan Ram, Indian Communism (Delhi: Vikas, 1969).

76. For after the electoral victory of the CPM and its allies in 1977, the Naxalites split, with a majority giving up the revolutionary path and accepted the CPM's view that the road to revolution in India is through the ballot boxes.

77. Mohan Ram, Indian Communism . . . , op. cit.

78. Dilip Hiro, op. cit.

79. It was, what has been called a 'khaki election'. The Congress party government was instrumental in the creation of Bangladesh and putting an end to the refugee influx. To many in Bengal the wounds of the successive partitions of Bengal began to heal only after 1971. Mohan Ram, op. cit.

80. Mohan Ram, West Bengal Land Reforms Act of 1955 . . .


82. Daniel Thorner, op. cit. This is the main theme of an enlarged version of his paper. Daniel and Alice Thorner, Land and Labour in India (Bombay: Asia, 1962).


86. Land reform measures in India are actually implemented in most states by quasi judicial Revenue Department. This department is staffed by officials of the state civil service, the top officials coming from the Indian Administrative Service. At the district level, the Collector is the head of the revenue administration. Appeals against the district revenue courts lie to the Divisional Commissioners, who supervises the work of a few district collectors, or to the Board of Revenue and to the state government, with limited appeals to the state High Court and the Supreme Court. The initial expectation was that keeping land reforms out of the judicial civil courts would speed up reforms and these issues would not be looked upon from a strictly judicial eye. But, in practice the revenue administration is not independent of the government like the judicial courts. The state governments and the dominant interests have been able to exert influence to delay and nullify the implementation of many of the provisions of the land reforms provisions.


88. Most state governments did not change the system of implementation of land reform measures through the revenue department. For, it was possible to exert strong pressure to scuttle reforms. Therefore, administrative reforms and call to put administration under control rarely went beyond the rhetoric level. The element of popular participation in administration introduced in West Bengal by the UF and the LF governments, it has generally been accepted, has helped to speed up reforms.

89. In the controversial case, Biswanath Ghosh Vs. State of West Bengal, in 1980, the Calcutta High Court said that the administration, like the judiciary, should be 'neutral' between litigating parties, here the landlords and the sharecroppers. Associating the sharecroppers and their unions went against this.

90. International Labour Organization Convention 141. Convention concerning Organizations of Rural Workers and Their Role in Economic and Social Development. For a detailed report on the legal battle regarding these reform measures, see D. Bandhyopadhyay, Land Reforms . . ., p. 7.


94. Ibid.


97. Ibid., p. 8.

98 Most of the large commercial banks are owned by the Government of India. The old Imperial Bank of India, a British bank was nationalized in 1955; it became the State Bank of India, the largest bank in India. In 1969, 14 major commercial banks in the private sector, each with a deposit of Rs. 50 crores or more were taken over by the government. The many other private commercial banks which had deposits of less than Rs. 50 crore and therefore, were not nationalized grew at a fast rate. But, in a third wave of nationalization of private commercial banks, in 1980 the other banks with a deposit of Rs. 50 cr. were taken over by the government.

99. The heavy urban bias of the government owned banks are evident. While the credit deposit ratio is 80 percent in the city of Calcutta in June 1978, it was only 22 percent in the districts.

100. D. Bandhyopadhyay, Land Reforms . . . One major reason for the nationalization of the privately owned banks was that these were not lending money in sufficient quantities to the rural areas. Agricultural sector received a low share of bank credit. After the nationalization, under the IRDP, loans to small agriculturists at the low rate of interest of 4 percent--called Differential Rate of Interest Loan--are given. But, individual banks have total freedom to decide loans and in the absence of any change in the lending habits of these banks, the increase in bank loans to the agricultural sector has been slow.


102. With wheat selling at about Rs. 1.80 to 2.50 per kilogram, in effect the daily wage works out to Rs. 8 to Rs. 10, which is considered to be reasonably adequate.

103. Kalyan Dutt, op. cit.

104. Ibid.

106. See notes 70 and 71, Chapter IV.


108. Ibid., p. 89.

109. Ibid.

110. Bhabhani Sengupta, op. cit.

111. I gathered this during my field study and research interviews both at the State Secretariat in Calcutta and in Midnapore district.


116. Ibid.

117 During talks with the state Land Reforms Commissioner, D. Bandhyopadhyay, I was told that West Bengal essentially will be a rural economy dominated by small peasants, "like Japan." There is at least some resemblance between land ownership patterns of Japan and West Bengal. According to Bandhyopadhyay, the average size of holdings in Japan was 0.80 hectares, very close to 1.91 acres of West Bengal. Holdings up to 2 acres constituted 94 percent of all holdings in Japan and 90.3 percent in West Bengal. On the other hand, above 10 hectare holdings accounted for 0.02 percent of all Japanese holdings and 0.05 in West Bengal.

So theoretically speaking, the structure of West Bengal economy should offer no problem in development if Japan, with its overwhelming bias towards small farms has shown such remarkable performance over the decades. Agricultural production and productivity have also increased considerably in West Bengal; it has the second highest per acre productivity for wheat in India, with only Punjab ahead.

But, as one knows, similarity between the farm economies of Japan and West Bengal end at this formal level. The rest is all different.
CHAPTER VI
REFORMIST STRATEGY IN MAHARASHTRA:
ECONOMIC DEVELOPMENT AND MODERATE REFORMS

Maharashtra is representative of a state which has been following a reformist approach to rural development. The reformist approach is essentially a via media between the other two in that it incorporates many features of the technocratic and radical development approaches. It seeks to increase rural productivity to improve the standards of living of the rural people, but unlike the technocratic approach of Bihar, it has implemented programs of land ceilings and agrarian reforms. However, there has not been a radical redistribution of rural assets as in West Bengal. It was the failure of the production-oriented strategy to alleviate rural poverty and the relative success of the radical strategy in such states as Kerala that have contributed to the development of a strategy of rural development which can be classified as a reformist approach.¹

Reformist approach shuns a restructuring of class relations. It does not radically alter rural property ownership patterns. In Maharashtra the government has introduced limited reforms to win the approval of a large segment of the rural population. Ownership of land is widespread and landowners form the main support base of the government. Public welfare measures have been introduced to help the landless rural poor. Government policy has emphasized social stability and tried to contain a sharpening of class conflict.
Figure 7. Map of Maharashtra.
The rural class structure of Maharashtra and its evolution since the colonial days constitute the background for evaluation of the rural development policies followed in the early years of independence. With increasing industrialization came new features in the class alignments. These developments influenced the adoption of reformist policies. The development schemes of the seventies, such as IRDP, which emphasized the provision of rural employment and social security measures for the rural poor can best be seen against the backdrop of the changing class alignments.

Introduction

A crucial point to be remembered about Maharashtra is that, unlike Bihar or West Bengal, Maharashtra has been agriculturally a backward state. Agricultural production has been stagnant or at best marginal most of the time. Further, Maharashtra witnessed no Green Revolution, a phase of agricultural development which saw a rapid increase in agricultural production and productivity associated with intensive cultivation of land. Indeed, the Green Revolution passed by Maharashtra. Thus, the state did not witness a deterioration in the living conditions of the rural poor and a widening of the gap between the rural rich and the poor, a feature of the green revolution.

Irrigation is very scarce in Maharashtra and irrigation potential is also considerably limited. Indeed, Maharashtra is next to last in irrigation facilities of all states in India. Thus, despite the development of such cash crop cultivation as sugar, orange, and cotton, capitalist agriculture, though not absent is not highly
developed. These factors have minimized class differentiation in
the rural areas.  

In the absence of sharp inequalities in the rural areas, a develop­
ment policy emphasizing class homogeneity has not met with stiff
opposition. As Henry Hart and Ronald Herring note in a comparative
study of land reforms in Kerala and Maharashtra, in the first decade
after independence, after the first round of land reforms, rural India
reported progress towards equity in land ownership. "By the end of the
1950s (it may surprise some readers to note), India stood above three­
fourths of the world's nations as to equality of ownership of agricul­
tural land." Francine Frankel also notes that on the eve of the
introduction of the IADP (Package Program), land ownership patterns in
India did not show a high incidence of inequality. But the disastrous
socioeconomic consequences of the green revolution soon negated the
good performance in the field of agrarian reform. Agricultural pro­
duction was low and the country was not self-sufficient in foodgrains.
The green revolution led to a considerable increase in agricultural
production and India became self-sufficient in foodgrains, but it
worsened the plight of the rural poor. It widened the gap between the
rich and the poor in the rural areas. These consequences were evident
in such agricultural states as Punjab, Haryana, Bihar, West Bengal and
Andhra Pradesh. But in Maharashtra, in the absence of green revolution
of any kind, neither food production increased nor was there a deterior­
ation in the standards of living of the poor.

Maharashtra has been a chronic deficit state in foodgrains. Total
food production in 1960-'61 was 7.74 million tonnes, a figure which in­
creased marginally to 7.79 million tonnes by 1974-'75. It has not
increased appreciably since. Foodgrain yields have actually declined, from 598 kgs. per hectare to 586 kgs. per hectare during the same period. As an evaluation report of the Reserve Bank of India notes, "The cropping pattern of the state is dominated by low value crops and is characterized by relatively low yields of most of its important crops ... Maharashtra is always deficit in foodgrains. The state depends for its requirements of cereal on the neighbouring states." The frequent dry spells and scarcity conditions have helped keep the state in perpetual deficit in foodgrains.

Another major characteristic of the rural economy of Maharashtra has been the widespread ownership of land. A higher percentage of rural people own lands in Maharashtra than in many other Indian states. After the abolition of the limited absentee landlords and granting of ownership status to the tenants in the first decade after independence nearly 58 percent of the rural population owned land in Maharashtra in the early fifties, a figure which rose to over 62 percent by the mid-seventies, after the passage of new ceiling measures. Table 23 gives a break-up of landholding according to different ownership patterns. It is interesting to note that 65.3 percent of the landowners owned 5 hectares (12.5 acres) or less; they held 29.54 percent of the land under cultivation. 22.6 percent of the landowners had 5 to 10 hectares (12.5 to 25 acres), cultivating 30.9 percent of cultivated land. Only 2.4 percent had more than 20 hectares. The recurring droughts and lack of irrigation facilities have considerably reduced the gains of large holdings. The difference between those owning 5 acres and a larger holding of 10 acres and between landless laborers and small and marginal farmers is not as significant in Maharashtra as in such other
Table 23

Pattern of Landownership in Maharashtra

<table>
<thead>
<tr>
<th>No.</th>
<th>Size Class (in hectares)</th>
<th>Percentage of Total Holdings</th>
<th>Percentage of Area Owned</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Below .5</td>
<td>4.3</td>
<td>0.24</td>
</tr>
<tr>
<td>2</td>
<td>0.5 - 1.0</td>
<td>7.9</td>
<td>1.18</td>
</tr>
<tr>
<td>3</td>
<td>1.01 - 2.0</td>
<td>17.5</td>
<td>5.07</td>
</tr>
<tr>
<td>4</td>
<td>2.01 - 3.0</td>
<td>14.9</td>
<td>7.2</td>
</tr>
<tr>
<td>5</td>
<td>3.01 - 4.0</td>
<td>11.5</td>
<td>7.8</td>
</tr>
<tr>
<td>6</td>
<td>4.01 - 5.0</td>
<td>9.2</td>
<td>8.05</td>
</tr>
<tr>
<td>7</td>
<td>5.01 - 10.0</td>
<td>22.6</td>
<td>30.9</td>
</tr>
<tr>
<td>8</td>
<td>10.01 - 20.0</td>
<td>9.4</td>
<td>24.7</td>
</tr>
<tr>
<td>9</td>
<td>20.01 - 30.0</td>
<td>1.7</td>
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<td>30.01 - 40.0</td>
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<td>3.15</td>
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<tr>
<td>11</td>
<td>40.01 - 50.0</td>
<td>0.16</td>
<td>1.45</td>
</tr>
<tr>
<td>12</td>
<td>50.01 and above</td>
<td>0.14</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Total 100 100

agriculturally developed states as Bihar and Punjab. Land ownership is, thus, not as crucial in Maharashtra as in the agriculturally prosperous states. Small and marginal farmers are nearly as dependent on rural employment programs as the landless laborers.

**Socioeconomic Features**

These features of rural Maharashtra have been influential in the evolution of a reformist approach to the problems of rural development. The large farmers have been more accommodative of land ceilings and agrarian reforms than in many states. As will be seen later in this chapter the scale of compensation given to the landlords in Maharashtra and the avenues available for alternative investment in industries and cash crops like sugarcane and cotton have also contributed to the general acceptance of reforms. Successive state governments, starting with the colonial government, have tried to preserve a homogeneous rural community and prevent agrarian tensions. Moderate reforms have been promoted by these governments to maintain homogeneity. Reforms have been drafted with a view to maintain the broad support of the rural community to the government and to prevent the division of rural society along class lines. Clive Bell, in a study of ideology in land reform measures in India, has characterized agrarian reforms in Maharashtra as designed to "improve' the status quo." According to him, this approach entails implementing legislated ceilings on landholdings and tenure contracts.\(^{12}\)

In the short run, at least, inequality would be tempered and after some initial dislocation, output would rise . . . Tenants would be the major immediate beneficiaries of the
reform and some marginal groups would gain from the distribution of surplus land through the enforcement of ceiling... The effects of these induced changes in the agrarian structure on the supply of the marked surplus would undoubtedly be favourable. Bell notes that in such a strategy a small though powerful group of existing landlords would be severely hit. In the long run the beneficiaries would be a broad-based medium level of agriculturists, as he classifies the marginal and medium level farmers. The small farmers and agricultural laborers would derive sustenance from public employment programs. This approach will lead to greater rural equality, but equality will not be rigorously enforced and agricultural production will receive as much attention as improving equality of ownership of assets. Broadly, the rural development policy followed in Maharashtra has been similar to Bell's observations.

Socioeconomic Patterns

The state of Maharashtra has a geographical area of 368,000 sq. kilometers, with a population of 62.7 million. Its area is a little less than one-tenth of the country and supports a little less than one-tenth of India's population. Maharashtra ranks third in India, both in size--after Madhya Pradesh and Rajasthan--and in population--after Uttar Pradesh and Bihar. It is the most industrialized state in the country and the third richest after Punjab and Haryana. In 1976-'77, the net domestic product of Maharashtra was Rs. 8349 crores, at current prices, which was 12.6 percent of the annual income of India of Rs. 66793 crores. The per capita income of Maharashtra was Rs. 1498, which was 46 percent higher than the per capita income of India as a whole, which was Rs. 1081.
Though 67.8 percent of Maharashtra's population was rural, the importance of agriculture to the economy of Maharashtra has been declining over the years. In 1961-'62 it contributed 38 percent of the state income; its contribution went down to 30 percent of the state income by 1976-'77. The contribution of industries to state income increased from 28 to 32 percent during the same period.17

The importance of Maharashtra in the industrial map of India has been increasing steadily during this period. Maharashtra accounts for over 20 percent of industrial labor in India, 20 percent of capital investment and 25.2 percent of gross output. Most of the industries of Maharashtra are concentrated in Bombay and the industrial belt surrounding Poona and Nasik cities. This is in marked contrast to the backwardness of Maharashtra's agriculture. In 1977-'78 Maharashtra produced only 7.4 percent of the total foodgrains of India.18 In fact, except for cotton and sugarcane, the state has a much lower rank in both total output and yield per hectare.19 Thus, in brief, the economic scene of Maharashtra has been highlighted by a coexistence of highly developed industries and stagnant and backward agriculture. This important characteristic has also been instrumental in the evolution of a reformist rural development policy in the state.

The Agrarian System and Rural Class Structure

The agrarian system as it developed in Maharashtra is distinctly different from that of Bihar and West Bengal. Maharashtra region with Western India, was conquered by the British nearly a century after the conquest of Bengal. The adverse impact of the permanent settlement of land was evident by then. More important, the permanent fixation of
rent denied the colonial government a share in the increasing value of land. The colonial government, therefore, did not create a class of absentee landlords in Western India. They devised a system called 'ryotwari', which provided direct relations between the cultivators and the state government.

As Mukherjee and Frykenberg note,

The Ryotwari settlement was an agreement made directly between the government and the ryots or 'cultivators' of land, to the complete exclusion of adversaries. Under this agreement, the government usually sought to receive its due in the form of money value fixed upon the actual fields under cultivation. Since this money value was not supposed to be set according to a fixed percentage or share of the produce, but rather according to a fixed valuation of the soil in each field, supply of water, proximity to market, and other specific local circumstances, the amount of revenue realized annually varied according to conditions affecting the crop each year instead of according to the size of the harvest. In short, the share or the percentage of the harvest realized by the government each year varied because soil valuation per field remained fixed.

The colonial government was able to appropriate a part of the increasing value of land. There were no middlemen and absentee landlords to profit from the increasing value of land. The ryotwari system differed substantially from the zamindari system and it is useful to bring out the differences in the two agrarian systems that are significant for agrarian system had a major influence in the evolution of the rural economy and the class structure. Indeed, the agrarian system more than any single institution has influenced the agrarian history, and indirectly the rural development policies followed in the state.

Mukherjee and Frykenberg explain the distinction between the zamindari and ryotwari systems:

The ryotwari system differed basically from the zamindari system not so much in how revenue was assessed and taken
from the ryot . . . but by the number of non-governmental intermediaries and agents interspersed between the government and the cultivator or the ryot. Under the zamindari system, 'proprietary rights,' or personal privileges and powers to collect revenue (if not in some respects to govern) from many villages were conferred, by the government, upon individuals under conditions which were to remain 'perpetual' or permanent. The muthas or 'estates' of villages, the largest sometimes consisting of many hundreds of villages, could be held as long as the government's fixed amount of revenue was regularly paid . . . the ryotwari . . . came under what was called amani or government administration as against zamindari or non-governmental or delegated administration. If one were to apply modern jargon, the former would have been the 'public sector' and the latter the 'private sector.'

In this 'public sector' the government established an elaborate revenue collection machinery which was absent in the zamindari system. The government was also required to establish and maintain detailed village maps and records, a burden which the zamindars had to bear in the zamindari system, for the landlord collected the revenue from the individual cultivators while paying a fixed amount to the government.

The government had to maintain a large network of officials and tax collectors for, in the ryotwari areas it had to collect money from a large number of small cultivators, while in the zamindari system a handful of rich cultivators contributed to the state coffers. Further, the government regularly kept increasing the revenue due from the cultivators to share in the increasing value of agricultural land and produce. This complicated task necessitated setting up village surveyors and accountants; the resultant revenue administration became the main instrument of government in the rural areas. Figure 8 gives at a glance the revenue administration in a state under the ryotwari system. The village level official is called a village officer or a patwari; he was responsible for the maintenance of the village land records.
Figure 8. Set-up of State Revenue Department
and the collection of land tax. As he maintained the basic village maps and records he became the most important official in the whole chain. The work of a few patwaris was supervised by a revenue inspector. At the tahsil level, which comprised, on an average, 150 villages, the revenue head was a Taksildar. The work of a few taksildars was supervised by a Sub-divisional Officer or a Sub-Collector, many of whom were members of the imperial Indian Civil Service. A district had a number of talukas and the head of revenue collection in a district was the district collector or the deputy commissioner. The collector became the most important functionary in the government in the ryotwari system as many powers of assessment and arbitration were vested in him. A divisional commissioner having jurisdiction over a few revenue districts was the appellate authority over the district collectors, with a board of revenue at the state level acting as the final authority in revenue matters.23

This was the beginning of organized modern bureaucracy in India.

The revenue department became the oldest civilian part of the government and came to be the most important governmental wing. It was saddled with more and more powers and responsibilities as the functions of the government increased. For example, as a police department was set up, the district collector was appointed the civilian head of the police in the district and became the District Magistrate; he had a professional police force, with a superintendent to help him with the maintenance of law and order.

The collector also became responsible for civil supplies and other governmental function in the rural areas. The revenue department
turned into a general administration department and the collector
became the representative of the colonial government at the district
level. Even after independence, the revenue department has remained
the most important department with very little change till this day.24
After independence it became the department responsible for rural
development also, till these functions were transferred to the newly
established Panchayati Raj bodies.25 It still remains the most
important government department with the function of coordinating the
working of other state government departments in the districts. It is
useful to note however, that it was in the nature of a large bureau-
cracy and, unlike the revenue collection machinery of the zamindars,
a heterogeneous body. The comments of Mukherjee and Frykenberg are
relevant here:

... we must also recognize that the Government was no
single person, or even an efficient monolithic institution
... It was a bureaucracy, a complex hierarchy with
multiple strata of officials who came from many communi-
ties and held varied aspirations.26

Ryotwari, the Peasantry and the Raj

Besides helping the colonial power to get increased revenue,
modern interpreters of the agrarian history of India have credited
the ryotwari system with having helped the British in another crucial
way. The British started realizing that though the zamindars became
the pillars of British government in the rural areas the working of
the system made the colonial masters unpopular with the rural masses.
The growing abuse of the system not only made the zamindars unpopular
but also turned the farmers against the raj, because of their support
for the zamindars.27
The ryotwari system offered the British an opportunity to prevent the rise of a source of friction between the government and the vast rural masses. The system of direct contact with the cultivators and the new bureaucracy helped the government closely monitor the colonial subjects. The revenue department, which became 'the eyes and ears of the government' in the rural areas, helped inform the government of the attitude of the peasants to the raj and to some extent, help devise government policies designed to neutralize the movement for independence when it started.

This, of course, is not to say that the ryotwari system had no defects or to assert that the new system kept the ryots contented and sympathetic to the raj. It was a definite improvement over the zamindari agrarian system; however, some adverse effects of the zamindari system continued in the new system also and peasant movements, though not as strong as those of the zamindari system, developed in Maharashtra as well.

The main concern of the colonial government "was to obtain a steady flow of large revenue from the land." The government, therefore, often imposed an excessive land levy on the cultivators. Every revision of land revenue led to increases in the demands on the ryots; rarely did the government reduce the land revenue when the crops were bad. As L. Natarajan notes,

Famines and scarcity were by no means infrequent. But rain or no rain, the government demands had to be satisfied. There were also difficulties caused by fluctuating prices; under the circumstances, the farmers, to save their land from forfeiture and public auction by the government for failure to pay revenue demands had to turn to money-lenders.
Thus, the ryotwari system also resulted in increasing indebtedness of the farmers, though the consequences were not as disastrous as those of the zamindari system.

The moneylenders, who were mostly the small shopkeepers and lower level revenue department officials, were helped by the civil laws which gave ample protection to the creditors. With the land being offered as security by the peasants and the government ever-ready to grant the claims of the moneylenders against the ryots, the number of moneylenders in the rural areas increased.\(^\text{31}\) If the peasant repaid the loan the moneylender would benefit from the high rate of interest; if the loan was not repaid, he would get the peasant's land through a government decree. Thus, it became a business with no chance of loss and the moneylenders prospered rapidly.

The increasing indebtedness of the peasantry led to peasant revolts in the latter part of the nineteenth century. In 1875 large-scale peasant rebellions took place in Western Maharashtra. Rebellious peasants raided the homes of the moneylenders and destroyed the contract deeds and other physical evidence of their indebtedness to the moneylenders. The British government quickly came to the rescue of the moneylenders and put down the uprising. But the government was also alarmed at the open disaffection of the peasantry and acted to reduce the debt burden of the cultivators. Accordingly, the government passed the Deccan Agriculturists Relief Act in 1879. It placed restrictions on the alienation of the lands of the peasants and restrained usury.\(^\text{32}\)
This calmed the peasantry of Maharashtra considerably. The measure can be said to be the main reason for the relative quiet in agrarian relations in Maharashtra and Western India subsequently and the passive indifference of the peasantry to the British, if not tacit support. Frykenberg and Mukherjee, who have made a detailed analysis of the ryotwari agrarian system, credit the flexibility of the system for the relatively late response of the rural peasants in the ryotwari areas to the freedom movement.

The rural areas remained quiet in Maharashtra till the 1920s, when the rise of industries around Bombay led to realignments in the class structure. The nearly five decades of peace that prevailed in rural Maharashtra saw not only diversification of agriculture but also large scale industrialization, which propelled Maharashtra to the top of the industrial map of India. Large scale cotton cultivation in West and Central Maharashtra and sugarcane and oranges brought increased income and peace. Western Maharashtra with Bombay as the leader became the leading cotton textile center of India, with heavy industries and transport and communications following suit.

Analyzing the relative calm of Maharashtra after the passage of the Debt Relief Act, Kumar made an important observation about the rural scene, "Consensus rather than conflict dominated the political life of Maharashtra, and it contributed to social stability and to harmony in relations between different social groups to an extent unknown in other parts of India." This vital aspect of social relations in Maharashtra continued with little change and even to this day broadly reflects the social scene of Maharashtra.
Industries which started appearing by the middle of the nineteenth century gained considerable momentum in Maharashtra by the turn of the century. With cotton textiles leading the way others, such as transport and communication and sugar and engineering industries, grew. The First World War gave a great impetus to industrialization. One major difference between the development of industries in West Bengal and Maharashtra has been that while most of Bengal's industries were owned by the British, it was the 'swadeshi'--Indian or national--capitalist who led the industrialization of Maharashtra. The Indian industrial leaders received considerable financial support from the rich agriculturists. The rich cotton and sugarcane growers started investing in the industries and an indigenous industrial and entrepreneurial class emerged. The good returns from industries made the rural rich richer, adding to the already steadily rising income from the land.

Many of the rich rural investors in the developing industries started becoming a new class of industrial entrepreneurs. The developing technical and management educational opportunities helped this transition. The movement of rich agriculturists into the industrial arena led to a decline in their interests in agriculture. But the increasing profits from land, thanks to the World Wars and the years of shortage, induced this class not to relinquish their interest in land. Thus in effect, the rich agriculturists while maintaining their lands became industrialists and entrepreneurs. As there were greater profits in industry, they slowly became absentee landlords, trying to
keep the returns from land along with the profits from industries. The years between the two Wars led to a boom in agriculture and the new industrial investors started buying more land. Absentee landlordism increased though it was nowhere near the levels of the zamindari areas.

The development of an agriculturist-industrial class attracted the hostility of the rest of the agricultural class. The rich agricultural class which had no industrial connection started a movement to expell the absentee landlords from the rural areas. As noted earlier the peasantry as a class had not been hostile to the colonial government. The consequent relative calm in the rural areas saw an absence of movement for independence from the British till the early twenties of this century. Before Mahatma Gandhi's movement revolutionized the freedom struggle and made it into a mass struggle, the freedom movement was launched by the newly emerging indigenous industrial elite. Unlike in Bihar and West Bengal the rural masses remained indifferent till Gandhi's arrival. The colonial government also cautiously reacted to keep the support of the rural people and prevent a tie-up between the newly emerging industrial class and the peasantry. It was the industrialists who suffered more from the colonial policy of Britain and initiated the freedom movement.

The antipathy of the agricultural class to the absentee landlords who were turning into an industrial class took the form of attack on the rural property of the latter. It started in southern Maharashtra and slowly spread. As Donald Rosenthal notes the absentee landlords were few and the total land involved was nowhere
near the figures of Bihar and West Bengal. The increasing hostility of the landed class to the absentee landlords forced many of them to abandon their lands or sell them cheaply. Severing their rural connections they became a primarily urban based industrial elite. Thus, the evolution of an agrarian-industrial elite was thwarted for the time being. Such a movement was taking place for the first time in India, but the severance of the link because of the opposition of the rest of the peasantry did not last long. The land reforms measures and prospering commercial agriculture once again in the sixties, led to the link-up of the agrarian elite with the industrial entrepreneurial class, this time with considerable benefit to the rural sector as a whole.

Thus, on the eve of independence broadly three classes were evident in rural Maharashtra. The rural rich who owned about forty acres or more dominated the rural scene. With the percentage of absentee landlords, which was never more than 2 percent, falling considerably, the influence of the rich landlords was enhanced. The middle peasantry has been variously defined and can be said to include those owning about twenty to forty acres of land. The rest of the landowners can be said to be the lower peasantry.

When discussing the rural class structure in Maharashtra it is necessary to understand the fact that unlike West Bengal and Bihar there was hardly any pronounced class consciousness. The remark of Ravindra Kumar about the peasantry in the late nineteenth century that consensus, stability and class harmony were the predominant features of rural Maharashtra scene, seemed to hold true by the middle of the
twentieth century and continues to be a main feature of the social scene to this day. Thus unlike the other two states, there was no coalition of the middle and poor peasantry against the rich. Close to half the rural people owned land and considerable homogeneity marked the rural scene in Maharashtra. A fairly solid rural block or social identity continues to be a mark of the rural society. It is to this absence of class feelings that the failure of the left wing parties to penetrate the rural areas can be attributed. Unlike Bihar and West Bengal, in Maharashtra the political activities of the Communist Parties of India have been limited to the industrial centers of Bombay and the hinterland with the industrial labor as its base. Intellectual leadership of the communist movement has also been restricted to the cities with the indigenous entrepreneurial class providing the major intellectual support. Electoral strength of the communist parties since independence has also been confined to the industrial centers. The radical political ideology has been unable to penetrate the rural areas except in some cases.

Rural Development after Independence

The considerable homogeneity of rural classes has left a deep impact on the development policies followed soon after independence. Further most policies followed have also been noted for their emphasis on maintaining this homogeneity and preventing class cleavage in rural areas. As in Bihar and West Bengal the first reform measures were aimed at the abolition of the small number of absentee landlords. Because of their size, the effect of the abolition was only marginal.
This was followed in 1948 by tenancy reforms. The Bombay Tenancy and Agricultural Lands Act was passed by the government of Bombay (as Maharashtra was then known). The main purpose of the Act was to protect the tenant from eviction, restrict transfer of farmlands to others and fix the maximum rent. 50

This Act with its periodic amendments helped the tenants considerably.51 All who are tenants for six years or more were declared protected.52

A logical conclusion to the protection measures was the abolition of tenancy by 1962. All were declared owners of the land cultivated by them.53 "All tenants were deemed to have purchased the land held by them in tenancy."54 Till 1966 as many as 794,000 were declared owners of 946,000 hectares of land. By the end of 1975, a total of 1,171,000 became owners of 1,369,000 hectares of land.55 These measures raised the percentage of landowners in the population to over 55 percent in the sixties, and higher in the seventies.56

It was in such a rural setting that the Community Development Program was introduced in 1952. Because of the high sense of solidarity of the rural populace and the widespread ownership of land, Community Development Program (CDP) had a salutary effect on the rural countryside. The large scale introduction of governmental investment into the rural areas went to help the peasantry. As noted earlier Maharashtra has had only a small area under wheat cultivation and the Green Revolution by-passed Maharashtra. Therefore the marked division between the rural rich and poor which has followed the green revolution in other states did not occur in Maharashtra.
COP and the subsequent Intensive Agriculture Development Program helped diversify agriculture in the State. The program helped cotton and orange cultivation. Acreage increased along with production. Sugarcane also received a considerable boost. Besides direct investment in agricultural development programs, COP also brought in increased investment in infrastructural development in rural areas. Construction of roads and hospitals and schools led to increased facilities for the agriculturists.  

The fifties saw changes in the geographical boundaries of the state. As noted at the beginning of this chapter, Maharashtra comprised the Gujarati and Marathi speaking areas of the erstwhile Bombay Presidency. After the reorganization of states in 1956 most states in India were divided into single language zones. The only exception was Maharashtra. The Marathi speaking Vidarbha area, consisting of eight districts of Central Provinces, was merged with Bombay state. The Marathwada region of Hyderabad state, comprising five districts, which was predominantly Marathi speaking also joined Bombay. Then, in 1961, the Gujarati speaking part of Bombay State became the state of Gujarat while Maharashtra became a single language linguistic state. Bombay, its capital, remained largely multilingual, with Marathi being spoken by only about 41 percent of its population.  

Maharashtra became a more homogeneous state, with Marathi as the main language of its populace. The addition of Vidarbha and Marathwada regions, however, brought in a certain degree of diversity and consequently unevenness in development. The Western Maharashtra
regions, comprising the administrative divisions of Bombay and Poona, parts of the old Bombay Presidency, were more developed than Vidarbha and Marathwada. As Table 24 shows, in most commonly accepted economic indicators, such as agricultural production statistics, road length, industrial development and the spread of education, Bombay and Poona divisions were far ahead of Vidarbha and Marathwada, an advantage which still persists.

These regional differences notwithstanding, the Maharashtra rural scene has continued to witness a certain homogeneity and absence of class consciousness. Vidarbha and Marathwada regions also had a wide base of land ownership. With their inclusion a little over 60 percent of the rural people continued to own land. The widespread land ownership and social homogeneity witnessed in Maharashtra led to the adoption of agrarian and rural development policies which reduced the maximum land that can be held by individuals and resulted in more land being distributed to the rural landless.

There was also introduced a three tier representative rural government institution called Panchayati Raj. The same period saw the rise of cooperative credit institutions that made agricultural credit readily available and helped the rural economy. The large scale increase on the cultivation of cotton and sugarcane and orange is in no small measure due to the expansion of the cooperative institutions. While it is not claimed that the policies led to highly equitable distribution of rural resources, these measures contributed positively to improve the standards of living of the rural poor.
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**Sources:**
Panchayati Raj and Rural Development

Panchayati Raj as an institution became the primary vehicle of rural development. It has been identified as of considerable political significance, one which has led to a vast change in the political scene of India. PR system of decentralized representative local government was recommended by a committee set up by the government of India as a measure to improve COP. The committee headed by Balwantra Mehta noted that in spite of the many benefits brought about by the COP, it was primarily dependent on the bureaucracy for its implementation, and it had failed to evoke popular initiative. As Joshi notes, "To create public enthusiasm for and participation in the planning process the Mehta committee suggested a three tiered institutional framework in which only the base, that is the Village Panchayat would be elected and the upper two tiers (Block and District Councils) would be indirectly elected from the base." The PR system in Maharashtra, however, differed significantly from the recommendation of the Mehta committee. The Maharashtra system provided for direct elections to the Zilla Parishads at the district level, with most of the development functions devolved to them. The Village Panchayat was the village level elected body. It too became more powerful than envisaged by the Mehta committee. The middle tier, the block level Panchayat Samiti, was composed of members directly elected and nominated by the other two bodies.

The PR system in Maharashtra provided for elections on the basis of political parties. As Joshi notes, "... devolution of authority has created new seats of power in the rural areas and has thereby
provided an outlet for local political ambitions ... [They] have resulted in competitive rural politics." sixty-five Such researchers as Rosenthal and Mary Carras have noted that with panchayati raj the sinews of political power have moved from the State capital, Bombay, to the districts. Since most of the development activities are decided and funds allocated by these bodies they have become important political institutions. Besides possessing powers to make crucial investment decisions they have also become major sources of patronage. Thus as Rosenthal observes, panchayati raj officials are often more sought after than the members of the State legislature. These bodies have been entirely staffed by a new breed of rural politicians, whose base is the rural areas and who are more responsive to the needs of the rural people. It would be no exaggeration to say that adoption of agrarian reforms and rural development policies leading to considerable improvement in the standard of living of the people in the rural areas, has been in no small measure due to the panchayati raj system in Maharashtra.

The powerful panchayati raj systems with financial and political control over rural development has led to the rise of a set of rural politicians at once ambitious and responsive to the needs of their rural constituencies. Rosenthal makes some apt observations about the rural politicians and their field of operation. "There has been considerable diffusion of modern values to the countryside at the same time as those political actors whose bases are in the villages and small towns have moved into positions of state and national power. Individuals who hold positions of local and state influence in
contemporary Maharashtra have highly favorable attitude toward the most modern sectors of Indian society. Indeed, they eagerly seek benefits for themselves and for their followers in the most forward-looking educational institutions, in commercial agriculture, and in the agro-industries which have been developed with the aid of national and State governments. Many of the younger generation among them either have been educated in or have considerable experience in urban areas. They interact easily with urban-based politicians and administrators.  

The policies adopted by them tended to preserve the absence of class consciousness in rural Maharashtra. Rosenthal notes a homogeniety of political and development culture in the rural areas. "The largess of the government of Maharashtra in distributing societal resources to the rural (areas) may also have lessened the potential for ideological conflict . . ." The politics of panchayati raj did not lead to the kind of egalitarian development policies that emphasized equitable distribution of rural resources, as in West Bengal, but they exhibited considerable concern for the development of rural poor. Unlike Bihar where the class composition led to adoption of policies detrimental to the interests of the rural poor, policies followed in Maharashtra have emphasized the redistribution of assets.

Increased social security measures, like employment programs, unemployment compensation, and old age pensions, were devised to help those sections of the rural poor who did not receive land in the agrarian reforms.
Recent Land Reform Measures

The rural rich of Maharashtra have a much better record of acceptance of land reform measures than their counterparts in many states. Agrarian development policies have been gradually reducing the maximum land that can be held by individuals in Maharashtra. Acceptance of land reforms in Maharashtra is one of the highest in India. Henry Hart and Ronald Herring report that only 5.28% of all cultivating households in Maharashtra hold more land than allowed by ceiling laws.\(^68\) After the formation of integrated Maharashtra ceiling or landholding was imposed in 1961. The Maharashtra Agricultural Lands (Ceiling on Holdings) Act was passed in 1966. Under the Act the ceiling on perennially irrigated land was fixed at 36 acres, for seasonally irrigated land, 54 acres, and for dry crop land, the ceiling was fixed at 108 acres.\(^69\)

The ceiling act was further amended in 1975. The new Maharashtra Agricultural Land Ceiling (Lowering of ceiling on Holdings) Act halved the ceiling provided by the 1961 Act. Under the first Act, till 1966, 794,000 persons were provided with 966,000 hectares of land. Between 1966 and 1975, 377,000 landless became owners of 403,000 hectares of land. A total of 1,171,000 landless had benefitted from the land reform acts by the end of 1979. These measures increased the ownership of land in the rural areas to nearly 62 percent of the rural households, a figure much higher than Bihar and most of the Indian states.\(^70\) Agrarian reforms did not stop with lowering land ceilings and distribution of the surplus land to the rural landless. A large cooperative credit set-up has developed and played a crucial role in
providing credit for agricultural operation and for consumption purposes to the agricultural households. Development of the cooperative credit structure has been an important feature of rural development policy in Maharashtra.

Rural Cooperatives

According to Anthony Carter, "A large part of the economic activity of the region is channelled through 'cooperatives'."\(^71\) Besides providing credit "they [also] control patronage in the form of jobs, credit, access to valuable equipment and marketing contracts."\(^72\) To reduce the dependence of the agriculturists on the moneylenders, the cooperatives receive favorable treatment from the government.\(^73\) Besides providing credit, the cooperatives provide marketing facilities as well. There are cooperatives engaged in processing agricultural goods, in regulating markets, providing irrigation facilities and in poultry and dairying. Many of the cooperative societies are interlinked and often have overlapping membership. The Reserve Bank of India notes, "Maharashtra is one of the advanced states in the country (in the field of cooperatives). The cooperative credit institutions in the State have been pioneers in the adoption of progressive policies and procedures for the successful functioning of the institutions which are often emulated by cooperative institutions in other states."\(^74\)

The district land development bank, cooperative bank and sale purchase union receive funds from the State level apex bodies and in their turn provide funds to the local village branches and individual
agriculturists. Short-term loans for an agricultural season up to a maximum of eighteen months are provided by the local branches. The district level bank gives loans of a longer period. The District Central Cooperative Bank also performs normal banking and credit functions. The taluka and district purchase and sale union through the State apex marketing society meet the marketing needs of the farmers. They sell high yielding seeds, fertilizers and pesticides both directly to individual farmers and village cooperatives. Indeed in Nagpur district the rural cooperatives are so important that almost all the agricultural activities are financed by them. (See Figure 8)

The magnitude of cooperative credit in the rural areas of Maharashtra can be appreciated when it is compared with other states. One of the important indicators in such an exercise would be cooperative credit per head of rural population. This would refer to the aggregate of loans advanced by all the cooperative societies and financial institutions for short, medium and long term, divided by the rural population of the state. Based on the data for 75-76, the cooperative credit per head of rural population was the highest for Maharashtra at Rs. 184, followed by Andhra Pradesh at Rs. 164 and Gujarat at Rs. 153. Bihar's performance was very low with a paltry Rs. 18.75

The cooperatives in rural Maharashtra are second only to the panchayati raj institutions in their importance and influence. The office bearers of cooperatives are elected and they vie with the elected councillors of the PR bodies for attention of the rural population. Under PR law and rules PR officials cannot stand for
Figure 9
Structure of Cooperative Societies
elections to the cooperative societies; this is to prevent the PR officials from capturing the cooperative societies and vice versa. If there is no such restriction, ambitious rural politicians would be able to capture both these bodies and control rural economic and political life.

With the separation of these institutions two centers of power have emerged in the rural areas. The remarkable growth of cooperative finance in the rural areas and its crucial role in agricultural financing have made cooperative officials no less important in rural areas than the PR officials. However, despite the legal ban on officials getting elected to both these organizations, a group of rural elite has emerged in the rural areas of the state, although its characteristics and features have been open to varying interpretations. As noted earlier, this group of influential rural leaders has not been resistant to change and the adoption of those rural development policies which have had some degree of emphasis on egalitarian principles. Despite the existence of the elite, crucial measures like land reforms were adopted which have reduced the grip of the rich on the rural economy. On the other hand, the rich continued to benefit as ample compensation was made available to the landlords through increased investment opportunities in cash crops, such as cotton, oranges and sugarcane, the profitability of which increased thanks to the increasing public investment in the development of rural infrastructure.

There have been two broad interpretations of the nature and characteristics of the rural elite of Maharashtra. Mary Carras finds a number of influential elite groups operating in rural Maharashtra, each
vying with the other for elective office in the PR structure and the rural cooperatives. Donald Rosenthal identifies one broad-based rural elite which has shared the spoils of the rural political institutions. There is uniformity of interest within this elite and hence little intra elite conflict. Unlike Carras, Rosenthal notes, "It is on the basis of a shared vision of a relatively costless expansionary rural economy that their political game can be conducted with factional fluidity in relation to which question of ideology are largely irrelevant." Carras came to her opinion that there exists many conflicting factions in the rural elite after a study of four Zilla Parishads of Maharashtra, spread over the three distinct zones of the state, covering the cotton and sugarcane growing areas as well as areas dependent on conventional agriculture, producing shorgum and wheat. On the contrary, Rosenthal studied the PR institutions and rural cooperatives in Kolhapur and Poona, two districts in Western Maharashtra with a powerful 'sugar lobby'. The sugar lobby was very influential during the early seventies in the Maharashtra political scene. During the year 1972-'73, when Rosenthal was conducting his field research this lobby was at the zenith of its power.

Rosenthal identifies a rural elite in both Kolhapur and Poona districts. They derived maximum benefits from the rural development policies adopted in these districts. He observes, . . . I would hold that there exists in the two districts a relatively small group of men who stand higher than the mass of men and women in their exercise of influence or control over political, economic and status resources. Who those individuals are remains fairly stable in the short run, also there is some circulation within the elite as new individuals advance and others recede within the political stratum. For the most part,
these changes have taken place in an orderly fashion and are consistent with the value preferences and the social patternning acceptable to the members of the local elite. In any event, it may be more accurate to speak of the stability of the elite system in rural politics in Maharashtra than of the stable position of particular individuals within that system. Nevertheless, in both of the districts studied there has also been considerable continuity in the leadership structure during the twenty-five years reviewed later.81

He has suggested that a closed system of power operates in rural Maharashtra. Carras, on the contrary, has developed "a model of competition among local political elites in Maharashtra," which associates ideological conflicts with distinctions in socioeconomic bases in a fashion that Rosenthal finds too mechanical. Carras finds ideological cleavage between the elites and Rosenthal notes ideological consensus. He further goes on to locate "a good deal more fluidity in interpersonal relations among members of the district elite."82

From my experiences during field research in Maharashtra, I noted conditions similar to the observations of Carras. Before I discuss this issue, it will be fruitful to note the political party system in the state which has been marked by the dominance of the Congress party. Except in the elections held in 1957 it has held an overwhelming majority in the state legislature till 1977. Congress party members outnumbered the others in the state's contingent to Parliament as well. Congress lost the elections in 1977, when a coalition led by the Janata came to power, but it came back in the 1980 elections. This dominant party derives its power from its strong rural base. Its overwhelming support from the rural areas more than compensates for its lack of support from the urban constituencies.83 Sirsikar in a study found 85 percent of the rural elected offices being held by the Congress.84
The rural governmental bodies have been the sources of power for the Congress party.

The Congress party in Maharashtra is plural, with many factions vying with one another for power. As Hart and Herring note, "Competition is not wanting in rural Maharashtra's politics. It is not between parties but between factions within the Congress." Carras found such factions divided along ideological lines. Rosenthal notes broad divisions between Congress party leaders and ministerial office holders. The rural elective bodies have undermined the state legislature's monopoly on the power base. The rival elected leaders have gradually become differing faction leaders within the party. There are also regional factions within the Congress party. Members of the legislature from the Vidarbha and Marathwada regions have been working as close, well-knit groups trying to secure increased governmental investments in their respective regions. The predominance of the Congress abruptly ended in 1977, when it was defeated in the elections. Its comeback in 1980 in a different form did not restore the pre-1977 position. The party had split into two during the three years it was out of power and the faction which won power in 1980 was never at the forefront of party activity earlier.

In such a one-party dominant system, political power has moved from one faction to another. During the years when Rosenthal conducted field research, the group representing the sugarcane cultivators of Western Maharashtra--the 'sugar lobby'--was very influential. The decline of its influence started in 1975 when a Marathwada legislator became the Chief Minister. Marathwada is agriculturally the most
backward region in the state. Its leadership has been highly critical of the sugar lobby for allegedly cornering a very high share of governmental investment and thus, depriving the backward regions. The new leadership took many measures, like diverting investment in irrigation from Western Maharashtra to Marathwada, which, along with the changes in ZP and Cooperative societies rules affected the interests of the sugar lobby. If 1975 marked the beginning of the waning of the influence of the sugar lobby, the 1977 elections struck a major blow to its influence and power. The Janata Party's first major step against the sugar lobby was the decontrol of sugar. With the ending of the dual system of sugar marketing, prices fell considerably and with it, the profits of sugar factories. The election of Congress-I in 1980 brought to power a new faction representing the rural interests of coastal Maharashtra. It had little love for the sugar lobby and the downward plunge of its interests has continued. In support of my contention that the different factions have conflicting interests and roles, it is worthwhile noting that during my field research, none of the factions referred to by Rosenthal were holding elective office or offices of influence and power in the ZPs, cooperatives and legislative assembly.

Development in the Seventies

After a decade of agrarian reforms and rural development policies followed, some characteristics of Maharashtra's social, political and economic features can be catalogued. Table 25 shows a comparative account of land ownership in Maharashtra and India. Nearly one-third
Table 25
Pattern of Land Ownership in Maharashtra and India

<table>
<thead>
<tr>
<th>No.</th>
<th>Size Group (acres)</th>
<th>Cultivating Households</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Maharashtra</td>
</tr>
<tr>
<td>1</td>
<td>Less than 1</td>
<td>20.7</td>
</tr>
<tr>
<td>2</td>
<td>1 to 2.5</td>
<td>11.8</td>
</tr>
<tr>
<td>3</td>
<td>2.5 to 5.</td>
<td>14.3</td>
</tr>
<tr>
<td>4</td>
<td>5 to 10</td>
<td>16.8</td>
</tr>
<tr>
<td>5</td>
<td>10 to 15</td>
<td>8.0</td>
</tr>
<tr>
<td>6</td>
<td>15 to 25</td>
<td>7.2</td>
</tr>
<tr>
<td>7</td>
<td>25 to 50</td>
<td>4.6</td>
</tr>
<tr>
<td>8</td>
<td>above 50</td>
<td>0.9</td>
</tr>
</tbody>
</table>


of the cultivated holdings in the state are below 2.5 acres. For every size of land ownership, except the 2.5 to 5 acres category, Maharashtra has a higher percentage of cultivating households than the country as a whole. This larger land ownership pattern, however, does not reflect better returns from land. For, situated as the land is on the Deccan plateau, irrigation is very scarce. In the absence of irrigation facilities return is low. Table 26 gives a comparative account of the growth rates for agriculture for Maharashtra and India as a whole. It is interesting to note that the percentage increase of foodgrains, other agricultural commodities and the total crop is lesser in Maharashtra than India as a whole. The overall agricultural production in the state during the period 1961-’62 to 1974-’75 increased at an annual compound rate of 1.98 percent. Further, the contribution of
Table 26
Compound Growth Rates in Agricultural Production
During the Period 1961-'62 to 1974-'75
(percentage)

<table>
<thead>
<tr>
<th>Group</th>
<th>Maharashtra</th>
<th>All-India</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Foodgrains</td>
<td>1.08</td>
<td>1.79</td>
</tr>
<tr>
<td>(b) Non-Foodgrains</td>
<td>2.22</td>
<td>2.45</td>
</tr>
<tr>
<td>(c) All Crops</td>
<td>1.54</td>
<td>1.98</td>
</tr>
</tbody>
</table>


agriculture to the state income declined at an annual rate of 1.2 percent between 1960-'61 and 1974-'75. In 1960-'61 the state income at current prices was Rs. 1597 crores, of which the agricultural sector contributed Rs. 664 crores or 42 percent; by 1974-'75 the state income had gone up to Rs. 2540 crores of which the share of agricultural sector was Rs. 708 crores, forming only 38 percent.

The most favorable year in the state was 1960-'61 as agricultural production touched the peak figure of 10.52 million tonnes. Agricultural production received serious setbacks in 1965-'66, '66-'67, '70-'71 and 1972-'73. Failure of monsoons led to drought conditions resulting in crop short-fall in agricultural production during these years. As the Reserve Bank of India Survey comments,

Excepting the districts of Western Maharashtra and a few districts in Vidarbha and Marathwada regions, all the districts in the state are agriculturally less advanced. According to the Irrigation Commission Estimates in 1972,
45 taluqs in nine districts viz., Ahmednagar, Aurangabad, Bhir, Nasik, Osmanabad, Poona, Sangli, Satara and Sholapur are drought-prone in the state ... Thus, one fourth of the area and 16 percent of the population in the state is prone to frequent droughts.92

The limitation of agriculture as the leading developmental sector, therefore, requires a sound development policy to emphasize the importance of industrial and non-agricultural sectors. As noted earlier, agricultural development potential is concentrated in the irrigated areas; with irrigation potential limited, the increasing rural population has to be moved to the productive industrial regions and cottage and agro-based industries have to be developed in the rural areas and small towns. Redistribution of land and rural resources alone will have little impact on rural poverty. While redistribution of resources is important, it cannot trigger sustained development, as in the irrigated areas like West Bengal. It was found during the scarcity years of 1970-'71 and '73-'74 that rural families owning even up to 30 acres of unirrigated land were not much better off than those with 2.5 to 5 acres.93 Both these categories of people went to the Employment Guarantee or Food For Work schemes to supplement their meagre incomes and get scarce foodgrains. In the absence of any major breakthrough in the productivity of dry cropped foodgrains like shorgum and millets, the value of lands in three-fourths of Maharashtra is bound to be low.

These characteristics of the rural economy of Maharashtra have contributed to the evolution of a development policy which has emphasized industrial development and off-farm jobs for the expanding rural population. The development of an urban economy which generates
surplus for investment to create such job opportunities has been identified as a feature of the state's development policy. As Henry Hart and Ronald Herring note this is an important measure in a stagnant and drought-prone agrarian system. The provision of non-agricultural employment for the economically surplus children of over crowded villages certainly lessens the pressure for legislation and administrative redress for rural have-nots. The latest sample survey date available puts rural unemployment at 2.9 percent in Maharashtra. Further, in the 1961-71 decade Maharashtra's work-force in agriculture declined as much as 10 percent; the figures for the 1981 census are also expected to confirm the trend. The backwardness of the agricultural sector of Maharashtra has given an impetus to the industrial sector. Maharashtra, already the most industrialized state in India, received an added fillip toward industrialization. Consequently there has been a marked diversification of industries in the state; from traditional industries like cotton textiles and food products, as Kamat notes, it has entered massively into new, non-traditional areas such as chemicals, metals and alloys, machine tools, heavy machinery and transportation equipment to note a few. Though most of the new industries are located around Bombay, many of these, especially small scale and agro-based ones are moving into many other districts. The development of industries around the rural districts of Kolhapur, Nasik and Sholapur took place in the sixties and early seventies. The industrialization of the sugar growing districts of Western Maharashtra--mainly sugar mills and other allied units--also contributed to large scale off-farm
employment to the rural population. In spite of the predominance of
the Bombay-Poona region in the industrial map of Maharashtra, the dis­
persal of industries in the rural areas of Maharashtra is more wide­
spread in Maharashtra than in most other states. 98

**Class Structure: Rural Urban Links**

The recent spurt in industrialization witnessed in the state
has led to a realignment of classes in the rural areas. As Kamat
notes, "... inspite of their protestations to the contrary, the
state leadership hailing from the affluent sections in the rural
areas have made their peace with Indian big business." 99 The
investment of the rural rich in the industrial sector has increased
substantially. As noted earlier, land ceiling measures in the state
have been notable for the liberal compensation paid to the landlords.
Compensation for the land taken over by the state for distribution among
the landless, notwithstanding the legal provisions for summary take­
over of surplus land, has attracted widespread criticism. It has been
interpreted as a sop to the rural rich. As Hart and Herring note:

> The redistribution impact was . . . blunted by a rate
> of compensation set above that of the 1967 Act, a change
> which several legislators feared would strengthen rural
> elites. Since Indian Constitution has amended to allow
> confiscation of surplus land without compensation, the
> provision struck opposition legislators as imposing an
> unnecessary burden on the state and on the landlords who
> would receive the land.100

But the high rate of compensation has muted the opposition to
land reforms in Maharashtra. One need only compare this to the open
opposition and hostility to land ceiling in Bihar. The generous com­
pensation granted to the landlords has found its way into industrial
The slow emergence of a class of industrial investors among the rural rich has forged a link between the rural and the urban elites, a link which was missing throughout the independence movement. The increasing returns from industrial investment has reinforced the dominant position of the rural rich the reduced land ceiling legislations notwithstanding. The new link between the urban and rural elites, however, has led to the development of some latent contradictions. Some of these were evident by the late seventies. Kamat identifies these:

... on the economic plane, the major contradiction is between the affluent classes (the industrial and trading bourgeoisie, the educated upper and upper-middle classes, and the landlords and rich peasants) and the rest of the indigent sections of the society ... Within the former there are conflicts of interests between the urban bourgeoisie and the rich peasantry ... Again there are major class conflicts, viz., between the industrial capitalists and the working class, and between the big landlords--rich peasantry reinforced by trader ... on the one hand and the poor peasant and the agricultural labour on the other.

The development policy followed, however, has tried to minimize the class conflicts. The government has started many social welfare projects to improve the living conditions of the rural people. The lack of irrigation facilities in many areas of the state and the low level of agricultural productivity seriously erode the viability of land ownership. Small and marginal farmers cannot depend only on the land they own for their sustenance. The government has, therefore, during the seventies started a number of direct-aid measures, such as
the Employment Guarantee and Food for Work Programs. These are the cornerstones of the new package of IRDP. Other measures are the scheme to provide unemployment compensation for the unemployed of the rural areas and old age security and pension schemes. The main objective has been to provide additional income to the agricultural laborers and small farmers. These schemes are of vital importance to the rural agriculturists especially during the lean years. Employment Guarantee Scheme/Food for Work Programs (EGS) has played a major role in providing a steady flow of income to the landless laborers. As Kamat notes, if the rural poor have been less militant in Maharashtra than in many other states, it is in no small measure due to the rural social security measures comprising the IRDP. These measures have played an important role in reducing rural poverty and indebtedness and in preventing increasing pauperization of the rural scene which has been a sorry feature of the rural economy of many states.

Integrated Rural Development

(i) Employment Guarantee Scheme

Before embarking on an analysis of the EGS and its impact on rural poverty, it is possible now to recapitulate the main theoretical basis for rural employment schemes. The increasing pressure of population and adverse land-man ratio puts a sharp limit on the redistribution of landholdings. The lack of irrigation facilities, absence of breakthrough in developing 'miracle seeds' for dry crop cultivation and the distressing regularity of scarcity conditions in the state seriously challenge the viability of not only small and marginal farms
but also medium-sized farms. Large-scale public employment works help inject needy cash into the hands of the vulnerable sections of the rural community. Besides, they provide ready employment to the landless laborers and help maintain the rural wages above the statutorily fixed minimum. It is, in many ways, Keynesian economics in operation. When wages are paid partly in kind they ensure the supply of foodgrains to the rural needy.

The scheme, however, is not without its detractors. It has been criticized as an inflationary and unproductive expenditure which has led to increased deficit in the state budgets. It has also dubbed a measure to secure votes of the rural people. Despite these criticisms, the expenditure on the new IRDP package has been increasing year after year and has become a major element in the rural development strategy of the state.

EGS was launched in 1972 with a promise of providing employment to all able-bodied adults aged 18 years and above in the rural areas. Under the scheme, a group of 50 persons asking the government agencies for work have to be provided employment in a public work within an area of 5 miles radius of their location. The other features of the scheme are:

Work had to be productive, and the ratio of expenditure on the labour component to the skilled work, supervision, material and equipment, could not be less than 60:40. The EGS was not to affect the labour availability to plan or non-plan public works already started. Later it was added that any person demanding work had to be given work on EGS either in the taluka or in the neighbouring taluka though the guarantee was for the district. If persons applying for work are not provided work within fifteen days, they were to be paid an unemployment allowance of Re. 1 per day. As Dandekar and Sathe note, "At the same time, the government
policy was, by offering work, never to allow a case for demanding unemployment allowance. The daily wage equalled the minimum wage; the whole state has been divided into three zones and minimum wage fixed for each zone. Since 1978-'79 one kilogram of wheat per day per laborer has been added to the EGS wage.

Table 27 gives an account of the expenditure on EGS, the total man days of employment generated and wheat distributed as wages. By 1978-'79 EGS had created about 16.35 crore man days of employment.

Table 27

Progress of EGS Works in Employment Generation

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure (Crores of Rs.)</th>
<th>Wage Bill (Percentage)</th>
<th>Man Days (Crores)</th>
<th>Wheat Distributed (Million tonnes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1974-'75</td>
<td>13.72</td>
<td>75</td>
<td>4.81</td>
<td>Nil*</td>
</tr>
<tr>
<td>1975-'76</td>
<td>34.43</td>
<td>77</td>
<td>10.95</td>
<td>Nil*</td>
</tr>
<tr>
<td>1976-'77</td>
<td>49.88</td>
<td>78</td>
<td>13.32</td>
<td>Nil*</td>
</tr>
<tr>
<td>1977-'78</td>
<td>49.20</td>
<td>80</td>
<td>11.73</td>
<td>Nil*</td>
</tr>
<tr>
<td>1978-'79</td>
<td>68.87</td>
<td>72</td>
<td>16.35</td>
<td>64,000</td>
</tr>
</tbody>
</table>

*This scheme was started in 1978-'79.

The total expenditure on EGS was Rs. 49.20 crore in 1978-'79. More than 100 million tonnes of wheat were distributed as wages in kind. Table 28 provides the breakdown by district of landless labor and small farmers, and shows that about 10 percent of this category of rural poor have been given employment in the EGS works. Although only 10 percent of the rural poor have been covered, the actual effect could be greater than is indicated in these figures. Among the rural poor, for example, the landless laborers are poorer than the small
### Table 28. Employment Provided to the Rural Poor Through EGS

<table>
<thead>
<tr>
<th>No.</th>
<th>District</th>
<th>No. of Talukas</th>
<th>No. of Drought Prone Talukas</th>
<th>Total Working Population from Rural Poor</th>
<th>Labor Attendance on EGS Works</th>
<th>Percentage of Working Population from Rural Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Thane</td>
<td>13</td>
<td>--</td>
<td>158638</td>
<td>30513</td>
<td>19.23</td>
</tr>
<tr>
<td>2</td>
<td>Kolaba</td>
<td>14</td>
<td>--</td>
<td>104167</td>
<td>1919</td>
<td>1.84</td>
</tr>
<tr>
<td>3</td>
<td>Ratnagiri</td>
<td>15</td>
<td>--</td>
<td>143080</td>
<td>696</td>
<td>0.49</td>
</tr>
<tr>
<td>4</td>
<td>Nasik</td>
<td>13</td>
<td>9</td>
<td>188037</td>
<td>43200</td>
<td>22.97</td>
</tr>
<tr>
<td>5</td>
<td>Dhulia</td>
<td>10</td>
<td>6</td>
<td>174701</td>
<td>20626</td>
<td>11.81</td>
</tr>
<tr>
<td>6</td>
<td>Jalgaon</td>
<td>13</td>
<td>8</td>
<td>233459</td>
<td>9137</td>
<td>3.91</td>
</tr>
<tr>
<td>7</td>
<td>Ahmednagar</td>
<td>13</td>
<td>13</td>
<td>177484</td>
<td>45427</td>
<td>25.59</td>
</tr>
<tr>
<td>8</td>
<td>Pune</td>
<td>14</td>
<td>9</td>
<td>138187</td>
<td>12486</td>
<td>9.04</td>
</tr>
<tr>
<td>9</td>
<td>Satara</td>
<td>11</td>
<td>6</td>
<td>123308</td>
<td>7313</td>
<td>5.93</td>
</tr>
<tr>
<td>10</td>
<td>Sangli</td>
<td>8</td>
<td>6</td>
<td>105140</td>
<td>10345</td>
<td>9.84</td>
</tr>
<tr>
<td>11</td>
<td>Solapur</td>
<td>11</td>
<td>11</td>
<td>163553</td>
<td>53249</td>
<td>32.56</td>
</tr>
<tr>
<td>12</td>
<td>Kolhapur</td>
<td>12</td>
<td>2</td>
<td>151465</td>
<td>829</td>
<td>0.55</td>
</tr>
<tr>
<td>13</td>
<td>Aurangabad</td>
<td>12</td>
<td>7</td>
<td>172334</td>
<td>27810</td>
<td>16.14</td>
</tr>
<tr>
<td>14</td>
<td>Parbhani</td>
<td>8</td>
<td>--</td>
<td>158585</td>
<td>31006</td>
<td>19.55</td>
</tr>
<tr>
<td>15</td>
<td>Bhir</td>
<td>7</td>
<td>6</td>
<td>113045</td>
<td>15696</td>
<td>13.88</td>
</tr>
<tr>
<td>16</td>
<td>Nanded</td>
<td>8</td>
<td>--</td>
<td>136788</td>
<td>12367</td>
<td>9.04</td>
</tr>
<tr>
<td>17</td>
<td>Osmanabad</td>
<td>11</td>
<td>5</td>
<td>171751</td>
<td>25415</td>
<td>14.80</td>
</tr>
<tr>
<td>18</td>
<td>Buldhana</td>
<td>5</td>
<td>2</td>
<td>174887</td>
<td>2331</td>
<td>1.33</td>
</tr>
<tr>
<td>19</td>
<td>Akola</td>
<td>6</td>
<td>--</td>
<td>222455</td>
<td>3974</td>
<td>1.79</td>
</tr>
<tr>
<td>20</td>
<td>Amravati</td>
<td>6</td>
<td>--</td>
<td>226249</td>
<td>1388</td>
<td>0.61</td>
</tr>
<tr>
<td>21</td>
<td>Yeotmal</td>
<td>5</td>
<td>--</td>
<td>218363</td>
<td>8616</td>
<td>3.95</td>
</tr>
<tr>
<td>22</td>
<td>Wardna</td>
<td>3</td>
<td>--</td>
<td>97655</td>
<td>2998</td>
<td>3.07</td>
</tr>
</tbody>
</table>
Table 28 (continued) Employment Provided to the Rural Poor Through EGS

<table>
<thead>
<tr>
<th>No.</th>
<th>District</th>
<th>No. of Talukas</th>
<th>No. of Drought Prone Talukas</th>
<th>Total Working Population from Rural Poor</th>
<th>Labor Attendance on EGS Works</th>
<th>Percentage of Working Population from Rural Poor</th>
</tr>
</thead>
<tbody>
<tr>
<td>23</td>
<td>Nagpur</td>
<td>5</td>
<td>--</td>
<td>128708</td>
<td>6450</td>
<td>5.01</td>
</tr>
<tr>
<td>24</td>
<td>Bhandara</td>
<td>3</td>
<td>--</td>
<td>164395</td>
<td>12637</td>
<td>7.69</td>
</tr>
<tr>
<td>25</td>
<td>Chandrapur</td>
<td>6</td>
<td>--</td>
<td>239696</td>
<td>7276</td>
<td>3.04</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>232</td>
<td>90</td>
<td>4086210</td>
<td>393704</td>
<td>9.63</td>
</tr>
</tbody>
</table>

farmers. The figures released by the government do not show employment in each category. In addition small farmers from the irrigated areas of the state are unlikely to flock to these works as do their counterparts from the dry areas. The coverage is a little better in the drought-prone areas. In Sholapur, all eleven talukas of which are drought-prone, 32.56 percent of the rural poor have been provided with work under EGS; the figure is 24.59 percent in Ahmednagar and 22.97 percent in Nasik. The coverage is high in the other drought-prone districts as well.

A recent evaluation of the EGS in Maharashtra by the Planning Commission of India shows that the rural poor--the agricultural laborers and small farmers--are among the major beneficiaries of the scheme. This report presents interesting information on the size and composition of the households benefitting from the program, socioeconomic background of the laborers, the income derived by them from EGS and other sources and their perceptions of the scheme. It is not surprising that a substantial percentage of the workers on EGS belonged to the weaker sections, which according to the National Sample Survey comprised the small farmers and landless labor. About 45 percent of the beneficiaries of EGS were landless laborers. Among the remainder 42 percent had less than 5 acres of unirrigated land and only 3.5 percent had more than 10 acres of land. Even this amount of landholding may not be sufficient given the uncertainty of rains and lack of irrigation. Only 5 percent of the EGS workers were non-agriculturists. Besides providing employment the community assets created by EGS, such as minor irrigation works, land development works,
percolation tanks, etc. helped small farmers to start growing new crops leading to higher production and increased incomes.\textsuperscript{111}

Perhaps the most important effect of EGS has been that it has helped the rural poor by providing them with extra income and food-grains. As Dandekar and Sathe note, "One could argue that EGS was successful in preventing further deterioration of the conditions of weaker sections in rural Maharashtra in the eight years, 1970-'71 to 1978-'79."\textsuperscript{112}

The Planning Commission suggests additional insights into rural poverty and EGS. In 1960-'61 according to the survey of Dandekar and Rath, those rural laborers who received less than Rs. 20 per month lived below the poverty line.\textsuperscript{113} The Planning Commission survey shows that 90 percent of the EGS workers would have slid below the poverty line but for the EGS works. EGS earnings helped many rural families to repay parts of loans taken from the moneylenders for consumption expenditure.\textsuperscript{114}

Finally, perhaps a major contribution of EGS has been to push the rural wages above the legal minimum. Under the current scheme, every laborer now gets a daily wage of Rs. 3 and one kilogram of wheat, which equals about Rs. 4.75 to 5 per day, as against a minimum wage of Rs. 3. The relatively easy availability of EGS works during the open season, that is, the non-monsoon months, has further helped the rural poor. To wean the laborers away from the EGS works a higher wage has to be offered by private employers. More than the minimum wage legislation, the government employment program has been responsible for increasing rural wages.
The increasing effectiveness of EGS can be underscored by the increasing opposition reported from the rich farmers. In interviews conducted for this study rich farmers, mostly owning irrigated lands or cultivating cash crops, expressed concern over the lack of agricultural labor. According to them the daily wage has increased considerably especially during the agricultural season and they considered that to be the cause of the rising labor cost of cultivation. Interviews disclosed that the daily wage in Nagpur district was Rs. 7 during the paddy transplanting season.

The rich farmers were carrying on a determined campaign to scuttle EGS; some Panchayat Samitis had passed non-binding resolutions for the suspension of EGS works during the crucial transplanting season. The state government has not only resisted such demands but also increased the coverage under the scheme, but the increasing attack on EGS by the vested interests points to the crucial role played by this program in the rural economy of Maharashtra.

The opposition to EGS is likely to grow in the future. The government has so far resisted such pressure and has slowed down these projects, only in those areas where governmental Plan activities such as major irrigation or road works are in progress and the EGS works affect labor availability in these schemes. Unlike the earlier scarcity relief works, which were only employment promotion programs, EGS has more than one characteristic. It leads to the creation of assets such as roads and minor irrigation works, and is thus doubly beneficial to the rural communities.
(ii) Unemployment Compensation to the Educated Unemployed

While the EGS is designed to provide employment opportunity to an unskilled rural population, the government has started a program for granting unemployment allowances for the educated unemployed. This scheme was started in 1979 and is restricted to beneficiaries living in the rural areas. The unemployment allowance paid depends on the level of education. It starts from the date of graduation or the day the beneficiary becomes unemployed and continues for a maximum of five years. The beneficiaries must be registered in the unemployment exchanges and they lose the benefits when they leave the rural areas. Compensation paid is limited to those with a family income of less than Rs. 750. The main philosophy behind the scheme is to provide a minimum income to the educated rural poor who have no assured income.

As the scheme is of recent origin, no evaluation of the scheme has yet been undertaken by any research organization. During the field investigation it was noted that the implementation appeared to be efficient and the government agencies were interpreting the qualifications for the beneficiaries liberally. Almost all the educated unemployed living in the rural areas and falling into the income requirements were being paid the allowance. For example, educated unemployed received the allowances even though they were being employed in family farms and businesses, as long as they were not holding salaried jobs or the farms were not registered in their names.

The government was also conducting on a pilot basis a technical training program for developing the skills of the educated unemployed. Industrial undertakings and commercial organizations which employed for
practical training the recipients of unemployment compensation, were reimbursed the cost of training them. After the training if trainees were able to secure employment, the government paid their salaries for a designated period.

(iii) Old Age Social Security Scheme

This is the latest measure to be started to provide financial security to the elderly residents of rural Maharashtra. Introduced on October 2, 1981, the scheme provided that all elderly residents of the rural areas of the state, above the age of sixty, be paid a monthly allowance up to a maximum of Rs. 75. This assistance is expected to help those living below the poverty line, with no regular source of income.

These two schemes seem to have been well received by the rural poor. By providing badly needed income to the rural poor, this package of IRDP has started in a small way a framework for a social security system. Maharashtra was the first state in India to initiate these schemes and some other states have followed suit.

Communication Policy for Rural Development

The communication component of the reformist approach to rural development emphasizes participation of the rural poor in the development process. Panchayati Raj in Maharashtra was devised to provide opportunity for the rural people to participate in decision making for development. Indeed, Maharashtra, along with Gujarat, was the first state in India to introduce this system. In operation, it differs from its counterpart in West Bengal. The Bengal system is
heavily politicized with the cadres of the Communist Parties playing an active role. In Maharashtra however, the major political parties are not cadre based; the reliance is therefore on the bureaucracy and the elected officials of the local governmental structure and the cooperative societies. These officials play a major role attempting to bring the rural government close to the people and to obtain their participation. Greater popular participation is seen by advocates of the reformist approach as the way to reduce the effects of a diffusion approach which can be highly inequitable in nature.116

Emile McAnany in a recent analysis of the role of communication in promoting equitable rural development in Third World countries has suggested widespread dispersal and expansion of information about the many development schemes to achieve a high degree of equity.

These [the crucial development sectors] are agricultural extension local farmer participation, credit, marketing, social services, project administration and training. If these areas are analyzed carefully in each activity is found an information component that is assumed . . . but hardly touched upon . . . Local participation, when it is a built-in goal of a project, can be promoted by both interpersonal and mediated communication. It also depends upon a feedback mechanism, so that information flows in both directions . . . [development programs] depends in an intimate way, on information, and if the communication system is strictly a proprietary one, its benefits go to those who control it. A more open market-information system, on radio perhaps, would help to promote equity.117

The reformist approach attempts to give as much widespread publicity as possible to the various components of the development policy. Instead of relying solely on the traditional extension agent, the government relies on the participatory rural structure, interpersonal and mediated communication.
Besides a communication and extension branch in every major development department of the government, the District Planning and Development Council has an independent department of information and communication for the dispersal of development information. In Nagpur district communication methods emphasize rural radio forums. Nagpur has a rural radio station which devotes considerable time to rural development activities. The radio forums have, besides representatives from the radio station, the Zilla Parishad officials concerned with rural development activities and officials of the cooperative societies. The broadcasts include information about the various rural development programs taking place in the district.

To prevent duplication of effort these forums restrict themselves to information not passed on by the extension agent to the rural households. In Nagpur district where oranges are a major cash crop the cultivation of which is increasing, widespread publicity is given to credit facilities available and information about marketing channels. During the agricultural season information about the availability of scarce inputs such as fertilizers and pesticides is given, as is information about the availability of irrigation from the two major irrigation schemes in the district.

Radio forums also play a useful role in adult education and spreading health and nutrition information.

The communication policy is a good mix of single-way and two-way communication systems, with the participatory development institutions playing a crucial role. Development communication in the reformist approach illustrates the fact that almost every activity considered
vital to rural development is information related in some way or the other. But, as McAnany emphasizes, this policy underscores the fact that increased attention to this aspect of rural development is not taken to mean that communication can be "substituted completely for other resources, but only that a better mix of material and information resources can achieve a better result . . ."118

Concluding Summary

The main thrust of the reformist approach in Maharashtra is intended to maintain the existing social structure. Towards this end, measures to improve the living conditions of the rural poor have been adopted so that the rural population does not begin to question the objective. Rural development policies do not make a frontal attack on the rural rich. The social security measures adopted in the last few years are expected to reduce the population below the poverty line in Maharashtra. Development planners in the state government expect rural poverty in the state to fall to around 25 percent of the rural population when the 1981 census data are released. Despite this change the rate of fall in rural poverty is unlikely to be as fast as in West Bengal.

Reformist policy emphasizes the building up of a homogeneous rural population and preventing cleavage along class lines. However, it is useful to note that changes in the complex class relations will have repercussions on the development policy. The Reformist approach may be radicalized or it may lose its welfare measures and degenerate into a growth oriented technocratic approach, depending upon which class gains the upper hand.
CHAPTER VI--NOTES

1. Kerala was the first state in India to follow a rural development strategy that emphasized radical land reforms and redistribution of rural assets. The Communist Party of India came to power for the first time through democratic elections in 1957 and formed a government. It implemented a series of land ceiling measures and agrarian reforms to introduce equity. The radical approach was adopted in West Bengal ten years later in 1967.


2. Green Revolution broadly denotes that phase of agricultural development in the sixties and the early seventies, when agricultural production went up considerably as a result of the application of chemical fertilizers and high yielding varieties of seeds. The 'miracle seeds' needed ample irrigation activities and therefore, the new intensive agricultural development was limited to the irrigated areas. In India the green revolution phase was ushered in by the IADP (Package Program) introduced by the government towards the end of the sixties.

3. The percentage of irrigated area to total cropped area is 7.5 percent as against an all-India average of 19.2 percent. It is 45.6 percent in Tamil Nadu, 44 percent in Punjab and 27.9 percent in U.P. Only the state of Madhya Pradesh came below Maharashtra with 6.8 percent. For details of irrigation facilities see Planning Commission, Joint Evaluation Report On Employment Guarantee Scheme of Maharashtra (New Delhi: Government of India, 1980), pp. 1-2.

4. By now, it has been accepted that while the green revolution phase of agricultural development increased agricultural production substantially, it also widened the gap between the rich and the poor in the rural areas. The rich became richer; many marginal landowners lost their lands and became agricultural laborers. For an excellent analysis of the increasing rural poverty as a result of green revolution see Francine R. Frankel, India's Green Revolution: Economic Gains and Political Costs (Princeton, NJ: Princeton University Press, 1972).


12. Ibid.

13. Ibid.


18. Ibid.


20. For a detailed account of the zamindari system and its effect on the rural economy of rural India see Note. 14, Chapter IV.


22. Ibid., p. 219.

24. As the pioneer department of governmental bureaucracy, the revenue department officials manned the new departments till separate departmental bureaucracies grew. Like its control over the police department, it came to officially supervise many other departments. Thus, after independence when social service departments came up, initially it was staffed by revenue department officials. This helped it to maintain its dominant position in the administrative structure. As it became the main administrative department its influence grew. Officials of the Indian Civil Service and its post-independence counterpart, Indian Administrative Service remained at the helm of administrative system, where the generalist administrator plays a crucial role in decision making, the revenue department the professional general administration department. However, the concept of the supremacy of the generalist administrator has been undergoing change and the generalist vs. specialist controversy has been going on for some time. Specialist administrators have been occupying more and more important positions in the recent years. For a good discussion of this issue see R. B. Jain, Contemporary Issues in Indian Administration (Delhi: Vishal Publications, 1976).

25. The term Panchayati Raj refers to a three tier system of local government institutions introduced in various states in India since 1962. Broadly the three levels are the district, the development block and the village; the representative institution at the district level is the Zilla Parishad (ZP), at the block level the Panchayat Samiti (PS), and at the village level, the Gram (Village) Panchayat (GP). The PR system came out of the recommendation of the Balwantrai Mehta Committee set up to suggest measures to decentralize administration in the rural areas and provide for popular participation. The system has also been called democratic decentralization of rural government. For a detailed account see note 29 Chapter IV. For a good survey of the PR institutions in the different states of India, see G. Ram Reddy, ed., Pattern of Panchayati Raj in India (Delhi: The Macmillian Company of India Ltd., 1977).


27. A look at the historical development of freedom movement shows that it was stronger in the zamindari areas than in the ryotwari provinces. The First War of Independence of 1857 was more widespread and fierce in the Northern and Eastern Provinces of India than in the West and the South. The oppressive nature of the landlord system became a symbol of colonial rule; it became a target for all rural elements opposed to the alien rule.

28. Mukherjee and Frykenberg dismiss any egalitarian motives to the British when they decided not to introduce the absentee landlord system in the Southern and Western Presidencies. They note: "We delude ourselves if we see any egalitarian or radical impulses in
the motives of Munro (the British Governor) and his associates. Jacobinism and the ideals of the French Revolution, one must remember, were viewed as the menace of the day, to be 'contained.' Gentlemen farmers in England may also perhaps have been 'cultivators' in the same sense as ryots. " Nilamani Mukherjee and Robert Eric Frykenberg, "The Ryotwari System . . .," p. 225.


32. For a detailed account of the peasant uprisings in Western Maharashtra and the relief measures initiated by the British government, see Ravindra Kumar, Western India in the Nineteenth Century: A Study in the Social History of Maharashtra (London: Routledge and Kegan Paul, 1968).

33. Ravindra Kumar, op. cit.

34. Ravindra Kumar, Western India . . ., p. 332.


36. Ibid.


38. Ibid.

39. Ibid. For further detailed discussion of the freedom movement in Maharashtra and the response of the various classes to it, see Gail Omvedt, Cultural Revolt in a Colonial Society (Bombay: Scientific Socialist Education Trust, 1976).

40. Ibid.


42. Gail Omvedt, op. cit.

44. Ibid.

45. Gail Omvedt, op. cit.

46. Ibid.

47. Many writers on the social scene of Maharashtra have noted the relative absence of class differentiation in rural Maharashtra. While regionalism and differences between the three geographic regions of Maharashtra have been prominent, a high degree of homogeneity has been noted in the rural social structure. This becomes all the more obvious when it is compared with rural social structure in states like Bihar. Apart from Jayant Lele and Nalini Pandit, see also Ram Joshi, "Maharashtra," in Myron Weiner, ed., State Politics in India (Princeton, NJ: Princeton University Press, 1968), pp. 168-213.


51. Ram Joshi, op. cit.


53. Ram Joshi, op. cit.

55. Reserve Bank of India, *Review of Agricultural Development* ... , p. 11.

56. Ibid., p. 12.


58. On the eve of India's independence, the states, Provinces as they were called, did not reflect any distinct linguistic or other identity; as the British conquered a geographically compact area it was declared a province under the administrative control of a governor. They differed in size and population. The large Presidencies of Bengal, Bombay and Madras and the United Provinces covered nearly three-fourths of the country; the rest of the provinces were small. There were also a large number of princely states. Bombay Presidency, for example, included the Gujarati speaking districts of the present state of Gujarat, the Bombay and Poona divisions of Maharashtra and six Kannada speaking districts of the present state of Karnataka, besides Sind, which is now in Pakistan. This situation changed, when a commission set up by the Government of India suggested the division of states according to linguistic regions. Most of the recommendations of the Commission were accepted by the Government of India; but Bombay remained bilingual till 1961. For a detailed account, see Ram Joshi, "Maharashtra . . ."  


60. Donald B. Rosenthal, op. cit.


63. For a comparative study of the PR system as recommended by the Mehta Committee and as implemented in Maharashtra see Iqbal Narain, *Panchayati Raj Administration in Maharashtra: A Study of Supervision and Control* (Bombay: Popular, 1974), pp. 1-17.

64. Ibid.

67. Ibid.
69. Reserve Bank of India, Review . . .
72. Ibid.
73. Rural indebtedness was very much lower in rural Maharashtra than in Bihar. The All-India Debt and Investment Survey conducted by the Reserve Bank of India found in 1971 that 22.69 percent of total agricultural households in Maharashtra reported liability as against 45.31 percent for Bihar. It was 29.30 percent for West Bengal. See Table , Chapter IV for a detailed comparison.
74. Reserve Bank of India, Review . . ., p. 16.
75. Ibid., p. 17.
78. Ibid.
79. Mary Carras' study covered the Zilla Parishads of Akola, in the Vidarbha region, Aurangabad in Marathwada region, Ratnagiri, in the Konkan region, and Poona in Western Maharashtra and thus covered all the four regions of Maharashtra.
80. The term 'sugar lobby' broadly refers to the influential office bearers of the cooperative societies of the sugar producing districts of Kolhapur, Satara, Sangli and Poona. These officials, who were elected to the boards of the cooperative sugar mills, marketing societies and sugar credit cooperatives, formed a strong pressure group to influence government policy. Their close identity of interests and access to finances made them important political officials in the area. State level political leaders could neglect them only at the risk of their influence in the region. Slowly the
sugar lobby came to be acknowledged as the 'king makers'. For a
detailed account of the sugar lobby and its influence see Jayant
Lele, Patriarchs, Patrons and Pluralists (Poona: Poona University
Press, 1974); and "Theory and Practice of Democratic Politics in
Maharashtra," paper presented to the Maharashtra Studies Group,

82. Ibid., p. 9.
83. Ram Joshi, op. cit. See also Ataram Ganesh Kulkarni, A Study
of Political Parties in Maharashtra (Poona: Poona University
84. V. M. Sirsikar, The Rural Elite in a Developing Society (New Delhi:
Orient Longmans, 1970), pp. 7 and 78.
86. The Congress party underwent a second split in 1978, when it was
out of power following its defeat in the Parliamentary elections
of 1977; this second split in nine years, between pro- and anti-
Indira Gandhi sections, resulted in the formation of the Congress
party-Indira. Apart from the clash of personalities, the split
was also hastened by conflicting approaches to the Commissions of
Enquiry set up by the Janata party government into the conditions
of emergency and the abuse of power by the emergency government.
The faction owing allegiance to Indira Gandhi wanted to defend the
Emergency, whereas the other group wanted to cooperate with the
Janata government. Most of the influential politicians of
Maharashtra sided with the latter group which was led by the
Leader of the Opposition in Lok Sabha (the Lower House of
Parliament) Y. B. Chavan, who hailed from Maharashtra. When the
Congress-I won the Parliamentary and the subsequent state legis­
lature elections in Maharashtra. the influential politicians, like
the sugar lobby, were defeated.
87. S. B. Chavan of Nanded district in the Marathwada region became the
Chief Minister in 1975 after V. P. Naik resigned. He was an
avowed opponent of the sugar lobby.
88. The measures included limitations on holding offices in cooperative
societies and the Zilla Parishads. For example, the ZP Act was
amended to fix a limit of two terms of five years each on ZP office
bearers. This effectively debarred many influential sugar lobby
members who had been in power in the ZPs and the cooperatives for
a long time.
39. Presently 9.9 percent of the cropped area in the state has assured irrigation facilities. Bhandara district with a figure of 30.2 percent is at the top of the districts with Yeotmal, with only 2 percent irrigation at the bottom of districts. Fourteen of the 26 districts have irrigation less than the state average. See Planning Commission, Joint Evaluation Report . . . , p. 54; table 1.4.

90. Ibid., p. 3.

91. Ibid., p. 4.

92. Ibid.

93. Ibid., pp. 2-3.

94. Henry C. Hart and Ronald J. Herring, op. cit.

95. Ibid., p. 9.

96. Ibid.


98. Ibid. Sixteen of the 25 districts have developed into important centers with Poona division specializing in agro-industries, Bombay-Thana area in heavy industries and Vidarbha leading in coal mining and energy related areas.


101. Ibid.


103. Ibid.

104. Critics note that in the last 12 years Maharashtra has not escaped a deficit budget even once.

105. The opposition parties had voiced concern before 1977 that EGS was a method to get votes for the ruling congress party. But, when the Janata Party came to power in 1977 it not only went ahead with the EGS but also expanded it to initiate unemployment compensation scheme.

107. Ibid., p. 718.

108. Ibid.


111. Planning Commission, *Joint Evaluation* . . . , p. 44.


115. Ibid.


118. Ibid.
A complex relation of things, the rural agrarian structure and the class relations as they evolved over the years was substantially responsible for the adoption of a set of policies in a state. Class formation and social relations have been crucial in the adoption of any development strategy by a state government. The internal class equation led to a preference for policies which helped the interests of the dominant class. They were reinforced by socioeconomic characteristics. Thus, in Bihar, the capture of political power by the middle-class peasantry has been instrumental in the adoption of policies favoring growth and development which paid rich dividends to this dominant class. The weak position of the rural rich in West Bengal could not prevent the adoption of radical redistributive measures which went to benefit the vast majority of the rural poor. In Maharashtra, the absence of green revolution and the consequent limitations on the development of profitable capitalist agriculture undermined the attractiveness of owning large tracts of land. The rural rich found industrial investment profitable and became receptive to land reforms. The development policy which took shape in the state addressed the needs of the rural poor to some extent.

The long-term prospects for a development strategy are dependent on the existing class relations. Changes and movements in class
equations are likely to affect the policy pursued. It is useful to summarize the circumstances of the three approaches and their consequences before evaluating their prospects. It will open up theoretical and practical implications for actions.

Technocratic Strategy

The technocratic approach primarily seeks to identify rural poverty with low productivity, low level of technology and lack of modernization in rural society. Poverty alleviation measures, consequently include schemes to increase agricultural productivity and economic growth. Those rural people possessing skills and resources are provided with easy access to such modern inputs as high yielding varieties of seeds, chemical fertilizers and pesticides and technical innovations. In short, rural development is identified with increasing agricultural production.

Such a strategy is biased heavily in favor of the rich farmer. The rural poor receive negligible attention from the development planners as the already wide gap between the rich and the rural poor increases.

Apart from the limited reform of abolishing absentee landlordism, scant attention is paid to meaningful land reforms and structural change. The abolition of absentee landlords is primarily intended to remove a major semi-feudal establishment and to create conditions for the development of capitalist agriculture. In the absence of participatory governmental institutions, the bureaucracy has become the
### Table 29. Policy Models of Rural Development

<table>
<thead>
<tr>
<th>Interpretation of causes of rural underdevelopment</th>
<th>Technocratic Strategy</th>
<th>Reformist Strategy</th>
<th>Radical Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low productivity main problem, due to the inability of the rural people to absorb modern methods of production; low level of capital in the rural areas; absence of modern technology and skills in the rural sector.</td>
<td>Low productivity and high incidence of rural inequalities standing in the way of accumulation of capital; excessive bureaucratization of development institutions and lack of participatory decision-making bodies.</td>
<td>Exploitative class structure, inequalities of power, privilege and status, existing property relations which is biased in favor of the rich; dependence of the rural poor on the rich reinforcing the existing inequalities.</td>
<td></td>
</tr>
</tbody>
</table>

### Policy Objectives

**1. Social and Structural Change**
- No change sought in the existing social structure. Capitalist social relations encouraged.
- Institutionalization of participatory democratic community institutions; infusion of new attitudes and technology for raising production.
- Institutionalization of equality, removal of exploitative relationships, creation of new solidarity institutions and through them raising productivity.

**2. Attitudinal and Value Changes**
- Local political authority strong and powerful; local political passivity present.
- Restricted local activism to sustain new cooperative activity; respect for democratic local decision-making bodies inculcated.
- Self-reliance, political activism, critical attitudes towards local authorities inculcated.

(c) Emphasis on application of science and technology for increasing productivity

- Inculcation of entrepreneurial spirit; respect for existing property relations inculcated.
- Respect for existing social structure inculcated.
- Attitudes favoring radical rejection of existing property relations inculcated.

- Radical redistribution of rural assets to precede package to increase productivity.

### Major Programs.

**1. No land reforms.**
- 1. Moderate land reforms.
- 1. Radical land reforms.

**2. Centralized state level planning for rural development.**
- 1. Limited district level, community development planning.
- 2. Participatory decentralized local planning.
### Table 29 (continued) Policy Models of Rural Development

<table>
<thead>
<tr>
<th>Instruments of Action</th>
<th>Technocratic Strategy</th>
<th>Reformist Strategy</th>
<th>Radical Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Bureaucracy main instrument of action; local bureaucrat in predominant position; his contact limited to the dominant groups in the rural areas.</td>
<td>3. Encouragement of individual agricultural entrepreneurs.</td>
<td>3. Emphasis on introduction of cooperatives, local government institutions and voluntary groups.</td>
<td>3. Promotion of rural industrialization and agro-based units.</td>
</tr>
<tr>
<td>2. Collusion between bureaucracy and local power wielders.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Communication Policy</td>
<td>1. Designed to motivate the rural agriculturists to change, adopt measures to increase production.</td>
<td>Directed at easing the high incidence of rural inequality and increase production.</td>
<td>Primary goal to raise the level of conscientization of the rural people to help them break out of dependency relations with the rich. Designed to achieve structural change.</td>
</tr>
<tr>
<td>2. Diffusion the accepted philosophy. Information restricted.</td>
<td>Partly diffusion; but wider accessibility of communication to rural population. Information widely available</td>
<td>By popular participation and organization; politically committed cadre of workers organize and politicize the rural population.</td>
<td></td>
</tr>
<tr>
<td>4. Local extension worker main source of communication; so information is restricted with benefits going to a limited, privileged class.</td>
<td>Communication free and readily available; source not restricted to extension worker; some elements of interpersonal communication.</td>
<td>Interpersonal communication; role of extension agent negligible.</td>
<td></td>
</tr>
</tbody>
</table>

main agent of developmental activities in the rural areas. The bureaucracy, with its sympathies to the rural rich, has helped to further the interest of this class.

The increasing political power of the middle-class farmers, who have gained the most from the abolition of absentee landlords, and the profits offered by modern agricultural practices have helped the middle class to become capitalist farmers. Capitalist agricultural development in turn, has helped the new class of 'kulak' farmers to become the dominant force in the Bihar countryside. For the richer farmers at least, agriculture has ceased to be merely a means of subsistence and has become a profitable commercial venture. With profit motive becoming a prime mover and capitalist agriculture expanding, there has been a drastic change in rural class relations.

During the supremacy of the absentee landlords, the relationship between the landowners and the tenants and the agricultural laborers could be described as patron-client.² Thus, though absentee landlordism led to increased rural indebtedness and bondage to the landowners, there was some amount of economic security. The landlord was a source of an assured job, however low the wages and tough the conditions of bondage. Development of capitalist agriculture led to a breakdown of the old system. Capitalist labor relations, while helping to break up the bondage, removed economic security; jobs with the landlords were no longer assured. As Harry Blair noted, the trade off involved the giving up of the position of degradation with some security for one of degradation without any security at all.³ Yujiro Hayami observes along the same lines:
It is my impression that the relation between farmer employers and agricultural laborers now prevailing . . . is more like an urban market type rather than a patron-client type; this somewhat impersonal market-like relation in Indian village is reinforced . . . by class conflict [and] is that much more sharp and explosive . . . [It] appeared to me much more tense and sharply felt than in South East Asia. 4

Hayami's finding was based on a study of eastern Indian states and strengthens the observations of those who note the increasing polarization of the rural population in states like Bihar.

The technocratic strategy has, thus, apart from widening the gap between the rich and the poor in the rural areas, sharpened class differentiation. Increasing pauperization of the rural poor has spurred organization of the poor and violent incidents between the classes have spread in the rural classes. With widespread resistance to the rich landlords by the rural poor, the technocratic, growth-oriented approach to rural development faces formidable opposition.

Radical Approach

The radical approach interprets the reason for rural poverty differently from the earlier model. 5 In fact, it is quite the antithesis of the technocratic approach. This model of rural development identifies the inequalities of income and opportunities existing in the rural areas as the main reason for rural underdevelopment. Thus, rural backwardness is not merely the low level of productivity and the absence of technology; these are only the symptoms. Rural underdevelopment is the vast differentiation between the rich and the poor and the economic, social and political dependence of the poor on
the rich. Rural poverty is the direct outcome of this factor. Thus, rural development will necessitate the redistribution of rural assets and attaining a certain degree of equality. Reducing the power and influence of the rural rich is crucial to reduce the dependence of the poor on the rich. This process has to be strengthened by vigorous political education of the rural poor. Through effective interpersonal communication, the level of conscientization of the rural poor is sought to be raised so that they can participate in the process of rural development as equals.

In the place of the old rural structure, a new political and social system is being created. New political institutions are being established in the rural areas to provide for participation by the rural people. These new institutions are given control over the development process in the rural areas. Thus, political reeducation of the rural poor and control over development activities by those who have been exposed to a new interpretation of causes of rural poverty and backwardness helps direct future development along a more egalitarian path. In this dispensation, the government intervenes more forcefully on behalf of the rural poor. Instead of attempting to be neutral between classes and thus siding with those forces attempting to maintain the status quo, the government effectively intervenes on behalf of the poor. While enforcing land ceiling measures, for example, the government openly sides with the poor beneficiaries. Organizations of the rural poor are encouraged to come out and take an active role by helping the government in the implementation of development policies.
The radical development approach however, does not neglect economic development and technological innovations. Indeed, after a high level of equality is achieved in the rural areas through thoroughgoing land reforms and distribution measures, the new landowners are given aid to increase production by applying modern agricultural practices. The crucial part played by modern science and technology in rural development is acknowledged by policy makers. But modern technology is no equalizer of development benefits; when applied in an inegalitarian set-up, it widens the gap between the rich and the poor. When a radical redistribution of rural assets is achieved and subsequently modern technological developments are harnessed, it can help the poor to improve their lives considerably. It is also realized that equal distribution of assets alone is not sufficient. Such a redistribution has to be followed by a concentrated effort to improve the standards of living of the poor for development to be fruitful. Modern science and technological innovations play a vital role at this stage.

The effectiveness of this model for reducing rural poverty in the state of West Bengal and the popularity of the parties espousing the radical approach, as evidenced by their victory in the recent elections, are bound to make this an attractive model for rural development. Its attractiveness, in states like Bihar to the rural poor, who have been adversely affected by the technocratic strategy, is likely to increase.
Reformist Strategy.

The reformist approach to rural development falls somewhere in between in a scale with the technocratic and radical approaches at the two ends. It has some of the features of the other two. It incorporates some features of the radical strategy to reduce the oppressive characteristics of the technocratic strategy. A study of the development experience of Maharashtra, where a reformist strategy is being adopted, shows that it is an attempt to improve the standard of living of the rural poor without a major redistribution of rural assets. There is no attempt to change the existing social relations, but their oppressive nature is being reduced by government-sponsored social security measures. While noting the low productivity of the agricultural sector and the high incidence of poverty, development planners also note the inequitous landholding pattern. Thus, limited agrarian reforms are carried out, together with attempts to bring the fruits of the green revolution technology to the small and marginal farmers. Participatory governmental institutions, such as the PR bodies, are introduced to involve the rural community in the developmental process. When development functions are carried out by popular bodies, the influence of governmental bureaucracy is drastically reduced. The bureaucracy is not able to influence the course of development activities. To further reduce the influence of the rural rich and to provide credit support to the new beneficiaries of land reforms, cooperative institutions are encouraged and supported by the government. Financial support from the cooperative societies help the rural poor to break out of indebtedness.
These reforms notwithstanding, it must be emphasized that a drastic reorganization of the rural power structure is never espoused by the reformist approach. Indeed, as Inayatullah remarks, "the model (which is being discussed) is tolerant of a moderate degree of inequality." The rural landlords who stand to lose by redistribution of land to the landless are encouraged to take up cash crop cultivation and to invest in industries. The setting up of industries in the rural areas and small towns gives employment opportunity to the landless. Social security measures provide limited relief to those poor sections of the community who do not own land and otherwise receive little benefit from the government's development schemes.

To sum up, the reformist approach, while being an improvement over the technocratic approach, does not envisage reforms as thoroughgoing and fundamental as the radical strategy does. It essentially seeks to maintain the existing power structure while trying to provide benefits to a substantial segment of the rural poor and attempting to mitigate the abject poverty of those who receive no or little benefit from the development schemes of the government.

Some Broad Research Issues

A basic tenet of the thesis presented here is that the adoption of a particular development approach in a state has been the result, more than anything else, of the class relations prevalent in the state and the development of the agrarian structure. In fact, as the history of the evolution of rural society in each of the states indicates, the rural class structure and agrarian structure are
closely related. The imposition of a particular agrarian system in a particular province led to the evolution of a set of class relations. The colonial government imposed two distinct agrarian systems, the zamindari and the ryotwari, and different class relations emerged. The creation of a powerful class of absentee landlords widened income disparities in the rural areas. It directly contributed to the adoption of the technocratic approach to development in Bihar. The widening gap between the rich and the poor, by contributing to the politicization of the rural poor led to the adoption of a radical approach in West Bengal. The ryotwari system, by providing for a wider ownership of land, facilitated the development of more harmonious class relations in the rural areas. In India today, rural poverty is more acute in the ex-zamindari areas than in the ryotwari states.9

The zamindari system increased the power of the rich landlords and the rural middle class. The increasing pauperization of the peasantry and their dependence on the rich accelerated this process. The all-pervasive presence of the rural rich helped to capture the governmental institutions in the rural areas when they were later established. The capture of political power by the rural rich helped it maintain its hold on government policy. Thus, the government actions reflected the class interests of the rural rich; this class, apart from maintaining its dominant position sought to prevent the development of other sections of the community in order to preserve and extend its hegemony. The interests of the rural rich effectively precluded the adoption of even moderately reformist policies.

Measures to help the rural rich were harmful to the interests of the poor. The Intensive Agricultural Production Program and IRDP went
to help the rich and pauperize the rural poor. The interests of the landed rural middle class of Bihar were opposed to even moderate land reforms. As a consequence, there was little interest in accommodating the interests of the poor.

The development strategy in effect produced a confrontational posture as it resulted in clashes among the interests of the poor. The dominating control that the rural landed class had over the governmental decision-making apparatus precluded a more conciliatory approach towards the poor. Thus, in spite of the increasing organization of the rural poor and violence in the rural areas, measures even remotely resembling the reformist approach in Maharashtra were not adopted.

It may be useful here to compare the political economy of present-day Bihar with that of West Bengal in the fifties and the early sixties. The rural rich had a strong control over the political decision-making bodies. No doubt the large-scale migration of refugees from East Bengal had reduced the influence of the rich. But till the UF government came to power in 1967, the rural rich had a considerable sway over the social and political life of rural Bengal. When it was translated into development policies favoring their class interests, it quickly clashed with the interests of the rural landless, small and marginal farmers. The widening gap between the rich and the poor and the increasing polarization hastened the politicization of the peasantry. The communist parties, which had an early foothold in Bengal, were able to organize the poor and win elections to the state assembly in 1967. Thus, it is no exaggeration to say that
the consequences of the technocratic approach paved the way for the radical approach in West Bengal.

An analysis of the political economy of rural development in Bihar shows that radical organization of the rural poor is taking place. The increasing acceptance of the left wing parties by the rural population points to the possibility of the Bengal experience being followed in Bihar. Indeed the present situation, economic, political and social, in Bihar is not substantially different from that of Bengal in the early sixties.

A radical solution to the problem of poverty could be the inevitable consequence of the technocratic approach. Many observers of the complex class equation and rural poverty in Northern India note that the increasing pauperization of the rural poor and increasing political conscientization is bound to lead to a Bengal type solution.\textsuperscript{10} A look at the seriousness of rural poverty in North and Eastern India shows that the ex-zamindari areas have a high concentration of the landless and rural poor. Capitalist agriculture is also more developed in these areas.\textsuperscript{11} Consequently the gap between the rich and the poor is also wider in these areas. On the other hand, as seen earlier, the ryotwari regions have a more widespread ownership of land and less polarization in the rural areas.

Gail Omvedt, in a recent study of agricultural development and rural classes in India, notes that areas of capitalist agriculture report a higher incidence of rural violence and class conflict. The overwhelming dominance of the rural rich and the compulsions of capitalist agriculture increase the oppression of the poor. She notes
that rural violence, because of the exploitation of the poor by the wealthy farmers and the resistance by the poor, has strengthened the organization of the poor. Early violent incidents in the rural areas widens the gap between the rich and the poor. The fact is that the process of proletarianization is going on, not only 'from above' as rich farmers or landlords become agricultural entrepreneurs but also 'from below' as the rural poor and downtrodden assert their rights as human beings and workers. Proletarianization of the rural poor in the context of the expansionary nature of the Indian electoral system is likely to change radically the existing power relations.

The political cost, in terms of elected seats lost, of following a policy opposed to the interests of the rural poor is likely to be high. The electoral experience of political parties in Bengal and the increasing success of the left wing parties in Bihar clearly point to this.

At the same time, to hope for any change in the existing development policy because the long-term survival of the rural rich demands a more conciliatory approach to the poor, is being overly optimistic. Many critical analysts of the political economy of Bihar note that survival instincts of the rural rich will demand changes. Jannuzi notes:

For the present, the choice remains open to those who hold power in Bihar to facilitate or hinder the process of change is to cooperate in paradoxical alliance with groups seeking to supplant them; to facilitate change is to engage in activities that threaten to erode the power and prestige they would like to retain. Yet, for the elites to hinder change may mean attaching themselves irrevocably to an increasingly isolated minority in an
ultimately fruitless effort to deny the demands of a militant majority coalition of small landholders, sharecroppers, and some landless laborers...

If the ruling elites fail to respond to the legitimate interests of the Bihar peasantry, they risk losing all opportunity to guide and direct a process of orderly social, economic, and political change, thus leaving the field exclusively to those who would act violently to promote change and on the other those who would act violently to forestall it.15

Some hoped that the rural rich will see the writing on the wall and rather than lose all they have and meet the fate of their counterparts in West Bengal, compromise with the poor and concede some of their demands; in short, follow a reformist approach. It is, however, unlikely that any change in the development policy to accommodate the interests of the rural poor will be forthcoming. The existing approach is so beneficial to the immediate interests of the rural rich that it is unlikely to change. Furthermore, this class has the political power to implement programs favorable to its interests. Short-term success rules out any possibility of change.

As Rosenthal notes, "... the rural local elites have proven themselves highly insensitive to the long-range consequences of their behavior..."16 The behavior of the 'kulak' class of West Bengal in the sixties supports the conclusion of Rosenthal. Thus, it is unlikely that the rural rich in Bihar will take measures to alter the process already set in motion.17

The reformist approach is a more reliable strategy to maintain the existing social order. Reformism is indeed "an activity undertaken to maintain the existing social order."18 It accommodates some of the pressing needs of the poor while not seriously threatening the position of the rural rich. Henry Hart and Ronald Herring note that
the fear of a revolutionary alternative, wherein the rural rich would lose their dominance, may have been one of the reasons for a more 'accommodative politics' by the elite. Indeed, by accommodating to a limited degree the interests of the rural poor, the rich have avoided the emergence of a militant peasant movement. Thus, in a reformist structure the existence of the rich is neither at stake nor threatened; it is in a more comfortable position than its counterpart in Bihar.

The increasing social welfare activities and development schemes to help the poor have further reinforced this tendency. As Hart and Herring aptly observe, "An expanding economy in Maharashtra, spurred by public investment and supporting still higher levels of public investment, may build support for, and decrease dissatisfaction with the political elite." The relative absence of strife and violence in rural Maharashtra lends considerable support to this observation. Public social welfare expenditure and a broad-based ownership of land reduces the appetite for class conflict and encourages class harmony. The absence of extreme inequalities and rural poverty may dampen any popular revolutionary movement in rural Maharashtra. Furthermore, moderate inequality is more difficult to upset than extreme inequality and the motivation of the poor in the former case is limited; the alternative is not very appealing to a wide section of the community. The long-term class interests of the rural rich favor the adoption of a reformist strategy, which accommodates the interests of the rural poor to a certain extent.

The radical strategy is the most attractive and theoretically sound approach to equitable rural development. As noted in Chapter IV, there is evidence to show that a production oriented technocratic
approach has great potential for increasing the impoverishment of the poor, class conflict and the ultimate acceptance of a radical approach. Of the three strategies the radical one alone recognizes the vital need to abolish the existing inequalities and restructure rural class relations; a drastic change in rural class relations is crucial to equitable development. The adoption of the radical strategy in Indian states, however, was in an environment drastically different from those of a similar approach to development adopted in many countries. The production relation prevalent in India cannot be explained as socialistic; as seen in Chapter III, India is essentially a capitalist economy. It has a parliamentary form of democracy and many political parties competing for power. The CPM and its allies won elections to the West Bengal legislature, formed the government and introduced the new strategy of development; they won the election on a platform promising drastic reorganization of the rural social structure. The CPM was one of many political parties competing for office and after its electoral victory sought to change the structure of rural society while working within the four corners of the Indian constitution. The Communist and other left wing parties are functioning within the Indian political system. Thus, the socio-political environment under which the strategy is being implemented is very different from that of radical governments such as the USSR, China, Cuba or Viet Nam. In India the Communist parties have to compete with others and have to keep winning elections to continue to pursue the radical approach.

The political environment and conditions under which the radical policy is working has generated speculations about its future. Some
left wing critics contend that a radical policy will be watered down to a reformist one in the long run. It is feared that the communist parties, once they get accustomed to political power, will start resembling other bourgeois political parties.

Other left wing political commentators fear that the communist parties, because of the necessities of electoral politics will have to compromise with different sections of society and to a certain extent sacrifice the cause of the rural poor. The welcome the LF government gave to a new heavy industrial unit being set up by Hindustan Lever--an affiliate of the multinational corporation, Unilever--is seen as a political accommodation of this kind. Ashok Rudra, in a bitter attack on the LF government of West Bengal, entitled, "One Step Forward, Two Steps Backward," comments:

If a political party aims at majority support among the agricultural population, it can not but in the ultimate analysis, betray the most exploited and the most oppressed sections of the rural masses. This proposition sounds like an axiom, but can be derived from the basic principles of Marxism...

He criticizes the communist parties for gradually coming to have a vested interest in the parliamentary form of government and thus playing into the hands of the Central government. Some observers have noted that the initial idea of the Congress party and the Central government was to let the communist parties take part in elections and form governments, so that the radical parties would come to accept the political process and the system. Marshall Windmiller and Gene D. Overstreet in a detailed study of the communist parties of India confirmed this contention:
It [the Congress government] has pursued a policy which has included close surveillance of the CPI . . . prompt prosecution when Communists break the law . . . intensive anti-Communist propaganda by government and Congress party leaders . . . [and] extension of full constitutional rights to the Communists, including office holding, thus giving the party a vested interest in the existing governmental system.26

Therefore, critics like Rudra would like the communist parties of India to opt out of the parliamentary system and struggle for the establishment of a socialist state.

The main argument of Rudra against the communist parties taking part in the Indian political system is clear to those who are familiar with the development of the communist movement in India. In the forties and the fifties, the then United CPI engaged in intense debate about the advisability of taking part in newly independent India's political system. One strong group opposed it on the lines of Rudra's argument; it was maintained that the CPI would become a 'bourgeois' political party. The other group felt that in India it was necessary to take part in the political process and win state power through elections. This group contended that a large section of the national bourgeoisie was progressive and it was necessary to make common cause with them to form a socialist state.27 The hands of this section were strengthened by the victory of the CPI in the 1957 elections in Kerala. Though the government fell within two years, it won subsequent elections to the state legislature and the view that the CPI must be a political party working within the political system gained ground. The split of the party did not change this view. The major test of this thesis was by the Naxalites—the CPI-Marxist-Leninist—in the middle sixties. But the change in the political scene of India after
1977, when the dominant Congress party was overwhelmingly defeated in the elections, the electoral victory of the communist parties in West Bengal, Kerala and Tripura states, combined with the changes within the international communist movement, reinforced the dominant trend within Indian communist parties.\(^{28}\) As noted in Chapter V, the CPI-ML split in 1980 and a large segment of it went into the fold of CPI-M. Now the section within the communist parties opposed to participation in the political process is a small minority.

Nevertheless, it needs to be realized that the arguments of Rudra have some validity. There exists a possibility that the communist parties will start resembling other political parties soon and the radical approach may be watered down to reformism. During field research for this study, it was revealed in interviews that the leadership of the parties is aware of the pitfalls in the system and is constantly on the lookout for deviation by party officials.\(^{29}\) The communist parties have not lost their commitment to the rural poor or to a radical restructuring of rural society twenty-five years after their first electoral victory in Kerala.\(^{30}\) The performance of the LF government in West Bengal demonstrates that the left wing parties have a radical alternative to development policies being followed elsewhere and have demonstrated capacity to produce benefits for the rural poor. The communist parties, apart from introducing programs genuinely beneficial to the rural poor have also forced other political parties to pay a close and serious attention to the issue of poverty. Thus, strict ideological critiques notwithstanding, the communist parties cannot be said to have started showing signs of flagging in their commitment to the poor.\(^{31}\)
In conclusion, it is useful to note that strategies for rural development need continuous evaluation and assessment. In the long term, strategies change; radicalism could be watered down to reformism, or a reformist approach could degenerate into a technocratic approach. Conversely, the incongruities of a technocratic approach makes possible a radical approach to rural development. Rural development is an exciting area in which continuous research is extremely valuable, to monitor changes and movements and suggest alternative policies and strategies. As movement toward alleviation of rural poverty becomes an important criterion for evaluating the work of governments and political parties continuing research in this area should be of considerable interest to both, the officials and those engaged in the social sciences.
CHAPTER VII--NOTES


3. See Note 79, Chapter IV.


6. Quinquennial elections to the West Bengal Legislative Assembly were held on June 6, 1982. The CPI-M and its allies were re-elected with an improved majority. The new LF government's term extends till June 1987. During the election campaign the LF promised to continue its rural development policies and seek far-reaching changes in the administrative system and the bureaucracy.

7. This approach is termed 'Medium Intervention-Solidarity Model' by Inayatulla, pp. 17-27.

8. Ibid.

9. The incidence of rural poverty in the states of Uttar Pradesh, Madhya Pradesh, Bihar, Orissa, West Bengal, Assam and Rajasthan is more than in the other states. These states had the zamindari system of land tenure. Many researchers like Mishra, argue that rural poverty is most acute in the zamindari states; the percentage of population below the poverty line in the ex-zamindari states is more than in the ryotwari states. See Girish Mishra, Agrarian Troubles of Permanent Settlement: A Case Study of Champaran (New Delhi: People's Publishing House, 1980).

10. See Girish Mishra, Agrarian Troubles . . .

11. Ibid.


14. Ibid.


17. It is worth noting here that Bihar government has not initiated any reformist measures. For example, some form of rural employment program, like the Employment Guarantee Scheme of Maharashtra or the Food for Work or Rural Works Program of West Bengal have been started in the rural areas of many states in India. Studies by the Planning Commission have showed that these go a long way in improving the living standards of the rural poor.


20. Ibid.

21. Samuel P. Huntington, Political Order in Changing Societies (New Haven: Yale University Press, 1968), p. 75. He notes, "The ability of governments to carry out land reforms may well vary directly with the degree of concentration of ownership."

22. Keith Griffin and Inayatullah classify China, Cuba and Viet Nam as countries which, after World War II have followed radical rural development strategy. These countries have revolutionary governments which toppled conservative regimes and established socialist economies. These countries have rigidly controlled economies and one party political structure. India, on the contrary, has an open political system and as seen in this research study, a state capitalist economy. See Keith Griffin, The Political Economy of Agrarian Change (Cambridge, Mass.: Harvard University Press, 1974), pp. 186-187 and Inayatullah, "Conceptual Framework . . ." See also note 19, Chapter I.
23. In the parliamentary system many political parties vie for political power. Thus, the radical approach in Indian states depends on the left wing parties continuing to retain political power.

24. Hindustan Lever has set up a major chemical plant at Haldia in West Bengal. The LF government was keenly interested in Lever setting up this plant in West Bengal; the state has a high rate of urban unemployment and new industries help ease the unemployment problem. My discussions with the political leaders of the state showed that the LF government is making little changes in industrial investment and growth policies. Besides, the power of a state government in the area of heavy industries is very limited. The long-term plan of the communist parties in India however, call for nationalization of all heavy industries. This, however, cannot be accomplished as long as the power of these parties is limited to state governments.


27. For a detailed discussion of the issue see Mohan Ram, Indian Communism (Delhi: Vikas, 1969).

28. In the international communist movement the drastic change in the internal and external policies of China after the death of Mao Tse Tung further disillusioned the Naxalites. In India, while the CPI and CPM accepted the Russian explanation of world politics, they had disagreed on the internal policies to be followed. But, the CPI-M-L accepted the Chinese version and maintained that revolution was the legitimate route to a socialist society. The Chinese shift in favor of the West greatly embarrassed the Naxalites. The overwhelming response of the communist parties to China has been negative. Consequently, the Russian line has gained more acceptance. Russia had all along advised the Indian Communists that they should take part in the Indian political system and establish a socialist state after winning elections.

29. The state level party officials have been keeping a close watch on the elected party representatives to see that they did not lose their commitment to the rural poor. District officials of Midnapore to whom I talked, were aware of the risk of 'softening' into what they described as 'petty bourgeois development official'.

31. It is useful to note here that the relative success of the radical strategy in reducing rural poverty and emphasizing distributive justice is in no small measure responsible for the adoption of a reformist approach. In a broader sense the participation of the Communist parties in the Parliamentary system has forced the other parties to seriously consider poverty alleviation measures and offer alternatives. Thus, the Communist parties have highlighted the problem of rural poverty.
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