Kurukshetra

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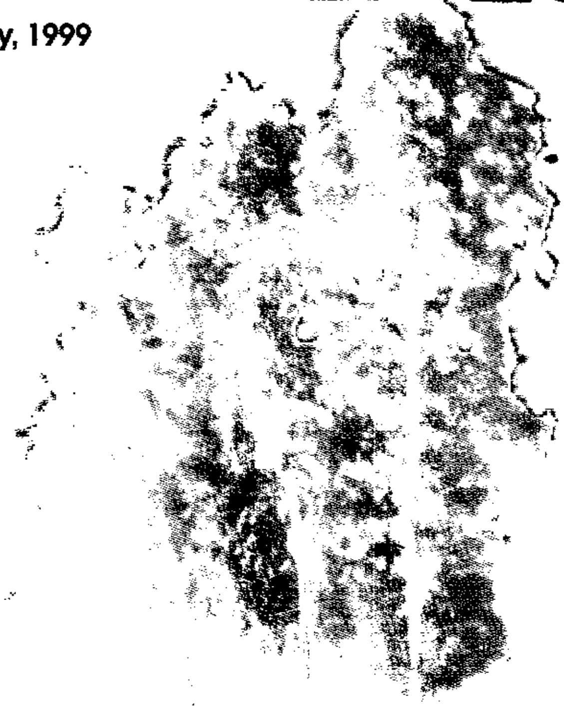

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CONTENTS

KURUKSHETRA, published in English and Hindi, seeks to carry the message of development to all sections of the people and serves as a forum for free, frank and serious discussion on the problems of development with the focus on rural uplift. The articles may be reproduced with a line in acknowledgment.

Speeding Up Land Reform Measures

Navin Chandra Joshi

The Centre has called upon state governments to distribute ceiling surplus land by the end of this year as a first step to speed up land reform measures, and also to take the necessary steps for speedy disposal of land litigation cases including setting up of tribunals under Article 232-B of the Constitution and by creating special benches in the high courts.

Experience so far has shown that land reforms could not be implemented adequately as either the laws were defective or implementation was stalled through litigation. In the matter of ceiling on holdings, the state governments just could not take possession of all the area declared surplus mainly due to litigation. To obviate such difficulties, the Constitution (49th) Amendment Act, 1983 was passed by Parliament in August 1984. It put 14 land reform laws in the Ninth Schedule of the Constitution providing immunity to these measures from being challenged in a court of law. Again, the Constitution (81st) Amendment Act, 1994, passed in 1995, placed land reform laws in seven States under the Ninth Schedule. The Status of Bihar, Karnataka, Kerala, Orissa, Rajasthan, Tamil Nadu and West Bengal had sought the inclusion of some of their Acts relating to land reforms in the Ninth Schedule so that they are not challenged in a court.

Enforcement of ceiling on land holdings had remained no more edifying than the abolition of intermediary tenures or the implementation of the tenancy reform measures. Even today, only 2.4 per cent landholders are operating 22.3 per cent of the area under cultivation. On the other hand, 74.5 per cent farmers are holding only 26.3 per cent of the area. This fact underscores the skewed pattern of land holdings in India at present. Holdings above 10 hectares constituting 2.4 per cent operate as much as 22.87 per cent of the total area. All this signifies marginalisation of the poor peasant and effective concentration of land in a few, despite land ceiling laws. Surveys made recently have revealed that most of the redistributed land has reverted to the original owners.

Laws relating to security of tenure could not be implemented effectively due to absence of correct and up-to-date land records. A person could not claim that he was a tenant if his name did not appear in the land records. As a result of laws conferring ownership rights on tenants in various states, approximately 40 lakh tenants acquired ownership rights over 90 lakh acres. This was much less than the number of tenants who were entitled to purchase ownership rights. Many tenants just could not afford to pay the purchase price while others were unwilling to purchase as landlords pressurised the tenants into submitting that they were not interested.

It is true that following the abolition of intermediary tenures like zamindars and jagirdars in most parts of the country, some 20 million had come in direct contact with the State. Moreover, in Andhra Pradesh, Bihar, Haryana, Punjab, Tamil Nadu, West Bengal, Orissa and Assam, ownership rights on tenants have still to be conferred either wholly or partially. In some States they have not been allowed to resume land for self-cultivation. Widows and minors have not been given adequate protection. In Nagaland nobody knows how much land one possessed. There is also no land revenue of any kind and sale/purchase takes place without the intervention of the community. Land would not generally be sold to another tribe and there is no tenancy of any kind. The land disputes are settled by the tribal council.

The stark reality, in fact, is that ownership rights on tenants and sharecroppers have not been conferred in Andhra Pradesh (Andhra area), Bihar, Haryana, Punjab, Tamil Nadu and West Bengal (for sharecroppers). While the 'Operation Barga' in West Bengal brought about 1.3 million bargadars (sharecroppers) on records, similar attempts have not been made in Bihar or Tamil Nadu and the tenancies in these States are not largely on record. Naturally, therefore, without bringing the tenants and sharecroppers on records, the security of tenurial rights cannot be ensured and these persons cannot get even a crop loan from credit institutions.

In sum, land reforms do not involve only redistribution of land as is commonly believed. It also involves issues like whose land is being redistributed, what type of land is there for the purpose, what is the objective of redistribution, and so on. In many cases, formal take-over of land by the States has not been allowed by its demarcation into plots.

In the context of defective records or their absence altogether, the Wadhwa Committee appointed by the Planning Commission to evaluate the situation concerning records of rights in land suggested establishment of an autonomous statutory corporation called 'Land Title Corporation'. The committee also recommended a change-over from the present system of presumptive titles to land to conclusive titles.

The fact is that without bringing the tenants and sharecroppers on record, security of tenurial rights cannot be ensured and these persons cannot get even a crop loan from credit institutions. The irony of the whole situation is that while the feudal order has been done away with, the feudal elements have emerged stronger and more powerful. As the present elite does not concede any steps that would undermine their economic and political power, any future policy alternative has necessarily to accept the present power structure in our villages.

The power structure is heavily in favour of big owners of land who hold numerous positions in public life. In fact, they have also created their vested interest through their own lobby in assemblies of States and the Parliament at the Centre. The Government having rejected the trickle-down theory of rural and agricultural development, there is a critical need to restructure the land relations in the village community.

In sum, land reforms do not involve only redistribution of land as is commonly believed. It also involves issues like whose land is being redistributed, what type of land is there for the purpose, what is the objective of redistribution, and so on. In many cases, formal take-over of land by the States has not been allowed by its demarcation into plots. There are instances of blocks of land having been allocated to a number of assignees without demarcating the share of each. Deeds of assignments do not clearly state which part of land has been assigned. No steps have been taken for recording the rights of the assignee in the record of rights or other relevant documents.

It is also true that in spite of non-implementation, defective implementation or non-existence of certain land reform measures, agricultural production has been increasing. However, if more supplementary measures of positive help to the vast majority of farmers through legislation or otherwise, along with plugging the existing loopholes in the existing laws, are adopted, a new era of quantum jump in agricultural progress could be heralded soon.

It is also important that potential beneficiaries are made aware of the land reforms programme. The existing socio-economic order in which the power base lies with the rural rich needs to be radically changed to a new order in which power balance will favour the rural poor. The recent developments in regard to biological technology in agriculture have made the small-peasant agriculture potentially viable. Likewise, new institutional innovations in the field of research, price support, credit supply, water management and other inputs are going to have immense impact on the totality of Indian agrarian structure. In the ultimate analysis, land reforms would improve future prospects, in relation to raising farm productivity, income and employment of the rural people. ❑

● *The author is a well-known Economist and a reputed writer.*

Striding Towards Developed India

Petroleum And Natural Gas

— To make available to the consumers quality products at competitive prices, the phased dismantling of APM began on 1st April, 1998.

— Refining Sector has been delicensed. The 1998-99 budget introduced a 5 year tax holiday for new refineries to be set up after 1st October, 1993. In July, Government allowed private and joint sector refineries to import crude oil for actual use in their refineries.

— Production Sharing Contracts (PSCs) for 13 exploration blocks were signed which were pending for a long time. These blocks cover an area of over 45,000 sq. kms.

— To improve the atmospheric environment, only unleaded petrol (ULP) is being supplied in Delhi w.e.f. 1st September, '98. ULP has been introduced from June 1, 1998 in all other metropolitan cities and major towns.

— To give boost to the infrastructure, a cess of Re. 1 per litre on petrol was introduced through Budget 1998-99 to form a corpus of Rs. 790 crore which will be used for development of National Highways.

Fertilizers

— The availability of fertilizers has been comfortable during Kharif 1998 and no reports of shortages were received. During Rabi so far, while the urea availability at 57.06 lakh tonnes was satisfactory.

Railways

— Newly completed 760 kms Konkan Railways dedicated to the nation in May 1998. It connects Maharashtra, Goa, Karnataka and Kerala on West Coast.

— Tatkal Booking facility have been extended to all 81 major Trains.

— Senior citizens have been allowed concession of *30 per cent* in all classes in *all trains,* as against 25 per cent available before in Second Class only.

— Unemployed youths attending interviews for selection to Central Governments jobs were given full concession in Second Class on production of certified copy of call letter and application.

Mines

— Special drive launched for expeditious disposal of States for grant of Mining Leases. 256 cases disposed of during April to November, 1998.

— Twelve proposals of Foreign Direct Investment of about Rs. 474 crore in the mining sector were cleared.

Steel

— National Mineral Corporation Ltd. (NMDC) to take up the exploration of gold and other minerals in Madagascar.

Water Resources

— A scheme has been taken up to utilise ground water in the Eastern region with an outlay of Rs. 6.95 crore in 1998-99.

— Annual replenishable ground water resource has been firmed up as 64.05 million hectare.

— Andhra Pradesh Economic Restructuring Project negotiated with World Bank has been approved by the Bank. The Project has an outlay US$142 million under the irrigation component.

Accelerated Irrigation Benefits Programme

— A sum of Rs. 1,500/- crore has been earmarked for the State Governments as assistance under the Accelerated Irrigated Benefits Programme during 1998-99 to accelerate the implementation of large irrigation projects which have spilled over from one Plan to another mainly because of financial constraints of the State Governments.

Externally Aided Project

— Andhra Pradesh Economic Restructuring Project negotiated with World Bank has been approved by the Bank. The Project has an outlay US$ 142 million under the irrigation component.

Ground Water Development & Management

— A scheme has been taken up to utilise ground water in the Eastern region with an outlay of Rs. 6.95 crore in 1998-99. Annual replenishable ground water resource has been firmed up as 64.05 million hectare.

Social Justice And Empowerment

— The National Handicapped Finance and Development Corporation was reactivated and it has begun financing self-employment projects for disabled persons.

— The Ministry is in the process of finalising a comprehensive National Policy on Rehabilitation of Disabled Persons.

— The Ministry has given ad-hoc advance of Rs. 5 crore (Rs. 50 million) to States to encourage inter-caste marriages for the first time during 1998.

Education & Child Welfare

— Department of Education proposes to make education free for all girls up to college level, including professional course. It covers girls students who are enrolled in Government and Government aided schools/ colleges including professional level, Indira Gandhi National Open University (IGNOU)/National Open School (NOS).

— A National Commission for Children will be set up soon.

Urban Affairs And Employment

— Housing was granted an infrastructure status under section 80 IA of the Income Tax Act, 1961 during 1998-99.

— A new Housing and Habitat Policy, 1998 was announced. It provided for active public-private partnership in National Housing, gives the private sector primacy over government agencies and limits the Govt's role as a facilitation.

— The new Housing & Habitat Policy envisages building of 20 lakh houses annually-7 lakh in urban areas & 13 lakh in rural areas.

— An Action Plan for construction of 2 million houses for the weaker sections & Low Income Groups has been finalised and circulated to states.

— Rent control Legislation has been amended to stimulate investment in rental housing and exclude new construction from rent control.

— Investment from NRIs & Persons of Indian Origin as also FDI are being encouraged in housing & real estate infrastructure sector.

— The Govt. is working out a National Slum Development Policy in the area of urban poverty alleviation.

Coal

— The year saw an unprecedented build up of coal stocks at power served by Coal India, the aggregate stocks being 15.30 mt as on Dec. 8, 1998.

— Coal & Lignite products have been delicensed. Moves are on to amend the Coal Mines (Nationalisation) Act, 1973 to allow exploitation of raw coal & lignite reserves by both private & public sector organisations without the existing restriction on capture consumption.

— World Bank and Exim Bank of Japan are providing 530 million US dollars each under the Coal Sector Rehabilitation Project of CIL. 24 mines of 5 subsidiaries of CIL will be benefitted under this project.

— The two mines of Ney velley lignite Corp put together have crossed 100% mark in respect of capacity utilization for over burden removal and lignite excavation.

— A new pension scheme benefitting 8 lakh coal employees was notified in March 1998.

Food And Consumer Affairs

— The thrust of the activities was on smooth running of the targetted Public Distribution System, maintaining a comfortable buffers stock in the central pool and construction of adequate storage facility for foodgrains.

— Wheat procurement during the Rabi season 1998-99 touched an all time high of 12.6 million tonnes.

— The buffer stock norms have been revised based on the comfortable foodgrain stock position at the centre, with effect from September, 1998.

— Sugar industry has been delicensed state Govts. have been authorised to increase the stock holding limit and the turn over period of recognised deals of sugar & khandsari.

— The Ministry's steering Committee on improved storage of food-grains has suggested setting up of bulk storage installations and community silos.

— The basic customs duty on edible oils on OGL have been reduced from 20% to 10% while retaining the surcharge of 5% on imports. This is expected to reduce the landed cost of oil by around Rs. 3000 per tonne.

— Edible Oil Packaging (Regulation) Order was promulgated under the Essential Commodities Act on Sept. 17, 1998, making it mandatory to sell oil only in packaged form so as to prevent adulteration.

Tourism

— Tourism gets full fledged ministry status.

— Export House incentives being given to tourism establishments.

— Tourism emerged as one of the largest foreign exchange, earning sector, by mapping up foreign exchange of Rs. 10363.29 crore from January-November, 98.

— 60% hike has been made in the Plan budget for 1998-99, to improve facilities for domestic tourism.

— Buddh festival organised at Sarnath And Bodh Gaya in Oct-Nov attracted many tourists from South Asian countries.

— March, 1999 to April, 2000 has been declared as 'Visit India Year'.

— The first ever Tourism exposition was organised in Jan '98 to project the opportunity and potential of Indian tourism.

Law, Justice And Company Affairs

— An ordinance was promulgated to amend the Companies Act, 1956, allowing companies to buy-back their own shares and make inter-corporate investments/loan without Governments approval.

— About 66.28 lakh pending cases were settled through 22,452 Lok Adalats held in different parts of the country.

— A high powered committee has been constituted to suggest proposals for providing state funding to recognised political parties & other related matters.

Information & Broadcasting

— Private Indian satellite channels were allowed uplinking facilities from Indian soil on a case by case basis.

— Films have been granted industry status. A Development Committee has been set up for the film industry and an Export Promotion Forum has been constituted to boost export of films, TV software, music and other audio-visual entertainment products.

— On August 29, 1998, Prasar Bharati (Broadcasting Corporation of India) Ordinance, 1998 was promulgated to restore the provisions of the original Prasar Bharati Act, 1990.

— It has been decided to block all those titles verified by the Registrar of Newspapers (RNI), where publications were not registered as on December, 31, 1995.

Commerce

— Improvements introduced in the EXIM Policy 1997-2002, which include

- announcement of DEPB (Duty Entitlement Pass Book) rates for 200 export items
- allowing the setting up of private bonded war houses for timely availability of raw material to exporters at internationally competitive prices
- reduction in threshold limit under the EPCG (Export Promotion Capital Goods) Scheme from Rs. 20 crores and Rs. 5 crores to Rs. 1 crore for agriculture and allied sector, garments, electronics, sports goods, toys, leather, gems & Jewellery.
- Extension of tax holiday for infrastructure projects.

— Rate of interest on pre-shipment & post-shipment credit reduced from 11% to 9%.

— Tax holiday for EOUs and EPZs extended from 5 yrs to 10 yrs.

— Permission to private technology parks to avail of EPCC scheme.

— A programme called from LAC initiated for enhancing exports to the Latin American Region.

— Special package announced for electronics sector.

— A special Directorate on Anti-Dumping & Allied Duties set up in the Ministry of Commerce.

Environment And Forest

— National Environment Appellate Authority starts functioning. It hears appeals against orders granting environmental clearance.

— Notification banning recycled plastic carry bags, containers and packing material to be brought soon.

— National Environment Fund proposed to support environment projects.

— Ministry suggests incorporation of Green Budgets for sectoral plans.

— Export Committee to look into reports of Sali tree infections in Madhya Pradesh.

— Supply of leaded petrol stopped in Delhi.

— Environment to be included as a separate subject in school curriculum.

— Kaziranga National Park sanctioned Rs. 58 lakhs to help repair damage caused by the recent floods which killed 45 rhinos.

— Two more reserves—Bhadra in Karnataka and Pench in Maharashtra added to Project Tiger in its 25th year.

— A Comprehensive insurance cover to be given to forest guards and employees working in National Parks and Protected areas.

Planning And Programme Implementation

Draft 9th Plan has been finalized. Its salient features are :

— Food production is to be doubled in 10 years time.

— Drinking water is to be provided to every settlement in the country within five years.

— Social And Physical infrastructures like housing, education, health care, sanitation, power, fuel, roads, ports, airports, telecommunication and financial services are to be improved and expanded.

— National Water Policy is to be unveiled to ensure optimum use of available water.

— India to emerge as a global Information Technology Power and one of the largest generators & exporters of software within 10 years.

— An ambitious housing policy to be evolved to provide housing for all.

— Proposed growth through generation of gainful employment.

— Increased emphasis on Agriculture, Rural Development and Irrigation.

In the state plans for the current year

— Outlay of states increased by nearly 38%.

— Allocation of funds towards anti-poverty programmes increased.

— States allowed additional SLR facility.

— Facilities created for infrastructural development in the North-East & Sikkim.

Home Affairs

— A multi pronged strategy adopted to improve internal security situation.

— A special six member group constituted to prepare a specific Action Plan to tackle militancy in J&K.

— 677 militants were killed in J&K till September this year. 216 out of this were foreign mercenaries.

— A sum of Rs. 100 crores has been announced for security related expenditure in Assam. An additional Rs. 1 crore will be given to the 30 worst insurgency affected districts in the North-East.

— Guidelines have been approved for reimbursement of excess security related expenditure by the North-East states.

— Cease-fire with the National Socialist Council of Nagaland has been extended for another year.

— The Centre has approved a proposal for restructuring the North-Eastern Council by including Sikkim, deleting Governors of ANE states as members, including three members nominated by the President of India and delegating administrative and financial power to the council.

— A High Powered Committee has been constituted to suggest means to improve the functional efficiency of the police.

— Monthly assistance to child-victims of ethnic, caste and terrorist violence raised to Rs. 550 in A&D class cities and Rs. 500 in other places. Children doing professional courses will get another Rs. 150 per month. ❑

Panchayati Raj and Anti-Defection Ordinance, 1998 In Kerala

Dr. M. R. Biju

For the first time in the history of Independent India, an ordinance was promulgated by the Governor of Kerala, which banned defection in the local bodies of the State, with restrospective effect from October 2, 1995. The ordinance is entitled as "The Kerala Local Self-Government Institutions (prohibition of Defection)" which seeks to provide for mandatory disqualification of Panchayat and Municipal Council members who defect from parties which had fielded them in the local bodies poll or joined a political party after getting elected as an independent.

According to the provisions of the Ordinance, a member of a local body would be disqualified if he/she resigns from a political party on his/her own volition, or if a member votes or abstains from voting in a meeting of the local body without the permission of the said political party or person or authority. The disqualification would be applicable to member who had been elected as a candidate of a coalition, by whichever name it might be called, if he/she withdraws from such a coalition or votes or abstains from voting in violation of a direction by the coalition or the person or authority authorised to give such a direction. The disqualification stipulation would apply if a member joins a political party or a coalition after the elections and then shifts camp.

Moreover a member elected as a candidate of a political party or coalition before the effective date of operation of the ordinance would be treated as an elected member of such a party or coalition. All others would be considered as those who were not fielded by a political party or coalitions.

Further, the state Election Commission with powers of a Civil Court would be the Competent authority to dispose of defection cases and disqualifiction would entail a ban from contesting the local bodies elections for six years. In addition, the ordinance invalidates all defection cases pending either before a Court or cases in which decrees or orders have been issued, besides upholding all proceedings, decisions and disqualification orders issued by the State Election Commission (SEC) would be upheld under the ordinance. In this context it would be relevant to examine the significant ruling by the State Election Commission in February 1997.

SEC's Bar on Defections in Kerala, 1997

The 73rd Constitutional Amendment Act, 1992 by the centre provided guidelines to the state to make their own Laws for Panchayat. According to the Act, members can be disqualified "by or under any law for the time being in force for the purpose of elections to the legislature of the state concerned." This guideline has been adopted by the state legislature, in the Kerala Panchayat Act, 1994. Under it disputes regarding disqualification in Panchayat Raj institutions should be adjudicated by an authority prescribed by the State legislature. The new Panchayati Raj Act in the State has authorised the State Election Commission as the adjudicating authority.

In a recent ruling, the State Election Commission stated that elected members of panchayats can be disqualified for defecting from the political parties on whose ticket they were elected. This declaration of the Election Commission may well prove to be a land-mark one with implications for other states. It is a significant feature in Kerala that in large number of panchayats, the ruling group either the Left Democratic Front or the United Democratic Front holds power with a thin majority. The defection of one or two members often upsets the administration. In the last two years since the Panchayat elections (September 1995) were held under the new state laws, there have been a number of instances of defection. None thought of challenging such defections and the general impression was that anti-defection laws were not applicable to the local bodies unlike parliament and State legislatures.

Very recently four petitions were filed before the election commission that challenged defections or attempted defections. The counter petitions filed in all four cases argued that anti defection provisions were not applicable to local bodies and that the commission had no power to adjudicate on such matters. But these arguments were set aside by the State Election Commission quoting the relevant provisions of the constitution and the state laws. To quote M.S. Joseph State Election Commissioner, "it should not be assumed that the law makers intended that defections should be banned in parliament and state assemblies alone and that doors of panchayat should be left wide open for mendicants who eagerly seek money, power, and position. The truth is the opposite.

Section 243 (F) and 243 (V) of the constitution were introduced with the intention of keeping the ghosts of 'Aaya Rams' and 'Gaya Rams' out of the compounds of panchayats......" Now members of panchayats stand to lose their membership if they join another party, vote against directives of their party or commit any other act of defection as listed in the Tenth Schedule.

In the cases cited above the State Election Commission has disqualified two members of Amboori Gram Panchayat in Thiruvananthapuram district and Naranammuzhi Gram Panchayat in Pathanamthitta district on grounds of defection. The verdict came on 20th February 1997. It is regarded as the first ever verdict of its kind on the defection issue in local bodies in the country.

In the first case action was taken against one Mr. Albert, Vice-president of Amboori Panchayat. The case was filed by the Panchayat President. In the second case Mr. Kuttappan Kesavan was disqualified from being a member of the Gram Panchayat on similar grounds on a case filled by yet another member of the Panchayat. In the case the member was alleged to have shifted loyalties three times. The petitioner contented that the member had been elected on the Congress (I) ticket but defected to CPI(M) and later to CPI and now claiming to be an independent. The commission observed that "from the available facts it could be seen that Mr. Kesavan himself does not know where he stands". Meanwhile in the Amboori Panchayat case, the said member was accused of voting in favour of an LDF motion of no confidence, after having been elected on the Congress (I) ticket. The petitioner alleged that the said member had violated the whip issued by the party to vote against the motion.

Now members of panchayats and other local bodies, stand to lose their membership if they join another party, vote against the directives of their party or commit any other act of defection as listed in the Tenth Schedule. As cited earlier, as per the state Act, the commission is to function like a court of law and dispose of petitions regarding defections in local bodies in accordance, with the procedure applicable under the Code of Civil Procedure, 1908.

Payyavur Agitation and Its Aftermath

The most important single reason which necessitated the present ruling LDF Government in the state for the promulgation of the anti-defection ordinance was nothing but the Payyavur agitation by the Congress and its allies.

Payyavur, a small rural panchayat in the North Kerala district of Kannur was the springboard of the opposition challenge in September '98. At Payyavur, three former Congress members, who had contested in the Panchayat elections as members of a CPM-led alliance, decided to return to their parental party which has three members in the Panchayat Samiti. This landed the CPM led alliance in a minority of four in the ten member Samiti. The Congress (I) served notice for a no-confidence motion against the Panchayat President and moved the High Court seeking police protection for members to attend the Samiti meeting.

However on the day the motion was scheduled to be taken up, 3,000 CPM workers laid siege to the Panchayat office and the police failed to take the Panchayat members to the meeting. The Congress (I) launched a relay fast by senior leaders first at Payyavur and then in Kannur town. Within days, the agitation snowballed giving the faction-ridden Congress (I) a shot in the arm and causing a lot of embarassment to the LDF Government.

As per the provisions of the Kerala Panchayati Raj Act, 1994, two no confidence motions must have atleast a six months time separting them and only when reasons beyond human capabilities to be proved through an enquiry, disrupt consideration of a motion, can a second one be taken up within six months. The Government has taken the position that it can intervene to facilitate another meeting of the Panchayat Samiti, only after holding the mandatory inquiry into why the last no-confidence motion could not be disposed of properly. The Congress (I) leadership has so far rejected this offer with the argument that enquiry may turn out to be time consuming denying its men at Payyavur an early opportunity to move another motion.

The Congress (I) agitation has had a rejuvenating effect on an otherwise somnolent party, while at the same time exposing the deep chasm that separates the Congress (I) and the Muslim League. Secondly, it has bared the Government's failure to check the ugly influence that money power has on the balance of forces in local bodies. Thirdly, it has shown the absurd levels to which the democratic process can descend once mob power takes over as happened at Payyavur, some three hundred-odd police men at hand, by chance or by design did little to prevent so many CPM activists from assembling at the Panchayat office and are now faced with contempt proceedings in the High Court.

What has proved particularly worrisome to the LDF and its Government is the impact the happenings at Payyavur and subsequently, in several panchayats have had on the efforts at decentralised plan implementation. The fundamental concept of decentralised planning is co-operation in development. Strained relations between political parties at the state level cannot but vitiate the atmosphere of co-operation that planners have been trying to nurture ever since the decentralised plan campaign was set in motion. In local bodies both the LDF and UDF have encouraged defections and power in several panchayats have changed hands, thanks to such manipulative politics. But the events at Payyavur have had a definitely positive fallout, a sincere attempt to ban through an ordinance, floor-crossing in any form in Local bodies. This is the first legislation of its kind in the country and has been prepared with care to avoid several of the lacunae found in the Anti-defection Act applicable to parliament and the state legislatures. The LDF has salvaged some pride with the ordinance which seeks to disqualify defectors for six years.

'Ombudsman' to monitor Civic Bodies

The state Government has recently (July '98) accepted the recommendations of the Committee on Decentralisation, more popularly known as the Sen committee. The committee has recommended to set up a state level authority (ombudsman) consisting of seven members headed by a High Court judge to probe corruption and irregularities in the running of the Civic bodies. The Government has also announced that it has proposed to set up Appellate Tribunals for disposing appeals and revision petitions on action taken as per Law by the Local bodies.

The State Government also intends to revise the population and revenue norms for forming town panchayats and municipal corporations. The town panchayats should have three, the municipal council five and the corporations seven standing committees. Ward sabhas would be constituted in the place of ward committees in Urban bodies with a population of one lakh or below.

Moreover, the Government also decided to revise the duties of the district planning committees and do away with the metropolitan planning committees. The honorarium given to elected members would be increased. Following are other recommendations of the committee which have been accepted by the Government. The Grama Sabhas are to meet once in three months and their quorum is 10 persons. The number of Grama Panchayats should range between 10 and 25 and the Block Panchayats between 15 and 25. The State Election Commission will be in charge of the delimitation of wards and reservation of wards. It will also decide on the disqualification of panchayat members. Not attending meeting without permission, continuously, not furnishing details of wealth and election to the Lok Sabha or Rajya Sabha will attract disqualification. The member of standing committees should be three in Grama Panchayats, four in Block panchayats and five in the district panchayats. Steering committees consisting of Panchayat Presidents and Standing Committee Chairman should also be formed. There should be public accounts and vigilance committee consisting of five to seven members in district panchayats. On the basis of it, the state Government has issued guidelines for the examination and evaluation of the plans, in September 1998.

Guidelines for Evaluating Annual Plans for Civic Bodies

The Government has constituted expert committees at the block, municipal corporation and district levels to assist the district planning committees to evaluate the annual plans of the local bodies. Under the arrangement block level expert committees will process the projects of Grama Panchayats, district committees, that of districts and block and other committees that of other local bodies concerned. The district committees, the evaluation report should be examined and cleared by the sectoral committees.

The expert committees of the municipalities and corporations should invite the district expert committees team to the final meeting for approving the recommendations for the district planning committees. The district expert committees will hand over the examination of the block plans to the block committees subject to the fund limit for technical approval. If any block or municipal committee cannot do it, the district committee will in consultation with the Chairman of the planning committee transfer the responsibility to the nearest municipal committee or handle it by itself.

The state level expert committee will have to approve the evaluation reports of municipalities and corporations before they are forwarded for approval of the district planning committees. The expert committees will examine the plans in five stages. They consist of the examination of the planning process. The expert committees will probe complaints if any about the planning formalities against grama panchayats, municipalities and corporations. The district planning committees are to be informed of any violation of formalities. The formalities observed may be examined jointly by the Chairman, Convener and the Joint Convener.

The plans should be prepared as per the directions of the Government and the Planning Board. They should be technically feasible and economically viable. The projects would be prepared in the prescribed model. The selection of the beneficiaries should be transparent. Ward level project distribution should be discouraged. The fact that the fund is for 1998-99 should be kept in mind. The provisions regarding subsidy should be strictly observed. If the representatives of banks are not in the expert committees, talks should be held with bank managements.

Projects under the special component plan and the tribal sub-plan be subject to the scrutiny of the subject committees on SC and ST. Similarly, projects for women should be subjected to the scrutiny of the sub-committee for women. The expert committees do not have the authority to change the priorities fixed by the local bodies on the basis of the Government's guidelines. Disputes may be referred to the district committees. The Planning Board's advice could be sought on disputes between district committees, and district panchayats.

After the evaluation of the plans, three lists should be prepared. The plans notes should be given under a separate chapter. Plan documents should not be referred back for change without clear reasons. The compensation in the outlay for the special component plan and the tribal sub-plan will be fixed on the basis of the actual expenditure of the grant of June 30. The plans should contain provisions for all spill over work. They should also integrate the state and Centrally sponsored schemes. The sub-committee on statistics will evaluate the planning notes also.

The expert committees should submit in record the sub-committees recommendations on the planning process, projects and plan notes at the general body meeting. The quorum of the expert committees including the Chairman is 50. The expert committees recommendations should be signed by the Chairman and Convener and submitted to the district planning committees.

Concluding Remarks

Though the anti-defection ordinance 1998 promulgated by the Governor of Kerala is the first legislation of its kind in the whole country and has been prepared with care to avoid several lacunae, it is not fully free from maladies.

Some criticisms levelled against the ordinance by legal and constitutional experts are :

(a) The maintainability of the retrospective clause;

(b) Its failure to define practical party or coalition;

(c) Its vagueness about independents.

Firstly, the local administration minister himself expressed certain reservations about the retrospective clause. To him, there had been defections in several panchayats. And after such incidents proceedings have been initiated, decisions taken and resolutions passed. What would be the fate of such matters. "The legal validity of giving retrospective effect to a punitive clause will have to be examined in details along with the status of the members after the Law comes into force. The entire exercise could even bring the administration of the panchayats to a standstill" felt, M.S.K. Ramaswamy, former state Election Commissioner.

Secondly, the ordinance does not bother to define a coalition, while being vague about political parties. But the Sen committee had defined a political party as one which had been recognised as a national or state party under the Election symbols (Reservation and allotment) order, 1968. The present ordinance has gone one step further by making voting against the party whip and abstentions even in ordinary panchayat meetings, a fit case for disqualification. It is also unusual to have a provision which enables the government to give protection to all actions taken under the ordinance, irrespective of later amendments to the laws.

(Contd. on page 21)

Janmabhoomi—A New Dimension For Rural Development

G. Padmaja and Prof. M. Lakshmipathi Raju

Participatory planning and development occupy a central place in Rural Development. It ensures people's participation by making the fullest use of local initiatives, energies and resources. The programme at micro level are planned in a manner where the people are involved in decision-making and participation. With this objective in view the Janmabhoomi programme was launched on New Year's day 1997 by the Government of Andhra Pradesh.

Social planning enables better perception of basic issues at gross-root levels. The programmes to be formulated are to be addressed to the needs and problems of target groups. The lower the planning level the more intense and direct is people's involvement in the process of development. Decentralization does not mean decentralization of administrative powers, it also means involvement of people. The local people should be involved in decision-making. People's participation is a new dimension in rural development. Participation involves voluntary contribution by the people in programmes and projects to bring about the needed change and development. It is important that development process should be supported by local organisations. Local organisations like Panchayats, Mahila Sanghams, School Committees, Village Level Committees, Nehru Yuvajana Sanghams are to be strengthened to play a leading role in development process.

Janmabhoomi Programme And Rural Development

The Janmabhoomi programme launched on New Year's day 1997 by Andhra Pradesh Government is a new dimension in rural development in the sense that people are involved in decision making and development process. The Janmabhoomi programme has been envisaged with the following objectives.

1. To involve people from all walks of life representing Panchayat, Village level Committees, School Committees, Mahila Sanghams, Youth groups.
2. Sramadanam works are being undertaken on 50% and 100% basis.
3. Grama Sabhas are convened to discuss various matters relating to primary and adult education, health, family welfare, nutrition, safe drinking water, sanitation etc. These problems at the village level are discussed in the grama sabhas and developmental programmes are chalked out for the future.

The Janmabhoomi programme has been undertaken by the Government of Andhra Pradesh in eight stages so far. Since the main focus is on people's participation in the development process this paper attempts to study the perceptions of the people about the Janmabhoomi programme of activities and their success and failure in various respects as perceived by the people.

Selection Of The Sample

Durgasamudram from Tirupati rural mandal of Chittoor District—Andhra Pradesh is selected for the present study. 50% of the people representatives from Panchayat Institutions, Mahila Sanghams, School Committees, Village level Committees, Nehru Yuvajana Sanghams, CURD group (women's income saving group) are selected using the method of selection from sequential list. Every alternative unit in the list is selected and included in the sample. Thus, the sample comprise the following members from the organisation.

Village level Organisation and Committees	No. of Respondents
Panchayat	5
School Committees	3
Mahila Sanghams	5
Village level Committees	4
CURD Group	4
Nehru Yuvajana Sangham	9
Total	30

Tools Of Data Collection

An interview schedule is administered to the respondents for collection of data. The schedule covers information about socio-economic profile of respondents, village level organisations and committees, status in the organisation, and participation in Janmabhoomi programme.

Summary Of The Results

More than one-third (36.67%) of respondents belong to the age group of 30-40 years and a majority (53.33%) of them belong to forward caste. Nearly about one-third (30.00%) of respondents are in the level of secondary education and majority (70.00%) of respondents are married. 53.33% of respondents' occupation is agriculture and 30.00% of respondents belong to Nehru Yuvajana Sangham. A majority (63.33%) of respondents have the status as members in the organisation and 43.33% of respondents have participated in tree plantation in Janmabhoomi programme. 40.00% of the respondents reported that Janmabhoomi programme is participatory development in rural areas and 30.00% of respondents perceived people' s participation in rural development as concerted efforts of the community to develop itself using the local initiatives, energies and resources. 40.00% of respondents feel that Janmabhoomi programme is successful in the respect that people are united in community action and an equal percentage of (40.00%) respondents feel that Janmabhoomi programme is failure in the respect that only few people are participating in Janmabhoomi programme.

DATA ANALYSIS

TABLE NO. 1
Participation in Janmabhoomi Activities

Activities in which Respondents participated	*No. of Respondents*	*Percentage*
Sramadanam	5	16.67%
Construction of Roads	11	36.67%
Cleaning and Extension of Roads	8	26.67%
Tree Plantation	13	43.33%
Minor Irrigation works	—	—
Sanitation	—	—
Income Generating Programme	5	16.67%
Health Programme	7	23.33%
Non-Formal Education Programme	—	—
TOTAL	**30**	**100.00%**

TABLE NO. 2
Understanding About Janmabhoomi Programme

Understanding about Janmabhoomi Programme	*No. of Respondents*	*Percentage*
It is a Rural Development Programme	9	30.00%
Participatory Development in rural areas	12	40.00%
It is Micro-level planning and development at the village level	4	13.33%
It is a Government Programme	5	16.67%
TOTAL	**30**	**100.00%**

TABLE NO. 3
Nature of Involvement

Nature of Involvement	*No. of Respondents*	*Percentage*
Very Active	5	16.67%
Active	9	30.00%
Moderately Active	6	20.00%
Passive	6	20.00%
No Participation	4	13.33%
TOTAL	**30**	**100.00%**

TABLE NO. 4
Perceptions About People's Particiation in Rural Development

Mean by people's participation in rural development	*No. of Respondents*	*Percentage*
To participate in Government programme in the village	4	13.33%
To participate in the rural development programme undertaken by the Government and people	9	30.00%
Initiating the development of the village	5	16.67%
Concerted effort of the community to develop itself using the local initiatives, energies and resources	12	40.00%
TOTAL	**30**	**100.00%**

TABLE NO. 5
Success of Janmabhoomi Programme in Different Respects

Successful in respects of	*No. of Respondents*	*Percentage*
People are united in community action	12	40.00%
People got awareness about the problems of community	6	20.00%
People could forget the differences and work together	10	33.33%
The Government programmes could be implemented successfully	—	—
Government machinery is activised and it reached the community	2	6.67%
TOTAL	**30**	**100.00%**

TABLE NO. 6
Failure of Janmabhoomi Programme in Different Respects

Failure in respects of	*No. of Respondents*	*Percentage*
Only few people are participating in Janmabhoomi Programme	12	40.00%
Political factions are aggravated due to the programme	3	10.00%
Some sections of people are showing resistance to the programme	8	26.67%
Corruption and nepotism in the implementation of the programme	—	—
The benefits of the programme are not reaching the target groups and are misued by intermediaries	7	23.33%
TOTAL	**30**	**100.00%**

Conclusion

The Janmabhoomi programme as envisaged by the Government of Andhra Pradesh has involved the people in the development process through people's representatives like Panchayats, Village level Committees, and organisations. The present study revealed that a higher percentage of respondents have understood the meaning and spirit of the programme and its objectives. They felt that the programme is a success in various aspects such as people are united in community action and people could forget the differences and work together and they have also reported that it is a failure in certain respects such as only few people are participating in Janmabhoomi programme and some sections of people have shown resistance to the programme.

However, only the members of committees and leaders are involved in the programme but the beneficiaries of the target groups are not involved in the programme. So the people's participation is at peripheral level not at the real grass roots level. There are many constraints in mobilising people's participation. The programme suffers from limitations such as lack of continuity and follow up in the programme, lack of awareness on the part of target groups and beneficiaries and non-involvement of the target groups and beneficiaries and it is also reported in the study that there is misuse of Janmabhoomi funds by the intermediaries. The benefits are not reaching the target groups. Hence in view of the above the following suggestions are made for strengthening the programme.

1. The village level organisations and committees are to be constituted on non-political basis. They should represent all sections of the community.
2. For the follow up and continuity of activities there is need for appointment of trained social workers as community organisers on permanent basis.
3. Janmabhoomi programme is derived from the social work concept. Social work is an enabling process. The trained social worker working with individuals, groups and communities plays the role of an enabler in the sense that an individual, the group or community ultimately should develop itself using its own resources. The social worker in the role of an enabler and a catalyst works with the community for enabling it to mobilise its own resources and develop on its own not depending on the government and outside agencies. ❑

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Policy Relating to Sharecropping and Leasing

A ban on leasing was imposed after Independence in almost all states to encourage owner-cultivation and to give security of tenure to sharecroppers and tenants. While such laws should continue in areas characterised by semi-feudal mode of production and may even be strengthened in tribal areas where agricultural markets are not well developed, in green revolution areas where the mode of production has become capitalist there is a need to liberalise and free leasing-in of land by the landless and marginal farmers from all government controls.

Objective of Tenancy Reforms

In India where 70 per cent of the population is dependent on agriculture, relations between various categories of people like landlords, small and marginal farmers, share croppers and agricultural labourers on the one hand, and the nature of their respective control over land on the other is of paramount importance. Any strategy for increasing agricultural production and alleviating rural poverty cannot overlook these structural questions.

At the time of Independence, almost half of the arable land was cultivated by tenant[1] and sharecroppers who paid rent to the landowner. Almost all such tenancies were long-term, often hereditary. Although the colonial government had provided some security of tenure in law, often in actual practice tenancies were subject to threat to eviction and coercive action by the landlord, who otherwise were parasites living off the labour of the tenants. In addition, there were sub-tenants who paid rent to tenants. Such multiplicity of operators on land were more common in eastern India, a region characterised by high population density, acute poverty and fertile lands. Sub-tenants enjoyed no security of tenure even in law.

The Directive Principles of State Policy enshrined in the Indian Constitution enjoin that: 'The state shall strive to promote the welfare of the people by securing and protecting as effectively as it may a social order in which justice, social, economic and political, shall inform all the institutions of national life.' Articles 39 and 49 state that ownership and control of the material resources of the community should be so distributed as best to subserve the common good, and that the operation of the economic system does not result in the concentration of wealth and means of production.

The Indian Economic Plans too right from the First Five Year Plan have laid considerable emphasis on land reforms. As set forth in the national plans, the objectives of the land policy have been, firstly to remove such motivational impediments to agricultural production as arise from the agrarian structure inherited from the past, and secondly, to eliminate all elements of exploitation and social injustice with the agrarian system so as to ensure equality of status and opportunity to all sections of the population.

The two important policy thrusts in land reforms since Independence, have been ceiling legislation and tenancy reforms. The research done on size-productivity relationship during the sixties made it clear that in agriculture, given the same resource facilities, soil content and climate, a small farmer produces more per acre than a large farmer. Thus it was no longer necessary to identify viability and efficiency with large holdings and an economic rationale was provided to the policy of imposing ceiling on land holdings that was taken up by many states in the sixties and then more vigorously by all states in the mid-seventies. In this paper we are not concerned with the ceiling reforms, and discussion is confined to tenancy issues only.

Impact of Reforms

The discrepancy between the ownership and operation of land was regarded as one of the basic maladies of agrarian structure that acted as a 'built-in-depressor'. It led to not only inefficient utilisation of given scarce resource but also stood in the way of augmenting these resources. Thus in every state the policy of abolishing all intermediary interests and giving land to the recorded tenants was adopted soon after independence. It was envisaged that conferment of ownership right to tenants would lead to a more equitious distribution of land, increase employment per unit of land and improve consumption standards of the rural poor, thus, enlarging the size of the market for consumer products. It will improve the world view of the poorest and will make them invest in their future.

Tenancy reforms during the first two decades after Independence aimed at giving the tenants permanent rights to the land they cultivate subject to a limited right of resumption to the landowners; and at ending the landlord tenant relationship by conferring ownership rights on tenants in respect of non-resumable lands. This resulted in a dramatic fall in the area under tenancy, from 23.34% during the year 1952-53 to 10.7% in 1961-62 and then to 7.18% in 1982. Reduction in the area under tenancy was because of two diverse factors. First, the law that conferred ownership rights to erstwhile tenants. And second, evictions and resumptions by the land owners, first during the 1960s and then in the wake of green revolution when profits from self cultivation of land increased, may also explain the decline in area under tenancy. The 45th NSS round puts the percentage of area leased in to total operated area at 5% in 1992, thus showing further decline since 1982. However, the NSS data may be an underestimate due to concealment of tenancy and the practice of oral leasing. What would be a realistic estimate of area under tenancy today? And more important, did the poor emerge as net gainers because of conferment of ownership rights or net losers due to eviction and resumption?

Appu, an authority on land reforms, observes, 'Though the implementation of the tenancy laws led to only a small percentage of the tenants acquiring ownership rights, it had undoubtedly resulted in a sharp fall in the area under tenancy.... Making allowance for the fact that the N.S.S. data do not reflect fully the extent of concealed tenancies, it may be estimated that at present the leased out land may constitute no more than 15% of the operated area. Thus from about one half of the operated area at the time of independence, tenancy has dwindled to a small fraction of the operated area. Tenants acquired ownership rights in only about 4% of the total operated area. Thus in the course of the last five decades the rural poor have been deprived of access to some 30% of the operated area. We do not know how many tenants lost access to land in the course of the enactment and implementation of the laws aimed at reforming tenancy'.

It is clear that tenancy reform has not led to the desired results. The incidence of tenancy continues to be substantial. The banning of tenancy and various lease restrictions has only pushed the phenomenon underground, rendering the tenants' position even more precarious. Even when law provides protection to sharecroppers against eviction, it is only corrupt bureaucracy which gains and no gains accrue to the poor sharecropper.

For instance, in Purnea (Bihar) in 1972-73 about 40% of the land in Purnea was under share-cropping. The percentage of land under sharecropping has come down since then, but still it is probably not less than 25%. Though under the law share-croppers are entitled to security of tenure and the share of the landowner is limited to 25% of the gross produce, in practice the protection granted to share-croppers is illusory. Since the tenancies are oral and the share-croppers are weak politically, economically and socially, they seldom succeed in securing the rights to which they are entitled under the law. They have only a tenuous hold on the land they cultivate and invariably they have to hand over to the land owner one half or more of the produce. The landowner in turn has to bribe the revenue officials for looking the other way and not recording the tenancy arrangements. The powerful landowner also shuffles his tenants so that no rights are claimed on the basis of long-term cultivation.

In such a situation the tenant has no incentive to make any long term investments in the land or cultivate it efficiently by providing higher levels of purchased inputs and applying larger doses of his own labour. Though theoretically both the landlord and the share-cropper stand to gain by sharing the cost of cultivation and cultivating the land more efficiently, such a practice has not been adopted on any significant scale in Purnea. The landlords do not look upon the land as a productive asset that should be operated efficiently to maximize their income. To them land is essentially a store of value, a hedge against inflation, an instrument for appropriating the large unearned increments accruing from the huge public investments in irrigation and, most importantly, the very foundation of political and economic power and social status. They are reluctant to take any steps that may lead to the strengthening of the economic conditions of the share-croppers. In such areas there is still need to bring about a change through stringent laws and better implementation of such laws.

Absence of Political Will

However, it is doubtful if any tangible progress can be expected now in the field of greater tenurial security to unrecorded tenants in the absence of requisite political will, which is demonstrated by the large gaps between policy and legislation and between law and its implementation. To quote Appu again, 'In no sphere of public activity in our country since Independence has the hiatus between precept and practice, between policy-pronouncements and actual execution, been as great as in the domain of land reform.

With resolute and unambiguous political will all the other shortcomings and difficulties could have been overcome; in the absence of such will even minor obstacles became fomidable road blocks in the path of Indian land reform. Considering the character of the political will was not forthcoming.' If political will was weak in the 1960s and 1970s, it is even weaker now in the wake of economic liberalisation policies. The general climate in the country today is against distributive policies, which require strong and honest implementation machinery and also clear directions from the political masters.

The change in the mode of production that has been brought about in the last 15 years and emergence of capitalism in agriculture has further taken the force out of the old arguments favouring tenancy reforms. During the first decade of planning it was easier for the Government to eliminate a functionless parasitic class of Zamindars who were economically isolated from the production system. Now in the changed context of capitalist agriculture appropriation of land from the rich farmers (who continue to be leasing out most of the tenanted lands) amounts to not only an attack on the principle of private property but it also goes against the principle of income earned through enterprise in agriculture. It offends the property instinct as also the commercial drive of big farmers. Unless the land hunger of the poor is mobilised into a militant movement to neutralise the property instinct of the rich farmers, long-term security in law to tenants does not seem feasible. Unlike landed gentry that lived in towns and took no interest in cultivation the present rural elite is enterprising and very much rooted in the socio-political system and so as much more difficult to hurt. Thus changes in technology and in the mode of production may have greater explanatory power to describe the absence or otherwise of political will rather than the nature of the State in implementing land reforms.

In the prevailing political system and taking into account changes in the nature of forces of production, is there a way out to help poor tenants? Are there win-win strategies that are in tune with the press market oriented policies and do not require socially committed bureaucracy? To look for solutions we should first examine the changes which have taken place in the nature of tenancy in the last twenty years. These are briefly described below.

Changes in the Nature of Tenancy

Less leasing now—The new agricultural technology has substantially changed the nature and extent of tenancy. Table 1 shows that the total area under tenancy has been reduced to only 5% of the total area owned.

Estimates on leasing out and leasing in of land by households from various rounds of NSS.

TABLE 1
All India figures for rural households

Items	1971-72 (26th Rd.)	1982 (37th Rd.)	1992 (48th Rd.)
Percentage of households leasing in land	25%	18%	15%
Percentage of area leased in to total area owned	12%	7%	9%
Percentage of area leased out to total area owned	6%	4%	5%

N.B. *Estimates for 26th and 37th rounds are taken from NSS Reports No. 215 and 330 respectively.*

Source : *"Some Aspects of Household Ownership Holdings", NSS Forty Eighth Round (Jan-Dec 1992), NSSO, Department of Statistics, Ministry of Planning & Programme Implementation, Govt. of India (Mimeo), 1995.*

This decline is observed in all states and is because the new technology favours owner-operation, requires personal supervision, and compels owner-operators to take quick entrepreneurial decisions. Therefore after the new technology has taken roots there is no risk of a drastic increase in the tendency to lease out lands and revert to zamindari culture of the feudal era, even if the ban on leasing is lifted.

TABLE 2
Percent of holdings with leased-in land and % of operated area leased in

State	% of households leasing in land in 1981	% of operated area leased in	
		1981	1961
Haryana	25.89	18.22	—
Tamil Nadu	24.66	10.92	16.55
West Bengal	23.08	12.34	17.65
Punjab	21.29	16.07	35.39
Uttar Pradesh	20.45	10.24	8.06
Bihar	19.73	10.27	10.25
Orissa	18.19	9.92	10.75
ALL INDIA	15.85	7.18	10.70
Andhra Pradesh	13.76	6.23	9.15
Karnataka	10.73	6.04	18.16
Maharashtra	10.59	5.20	8.74
Madhya Pradesh	7.98	3.56	6.40
Rajasthan	7.14	4.31	4.87
Kerala	6.68	2.05	15.30
Gujarat	4.85	1.95	5.83

Hanumantharao and Gulati (EPW Dec. 31, 1994) write, 'The proportion of area held under tenancy, specially pure tenancy, has declined because the land has been resumed by owners for self cultivation. This resumption of farming was induced by technological change and impelled by tenancy legislation. This explains the rise in the concentration of operational holdings, although this concentration is still lower than in ownership holdings because small and marginal farmers still lease in more area than they lease out and large holdings lease out more area than they lease in'.

Higher Supervision and Capital Investment by the Landowner

Owners are now more involved in the operations and cost-sharing as a part of the tenancy contract. In U.P. and W.B. two-thirds of the cases report some cost sharing. Very similar results have been reported from Andhra Pradesh. This phenomenon is most common in the more "advanced" villages where there has been a large-scale adoption of new seeds, fertilisers and tubewell irrigation.[2]

In green revolution areas, where market awareness is widespread even among the poor, experience suggests that freeing the lease market for land may contribute to equity as well as efficiency of resource use. The nature of tenancies in these areas is very different from regions characterised by semi-feudal labour relations. The new forms of sharecropping arrangements in these regions involve high cost and output shares for the land-owner, and a high degree of control by the landlord over the process of production. Like traditional leasing, the tenant participating in these arrangements is a small peasant, who is responsible for all manual tasks, but is not required to own any means of production, which are supplied by the land-owner (Rutten 1986). The tenant is virtually a piece-rated labourer, but his involvement helps the land-owner save on supervision. 'From leasing as a means of rental appropriation, landlords have moved to leasing as a means of control over labour power, the appropriation of its produce, and as a means of further accumulation' (Srivastava 1989).

Tenancy in such areas should be seen as a mechanism of

- resource adjustment
- credit system, whereby the poor take land on credit, and repay in kind
- sharing of risk and entrepreneurship
- avoiding transaction costs
- indivisibility of bullock power
- and leasing out of distant plots and leasing in of conveniently located ones

Seasonal rather than Life-long and Crop-specific

Leasing out is no longer due to cultural factors. Medium and large farmers manage labour intensive crops such as paddy and potato by hiring tenants to do specific jobs, but indulge in self-cultivation for labour extensive crops, such as sugarcane. Thus tenants are located for a short period, who rotate from one farmer to others like casual labour.

Bi-modal Pattern

Table 2 shows that higher percentage of leased out to owned land is no longer the preserve of backward states, such as Bihar or Orissa, but progressive states like Punjab and Haryana report large percentage of area under tenancy arrangements. Partly the reason is that in these states leasing out is legally permitted, hence reporting is free from fear. But perhaps the more important factor could be the new labour intensive technology which compels farmers to seek reduction in transaction costs for labour, especially in areas where labour is not abundant. Owners are able to reduce the costs and risk involved in searching, negotiating with casual labour and supervising their work by hiring a poor family to provide labour on a seasonal basis and reducing high quality of labour input by giving a share in output as wages.

Reverse Tenancy

Although there has emerged a trend after green revolution whereby the small landowner leases out to a large landowner, on the whole, leasing in is still resorted to by the small landowner. The new technology is both capital and labour intensive. Where wages and the rate of mechanisation are high, the medium farmers who are leasing-in area would be able to make a fuller use of their fixed equipment. However, the area involved in reverse tenancy is rather insignificant, as the advantage of cheap family labour favours the poor to lease-in land. In such cases the pure tenants as well as the small and marginal farmers would be able to augment their operational holdings by leasing-in area. This may also contribute to the more efficient use of land, labour and other resources. Socially it is a desirable trend, as smaller holdings maximise output per unit of capital. Even where the marginal farmers lease out, it is often to another marginal farmer. The former gains by leasing out area and taking up non-farm employment, and the latter is able to increase his operational holding, this resulting in gains to both (Hanumantharao and Gulati EPW Dec. 31, 1994).

The small farmer cultivates his land more intensely and puts in more labour per unit of land. The quality of supervision as well as of land and irrigation is also better on smaller holdings. Since the new technology is size-neutral and it is both labour and capital intensive, there is no reason why the small farmers cannot fully exploit the HYV technology, provided capital is made available to them at a reasonable rate of interest. Other factors of production remaining constant, caste plays an important role in determining productivity. In India, best farmers are not the high caste people despite the fact that they are most favourably endowed in land and material resources. The traditional agriculturist castes (also called intermediate or backward castes) like the Jats, Koris, Kammas, Patidars, Marathas, Vokkaligas, etc. have always been better cultivators. It is not only in their attitude to manual work that the non-working Brahman or Rajput cultivators differ from the traditional agriculturists. There are significant differences in enterprise, thrift, mobility and readiness to exploit economic opportunities. The intermediate castes having more intense knowledge of the practices of cultivation have always given higher yields. Therefore passing on the control over holdings of non-cultivating castes to the marginal and small farmers from backward castes through an open leasing policy will improve overall production and labour absorption in agriculture.

TABLE 3
Percentage of Area Leased in to Area Owned By Size Class of Ownership

Size Class of Ownership Holding (acres)	Percentage of leased in land to owned land
Nil	3050
0.01-0.49	365.79
0.50-0.99	56.09
1.00-1.24	34.24
1.25-2.49	21.71
2.50-4.99	11.94
5.00-7.49	7.31
7.50-9.99	5.24
10.00-12.49	4.07
12.50-14.99	4.49
15.00-19.99	3.72
20.00-24.99	3.42
25.00-29.99	2.51
30.00-49.99	1.85
50.00-above	1.44
Total	11.25

Source : NSS 26th Round

These changes in the nature of leasing practices are described in Table 4 on page 18.

Empirical studies

It is thus clear that the institution of tenancy, particularly in the wake of the spread of commercial agriculture based on improved technologies, has undergone many changes. It is now more in the nature of a risk-sharing mechanism, which also reduces transactions costs. Hence, it would be wrong to continue labelling it as a wholly undesirable institution. Several empirical studies have supported the case for open leasing policy.

The lease market facilitates a shift of control of land to the small-holders and tenants. Big owners are found to lease out and the resultant distribution of operational area is less uneven than the ownership pattern. Parthasarathy[5] in his important study in the Andhra Delta found that this is indeed true and the lease market enabled the landless to gain access to land.

Chadha (IJAE, July Sept. 1994) noted that in Meerut, the leasing in and leasing out are resorted to, in a big way, by the marginal and small farmers; about half of the marginal farmers lease out to become landless and the other half lease in to become small farmers. In areas experiencing technological change and high growth, where population pressure on land is low and wages are high, the marginal farmers may thus gain by leasing out their area and taking up non-farm employment. Consequently, the small farmers become the biggest group, both in numbers and area operated.

In Orissa however, the leasing in is resorted to more heavily by the marginal farmers than others. The big farmers prefer to lease out to the landless and marginal farmers. This helps them to preserve their hold in land-labour inter-lockings. To them the need for such interlockings is more daunting in irrigated areas, thanks to time exigencies imposed by new agricultural technologies.

According to Professor Thimmaiah,[6] 'another interesting development that has occurred after the abolition of tenancy is that large tracts of land owned by person engaged in non-agricultural occupations have been left uncultivated..... Those persons engaged in non-agricultural occupations owning very small pieces of land through inheritance have left them fallow because they would lose them if they leased them out to tenants. Though they own the asset, they do not derive any income from it. From the social point of view, so much land, which is an important asset, is being wasted'.

Extensive field studies by Pranab Bardhan and Ashok Rudra in West Bengal, Bihar, Orissa and Uttar Pradesh show that it would be wrong to equate tenancy with feudalism. It was found that entrepreneur farmers who are landowners in their own right lease a substantial proportion area under tenancy. There was also a notable absence of the appropriation of surplus in the form of unpaid labour services through extra economic coercion, commonly regarded as one of the essential features of a feudal relationship. Unpaid and obligatory services by the tenant were found to be quite uncommon as was the tying of individual tenants to a particular landlord. Nor did the study find much evidence of debt bondage. There was active participation by the landlords in many aspects of managerial decision-making, i.e. regarding inputs, choice of seeds etc. This was more pronounced in areas where high yielding varieties and other improved technologies were being used. However, a change in 'no leasing' policy is not being advocated for these areas.

Policy Implications

The fears about big land owners forcibly taking over the land of small owners, because of restoration of tenancy as a legal institution, are unrealistic and unwarranted. After all, even now it is open to the big landowners to expand their holdings up to the ceiling limit by purchasing outright the land of small owners. In fact, the legal restrictions on leasing operate to the disadvantage of small owners and poor tenants. Firstly because the leasing is illegal, the rent that he gets is less than the market rent. Secondly, in some places he runs the risk of losing his land if the tenancy is detected. Tenancy restrictions have also hampered the mobility of labour from the rural to the urban areas because small holders are increasingly reluctant to lease out lands under the present terms. However, it is not the intention to legalise reverse tenancies just now. Only marginal farmers in irrigated areas and small farmers in other rainfed areas are being proposed to be permitted leasing-in of land, as the basic purpose of legislation is to improve their control over land.

In districts with high productivity, rapid agricultural growth and well-developed commercial agriculture, leasing should be freely allowed. Similarly in districts where tenancy reforms have taken place and the old exploitative relations substantially weakened, such as in western states of Rajasthan, Maharashtra, Gujarat, and Karnataka, leasing should be allowed without any restrictions. However, in districts that continue to be feudal with poor agricultural growth and a high degree of inequality, the policy should be to rigorously implement the existing laws. If this is not considered politically desirable, one should wait and watch the results of implementation of liberalisation in other areas.

To put it more precisely, the sections pertaining to the definitions of 'tenant', 'personal cultivation', 'resumption' and 'fair rent', will have to be amended in selected districts on the basis of indicators, like land holding pattern, degree of concentration of land ownership, agricultural growth, agricultural productivity and existing tenancy arrangements. Sections related to the prohibition of tenancies will have to be deleted in such areas. For example, Section 5 of the Karnataka Land Reforms Act, which prohibits the leasing of land except by soldiers and seamen, will have to be amended to include leasing by all landless agricultural workers and marginal farmers. The result of amending tenancy laws to allow leasing in of land will ensure greater accessibility of the rural poor to agricultural land which in turn shall enhance employment opportunities.

References

1. In this paper tenants refer to all such land operators who are not in direct relationship with the state, but pay rent either in cash or kind to the landowner. Tenancies may be recorded or unrecorded, short term for only a crop or extending over life time, and legal or illegal.
2. Land, Labour and Rural Poverty, Pranab Bardhan, 1986.
3. Elements of semi-feudal agriculture are considered to be high incidence of share-cropping, indebtedness of the small tenants, concentration of landownership and usury in the same person, and inaccessibility of markets to the tenants.
4. Capitalist agriculture has several features, such as landowner is the entrepreneur, production is for the market and through wage labour, surplus is generated through production rather than rent, and is reinvested in augmenting production, and free and mobile labour. Many other features of capitalist agriculture such as technology operates under increasing returns to scale, increases in concentration of land, and industrial capital penetrates agricultural sector have not been witnessed in India so far on a significant scale.
5. G. Parthasarathy, Responses to and Impact of HYV rice...., Developing Economies, 1974.
6. Thimmaiah G., in Aziz and Krishna, Land Reforms in Karnataka. ❑

(Contd. from page 12)

Lastly, the ordinance is also silent about the status of independents, who do not belong to either of the political groups. It has to be kept in mind that a large number of independents were got elected to the Civic bodies in the last elections held in September 1995.

Moreover, the provisions empowering the state Elections Commission to dispose of defection cases also raises issues relating to democratic practice. In the anti-defection Act for state legislatures and parliament, it is the Speaker of the house who decides the cases of defection. It also signifies the failure of Kerala coalitions to stop a new political culture for the local bodies with frequent splits and break-up of coalitions. Politics in the state based on capturing power would give way to development politics. The coalition culture which has been devolved to the panchayats have now ensured that a new development paradigm would be quite unachievable. It also remains to be seen how the emergence of party politics would negatively affect the people's campaign for planning. Despite its agenda becoming suspect midway in its implementation, the campaign continues to arise high expectations. With the panchayats, recipients of large development funds, the anti-defection legislation in its present form would not be a panacea.

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TABLE 4
Changes in the nature of leasing practices in the last thirty years

	Semi-feudal[3] tenancy	Capitalist[4] tenancy
Period of lease	Usually life long or for several years	Could be only for a crop, esp. labour intensive crop
Supervision by the landowner	Negligible; all entrepreneurial decisions are taken by the tenant	Intensive, landowner decides the cropping pattern, and timing of application of inputs
Share of landowner in investment	Negligible, seed, animal power and labour is provided by the tenant	Most capital cost is borne by the land owner, the tenant provides family labour and animal power
Share of landowner in output	Traditionally 50%	75 to 85%, depending upon capital costs
Identification of lessee with the plot	Very high, as tenancy is life long, often hereditary	Nil, as sub-tenant keeps changing his plot
Total investment in agriculture	Restricted to labour and home grown inputs, little capital	Cash investment could be between 50 to 70% of the total investment
Opportunities of employment outside agriculture	Little, and demand for land is very acute leading to high rents	Increasing opportunities for employment outside land, leading to more land coming to the market and stabilisation of demand for land
Productivity of land	Higher on marginal holdings as family labour is free on such holdings	Marginal holdings seem to lose the advantage and productivity seems to be highest on small-medium size holdings, however marginal holdings maximise production per unit of capital

TABLE 5
Incidence of Tenancy for 17 Major States

RURAL

States	% of hhs. reporting Leasing out	Leasing in	Av. area leased in per reporting household	leased-in area as per cent of total area owned
Andhra Pradesh	4.6	15.9	0.47	9.6
Assam	3.9	16.7	0.33	8.0
Bihar	2.4	7.0	0.39	4.3
Gujarat	4.0	10.6	0.56	4.2
Haryana	10.1	18.3	3.17	41.1
Himachal Pradesh	3.4	14.4	0.24	4.4
Jammu & Kashmir	1.0	6.4	0.53	3.4
Karnataka	7.5	13.1	0.99	9.3
Kerala	2.2	9.6	0.10	3.2
Madhya Pradesh	3.9	12.3	1.04	7.4
Maharashtra	4.4	15.8	0.52	5.2
Orissa	6.8	22.3	0.38	11.4
Punjab	8.9	15.2	1.31	18.2
Rajasthan	4.5	10.9	1.43	5.8
Tamil Nadu	5.6	19.5	0.26	12.4
Uttar Pradesh	5.8	16.5	0.59	11.8
West Bengal	4.7	17.8	0.31	12.0
All India	4.8	14.7	0.62	9.0

Source : "Some Aspects of Household Ownership Holdings", NSS Forty Eighth Round (Jan-Dec. 1992), NSSO, Department of Statistics, Ministry of Planning & Programme Implementation, Govt. of India (Mimeo), 1995.

TABLE 6
Percentage Distribution of Area Leased-in by terms of Lease for 17 Major States

RURAL

States	for fixed money	for fixed produce	for share of produce	other terms	all
Andhra Pradesh	32.1	29.2	33.9	4.8	100.0
Assam	23.7	4.7	49.6	22.1	100.0
Bihar	9.2	20.4	57.4	13.0	100.0
Gujarat	19.1	3.2	56.5	21.2	100.0
Haryana	82.2	2.6	14.3	0.9	100.0
Himachal Pradesh	18.1	6.8	9.2	65.9	100.0
Jammu & Kashmir	16.1	27.9	27.6	28.4	100.0
Karnataka	19.7	18.5	47.3	14.5	100.0
Kerala	15.1	—	4.6	80.3	100.0
Madhya Pradesh	22.7	30.9	25.1	21.3	100.0
Maharashtra	27.0	10.3	47.3	15.5	100.0
Orissa	12.7	11.9	65.1	10.4	100.0
Punjab	67.1	10.8	15.0	7.1	100.0
Rajasthan	17.7	32.2	37.1	13.0	100.0
Tamil Nadu	32.4	26.5	25.3	15.9	100.0
Uttar Pradesh	7.8	18.7	56.3	17.2	100.0
West Bengal	12.4	9.8	67.4	10.4	100.0
All India	29.1	18.0	39.8	13.1	100.0

Source : "Some Aspects of Household Ownership Holdings", NSS Forty Eighth Round (Jan-Dec. 1992), NSSO, Department of Statistics, Ministry of Planning & Programme Implementation, Govt. of India (Mimeo), 1995).

● *Department of Rural Development, Government of India.*

Agricultural and Rural Development Programmes—A Critical Analysis

Binoo P. Bonny

The very concept of rural development, on the global level, had its origin in the mid-seventeenth century in England. A group of people called 'Quakers' or 'Friends' organised themselves on the principles of selfless sacrifice. They believed in the dignity of all human beings. This philosophy was propagated throughout the world.

In fact, the earliest organised effort of rural development in India is also credited to a "Quaker'—Ms. Rachel Metfafe who came to India in 1866. She concentrated her efforts in Hoshangabad in Madhya Pradesh. She started a rehabilitation centre for the children orphaned by the famines of 1895-96 and 1899-1900. Later, a training centre for these children to enable them to earn their livelihood was organised. Her efforts were sustained by other 'Quakers' like Hilda Cashmau who came to India.

With the turn of the century, there had been many, though sporadic attempts in developing the rural life. These were mostly attempts by benevolent persons and private agencies. The government also had to slacken these exploitative policies and initiate some to solve the pressing problems in agriculture. Some of the commendable efforts that enriched our later endeavours in rural development were:

Gurgaon Experiment of F.L. Bryne (1920)

Marthandom Experiment by Spencer Hatchet (1921)

Srinikethan Experiment by Tagore (1921)

Sevagram Experiment of Mahatma Gandhi (1933)

Firkha Development Programme by Prakasam (1948)

Etawha Pilot Project by Albert Mayer (1948)

Quite a few centres of rural reconstruction were started from time to time in different parts of the country. These centres made systematic efforts for development of life and society of specific rural communities and tried to make full use of technology knowledge.

Post-Independent Era

All was not fair with India at the dawn of independence. She had to tackle a multitude of problems in the form of hunger, malnutrition, population pressures, unemployment and many more. The entire rural development strategies of post-independent India can be classified into two phases.

— Phase one extended from independence to the end of 1960.

— Phase two extended from 1971 until now.

Crucial difference in these two phases were in the development emphasis itself i.e. in the first phase, emphasis was on eradicating social ills or under-development based on Gandhian view. While the poverty *'per se"* overlooked it in the second phase from 1971.

Phase One

The programmes for social emancipation of poor rather than economic upliftment envisaged in this phase included:

* Minimum Wages Act (1948)
* Land Reforms (1950)
* Community Development (1952)
* Panchayat Raj Institutions (1959)

Minimum Wages Act in 1948 could hardly have been expected to actually work in the field with lack of enforcement machinery. The use of the law for agricultural wages have had more to do with social appearances. The Employment Guarantee Scheme of Maharashtra is the only policy since then to be backed by legislation.

The policies of land reform and even minimum wages were more social in character than oriented towards economically emancipating poor groups. Land reform of the early 1950s concentrated on the abolition of 'Zamindari' and was much less successful at rationalising other land tenures. Issues of tenancy rights, rents and land ceilings are yet to be enforced in most parts of the country except for the possible exception of Kerala and West Bengal. The Zamindari abolition did give 20 million farmers ownership of land and perhaps provided greater incentive to cultivate but that was incidental to the stimulus for the move. There is little evidence of any direct improvement in productivity from this reform.

The Community Development Programme was aimed towards the comprehensive or all-round development of rural society. The guiding principle of the programme was that the problems of rural development are so interwoven and multifaceted that a prioratisation is not feasible.

There have been many critical evaluations of the programme which highlights that the tangible achievements of the CDP have been in terms of distribution of improved seeds, use of chemical fertilisers, plant protection chemicals, improved farm tools and equipment, construction of roads, wells, irrigation canals, establishment of primary health centres, rural dispensaries, Balwadis/Nurseries etc. The CDP has also contributed significantly towards the creation of basic socio-economic infrastructure in rural areas and, has helped expand and improve the production base of the rural economy of India. The CDP has also fulfilled, to a large extent, the equity norm of rural development.

However, the CDP failed to achieve the expected increase in agricultural production. This failure is attributed to its diffused character as it did not put sufficient and direct emphasis on agricultural production. The financial, material, and administrative resources of the CDP were spread too thinly, albeit uniformly, all over the countryside to produce any tangible impact on agricultural production and rural poverty. In other words, the resources devoted to agricultural production fell short of the 'critical minimum' required to escape from the perpetual problem of low productivity in Indian agriculture.

Some of the other criticisms of the CDP include (i) it has not been a people's programme; (ii) has followed a 'blue-print' approach to rural development; (iii) it has employed a large army of untrained extension workers who, because of a lack of coordination among them, were less a source of help to the villagers and more a source of bewilderment and confusion; (iv) a spirit of ritualism has permeated the block programmes, and the inauguration, opening or foundation stone laying became the 'be-all and end-all' of all block activities; and (v) there was lack of functional responsibility at the block level that has led to a good deal of confusion and interdepartmental jealousies.

To study people's participation in CDP, a committee was set up under B.R. Mehta which submitted a report which emphasised the need for Panchyat Raj Institutions in 1959. He perceived a three tier system of administration for each district with Zila Parishad at the district level, Block Panchayat Samithi at Block and Grama Panchayat at village level, each being an elected body of the people. But the implementation of the PR institutions which involved decentralisation of powers based on Gandhi's vision of a co-operative and benevolent society had to be abandoned in the face of highly unequal, caste and class-ridden heterogenous mass where the rural oligarchs held the key to development benefits. Thus, through all these programmes attacked poverty generating social variables and involved the community's participation, their direct impact on poverty was limited due to diffused focus on the whole community. It lacked mechanisms to direct 'benefits' to the vulnerable groups.

Phase two

The decade starting from 1960 was a watershed period in the history of India. Problems of development were aggravated by wars, political changes and acute shortage of foodgrains.

This necessitated a shift in paradigm of rural development from social equity to poverty alleviation. The concept of poverty got virtualised by the poverty line concept of *Dhandikar*. The entire poverty alleviation programmes can be classed under three heads mainly. The classification and the programmes coming under each are as follows:

Poverty Alleviation Programmes (1960-onwards)

Programmes for increasing Agril. production of IADP, IAAP, HYVP etc.

Programmes for Community Coverage

Covering all sections e.g. MNP	Covering Target groups DADP, TADP, HAOP, EDA, MFAL etc.

Programmes for Employment

Wage employment e.g. NREP, RLEGP	Self-Employment IRDP

India witnessed its first post-independent drought during this period. So, the immediate need was to augment food production at any cost. On the postive side, we had technological breakthroughs during this time especially in cereal crops like wheat. The major programmes initiated were IADP, IAAP and HYVP, often quoted as 'green revolution'. All these programmes had the basic concept of concentration, effective use and better management of resources in better endowed areas of resources. The spread of green revolution was constrained by already existing infrastructure and was handicapped by the over emphasis on inputs like fertilizer, PPC etc. Though it brought quantum leaps in food production, it widened social disparity among the 'haves' and 'have nots'. Larger disparity among the 'haves' land-owners benefited disproportionately leading to tension, social unrest and violence and even to extreme cases of vandalism in states like Andhra Pradesh and Bihar. The second generation problem of this lopsided development effort still continues as regards depletion and contamination of natural resource base, threat to biodiversity, issues of sustainable development etc.

Thus, by 1970, rural poverty forced itself on to the political agenda as reflected in slogans of "Garibi Hatao" and community-oriented programmes. Minimum needs programme covering all sectors was started in 1972 to ensure the bare basic necessities of life like food, housing, education, health, nutrition, sanitation etc. to all on an average proportion. But in identifying the poor, the executive mechanism failed miserably and the programme could not make much headway.

Many programmes like Drought Prone Area Development Programme (1971), Tribal Area Development Programme (1971), Small Farmers and Agricultural Labours Development Agency (1971) etc. were initiated to reduce the regional disparities. And also the poor were somehow missed out in the execution.

So towards the late 70's the core of poverty alleviation strategy got narrowed down to self-employment schemes and wage employment schemes.

Self-Employment Through Durable Assets—An IRDP Experience

Integrated Rural Development Programmes launched in 1978-79 constitute the most successful and laudable efforts in Indian rural development till date. It is the single largest anti-poverty programme covering the entire country. It utilised the successful experiences of our earlier programmes. It was a synthesis of the package approach of IADP, Target group approach of SFDA, cluster approach of DPAP and Command Area Development Programme, poorest of poor (Andhyodhaya) approach of Andhyodhaya. It seeks to re-distribute assets and employment to vulnerable sections like SF, MF, AL and SC/ST living below the poverty line.

IRDP beneficiaries are assisted through viable bankable projects which are financed partly by subsidy and partly by bank loans. The beneficiary could select a project suited to his background, skills, and personal preferences from a shelf of some sixty-one schemes in the fields of agriculture, irrigation, animal husbandry, village industries, tertiary sector, and others. In order to enhance the viability of a project, differential rates of subsidy are admissible on the total cost of the project. The capital cost of the assets is subsidised to the extent of 25 per cent for small farmers, 33.33 per cent for marginal farmers, agricultural and non-agricultural labourers and rural artisans, and 50 per cent for the tribals. A non-tribal beneficiary may receive a subsidy of upto Rs. 3,000 in Non-Drought Probe Area Programme areas and Rs. 4,000 in Drought Prone Area Programme areas and a tribal beneficiary upto Rs. 5000.

In implementation, IRDP was also not without lacunae which can be highlighted under the following heads:

Selection of Villages

Under the operational guidelines for the implementation of the IRDP, it is laid down that a cluster approach should be adopted in the selection of villages. The cluster approach requires, inter alia, the existence, in the villages to be selected, of programme specific supporting infrastructure including credit institutions. This approach is justified in terms of economic efficiency, i.e., returns from scarce financial and administrative resources invested in the selected clusters. But by denying the benefits of the programme to the poor families living outside the selected clusters, this approach does not fulfil the criterion of equity.

Selection of Beneficiaries

Selection of IRDP beneficiaries is expected to be made by the Village Level Worker (VLW) by following the antyodaya principle, i.e., selecting the poorest of the poor first. In actual practice, however, the antyodaya principle is not strictly followed. This is due partly to some genuine difficulties in following this principle and partly to some deliberate defaults on the part of the VLWs. The genuine difficulties include reluctance and/or inability of the poorest of the poor to be able to purchase and manage one of the assets identified for him at the time of the household survey with bank loans and IRDP subsidy. This may be due in part to the lack of managerial ability of the householder and partly to his inability to bear the risk involved in purchasing a loan financed asset. This means that we need to identify and formulate bankable projects that would suit the managerial and risk bearing ability of the poorest of the poor.

Formulation of Household Plans

The Government's instructions require a detailed household plan to be formulated for each selected beneficiary. A format for the plan is also prescribed. This plan is supposed to be prepared by the VLW on the basis of the household survey of the beneficiary. But in actual practice, detailed household plans along the Government's instructions are not prepared for the selected beneficiaries. This is due to the non-availability of adequate expertise and manpower for the purpose, and to the lack of clear instructions on this subject. A propertly formulated household plan could be an important instrument in helping the selected beneficiary rise above the poverty line and in monitoring the progress of the implementation of the programme.

Preparation of Village and Block Plans

The Government of India Manual on the IRDP (1980) specifies that the village and block plans under the IRDP are to be based on the detailed household plans of the beneficiaries. In practice, however, village and block plans are not prepared according to the instructions contained in the Manual. This is because the requisite manpower and expertise is not available.

Provision of Loans and Subsidies

The IRDP beneficiaries are assisted through viable bankable projects which are financed partly by subsidies and partly by bank loans. The present guidelines stipulate subsidies at differential rates ranging from 25 to 50 per cent of the capital cost of the scheme, subject to a maximum of Rs. 3,000 in non DPAP and Rs. 4,000 in DPAP areas; for a tribal beneficiary the limit is Rs. 5,000.

During the Sixth Plan, the average subsidy provided to a typical beneficiary has been around Rs. 9,000 and the average investment (subsidy+loan) about Rs. 2,700. In view of the escalation in the costs of assets, the limits of subsidy should be increased. A very large number of beneficiaries did not receive adequate financial assistance as a result of which they could not attain the critical minimum level of investment necessary to generate sufficient income for them to rise above the poverty line.

Acquisition of Assets

The IRDP beneficiaries are assisted by the EOs/VLWs in acquiring the desired assets. There have been numerous cases where no assets were purchased but the certificates to that effect were issued by the Committee members in return for bribes. There have also been cases where sub-standard assets have been supplied at prices higher than the market rates by the authorised dealers in collusion with the banks. The purchase procedures have to be streamlined to minimise the incidence of corrupt dealings.

Enlisting People's Participation

The implementation of the IRDP has suffered to some extent as a result of the inadequate response from the rural masses including the largest group, and their consequent lack of involvement in its activities. Like its predecessors, the IRDP is also considered to be the government's programme. What is imperative is to reorient it so that it becomes a people's programme with government's participation.

Seeking Inter-agency Cooperation

A big anti-poverty programme like the IRDP is likely to perform better by relying more on inter-agency cooperation through the use of both formal and non-formal networks than on hierarchical controls.

Wage Employment Programmes

Most of the wage employment programmes like Food for Work Programme (1977), Employment Guarantee Scheme (1972), National Rural Employment Programme (1979), Rural Landless Employment Guaranteed Scheme (1980) etc. are often criticised for the non-durable nature of the assets created and their subsequent monopolistic use by the non-poor.

Most wage employment programmes have been premised on the need to "make work" for agricultural labourers during the slack season, but this objective has overtime been confused with generating durable assets to aid economy's capital formation. Many of the specifications given for the type of income generated were conflicting when approached simultaneously. Moreover, the provision of minimum wages actually draws labour away from their usual lower paid jobs thus, helping the already employed rather than unemployed. These programmes lacked clarity and their volume had been inadequate against the large unemployment problem.

(Contd. on page 38)

The First State Finance Commission In Rajasthan : An Innovative Mechanism of Fiscal Transfer To PRIs

Amarendra Kumar Tiwari

Rajasthan is a state which has taken a pioneering interest in the problems of Panchayati Raj and planning being the first one to establish Panchayati Raj in India. "The scheme was inaugurated by the late Prime Minister Jawahar Lal Nehru on 2nd Oct. 1959 at Nagaur as a historic event on Mahatma Gandhi's birthday to fulfill his dream of Ram Rajya".[1] The light of swaraj was rapidly spreading to every village, as the people's own representatives at grass root levels of administration were learning to manage their own affairs. This was made possible due to reorganisation of the old disintegrated village panchayats and introduction of the new form of Panchayati Raj.

Constitutional Sanction of State Finance Commission

The Panchayati Raj Institutions have been accorded statutory status by the 73rd Amendment Act of the Indian Constitution in 1992. The new constitutional provisions have given due consideration to the federal character of the polity and have left to the discretion of the states, the task of deciding—powers and responsibility to be assigned to the Panchayats and sharing of state's revenue between the state and the Panchayats on the basis of principles to be determined by the State Finance Commission. "The basic issues of inter-governmental transfers in the context of the Constitutional Amendment are one of rationalising multilevel public finance with multilevel planning and development in Indian federal polity."[2] The transfer of an indicative list of 29 subjects to the three tier of Panchayati Raj Institutions along with the mandate to the states. by Article 40 of the constitution to "endow the panchayats with such powers and authorities as may be necessary to enable them to function as institutions of self government"[3] (243-G) cannot be seen independently of Articles 243-ZD, 243-ZE, 280 (b)(b) and 280 (c). This raises several questions related to functions, finance, planning and administration which can only be approached in an integrated manner.

The addition of 280 (b)(b) and 280 (c) clauses to Article 280 assigning some new responsibility relating to Panchayat finances to the Central Finance Commission as part of the 73rd Amendment, is an enabling provision which in a broader sense may be seen as another attempt at rectifying the imbalances of functions and finances in the Indian Constitution. "Article 280 (b)(b) asks the Central Finance Commission to recommend the measures needed to augment the Consolidated Fund of a state to supplement the resource of the Panchayats in the State on the basis of the recommendations made by the State Finance Commission."[4] The SFC's recommendations will have to precede those of the Central Finance Commission.

State Finance Commission : A Virgin Area

The State Finance Commissions are going to work in a practically virgin area unlike the Central Finance Commission whose jurisdiction is defined by the Constitution. They are lacking of supporting evidences which could help them to perform the mandated tasks. However, the recommendations of the committees appointed earlier by the Union and the State Governments to inquire into the working of the Panchayats and to suggest measures for strengthening them provided the ingredients of "Article 243-I sub-clause 1 to 4, of the 73rd Constitutional Amendment Act which provides for a constitution of a Finance Commission for each State to review the financial position of the Panchayats and to make recommendations to the Governor."[5]

Scope of State Finance Commission

The emergence of State Finance Commission is a landmark in the way of strengthening the third layer of the polity at the sub-state level that is the Panchayats. The task of Central Finance Commission is made easier by specifying the scope of fiscal transfers from the centre to the States in the shape of transferred taxes, grants and loans. "The scope of the State Finance Commission have not been specified."[6] They have no past experience of the subject. Thus, their tasks will be much more difficult because of a few uncertain factors such as the extent of decentralization that would ultimately take place, the capabilities of local bodies to maintain fiscal discipline and the need to strike a balance between the available resources and actual requirements of Panchayats. "A State Finance Commission has to take into account, among others, the powers, and responsibilities, which would be given to the Panchayats in consonance with the statutory provisions 'to prepare and implement plans and schemes of economic development and social justice' and the ability of Panchayats to share the cost of planned schemes."[7]

First State Finance Commission in Rajasthan

The Governor of Rajasthan, by his order dated 23rd April 1994, in pursuance of the provisions under Article 243-I & 243-Y of the Constitution of India and the Rajasthan Panchayati Raj Act. 1994 constituted the First State Finance Commission. The Commission was headed by Shri Krishna Kumar Goyal, with the following members—

1. Shri Chandanmal Baid, Member
2. Shri Devendra Singh Shaktawat, Member
3. Shri T. Srinivasan, IAS, Member Secretary.

Terms of Reference

Against the backdrop of 73rd Constitutional Amendment Act and the notification issued by the State of Rajasthan constituting the First State Finance Commission, the following are the terms referred to the Commission—

The Commission shall review the financial position of Panchayats at all levels and make recommendations as to :

(a) the principles which should govern :

(i) the distribution between the State and the Panchayats at all levels of the net proceeds of the taxes, duties, tolls and fees leviable by the state which may be divided between them under part IX of the Constitution and the allocation between the Panchayats at all levels of their respective shares of such proceeds;

(ii) the determination of the taxes, duties, tolls and fees which may be assigned to or appropriated by the Panchayats at all levels;

(iii) the grants-in-aid to the Panchayats at all levels from the Consolidated Fund of the State;

(b) the measures needed to improve the financial position of the Panchayats.[8]

In making its recommendations, the Commission have given regard, among other considerations to :

(i) the financial resources of the State and demands thereon, in particular, the need for providing adequate resources for funding the plan expenditure for the overall development of the State.

(ii) the expenditure needs of the Panchayats at all levels for the functions and responsibilities already assigned to them and those as may be assigned to them hereafter as per provisions of new amended legislations.

The Commission was initially required to submit an interim report by 30th Sep. 1994, but by the Governors' order dated 22nd Sep. 1994, the term of the Commission was extended and the Commission was required to submit interim report by 31st Jan. 1995 and the final report by 31st March 1995. "As the report of the tenth Finance Commission was placed in parliament in March 1995, the Commission was given further extension upto 30th June 1995"[9] by the Governor's order dated 4th April 1995. Two more extensions were granted to submit the final report by 31 Dec. 1995. The recommendations of First State Finance Commission was approved by the State Cabinet on 25th Feb. 1996 and the proceedings were started with effect from 1995-96.

Basic Principles of Commission

The First State Finance Commission of Rajasthan has adopted the same basic principles that guide the Central Finance Commission for the allocation of resources between the Union and the States i.e. efficiency, adequacy and suitability. The Commission has directed its efforts to the following aspects :

(i) Assessing the capabilities of the Panchayats in raising their own resources maintaining fiscal discipline,

(ii) Ensuring proper match between assigned activities and financial requirements, and

(iii) Working out fiscal implication of the maintenance of the staff both of the State Government and Panchayats.

Recommendations of First State Finance Commission

The Commission recommended the grants in different forms from 1995-1996 to 1999-2000 for the economic strengthening of PRIs.

Grants for Gram Panchayats

Following grants are recommended by the Commission for the Gram Panchayats.[10]

Establishment Grant

Part time employees to be engaged by the Gram Panchayats having no secretaries from the literate local persons or retired Government servants belonging to village in the area on a monthly remuneration of Rs. 1,000 for assistant secretary and Rs. 500 for the class IV servant. A sum of Rs. 43.03 crores is recommended as grant to the Gram Panchayats for the five years period from 1995-1996 to 1999-2000 (TABLE-1 on pg. 30).

Maintenance Grant

For maintaining the rural roads and building, a nominal sum of Rs. 5,000 is to be allocated. With the local contribution, if any, the Panchayats could do a lot for maintenance of the rural roads and school buildings, which need priority attention. A sum of Rs. 22.95 crores (Rs. 4.59 crores per year) is recommended for this purpose for five years commencing from 1995-96.

Start-up Grant

There was a demand for financial assistance to 1856 newly created Panchayats for hiring office buildings, purchase of furniture, dharis etc. One time start-up grant of Rs. 5,000 to these new Panchayats would go a long way in providing the basic infrastructure for their functioning. One time grant of Rs. 0.93 crore was recommended for this purpose for 95-96.

Incentive Grant

An incentive Scheme of cash awards for the best PRIs is recommended which is to be utilized for development work in their jurisdiction. There will be three cash awards at the District level for the first, second and third best performing Gram Panchayats chosen by a District level Committee to be appointed by the State Government. This first award would carry Rs. 2 lakhs, second award Rs. 1 lakh, and the third award Rs. 50,000. The selection of Panchayats would be on the basis of their achievement in resource mobilization from own sources (ARM target must have been achieved), their efforts on development and services rendered to the people. A sum of Rs. 5.45 crores is recommended for incentive grant for five years at the rate of Rs. 1,09 crores per annum.

General Purpose Grant

The existing per capita grant of Rs. 5 is recommended to be increased to Rs. 11. The Gram Panchayats have to fulfill the obligation of providing the basic sanitation at least on festive occasions, melas etc. For this purpose a minimum of Rs. 3,000 is to be spent per Panchayat per annum out of these funds. Similarly, the Panchayats with electrified villages in their jurisdiction should spend at least Rs. 5,000 per annum per Panchayat for street lighting out of these funds. If a Panchayat does not have electrified villages, this amount may be divided to other purposes for which the general purpose grant could be spent. Thus, out of the total additional allocation of Rs. 20.85 crores (Rs. 6.08 per capita) for 1995-96, a sum of Rs. 7.35 crores would be utilised for the purposes mentioned above (Rs. 4.59 crores for street lighting and Rs. 2.76 crores for sanitation). Yet there will be a net addition of Rs. 13.50 crores available as united grant to Gram Panchayats. This amount would be spent by the GPs according to the budget provision duty approved by the Panchayat. An annual increase of 10% in general purpose grant to meet the increasing trend in Panchayat expenditure is also recommended. Accordingly, the amount to be devolved under this head would be Rs. 127.32 crores for five years. The five years receipt of Gram Panchayats from 1995-96 to 1999-2000 is given in TABLE 1. pg. 30.

Development Grant

The Tenth Finance Commission (TFC) has provided a grant of Rs. 212.22 crores for PRIs for four years from 96-97 onwards. Annually Rs. 53.05 crores are to be transferred to the PRIs for 1996-97 and 1997-98 and thereafter for the next two years, viz. 1998-99 and 1999-2000, the annual grant would be Rs. 53.06 crores.

The TFC's recommendations stipulates that "They (State Government) should draw up suitable Schemes with detailed guidelines for the utilization of the grant. The local bodies should be required to provide suitable matching contributions by raising resources. The grant is not intended for salaries and wages."[11] Hence, it is suggested that the entire amount should be ear-marked for spending on Developmental Schemes to be implemented by the Panchayats.

The TFC did not make any allocation for 95-96. A sum of Rs. 50,000 per block was allocated as Development grant to Gram Panchayats for 95-96. If any amount remains utilised in this year, the same should be allowed to be carried over to next year as matching grant.

Including the TFCs grant of Rs. 212.22 crores, a sum of Rs. 213.40 crores would be available in five years for Development to Gram Panchayats. It is suggested that a matching contribution to GPs could be provided for meeting the excess material component involved in building activities under JRY/EAS.

Matching Grant

The utilisation of the Central grant to PRIs under the TFC's recommendation would largely depend on the matching grant to be mustered by the Panchayats. It is not clear from the TFC's report that in what proposition matching grant is expected from the Panchayats to avail the Central grant. A matching grant is recommended to Panchayats to avail the Central grant for four years from 1996-97. A sum of Rs. 61.30 crores is recommended to be provided for this purpose in four years. Annual break up of this amount from 1996-1997 to 1999-2000 is shown in TABLE 1.

TABLE 1
Additional Devolution to Gram Panchayats
(1995-96 to 1999-2000)

(Rs. in Crores)

Items	*95-96*	*96-97*	*97-98*	*98-99*	*99-2000*	*95-2000*
GP Grant	20.25	22.93	25.22	27.77	30.55	127.32
Establishment Grant	3.31	9.93	9.93	9.93	9.93	43.03
Matching Grant	5.42	6.39	7.99	15.95	25.55	61.30
Maintenance Grant	4.59	4.59	4.59	4.59	4.59	22.95
Start-up grant	0.93	0.00	0.00	0.00	0.00	0.93
Incentive Grant	1.09	1.09	1.09	1.09	1.09	5.45
Financial Corporation	0.00	0.00	5.00	5.00	5.00	15.00
Total	36.19	44.93	53.82	64.33	76.71	275.98
Development[12]	1.18	53.05	53.05	53.06	53.06	213.40
Grand Total	37.37	97.98	106.87	117.39	129.77	489.38

Source : Report of the first State Finance Commission of Raj.

Grants for Panchayat Samities

"The Panchayat Samitis in the existing system play a very vital role in planning, implementing, supervising and monitoring the Rural Development programmes."[13] There is an urgent need to structurally strengthen these institutions for the increasing fund flow under rural development programmes and the inadequate staff in the PSs. Following grants are recommended by the First State Finance Commission of Rajasthan :

Establishment Grant

The technical Staff in the Panchayat Samitis could not cope with pressure of work under various rural development Schemes. As a result, works are started late and there is delay in measurements, payments and in submission of utilization certificates (UCs) and completion certificates (CCs). The flow of funds to Panchayats and PRIs are severely affected by this delay, thus slowing down the development works in rural areas.

"The Commission recommended for two Junior Engineers in each Panchayat Samitis. Accordingly 474 JEns would be required. There are already 359 JEns in the blocks, including 122 in blocks implementing Assured Employment Scheme. Hence, 115 new posts of J Ens, would have to be created."[14]

There is also a demand for increasing the clerical assistance in the Panchayat Samitis, as they have to handle the establishment of primary teachers. Generally, there are 2 UDCs and 3 LDCs in a block office. The clerical assistance should be increased in Panchayat Samitis and therefore an additional post of LDC in each block is recommended. Thus, 237 posts of LDCs are to be created in the State. For providing these additional staff (J Ens and LDCs), the State has to incur an expenditure of Rs. 6.89 crores in five years (TABLE 2).

TABLE 2
Additional Devolution to Panchayat Samitis
(1995-96 to 1999-2000)

(Rs. in Crores)

Items	*95-96*	*96-97*	*97-98*	*98-99*	*99-2000*	*95-2000*
Establishment Grant	1.13	1.24	1.37	1.50	1.65	6.89
GP Grant	2.53	2.55	2.55	2.55	2.55	12.75
Incentive Grant	0.60	0.60	0.60	0.60	0.60	3.00
Maintenance Grant	0.24	0.24	0.24	0.24	0.24	1.20
Total	4.52	4.63	4.76	4.89	5.04	23.84

Source : Report of the first State Finance Commission of Rajasthan

Maintenance Grant

Sufficient funds are not available for maintaining the buildings owned by the Panchayat Samitis. The block office buildings and staff quarters owned by the Panchayat Samitis are in dilapidated conditions for want of maintenance. Hence, a sum of Rs. 1.20 crores for five years at the rate of about Rs. 10,000 per block every year is recommended.

General Purpose Grant

Considering the Panchayat Samitis requirements to meet their office and other expenses, an increase in the existing per capita grant (including per capita land revenue grant) of 50 n.p. to Rs. 1.25 is recommended. According to the 1991 population of Panchayat Samitis, the State Government would have to incur an additional expenditure of Rs. 2.55 crores on this account every year (Rs. 12.75 crores in five years).

Incentive Grant

In order to promote and recognise efficiency and effectiveness in the functioning of the Panchayat Samitis, the Commission recommended that the State Government should institute and fund the following annual cash awards to PSs at the divisional level :

(a) First award of Rs. 5 lakhs to the Panchayat Samitis, adjudged first in the revenue division on the basis of its performance and service.

(b) Second award of Rs. 3 lakhs and a third award of Rs. 2 lakhs for the Panchayat Samitis ranked second and third.

These monetary awards are to be spent by the recipients on development works in their jurisdiction.

For the purpose of selecting the first three PSs in the division, a Committee needed by the Divisional Commissioner may be appointed by the State Government and norms for selection including the ARM efforts, quality of spending etc., may be worked out well in advance and the PSs may be informed.

"A sum of Rs. 3 crores is recommended for five years for disbursing annual award of Rs. 60 lakhs to Panchayat Samitis."[15]

Grants for Zila Parishads

The first State Finance Commission, while making recommendations considered the role of Zila Parishad in the existing system primarily as a district level supervisory body, having a limited number of schemes with which they are directly involved. Any change in this arrangement would have appropriate reflections on the fund flow to Zila Parishads. "The State Government, while delegating or assigning any additional functions to Zila Parishads should ensure that sufficient budget and staff are simultaneously provided to them for effectively discharging those functions."[16] Keeping in view the existing set up, the following grants are recommended for Zila Parishads.

Maintenance Grant

For the purpose for maintaining the buildings of ZPs a sum of Rs. 20,000 per annum may be provided to every ZP. Rs. 0.31 crore may be provided to ZPs for this purpose in five years. i.e. Rs. 6.2 lakhs, per annum (TABLE 3).

TABLE 3
Additional Devolution to Zila Parishads
(1995-96 to 1999-2000)

(Rs. in Crores)

Items	*95-96*	*96-97*	*97-98*	*98-99*	*99-2000*	*95-2000*
GP Grant	0.710	0.710	0.710	0.710	0.710	3.550
Maintenance Grant	0.062	0.062	0.062	0.062	0.062	0.310
Incentive Grant	0.150	0.150	0.150	0.150	0.150	0.750
Total	0.922	0.922	0.922	0.922	0.922	4.610

Source : Report of the first State Finance Commission of Raj.

General Purpose Grant

Lack of sufficient budget for POL, office expenditure etc. severely affects the functions of supervisory role vested with Zila Parishads. Though the new Act provides ample scope for the ZPs to raise their own income substantially, not only to meet their needs but also to assist the blocks and Panchayats, it will take some time for them to do so, as rules and procedures are to be revised for implementing these provisions. Hence, the Commission recommended a GP Grant at the rate of Rs. 30,000 per block per annum for five years to ZPs. The number of blocks in ZPs is a good indicator of the extent of monitoring and supervision functions to be discharged by the ZPs. Rs. 3.55 crores are recommended for five years for this purpose.

Incentive Grant

Awards for Zila Parishad : First three Zila Parishads, for this performance and service would get a cash award of Rs. 8 Lakhs (first), Rs. 5 lakhs (second) and Rs. 2 lakhs (third) at the State level. Selection of these ZPs based on their previous years performance would be by a Committee to be appointed by the State Government. The Government should also lay down the parameters for assessment and inform the PRIs well in advance. A sum of Rs. 0.75 crore is recommended for these awards at the rate of Rs. 15 lakhs per annum.

Financial Corporation for PRIs

Funds required for developmental needs of the PRIs are huge and the additional devolution would cover only part of this requirement. There is also dissimilarity in fund raising capacity for PRIs—some have more potential and some have less. Many potential PRIs need financial assistance for harnessing this potential to raise resources. Many resource raising activities of the PRIs like construction of shops, development of markets and real estate activities need financial assistance without the rigors of elaborate procedures that the village institutions are not used to. They also need technical and financial guidance for fully utilizing their potential.

It is therefore that the Commission recommended that there should be a financial corporation to look after the credit and technical needs of the PRIs. It is a fact that the financial corporations under the Government tend to run up the establishment over a period of time resulting in shrinkage of loan outflow. In order to obviate this possibility, the Commission recommended that the Director Rural Development and Panchayati Raj should be the ex-officio MD of the Corporation and the Development Commissioner its Chairman. Similar corporations to assist the Panchayats exist in States like UP, AP etc. and the State Government should formulate procedures for disbursement of loans after studying systems obtaining in these States.

"The Commission recommends that the State Government should provide Rs. 5 crores annually from 1997-98 for three years to build up the corpus of the corporation (Table 1)."[17] Member fee, contributions and loans from financial institutions could augment the resources of the corporation, while its main source of income would be interest earnings on loan to the Panchayati Raj Institutions. The staff requirements for this corporation should be met out of the existing staff of the department of Panchayati Raj and Rural Development.

The Commission recommended that the State Government should appoint a Committee for working out the details for setting up this corporation. The Committee should complete its task so as to enable the corporation to function from the year 97-98. The Commission also recommended that any savings on account of decisions already taken by the State Government, but for which provisions have been made in the recommendations are to be devolved as general purpose grant or matching or Development grants.

Horizontal Distribution to GPs

Vertical allocation to the PRIs at all levels has been already discussed. Introduction of the concept of equalization to bring about balanced development in the State is needed. This is all the more necessary in a State like Rajasthan, which widely varies in its agro climatic conditions and extent of industrialisation. "The resource need and potential vary so much from district to district that ... they warrant a careful distribution of funds for development to bring about balanced growth."[18] The blocks, which are not covered under DDP/DPAP/TAD tend to receive less funds from the Central and Centrally sponsored Schemes. Due to the poor resources of the blocks in the area, development decelerate. Hence, there is a need for at least marginally compensating these blocks in the distribution pattern.

Pattern of Equalization

Most of the items of assistance to the Gram Panchayat are per capita grant and therefore, the developmental assistance provided on TFCs recommendations and the matching grant recommended by First State Finance Commission would be distributed to the Gram Panchayats on the following basis :

(1) 50% of this amount on the basis of incidence of poverty of the District.

(2) 40% on the basis of total rural population.

(3) 10% on the basis of population in the non-DDP/non-DPAP/TAD blocks.

For the purpose of reckoning the incidence of poverty, the Commission has taken into consideration, the number of poor families identified by the DRDAs in their survey of 1992. On this basis funds are allocated yearwise and districtwise for development purpose.

Resource Mobilization

Additional resource required by the PRIs for bringing about a qualitative change in their functions have to be found from both within and from outside. The first State Finance Commission was required by the terms of reference to suggest measures to strengthen the financial condition of the PRIs. This obviously aims at finding more fund for improving services rendered by the PRIs in Rural areas. The Commission examined the potential available to PRIs in the existing frame work to raise resource locally, before suggesting the quantum and principles of devolution from the State's proceeds. The tax powers vested with the PRIs have been grossly under utilised because of their fear of becoming unpopular. "There is also a general apathy towards collecting non-tax revenue."[19] The rates of fees, charges, penalties etc. are very low and had not been revised for a long time. There is certainly ample scope for augmenting the non-tax revenue.

A number of non-Officials argue against the imposition of taxes at the Gram Panchayat level because of their proximity to voters. The difficulties of Gram Panchayat in fully utilising the tax powers vested in them are certainly appreciable. A selective approach to taxing the Rural rich nominally will not offend the sentiments of the villagers, instead judicious spending of the resources thus mustered will reinforce the credibility of the Panchayat Institutions as a powerful engine for village development. Nominal tax on *Havelies*, big *Pucca* houses could be a beginning in this direction.

In order to obviate the difficulties of the Gram Panchayat to levy and collect taxes, the higher level institutions like Panchayat Samitis and Zila Parishads can play a constructive role in raising local resources for rural development.. Panchayat Samitis may utilize the provisions of section 68 of the Rajasthan Panchayati Raj Act, 1994 for imposing the tax on land rent." The Act provides for imposing tax to the extent of 50% of the rent."[20] The Commission felt that to begin with a nominal 10% tax could be uniformly imposed by all Panchayat Samitis in the State. The block with less irrigated land would have less income, but this measure would benefit the blocks having substantial irrigated area. The net accrual on this count could be estimated as Rs. 2.5 crores.

Similarly the Commission suggests that the State Government may consider vesting the powers of imposition of land revenue on *Barani* land to Zila Parishads, so that the income from this revenue could be shared by PRIs in the ratio of 60% GPs, 25% PSs and 15% Zila Parishads. "Moreover under section 69 of the Rajasthan Panchayati Raj Act, 1994 the Zila Parishads are empowered to levy surcharge up to 5% on sale of property in Rural areas and half a per cent on market fee."[21] Some officials and also non-officials are of the view that indication of only maximum rate of surcharge deters the Zila Parishads from taking any local decisions because non uniformity of rates could be ensured in other district. The Commission recommended that Zila Parishads should levy a surcharge of 1% on sale of land in rural areas and half a per cent surcharge on market fee. The collection of surcharge will be done along with the duty or fee by the department concerned and a mechanism should be developed by the finance department for transferring the amount of PRIs at the district level itself without treating it as State receipt.

Sale of house site could be another potential source for augmenting income. In the District meetings of Finance Commission at Ajmer, Jodhpur etc., it was pointed out that the Panchayats should have a free hand in regular big village houses and for issuing *pattas*. The Commission noted with regret that there is no clear cut policy on Development of village *abadi*. "The existing procedures for allotment, conversion, regularisation etc., are to be streamlined and a policy for actively catering to the needs of *abadi* Development should be formulated by the State Government."[22] The PRIs must be involved in the policy. "Allotment and regularisation of village house sites could be an important source of income."[23]

It is not out of place to mention here that the Panchayats through which the national and State high-ways pass through are witnessing a burst of service activities through Dhabas, hotels, automobiles servicing and repair shops, petrol/diesel pumps etc. As these commercial establishments severely strain the Panchayat services, the Panchayats could levy taxes/fees on them.

Some of the important avenues for augmenting the local resources had been illustrated above. The Commission was fully aware of the disparity in agricultural and commercial activities of various blocks and Panchayats in Rajasthan which influence their ability to raise income. While some Panchayats could considerably raise their income levels, some have hardly any scope for additional income. As services rendered by the PRIs and their credibility have a direct bearing on their level of income the Commission deemed it proper that the PRIs should start their efforts in a small measure to mobilize additional resources. It is necessary for them to do so to foster their image as units of self-Government."[24]

Keeping in view the practical problems of the PRIs and also the existing scope and compulsions to augment their own income, the First State Finance Commission of Rajasthan recommended that the PRIs should raise 15% more income every year in addition to the existing trend increase in their own income. Accordingly the PRIs additional resource mobilization targets are fixed as follows.

TABLE 4

Targets for Additional Resource Mobilisation by PRIs

(Rs. in Lacs)

Category	*95-96*	*96-97*	*97-98*	*98-99*	*99-2000*
Gram Panchayat	206.50 (1583.19)	213.13 (1634.01)	219.97 (1686.46)	227.03 (1740.59)	234.32 (1796.47)
Panchayat Samiti	106.67 (817.79)	118.06 (905.13)	130.67 (1001.80)	144.63 (1108.80)	160.07 (1227.21)
Zila Parishad	36.92 (283.07)	52.98 (406.16)	76.01 (582.75)	109.06 (836.13)	156.48 (1199.68)
State	350.09 (2684.05)	384.17 (2945.30)	426.65 (3271.01)	480.72 (3685.52)	550.87 (4223.36)

**Figures in brackets expected on revenue (including ARM)*
Source : Report of the first State Finance Commission of Raj.

The total own revenue (including ARM) expected to be raised by the PRIs in the State would be Rs. 2684.05 lakhs in 95-96, Rs. 2945.30 lakhs in 96-97, Rs. 3271.01 lakhs in 97-98, Rs. 3685.52 lakhs in 98-99 and Rs. 4223.36 lakhs in 1999-2000.

Suggestions

In the light of the last para of the Governor's order dated 23rd April 1994 which required the Commission to "make available the estimates of receipts and expenditure of the Panchayats at all levels" following measures are suggested :

1. The revenue receipts of the PRIs recommended by First SFC are less when compared to their requirements for funds. Hence, the PRIs at various levels would be able to fully utilize these funds and incur expenditure to the extent of funds raised and received by them.

2. To ensure a scrupulous budgetary control, the Director, Panchayati Raj and Rural Development should evolve a mechanism for monitoring the proportion of expenditure of three categories viz., Establishment, Development and Miscellaneous, so as to keep the establishment and miscellaneous expenses below the limits prescribed by SFC.

3. The projections of SFC are based on the trend increase in income and expenditure in the past. Any serious disturbances in the economy due to famines, floods or policy decisions of the State and Central governments would certainly affect the projections of SFC. Hence, there is a need for closely monitoring the financial performance and conditions of the PRIs to guide and advise them on the changes that might affect the fund flow.

4. The Planning Commission should have proper co-ordination with the State Finance Commission so that the idea of putting the Panchayati Raj system in the Constitution and even for the first time giving a constitutional body like SFC for Panchayati Raj will be fulfilled with a great deal.

5. There is no institutionalized arrangement for studying and researching the finances of the public institutions in Rajasthan. The expertise and the performance of the departmental training insitutions are far from satisfactory. In the context of economic liberalization and market friendly policies, the State Government should create a State Institute of Public Finance and Policy. This institute could be a good resource base for financial data for the future SFCs.

6. Proper and effective system of accounting and auditing must be evolved at various levels of Panchayati Raj to avoid the misuse of public money.

Conclusion

The constitution of First State Finance Commission in Rajasthan has been proved as a milestone towards efficient governance based on principles of democratic decentralization and sound financial relations of the Panchayati Raj Institutions. The State Finance Commission is broadly modelled on the Central Finance Commission, and the tasks performed by it are substantially different in nature. It has worked in a practically virgin area with no experience or academic work to fall back upon because the State Finance Commission has been set up for the first time in Rajasthan under the mandatory provision of the Constitution. The tasks before the State Finance Commission in Rajasthan was enormous and it has played a crucial role in setting up the ground rules and trends for future SFCs. It helped in establishing state-local bodies financial relations. The first State Finance Commission in Rajasthan has filled up a large part of gap between the revenue of Panchayats and their expenditure as a whole and tied up the allocation of funds to the Panchayats with the raising of their own resources to a given share. The need of the hour is to give practical shape to the recommendations of First State Finance Commission of Rajasthan to fulfill the dream of the Father of the Nation after the 50th year of independence with a new face of democratic decentralisation at the grass root level and entry into the 21st century.

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Economics Of Milk Production : Kurukshetra, Haryana

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The relevance of animal husbandry in Indian economy is conspicuously obvious. Contributing nearly 9.5 per cent to the country's Gross Domestic Product and 36 per cent to the agricultural income (Dairy India, 1997), livestock sector has been registering an impressive performance in the past, more so, in the recent years. This is further endorsed by the fact that India is emerging as the world's largest milk producer with an estimated production of 78 million tons by 1998. Besides, being the principal source of draught power in rural areas, livestock presents vast employment potential and provides goods of economic importance such as milk, eggs, meat, wool, hides, farm yard manure, bones and hooves. Livestock, popularly termed as "Live Banks" for many rural milk producers, has indeed a critical role to play in the agriculture intensification process and drought proofing. Thus, this sector is closely interwoven with the social and cultural lives of millions of resource poor farmers for whom animal ownership ensures critical livelihood, sustainable farming and economic stability (Patel, 1993).

Land being the most scarce natural resource, it is being increasingly realised to make the best use of this resource, particularly, through diversificastion. Hence, there is a strong need to concentrate on enterprises like animal husbandry, which is considered to be quite compatible with the prevalent farming systems, to form an economically viable mode of production system.

The resource endownments vary with the type of agro-climatic regions and cause variations in milk production and productivity. Studies at micro level on aspects of milk production hence form an essential pre-requisite for formulating effective policies for boosting milk production at regional and national levels. Haryana takes pride for being the home tract of Murrah buffaloes, the milch breed, best suited for the varied agro- climatic conditions of the state. Besides, the state has also developed good local milch breed of cattle, "Hariana", which is being popularly reared in the state. Since, milk production is a complex biological process and economics of milk production holds important key to pricing of milk and also profitability to the producers, an in-depth probe into the intricacies of costs and returns of milk production systems assume special importance. Furthermore, not many studies are conducted on this issue on a broad based research scheme which can add to the recent information on bovine husbandry in the district. Studies encompassing the aspects of costs and returns of milk producers for different categories of bovine holding and species of milch bovines, have greater importance in understanding comparative economics in milk production, in addition to their policy utility. The study against this backdrop, was undertaken with a view to analysing the costs and returns of milk production systems on the selected rural dairy farms of Kurukshetra district.

Methodology

Study Area:

The State of Haryana has been divided in two major agro-climatic zones, viz., Eastern and Western zones. The district of Kurukshetra falls under the Eastern zone. The State houses about 4.4 million buffaloes, 0.31 million crossbred cattle and 1.4 million local cattle, and produces nearly 38.5 lakh tons of milk. Dairying is an important subsidiary enterprise in the agrarian economy of the State.

The district of Kurukshetra which has a great historical significance, is a progressive district with regard to crop and animal husbandry in the State. The district is popularly called "Grainary" and "Rice Bowl" of Haryana, where Rice-Wheat form the predominant cropping pattern. Kurukshetra district though the smallest district of the State, has a livestock population of about 0.49 million which constitutes about 5 per cent of the State livestock population. The density of bovine population of the district is 297 per sq.km against 147 for the State. This indicates the relative concentration of bovines in the district pointing out their importance in the district. Of the total milch bovines of the district, buffaloes subscribe a share of 77 per cent, while cows share the rest, clearly indicating a buffalo predominant milk production system in the district.

Sampling Technique and Sample Size

A multistage stratified random sampling procedure was employed for the selection of milk producers. The Kurukshetra district possesses five community development blocks, of them, two blocks namely, Ladwa and Pehowa were randomly selected. Two villages from each block were randomly selected for the primary survey. Accordingly, four villages namely, Niwarsi, Brahan, Lukhi and Hasanpura were selected for the study. A complete enumeration was carried out in the four selected villages for preliminary information. Finally, a sample of twenty-five households were selected at random from each village for a detailed study. A total of 100 dairy farmers formed the sample for the present study. The milk producers were post-stratified on the basis of number of milch animals as small (1-2 animals), and large (3 and above animals).

Nature of Data

Primary data on various aspects of boving rearing, namely cost of feeding, expenditure on human labour, milk yield, prices of inputs and outputs and miscellaneous expenses were collected through a structured and pre-tested interview schedule. The data pertained to the agricultural year 1996.

Variables and Analytical Frame

The costs were classified into fixed expenses and variable expenses for facilitating comprehension. Variable expenses included the expenses on green fodder, dry fodder, concentrate mixture, mineral mixture, human labour, veterinary services and miscellaneous items (ropes, chains, electricity, water, etc.). The items considered for fixed expenses were depreciation @ 10% per annum for buffaloes and local cows; 8% for crossbred cows; 2% for *pucca* shed and 5% for *kuccha* shed) and interest (@ 12% per annum. Gross cost was computed by adding total variable and fixed costs. Net cost was worked out as gross cost—income from dung. Cost of milk production was arrived at, dividing the net cost by the quantity of milk produced. Tabular analysis was utilized to work out costs and returns of milk production for different categories of milk producers and species of milch bovines.

Results and Discussion

Results of costs and returns analyses of milk production and a brief discussion of them are presented in this section.

A comprehensive information enveloping cost components and returns in milk production across buffaloes, crossbred cows and local cows and also for small and large bovine keepsr in portrayed in TABLE 1 on page 37. Feed cost constituted the largest major component (50-55%) in the gross cost, irrespective of size categories and type of milch bovines. Expenses on concentrate feeds and green fodder subscribed lions share in the feed costs. The results are conceivable that with a view to harvesting higher milk yields, farmers have been feeding higher levels of concentrates and green fodder particularly for crossbred crows and buffaloes. The works of Grover *et al.* (1992), Siwach and Dhaka (1993), Shah and Sharma (1994), and Gupta and Agarwal (1996) have reported similar results. The share of labour cost in the gross cost emerged to be the next largest for all the three species of milch bovines and categories of bovine keepers (20-23%). Owing to seasonality in agricultural operations, farmers, particularly, the women work force, devote considerable time for bovine rearing, this is more so with the small holder farms. The study results are parallel to the findings of Shah and Sharma (1994) and Sharma and Singh (1994). The fixed cost component shared about 20-23 per cent of the gross cost, and the interest on fixed assets formed the largest component of it. Shah and Sharma (1994) also observed similar results.

Interestingly enough, the results clearly brought out the fact that the average productivity of milch bovines were higher on small holder farms. These are perhaps the reflections of the 'drive factors' that force the small entrepreneurs to reap higher productivity from the milch animals. Excepting the local cows, the net income realised from milk production was positive in all other cases. The positive net returns, notwithstanding their lower values, have indicated that bovine rearing is a profitable subsidiary rural occupation. By and large, net returns were higher with buffalo milk production as compared to the crossbred cows and large farmers realised relatively higher net returns as compared to their counterparts, of course, with the exception to the crossbreds. Many studies reported on the contrary that net returns were more in crossbread cows as compared to the buffaloes (Shah and Sharma, 1994; Gupta and Agarwal, 1996). The negative returns in the case of local cows is also evident from the works of Patel *et.al.* (1988), Grover *et al.* (1992) and Gupta and Agarwal (1996). Of course, it should be noted that when 'paid-out costs' alone are considered in the net cost of milk production, particularly excluding the imputed family labour cost, then milk production showed higher levels of profits for all the species of milch bovines and categories of bovine keepers.

A derivative of Table 1, is TABLE 2 (page 38) which depicts the cost per litre of milk production. The study revealed that the cost of milk production was the lowest for crossbred cows followed by buffaloes. The high milk production potential of the crossbreds and good response of them to the strategic production inputs largely explain the phenomenon. Further it was found that cost of milk production by and large, remained lower on large farms as compared to the small farms, amply endorsing the operation of 'economies of scales' in milk production. This is further buttressed by the findings of Vashist and Katiha (1988), Grover *et al.* (1992) and Sharma and Singh (1994).

Conclusion

Bovine husbandry formed a vital subsidiary occupation for rural milk producers of Kurukshetra district. By and large, milk production emerged to be a profitable enterprise barring few cases of milk producers rearing local cows. However, viewed from 'paid-out cost' angle, excluding the imputed value of family labour from the gross cost, milk production did indicate high profits to the producers.

Efforts by milk producers to bring down the cost of milk production particularly by judicious use of concentrate feeds and rearing of high milk potential milch animals are most desired for improving the profitability in milk production. Remunerative prices coupled with improved marketing infrastructure would also stimulate milk production and enhance profitability. ❑

TABLE 1

Costs and Returns of Milk Production (Species-wise and Category-wise)

(Rs./Annum/Animal)

Particulars	*Buffalo*			*Crossbred Cow*			*Local Cow*		
	Small	*Large*	*Overall*	*Small*	*Large*	*Overall*	*Small*	*Large*	*Overall*
Green Fodder	2537.87 (20.16)	2127.89 (19.12)	2278.88 (18.96)	2230.39 (18.18)	1986.61 (18.52)	2167.89 (18.79)	1339.92 (21.63)	1106.46 (21.73)	1258.61 (21.66)
Dry Fodder	1824.14 (14.50)	1668.76 (15.00)	1667.91 (13.88)	1810.35 (14.75)	1541.15 (14.37)	1697.16 (14.71)	891.67 (14.39)	865.10 (16.99)	884.38 (15.22)
Concentrates	2051.99 (16.31)	1909.98 (17.77)	2066.96 (17.20)	2590.42 (21.12)	2242.56 (20.90)	2326.20 (20.17)	1055.23 (17.04)	831.50 (16.33)	991.50 (17.06)
Total Feed Cost	6414.00 (50.97)	5706.63 (51.29)	6013.75 (50.04)	6631.16 (54.06)	5770.32 (53.79)	6191.25 (53.67)	3286.82 (53.06)	2803.06 (55.05)	3134.49 (53.94)
Human Labour	2911.62 (23.14)	2459.33 (22.10)	2754.51 (22.92)	2523.51 (20.58)	2262.16 (21.09)	2481.87 (21.52)	1507.64 (24.34)	1082.29 (21.25)	1354.15 (23.30)
Vety. & Misc. Expenses	317.08 (2.52)	547.24 (4.92)	430.69 (3.58)	342.29 (2.79)	571.80 (5.32)	428.51 (3.72)	101.85 (1.64)	148.41 (2.92)	130.44 (2.25)
Total Variable Cost	9642.71 (76.63)	8713.20 (78.31)	9198.95 (76.54)	9496.96 (77.43)	8604.28 (80.20)	9101.63 (78.90)	4896.31 (79.04)	4033.76 (79.22)	4619.08 (79.49)
Depreciation	1245.74 (9.90)	1130.89 (10.16)	1200.18 (9.98)	1168.87 (9.53)	1021.32 (9.52)	1075.98 (9.33)	598.52 (9.66)	425.17 (8.35)	532.78 (9.17)
Interest on Fixed Assets	1694.39 (13.47)	1282.80 (11.53)	1619.56 (13.48)	1599.39 (13.04)	1102.44 (10.28)	1357.84 (11.77)	699.64 (11.30)	632.91 (12.43)	658.86 (11.34)
Total Fixed Cost	2940.14 (23.37)	2413.69 (21.69)	2819.74 (23.46)	2768.26 (22.57)	2123.76 (19.80)	2433.82 (21.10)	1298.16 (20.96)	1058.08 (20.78)	1191.64 (20.51)
Gross Cost	12582.85 (100.00)	11126.89 (100.00)	12018.69 (100.00)	12265.22 (100.00)	10728.04 (100.00)	11533.45 (100.00)	6194.47 (100.00)	5091.84 (100.00)	5810.72 (100.00)
Net Cost	12085.85	10626.89	11518.69	11765.22	10228.04	11035.45	5944.47	4841.84	5560.72
Milk Production (lit.)	1624.00	1564.90	1602.14	1918.80	1677.60	1789.04	870.80	748.80	838.88
Gross Income	12992.00	12362.71	12688.95	13047.84	10921.18	11932.90	5660.20	4844.74	5444.33
Net Income	**909.15**	**1735.82**	**1170.26**	**1282.62**	**693.14**	**897.45**	**(-)248.27**	**2.90**	**(-)116.39**

TABLE 2
Cost of Milk Production (Species-wise and Category-wise)

(Rs./Lit.)

Items of Cost	*Buffalo*			*Crossbred Cow*			*Local Cow*		
	Small	*Large*	*Overall*	*Small*	*Large*	*Overall*	*Small*	*Large*	*Overall*
Feed	3.68	3.35	3.41	3.57	3.34	3.50	3.74	3.76	3.73
Human Labour	1.67	1.37	1.53	1.57	1.31	1.36	1.51	1.67	1.57
Vety. & Misc. Expenses	0.18	0.28	0.22	0.20	0.33	0.24	0.14	0.17	0.16
Total Variable Cost	5.55	5.00	5.16	5.34	4.98	5.10	5.39	5.60	5.46
Total Fixed Cost	1.39	1.61	1.55	1.26	1.32	1.36	1.41	1.33	1.44
Gross Cost	6.93	6.62	6.71	6.60	6.30	6.46	6.80	6.93	6.90
Net Cost	**6.61**	**6.39**	**6.38**	**6.33**	**6.00**	**6.17**	**6.47**	**6.58**	**6.59**
Average Milk Price	8.00	7.90	7.92	6.80	6.51	6.67	6.50	6.47	6.48

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(Contd. from page 26)

During late 80s, some of these wage employment programmes like NREP and RLEGP were merged to form Jawahar Rozgar Yojana (JRY). It was started to commemorate the birth centenary of Nehru in 1989 and envisaged revitalising Panchayat Raj institutions to cover 440 lakh families. The concept of the programme is to reach out to the poorest sections of society by providing employment for at least one person in every family for at least 50 days in a year with the upper limit being 100 days. By working out the economics of 50 days/year for 1 family member at the average wage rate of Rs. 10/- the amount a family gets after material investments comes to a mere Rs. 180/- year which continue to hold them below the poverty line.

Other schemes of Employment Assurance Scheme, Mid-day meal scheme for primary school children are all envisaged for a better and prosperous India.

Conclusions

After a review of these rural poverty alleviation policies, which could be considered as the most suitable policy for India? Three schools of thought exist, each promoting the virtues of wage employment, asset endowment for self-employment, and land redistribution. Proponents of wage employment argue that self-employment policies are constrained by the lack of adequate opportunities for their promotion through credit and the poor's incapacity for business on the demand side.

The self-employment school questions a strategy that perpetuates dependence on employers: 'It is premature and unwise to write off the strategy of self-employment as peripheral to the poverty problem and opt for a strategy which for all practical purposes relegates millions of the poor to the status of mere wage earners. In principle, it should be possible to strengthen livelihoods through the transfer or generation of assets and acquisition of new skills.

On the supply side, no single policy instrument can suffice because of the fragile resource-population balance and the administrative implications. On the demand side, the poor are not a homogenous mass and, thus, necessarily need several different answers. For one thing, the destitutes may need social security transfers rather than an income generation policy.

Land redistribution may, in contrast, be generally useful and welcome to the poor given the central influence of landholding in rural India. However, non-land asset transfer, while less effective than land reform, may be second best and have the potential of raising the poor's bargaining strength and class consciousness.

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Cultural and Religious Plaiting of Man with Livestock : An Exquisite Scenario in Arunachal Pradesh

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Animal husbandry has been an integral part of human civilization and culture from the time man started the domestication of wild animals. One can find several references in Vedas and Puranas that possessing livestock is a symbol of progress and prosperity. In recent years, animal husbandry has become more indispensable for human kind because of the increasing pressure on cultivable land owing to the population explosion. Moreover, in our agrarian society, land is the principal means of production and is mostly controlled by the rich. The poor are mostly agricultural labourers whose earnings are very meagre. However their income is being supplemented through rearing various species of livestock, which pronounces the critical role played by animal husbandry in different walks of life.

India is wealthy in its livestock population that constitutes different species of domestic animals. Their distribution varies from state to state. Amongst the states, Arunachal Pradesh shows a peculiar distribution pattern of livestock because of its unique geographical location and topography. This land of the dawn-lit mountains is the first Indian soil to greet the rising sun in consonance with its inhabiting tribes. There are 13 districts in the state, inhabited by about 120 tribes of which 24 are major. The entire geographical area (83,780 sq.km) spans from foothills (sea level) to high mountain peaks (7500 m). About 67 per cent of the total geographical area is covered with dense and rain forest providing a good source of seasonal fodder conducive for better development of different species of animals. In addition, the cultural and the social structure of Arunachal Pradesh contributes towards this different distribution pattern of livestock.

From time immemorial, domestic animals have been playing a vital role in the socio-economic and socio-religious life of the people of Arunachal Pradesh. The Gods are invoked to protect the life and poverty of the people of Arunachal Pradesh through offerings of Yak, Mithun, cattle and pigs. There is a custom in all the tribes to sacrifice animals in rituals. In addition, animals are also used as a medium of barter exchange. Since possession of livestock indicates wealth and social status of an individual or a family, rearing of livestock is an important aspect of the life of the people here. National Commission of Agriculture (NCA) in its report in 1975, felt that small cultivable landholding is one of the elements for rearing more livestock in Arunachal Pradesh. However, the purpose of rearing livestock varies with respect to the districts and tribes in Arunachal Pradesh.

In Subansiri, Siang, Lohit and Tirap districts, livestock especially Mithun is used mainly as a main source of meat, and also as a medium of barter exchange. The people of West Kameng and Tawang districts rear livestock mainly for milk, meat and draught purpose. They use indigenous Siri cows and Yaks for production of milk and other milk products like ghee, cheese (Churpi), and butter which are used for barter exchange.

Yak, Mithun and other livestock have a very important place in the socio-religious life of different tribes of Arunachal Pradesh. Adi folklore considers Mithun a special animal and sacrifices them only on special occasions. They strongly feel that the powerful Gods and spirits can be satisfied by offering Mithun's meat. In this tribal community mithun is a symbol of power, wealth and social status. In West Kameng and Tawang districts, yak plays an important role in various backgrounds of monpa tribes. They rear yak for milk, meat, hair-wool and manure. This tribe worships Yak as God and believes that this *"yak devata"* guards them when they are moving in the surrounding forest. Yak meat is considered as holy meat and is consumed on a special festive occasion like *Loser* (Monpa new year day). During such auspicious occasiona Monpa tribe performs special yak dance where yak is made to dance. Yak is also a main means of transportation on the steep hills and snowbound areas. Therefore, it is aptly called "camel of snow."

As the possession of livestock is a symbol of wealth and social status in the tribal societies, it plays a vital role in the rituals of various types of social institutions particularly in marriage. "Bride Price" in Monpa tribe is normally paid to the parents of the bride as livestock (sheep and cattle). In Miji tribe, Mithun is sacrificed in marriage and the meat is distributed to the nearest relatives and villagers of the bride. In Idu Mishims tribe levirate marriages (*Vaky-Ashome-Bri*) are very common. If the bride's second spouse happens to be the brother of her deceased husband, a pig will be sacrificed and pork will be served to all the villagers for the social recognition of their marriage. In case of sororate marriage (*Anna-Bri*) "Bride Price" has to be paid by the bridegroom which normally includes a pig or a buffalo. The "Bride Price" (*Yaku-Bri*) include one to three Mithun (*Sa*), two buffaloes (*Miji*) and pig (*Ili*) if the marriage comes about through negotiation. Mithuns and pigs are also given as marriage gifts. In this tribe if any incestuous relationship is discovered the man involve is punished with a fine of a Mithun or a pig.

Barter exchange is the chief means of economic transactions in Arunachal Pradesh. For this the goods produced in one place has to be transported to another place for exchange. Mules, horses and yaks are reared by the localities of Arunachal Pradesh for transporting their produces from one place to the other.

In spite of the fact, that the relation between man and domestic animals is tuned to the finest melody in the serene high lands of Arunachal Pradesh, the animal population has alarmingly decreased in recent years. The productive profiles of the local livestock are gloomy and are wriggling in the midst of age old managemental practices. The rays of new technological innovations in animal husbandry practices have not reached this hilly state yet. However, efforts are being made by various development agencies to improve the production potentials of the local livestock. In this connection Indian Council of Agricultural Research has established an institute, National Research Centre on Yak to improve the yak husbandry in the state. The animal husbandry department of Arunachal Pradesh is also stepping up its efforts to improve the local livestock. Such common and combined efforts could bring real education to the people of highlands regarding better animal husbandry practices thereby facilitating the growth of the livestock population to the optimum level in the coming years. ❑

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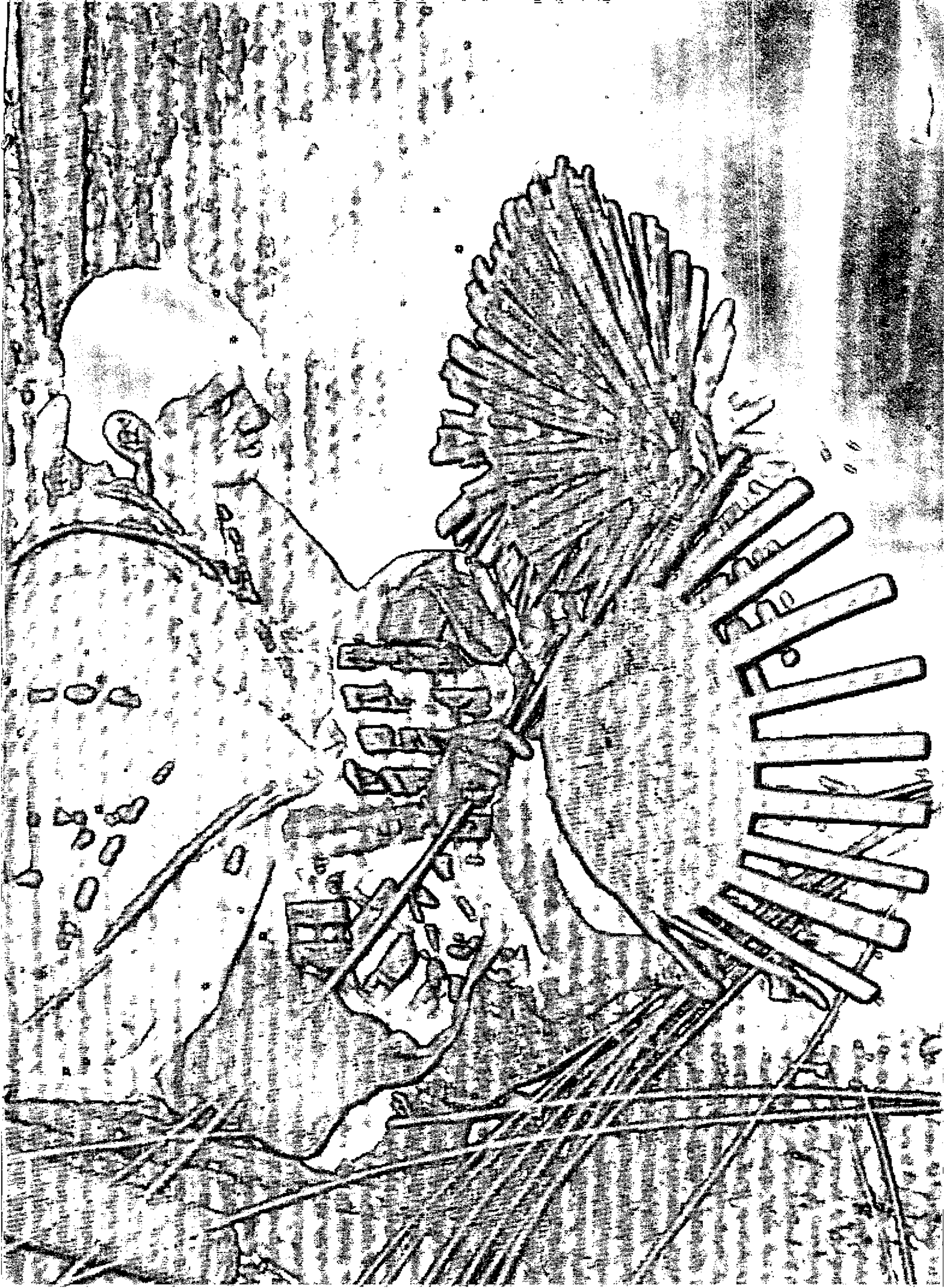

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