

UNDERSTANDING THE POVERTY AMELIORATION PROGRAMMES OF THE CONGRESS: THE NARRATIVES FROM THE JAWAHARLAL NEHRU AND INDIRA GANDHI YEARS

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***Abstract.** This article explores in details the poverty amelioration programmes which had been initiated by the Congress Party after independence during the Jawaharlal Nehru and Indira Gandhi years. In a period of three decades, there were a number of strategies which were pursued to eradicate the high level of poverty which were prevailing in the rural areas of the country. By the end of the 1950s, there was a definite move to eradicate rural poverty through definite programmes. The absence of proper land reform legislations and the dominance of the upper and middle class leadership of the Congress prevented the Government machinery in initiating plans for the amelioration of the economic status of the small peasants and the agricultural labourers. The Nehruvian logic of an integrated agricultural development found shape in the Twenty Point Programme of the 1970s. These policies had their own successes and weaknesses and they could to some extent reduce the poverty figures by the early 1980s. The most interesting side of this narrative is the states' deep involvement with the poverty reduction schemes, which by the early 1980s came to be criticised by a dominant section of the Congress. Such debates were responsible for the shift towards a liberalized market economy in India which instead of reducing poverty, increased the prospects of a rich poor divide in the society.*

Keywords: *Five Year Plans, Integrated Agricultural Development Programme, Twenty Point Programme, National Sample Survey and Green Revolution.*

Introduction

In the last 150 years or more covering the transition from colonial rule to independence in India, a wide range of issues have acquired a great deal of importance. During this period, economic issues occupied a significant part in the official policy decisions, both in terms of agenda and debate. It has been argued, the protagonists in this debate were many; the Government of British India, the nationalist critiques, such as Naoroji, Dutt and Ranade, the Indian National Congress, which later became intricately linked to the government of India and last but not the least the critics of the Congress.

In colonial India, the British presence was seen as beneficial especially to the poor. This in a large measure served to legitimize the British rule over its alien subjects. William Hunter observed, “(For) no government has a right to exist which does not exist in the interests of the governed. The test of British rule in India is not what it has done for ourselves but what it has done for the Indian people”¹. However the main problem for the British was to provide comfort to the people of India from the pangs of starvation, or what we today define as absolute poverty, engulfing a large part of the population. In the colonial period the problem of poverty was essentially seen as a problem of the rural society but very little was written about the deprivation suffered by the ryots, various small peasants and agricultural labourers. The British view of absolute poverty in India in the last decades of the nineteenth century could be summed up as follows: 1) India was a poor country, with limited development of productive forces and potentials. It had been so despite the beneficial effects of more than century of British rule. 2) In such a poor country, poverty was something natural and inevitable, since the failure of the monsoon caused famines. So did a number of factors, demographic, technological, and cultural – all beyond the control of government and were the cause of poverty. Indeed this was a ‘trickle down’ view of poverty at the house hold levels for a significant part of the population was seen in terms of the low mean income standards of the country. 3) While many were poor, few were hungry and there was definitely enough for people’s wants, which in any case were simple. The requirements and expectations of the poor were almost always defined in terms of hunger and that of having enough to eat, so that poverty became a one dimensional phenomenon of whether there was enough food to eat, or that of nutritional adequacy or inadequacy.

It is not possible to discuss poverty in this period without reference to famines and famine policy. As David Arnold has argued that this recurring, acute manifestation of poverty was not one that the government could ignore, since it threatened lives and

1 Hunter, W. W. *England’s Work in India*, p. 2, cited in Chaudhuri, P. *Changing Perceptions to Poverty in India: State and Poverty*. Series: B Vol. 55, Part 3, 1993, p. 310–321.

livelihoods, as well as revenue and social stability.² The free market policy disastrously failed to deal with famine mortality and famine policy subsequently entered into the domain of public action.

The nationalists as represented by Naoroji, Joshi, Dutt and others, viewed the causes of Indian poverty in colonial rule and the lack of industrialization that colonial power fostered. In fact, there were elements in the British position that the nationalists would have agreed to in this period. On some occasions they did view poverty in India in terms of the penury of the country, rather than problems of inequality and distribution. They would have argued that the natural wants and expectations of the poor were limited and they would be satisfied with enough to eat and that hunger was what poverty was all about. However, while there might have been an agreement about the concept of poverty, there were strong disagreements between the British and the nationalists about the extent and severity of poverty and this was brought out in the controversies between Naoroji and Atkinson, or Dutt and Curzon.³

The nationalists felt that the British policy had impoverished India in a number of ways and had left it with a heavy burden of poverty. These were the land revenue policy, the burden of a costly foreign administration leading to the economic drain of wealth from the country and barriers to Indian industrialization which was encouraged by a tariff policy friendly to the interests of the Manchester lobby.

In the early decades of the twentieth century, there was a certain ambiguity at the heart of the social policy of the Indian National Congress vis-à-vis the issues of poverty. In one of his correspondences, Jawaharlal Nehru in 1936 had stated “You seem to separate the three objectives – India’s independence, the creation of a socialist state, and the solution of the problem of India’s poverty and unemployment and you suggest that the last named should be tackled first. I am afraid this whole conception of our struggle is wrong. If all of us in India devoted ourselves to fighting poverty under the present system – political and economic – we shall not get rid of it. If we could get rid of it then the problem is a simple one and even the need for swaraj is not very apparent.”⁴ Thus it would seem that poverty eradication would be at the centre of the Indian National Congress political agenda. But, much earlier, the Karachi Resolution of 1931 which was widely regarded as the first major statement of the Indian National Congress on social policy contained no explicit reference to the problem. Poverty related policies seemed to have been little discussed by the Indian National Congress and this trend continued to find a space in the deliberations of the National Planning Committee. The radical Congress Presidents Jawaharlal Nehru in Faizpur and Subhas Chandra Bose in Haripura made references to the problem of poverty in their Presidential address but it received very little thought from the other sections of the Congressmen. The Indian National Congress believed that colonial policies kept India poor by disabling its

2 Poverty. Sankhya. *The Indian Journal of Statistics*. Series B, 55(3), Special Issue dedicated to the memory of P. C. Mahalonobis, December 1993, p. 311.

3 Chaudhuri, P., *supra* note 1, p. 313–315.

4 *Jawaharlal Nehru Papers*. File G5A, 1936, New Delhi: Nehru Memorial Museum and Library, cited in Chaudhuri, P. *Changing Perceptions to Poverty in India*, p. 315.

potentialities through limited industrialisation. This undoubtedly did encourage a macro view of economic policy, where industrial growth was seen as a strategy, that could be employed to reduce poverty overtime by increasing the incomes of the poor along with per capita income.

At the same time a section of the Indian Congress leadership believed that a socialist pattern of industrialization, would give economic planning a pro-poor orientation. They were also disturbed by the developments which affected the agricultural sector, since it provided livelihood for the majority of the Indians.

It was apparent that the colonial power had created a structure of land ownership and land tenure which was unequal and inimical to the interests and welfare of the rural poor and one which would not automatically come to an end with independence. This matter were clearly highlighted by the reports on agrarian distress published by the United Provinces Provincial Congress Committee. They clearly pointed to the need for policy interventions in post colonial India, alongside the implementation of the Gandhian ideal of trusteeship.⁵

In the years after the Indian independence, the government's perception of poverty displayed important elements of continuity and discontinuity with the colonial period. In fact, there was a one dimensional, minimalist view of what constituted poverty. There was an inclination to view poverty as a problem at the national rather than at the personal or household level. The important official and unofficial documents of the period, such as those of the First and Second Five Years' Plan did not clearly state the strategies to be favoured for eradicating poverty. But, they seemed to have discussed poverty in the realm of ideas and possibly were less interested in its eradication. India was viewed as a poor country with a low per capita income and it was more to do with the fact that the majority of the Indians had very low levels of income. But there was no simple and direct link between a low GNP and poverty measured as income below a defined minimum subsistence level, irrespective of whether poverty is measured by its extent (the head count ratio) as well as its severity ('the poverty gap').

At the same time, poverty as also defined in terms of income of consumption below a norm which was commonly expressed in terms of a nutritional minimum or in simple terms, the ability or inability to avoid hunger or malnutrition. The problem with this approach lay in its single dimension of actual or targeted consumption.⁶ In the first place by default, it denied the poor certain 'other' rights such as to choose between alternative occupations or patterns of consumption or some basic human rights such as proper access to the legal system. The other is that it encouraged a false distinction between the economic and the social characteristics of poverty where a low rank or score in the latter might be a significant determinant of a low rank or score in the former. In fact, policies to improve the health or educational status of the poor came to be viewed as supplementary or ancillary to the major target of raising the consumption of the poor rather than as a condition for a sustainable poverty reduction strategy. In the early

5 Chaudhuri, P., *supra* note 1, p. 315.

6 Dandekar, V. M.; Rath, N. *Poverty in India*. Poona: Indian School of Political Economy, 1971.

years, the Directive Principles of the Indian Constitution had hinted at a broader view of poverty, by reference to equal gender rights or compulsory free primary education or a just social order, but this did not become a major objective of the development policy. In fact, both colonial and post colonial governments sought to define poverty in terms of lack of entitlement to adequate sustenance and they acted as if to deny the poor of the much wider range of rights to which they were entitled as members of the civil society.

Yet, two important changes can be identified in terms of the Government's strategy in the colonial and post colonial periods. The Government of British India had regarded poverty as a natural attribute of a low level of development and which could not be speeded by political, judicial or fiscal powers vested with the government. On the other hand, the Government of India believed economic development to be the heart of its economic policy. In the sphere, where the British Governments had traditionally intervened, for instance the outbreak of a famine, the Indian Government had a much greater degree of success partly because of its higher policy priority and partly because of its efforts aimed at improving the institutional base of famine relief. All this needs to be taken into consideration, despite the fact that there had been strong criticism of post independence famine relief policy. A comparison of the experience of the Bengal famine of in 1943-44 to that of Bihar in 1966 or that of Maharashtra in 1973 helps to clear this point.

In the post colonial period, the strategies to be pursued vis-a-vis industrialization and agriculture came to be discussed at both government and political circles. In fact, the post independence industrialization strategy was to a great extent influenced by the discussion in the National Planning Committee of the Indian National Congress and the Reconstruction Committee of the Viceroy's Council, which greatly emphasized the case for industrialization. However, there were significant differences of opinions vis-a-vis the Mahalonobis strategy. In it, the emphasis had been more on the capital goods sector and the powerful role to be played by the public sector in the implementation of a development strategy. This was in sharp contrast to the earlier expectations that Indian industrialization would follow the consumer goods industry led path.

As regards, agriculture, the traditional belief was that the agricultural sector was inherently incapable of generating additional wealth and income for those engaged in it. This seemed to have held ground among a section of Congress politicians. In the late 1940s and early 1950s, this limited potential was also losing its ground to demographic pressure. The escape from the low productivity of agriculture lay in the logic of making fewer people dependent on it. That is providing increasing employment through industrial growth that had been stalled by the colonial government.

In India, a large part of the rural population relied on agriculture for their livelihood and the best that could be done for them was to ensure that they retained a larger and fairer share of the fruits of their labour and remained less exploited. There was perhaps, one recognized way of increasing agricultural productivity and this was through investment in major irrigation. It was also recognized that the most effective policy to improve rural standards of living was to encourage a pattern of redistribution of lands and that the user's rights over lands had to be central to any pro-poor strategy. This

would have signaled a radical break with the colonial past but its potentiality was hardly fully realized. As is well known, there were subtle changes in the agrarian sector and the abolition of zamindari rights did not wholly favour the small farmers and agricultural labourers.⁷

Significantly, the Indian Government under Nehru did make attempts to move out of the prevailing frameworks of thought related to poverty. In fact, poverty was no longer viewed by the state as a natural phenomenon. The government believed that for removing poverty there had to be an active drive for creating a large and diversified modern industrial sector and that the state had to be very actively involved in this enterprise.

However, its promise of reducing poverty through economic growth was not always fulfilled because there had been too little increase and also because of the nature of the processes involved with this expansion.

1. The Post Independence Decades and the Making of a New Economy: The Nehruvian Vision

In fact political power in post independence India was mostly held by Congress Party. The Congress led by Nehru was nationalist and socialist in its ideology. It has been argued that the Congress seeking to represent the interest of the nation as a whole came to be influenced more by the 'proprietary classes'.⁸

At the time of independence, India had certain advantages compared to most other post-colonial societies. As Aditya Mukherjee and Mridula Mukherjee have argued that despite the incipient trends in the reverse directions towards the end of the colonial period, the Indian economy in 1947 "was still basically structurally colonial; and externally oriented, internally disarticulated economy, with a very weak infrastructural and industrial base especially in capital goods and stagnant and if not declining agriculture still dominated the economy".⁹

In the years following independence a major effort was made to restructure the inherited colonial structure. One of the striking aspects of the Indian economy since independence had been its extremely low dependence on foreign trade. The total foreign trade as a proportion of the country's GNP remained around 10% to 13% only between 1953 and 1977. Unlike most of the post colonial third world countries, especially the NICs, the export sector of India has not been crucial, accounting for only 5% or 6% of the GNP over this period. It has been observed, "The Indian economy was thus no longer typically extroverted as it had become under the impact of colonialism which had destroyed the traditional balance between agriculture and industry turning the country into an exporter of raw materials and food and importer of manufactured goods. Indian

7 Chaudhuri, P., *supra* note 1, p. 318.

8 Bardhan, P. *The Political Economy of Development in India*. Oxford: Basil Blackwell, 1984.

9 Mukherjee, A.; Mukherjee, M. Imperialism and Growth of Indian Capitalism in Twentieth Century. *Economic and Political Weekly*. 1988, March 12, 23(11): 536.

production since independence has been primarily dependent on the home market and inter-sectoral exchanges within the economy. The Indian economy is thus to an extent not crucially conditioned by or dependent upon the changes occurring in the metropolitan economies".¹⁰

In independent India, the economic ideology of the Congress revolved around 'socialism', though the meaning of the word was never very clear or constant. It had evolved from the four main streams of modern Indian thought. In the first place, it derived its inspiration from the Gandhian ideal of the Sarvodaya society, covering social welfare, decentralization, development of cottage industries and village self-sufficiency. Secondly, it was shaped by Nehru's concept of democratic socialism. It accepted the socialist ideas ownership and control of the instruments of production but rejected the idea of a class war. Thirdly, it was influenced by the more prevalent ideas of private property and private initiative and the right of free enterprise in a mixed economy. Fourthly, it was also influenced by a variety of other socialist views, both Marxist and non-Marxist in character.¹¹

The history of the economic ideology of the post-independence Congress may be divided into four phases. The first lasted between 1947 and 1955, the second was between 1956 and 1964, and the third was between 1964 and 1969. The last can be traced between 1969 and the present times. The chief architect of the Congress policy between 1947 and 1964 was Pandit Jawaharlal Nehru. In the first phase, the Congress' commitment towards Socialism was equivocal. The rightist elements, led by Sardar Patel were not prepared to accept the idea of class-war. At the same time, a section of the younger Congress men were also opposed to any mention of the term 'Socialism' in the official resolutions of the Congress. Therefore, the AICC in its Bombay session in April 1948 proposed as the objective of the Congress, the establishment in India by peaceful and legitimate means of a cooperative common wealth based on equality of opportunity and political, economic and social rights and aiming at world peace. In 1948, Jawaharlal Nehru took two important practical steps, that of the establishment the Planning Commission and the inauguration of the community development projects. The establishment of the Planning Commission together with the efforts towards the implementation of First Five Year Plan was a decisive step towards a planned economy with large scale industries and a growing public sector. Therefore, it placated the moderate socialists and the Community Development project were also viewed with satisfaction by Gandhites who saw in it a programme of rural reconstruction on the lines of Gandhi's constructive programmes.

The second phase of the development of the economic ideology of post independence Congress starts with the Avadi Congress of January 1955. By this time Nehru had actually consolidated his position in the Congress and he proceeded to give a more socialist orientation to the Congress. In Avadi, the Congress resolved that "In order to realize the object of the changes as laid down in Article I of the Congress

10 Mukherjee, A.; Mukherjee, M., *supra* note 9, p. 537.

11 Kaushik, P. D. *The Congress' Ideology and Programmes (1922-1985)*. New Delhi: Gitanjali Publishing House, 1986, p. 413.

Constitution and to further the object stated in the preamble and Directive Principles of the State Policy of the Constitution of Indian Planning should take place with a view to the establishment of a Socialistic Pattern of Society where the principal means of production are under social ownership or control, production is progressively speeded up and there is equitable distribution of natural wealth".¹²

In January 1957, the Congress replaced the word Socialistic in favour of Socialist. In fact two years later at the Nagpur session, the Congress spelt out the objective in more clear terms for both the industrial and agricultural sectors. The Congress in one of its resolutions observed the future agrarian pattern should be that of cooperative joint farming in which the land shall be pooled for joint cultivation, the farmers' continuing to retain their property rights and getting a share from the common produce in proportion to their land as a first step service cooperative should be completed within a period of three years".¹³

Thus at the Avadi, Indore and Nagpur sessions, Nehru tried to give a direction to India's development programmes. But this was not enough. Nehru observed "I am not a politician cut out for a job. I am a man who wants to do something in India, to change India within the few years left to me. In the Bhubaneswar session of the Congress he persuaded the Congress to give unequivocal support to the need of socialism. The Bhubaneswar Session may be regarded "a turning point in the history of the Congress because it marks the end of the controversy regarding socialism" The Congress was no longer divided on the question of Socialism and it became its accepted goal.¹⁴ The only question which remained was how to bring the socialism. But this socialism was different from Marxism as if it did not have any clear cut allegiance to the doctrine of class war, rather it expressed its faith in democracy, in worth and dignity of the individual and principle of decentralization. Instead of maximum possible state ownership and nationalization it laid stress on mixed economy in which the state was to be the more dominant partner, but the role of the private sectoring no means insignificant.

Atul Kohli has argued that businessmen group played a significant part in the shaping of its early economic policies and the Congress also built its political support in the countryside through the upper caste land owning groups. However it needs to be stressed that the Congress as a national platform of different social categories had been affected by such developments since the early decades of the 20th Century. In the 1950's and 60's the Congress was however simply not a party of the Indian elite alone. Nehru's socialist commitments had greatly widened the Congress' social base, promising progress to India's downtrodden.

Aditya Mukherjee and Mridula Mukherjee have pointed out that before initiating a debate on the size, strength and nature of the Indian bourgeoisie, there should be an emphasis on certain important historico-structural factors which had influenced specific developments in both colonial and post colonial India. They emphasized more on the

12 Kaushik, P. D., *supra* note 11, p. 419.

13 *Ibid.*

14 *Ibid.*, p. 421.

legacy of the Indian national movement.¹⁵ The founding fathers of the Indian national movement had by the last decades of the nineteenth century developed a comprehensive and sophisticated critique of imperialism and the colonial structure. It as been argued that they were the first in the world to do so.

This possibly to a large extent was responsible for the understanding that modern imperialism led to under development in the colonies instead of creating condition for the development of capitalism. Bipin Chandra has argued that a sophisticated anti-imperialist ideology permeated the national movement over a long historical period and gave it firm roots in anti-colonialism which could not be easily compromised, as was the case in many other national liberation struggles. In the early twentieth century, with the emergence of the left and its strong influence in the national movement, this commitment to imperialism got further strengthened. The leftist influence was felt through individual socialist or Marxists within the leadership of the Indian national Congress like Jawaharlal Nehru or through the Congress Socialist Party which had gained strength within the Congress in the 1930's and 1940's or through the Communist Party and the radical revolutionaries.

The Indian national movement has been depicted as the greatest mass movement of the twentieth century and which had certain important implications. One of the crucial features was that as a mass movement it took through its struggle and ideological work, the two basic ideas of democracy and anti-imperialism down to the deep layers of the Indian society. These ideas gained popularity first among the intelligentsia and then gradually influenced the lower and middle classes and the capitalist classes and with the emergence of Gandhi it impacted on the peasant masses. The rise of the left further helped in enhancing this influence among the workers and the peasants.

Aditya Mukherjee and Mridula Mukherjee have argued that the deep ingraining of these ideas among the people of India had a lot to do with the maintenance, despite extremely adverse condition of both political democracy and political and economic independence. They argued that such ideological streams have prevented serious attempts in India of the formation of a typical third world type of comprador or semi-comprador military bureaucratic puppet regime which would toe the imperialist line. In fact, it would have meant the establishment of an authoritarian regime, which would have favoured the adoption of a neo liberal approach for its own political survival. Thus the entire argument that the Indian state after independence was based on a triple alliance comprising of the bourgeoisie, big bourgeoisie and the landlords, who were increasing collaborating with foreign finance capital / imperialism/ transnational corporation can be criticized more in terms of the official party line propounded by the leftist intellectuals. Aditya Mukherjee and Mridula Mukherjee have argued that Indian capital even in the colonial period remained independent of the metropolitan bourgeoisie. After independence, with the backing of the national state, Indian capital competed against foreign capital. There was very little reason to accept the hegemony of foreign capital. However, overtime, given the backing of the state and considerable

15 Mukherjee, A.; Mukherjee, M., *supra* note 9, p. 533.

increase in its own strength, Indian capital became relatively less xenophobic about foreign capital. In fact, foreign capital had a restricted flow till about the 1980's and did not totally acquire a significant hold over the Indian bourgeoisie or the Indian economy and certainly not over Indian politics. As for the feudal landlord, they were increasingly politically isolated and marginalized even in the colonial period, being the only class outside the anti imperialist class coalition.

After independence, the land reforms despite being slow and oriented in favour of the rich sections of the peasantry broke the political and economic strength of this class. Rich peasants and to a lesser extent Junker type of capitalist landlords were able to exercise their dominance over the feudal landlords in the rural localities. They exercised considerable political and economic clout at the national level.¹⁶

The working class in India had been unionized on a large scale in the organized sector and had a long tradition of trade union struggles. However, the left as an alternative national political current did undergo a secular decline over time even among the working class. This was partly because of the economism which influenced the Indian left and partly because of its inability to correctly characterize the Indian reality. The Indian left has consistently waged false battles based on a wrong reading of Indian reality, largely influenced by its doctrinaire position. The maintenance of a certain minimum amount of national consciousness has prevented a situation of popular upsurge, whether under left wing or right wing hegemony. Possibly, this actually did not lead to a situation, where the bourgeoisie would go over to imperialism and seek external help for its survival.¹⁷

2. The Challenges Before the Government's Economic Policies: The Diffulties of the 1960s and 1970s

Nehru's economic policies met with both failure and success. Despite the best efforts of Nehru, the overall growth rate of the economy was relatively sluggish, failing to keep pace with the growing population. Perhaps the problem lay with poor planning and ill directed strategies vis-.-vis their implementation.

The significant progress made during the first three plans failed to prevent the Indian economy from being gulfed by a massive crisis by the mid 1960's. This crisis changed India's image from a model developing country to a basket case. Two successive monsoon failures of 1965-66 added to the burden on an agriculture which was beginning to show signs of stagnation. The agricultural output fell by 17 percent and food grain output diminished by 20 percent. The rate of inflation which did not exceed 2 percent per annum in 1963 rose sharply to 12 percent per annum between 1965 and 1968 and food prices rose nearly at the rate of 20 percent per annum. The inflation was partly due to the droughts and partly due to the two wars of 1962 and 1965 which had led to a massive

16 Mukherjee, A.; Mukherjee, M., *supra* note 9, p. 540.

17 *Ibid.*

increase in defence expenditure. The Government's consolidated fiscal deficit rose in 1966-67 to 7.3 percent of the GDP.

The balance of payment situation, fragile since 1956/57 deteriorated further with the foreign exchange reserves averaging about \$ 340 million between 1964/65 and 1966-67, that was enough to cover less than two months of imports. The dependence on foreign aid, which had been rising over the first three plans, now sharply increased due to food shortages as well as due to the weakness of balance of payments. The Indian economy was really in a very difficult situation with high inflation, very low foreign exchange balance, food stocks being low as to threaten famine conditions in some areas, calling for large imports and at least half of the imports having to be met through foreign aid. The US, the most important donor took the decision to suspend its aid in response to the Indo-Pak war and refused to renew the PL-480 wheat loan agreement on a long term basis. These were done to pressurize India to accept some of the conditions of the US.

The United States along with the World Bank and the IMF wanted India to liberalize its trade and industrial control, devalue the currency and adopt a new agricultural strategy. While there was considerable indigenous support for a new initiative in agriculture, there was plenty of suspicion over trade and industrial liberalization. There were also differences of opinion over devaluation. The devaluation of the rupee nominally by 36.5 percent and the trade liberalization initiated by Prime Minister Indira Gandhi in the mid 1960s got associated with the prevailing recession in industry, inflation and the decline in exports, all of which at least created a crisis like situation in 1966-67. In any case, these policies were condemned before their long term effects could be realized.¹⁸

It has been often argued that Nehru's emphasis on heavy industry had meant the neglect of agriculture and alongside a set of policy decisions had serious consequences for India's poor. The steady growth in the figures related to poverty, thus bring out the absence of a systematic policy to promote agricultural growth in India. The reliance was more on re-educating the peasantry and on enhancing the incentives to the land tiller via land reforms. The former was probably wrong in terms of conception and the poor quality of the subordinate bureaucracy was largely responsible for the faulty implementation of the ameliorative measures.

However there were also success stories of Nehru's economic policies. Nehru was successful in eliminating the largest of the zamindars, though it is doubtful whether their lands were redistributed among rural landless. The abolition of zamindari was not simply a political phenomenon but also a socially corrective policy. It represented an important aspect of the nationalist position and proved beyond doubt that the Congress was trying to draw its social and political support from the eriphery. It would be wrong to argue that there were really no efforts towards land reforms. Indeed there were several phases of land reforms, introduction of land ceiling laws and also directives to the states to implement policies related to land distribution. But, sometimes these land reforms failed to reach the people for whom they were intended, because state authorities in

18 Mukherjee, A.; Mukherjee, M., *supra* note 9, p. 351–352.

India were either unwilling or incapable of confronting the powerful class interest in the countryside.¹⁹

The critics of Nehru's economic policy apart from highlighting the weakness of agriculture and failure of land reforms also criticised the capital intensive pattern of industrialization and the neglect of primary education. This sort of criticism was opposed by some others who believed that the emphasis on heavy industry reflected the Indian Prime Minister's vision to build a strong and sovereign India and was perfectly in tune with the economic logic of the times.

By the mid 1960's and the early 1970s, as some radical commentators have pointed out that the government of India and the supporters of its policies had decided to change the meaning and the concept of rural development. A.R. Desai has argued that rural development had earlier implied agricultural development and community development, the latter involving entire population of the rural areas as a part of the modernization of the underdeveloped, backward third world society. In the context of the modernization of the entire society, it meant development affecting the entire population of the rural areas and enveloping all facets of transformation of rural India as a part of economic development and modernization of the society as a whole. This was the dominant view, though rural development from the late 1960's was believed to have undergone a sea of change.²⁰

Incidentally, Indira Gandhi's Garibi Hatao slogan in the days prior to the 1971 general elections coincided with this changed idea vis-a-vis rural development. However, it is difficult to imagine that Indira Gandhi's economic policies anticipated the World Bank's ideas about rural development. A World Bank sector paper entitled 'Rural Development' published in 1975 pointed out that "rural development is a strategy designed to improve the economic and social life of a specific group of people—the rural poor. It involves extending the benefits of development to the poorest among those who seek a lively hood in the rural areas. The group includes small scale farmers, tenants and the landless."²¹

The Marxist scholarship stressed that the change in the state's strategy viewing rural development as a total development process involving both the economic and the socio political development of the rural areas as part of the modernization of the entire society, to rural development focused on the rural poor was more like a distributing mechanism of throwing, "a few slices from the expanding cake".²² It was believed that Garibi Hatao was adopted to prevent some sections of the rural poor from plunging deeper and deeper into the bottomless levels of primary poverty and for increasing their areas of livelihood and purchasing power.

By the time Indira Gandhi came to power in 1966, it was increasingly being realized by the Congress that the economic policies and power structures had been able

19 Kohli, A. *Politics and Redistribution in India*. Occasional Papers. Princeton University Press, 1988, p. 6–10.

20 Desai, A. R. Rural Development and Human Rights in Independent India. *Economic and Political Weekly*. 1987, 27(1): 1290.

21 *World Bank Sector Paper "Rural Development"*. Washington D.C.: World Bank, 1975, p. 3.

22 Desai, A. R., *supra* note 20, p. 1290.

to generate a limited growth. But there had hardly been equitable distribution of its benefit. It was felt that this progress benefited basically a few, the proprietary classes, money lenders, industrialists, traders and the new rich farmers along with a section of bureaucracy and professional classes.²³

It was also realized that the process of development was responsible for greater pauperisation of the indigent sections in the rural areas. The rural poor seemed to be caught in the growing network of market relations and the disappearance of the old securities engulfed them, specially since prices were rising. In other words, the rural poor were experiencing the oppressive impact of the political and social aggression of the newly emerging richer proprietary classes, considered by the state as the progressive instruments of developments.

Indira Gandhi was aware of these ground realities and was by no means separated from the broader leftist ideological paradigm vis-a-vis development. As the Prime Minister, she was concerned about the steep prices affecting the economy and also was aware that the poor were the worst hit by the situation. The radical Naxalite movement was gaining ground in different parts of the country. She was aware of the implications of the massive land grab movements inspired by leftist ideology. When the Congress split in 1969, Mrs Gandhi became the leader of one faction of the party and she proved that she was no less radical than the leftists in waging struggle against poverty. In the preparations of the Fourth Five Year Plan, she constantly expressed her special concerns for the weaker sections of the population. She told her supporters that with their support she was determined to fight against poverty effectively. Indira Gandhi pursued the Nehruvian model of development with a greater degree of zeal and enterprise.²⁴

Indira Gandhi began by nationalizing the 14 major commercial banks and this was done to pave the way for a new economic thrust. In her broadcast, in support of bank nationalization she quoted Mahatma Gandhi and stated, “I am afraid for years to come, India would be engaged in passing legislation in order to raise the down trodden, the fallen from the mire into which they have been sunk into capitalism by the landlords, by the so called higher classes. If we are to relieve these people from the mire it would be the bounden duty of the national government in India to set its house in order to give preference to these people and free them from the burdens, ‘ under which they were being crushed’”.²⁵ She also observed “we have to remove not only poverty but the penury of out thinking. We have to bring a new way of thinking. Our young men sometimes go astray and make mistake. But they have the strength to deliver the goods. It is time that we make use of all the strengths and knowledge that we possess to take the country forward so that it would able to help the rest of the world in moving along the correct path.”²⁶

23 Desai, A. R., *supra* note 20, p. 1290.

24 *The Years of Endeavour: selected speeches of Indira Gandhi*. August 1969-August 1972. Publications Division, Ministry of Information and Broadcasting, Govt. of India, 1975, p. 187.

25 *The Years of Endeavour: selected speeches of Indira Gandhi*, *supra* note 24, p. 245.

26 *Ibid.*

In the 1971 elections, she popularized the slogan of Garibi Hatao and made it a point to reach out to the various sections of the unprivileged groups of the rural society. Jagjivan Ram, who was made the president of the party, functioned as a spokesman of the depressed groups. He observed “The Hindu society is a confederation of different castes ... and the dominant castes which so far been enjoying the fruits of all government measures even today has to expropriate to themselves the advantage provided by the government. We have the challenge from the dominant castes in certain areas and from what is known as left adversaries. We have to meet all these challenges. The congress is pledged to promote with special care, the educational, employment and economic interest of the weaker sections of the people particularly the S C’s, S T’s and the O B C’s.”²⁷

In fact, like her father, Indira Gandhi also emphasized the need for structural changes in agrarian relations. She described the judiciary as an obstacle in realizing this objective and the constitution was amended to establish the supremacy of the parliament over the courts. But the issue of land reforms received a partial attention during the Fourth and the Fifth Five Year Plans.

She later stressed that she intended to implement land reforms with determination. Scholars like Ghanshyam Shah has argued that this determination remained only in words and the Indira regime so far as restructuring of land relations were concerned remained half hearted. Yet Indira Gandhi has to be praised for her leadership in initiating several measures which were radical in terms of ideas.

The Maharajas were stripped of their remaining privileges, anti monopoly laws were strengthened, new taxes were imposed on the rich, access to credit was broadened and stricter land reforms were initiated and programmes in public work initiatives were sponsored. These were all done so that the income of poor increased. The early 1970’s were pregnant with expectations of real social democratic possibilities in India. However these experiments did often yield the expected results because Indira Gandhi often faced great deal of resilience from the dominant class interests. In this regard she stated that “One can bully state leaders so much and no more...”²⁸

In fact, the failures on the redistribution front were especially glaring because of the gap between the promises and the outcomes. The main achievement probably lay in efforts to limit the growth of inequalities. Though critics would point out that was more of matter of sharing poverty than wealth. Some of the money invested into the poverty alleviation schemes such as employment generation programmes did not reach the poor particularly in states with committed leaders and better bureaucracy. At the same time the issues of public health and primary education were ignored. Some of the social theorists have pointed out that the failure to acquire and redistribute lands, and to improve the lot of tenants was the most glaring of all the failures. They also pointed out that apart from the rhetorics and real legislations; the pursuit of land distribution was left in the hands of the state governments. Indira Gandhi was correct in her assessment

27 The Years of Endeavour: selected speeches of Indira Gandhi, *supra* note 24, p. 244.

28 *Ibid.*

of the state level leadership. It could be argued that very few state governments made use of the new permissive political space, but these were seldom states with Congress governments. In the Congress ruled states, the political structure comprised of two main hierarchies: a top down loyalty and patronage chain that was particularly visible when the Congress party lacked a well organized social base; and bureaucratic hierarchy in which the quality of bureaucracy declined as one went down. Atul Kohli has rightly pointed out “where these political hierarchies stopped in the countryside, began real social power of landowning elites. Neither the local level party nor the bureaucratic elite was in a position to confront the landed elite: on the contrary at times the party and the landed elite were the same people and nearly always the local bureaucrats were deeply entrenched in local power structures.

When on occasions some redistributive success seemed close at hand, tenants were either evicted by force or landownership cases ended up in courts where they probably still languished.”²⁹

The exploitative strategy was manifested in varied kinds of legal, extra legal, traditional and modern forms of exploitation, oppression and even direct use of physical violence. A considerable section of the rural poor began to see that even the elementary rights granted to them were openly negative and they were not permitted to exercise them. In fact, their struggle for survival, livelihood and assured peaceful existence were also threatened. This led to allegations that the state and the propertied classes were preventing the rural poor from exercising their elementary legal rights such as holding meetings, forming associations or even developing peaceful forms of struggle such as a stayagraha.

In the early 1970’s, very often assertions by the poor in support of elementary demands and rights were suppressed with brutal state power. The use of brutal force did not always had the backing of the central leadership of the Congress and the decision in this regard were taken at the local level by the richer classes who came from the upper and the intermediary caste groups who had increasingly infiltrated into the Congress organization at the local and provincial levels.

Indira Gandhi’s government had to confront these struggles of the poor which became wide spread and took many forms. A.R. Desai has argued that the ever alert government at the centre fanatically concerned with the maintenance of law and order and for the smooth functioning of the proprietary profit oriented economy began to analyze the nature and causes of agrarian discontent, spelling out areas which were considered by them as most sensitive ‘trouble spot’ endangering the calm visualized by it.

However it is doubtful whether the government actually tried to be the patron of the pro proprietary profit economy. It is true that the assertions of the poor often met with brutalities on the part of the state, it is also similarly true that Indira Gandhi devised a new form of governmental paternalism which was brought forth under the new rubric of rural development. Though the state did not radically move out of the major framework of the path of development, it did try to seriously initiate a strategy of rural uplift which

29 The Years of Endeavour: selected speeches of Indira Gandhi, *supra* note 24.

was manifold. In the first place despite criticism, a substantial section of the rural poor were chosen for relief operation. In the second place, there were attempts to prevent a small section of middle and small peasants operating in dry farming areas from being increasingly pauperized and there were efforts to provide every form of assistance so that they did not remain separated from the main stream of development.³⁰

Significantly, this rural policy helped the government to mitigate the rural discontent substantially and the state increasingly moved towards the position of a benevolent one. In fact, the aid programme on the part of the state became a major strategy in increasing the income levels of a large section of marginal peasants and it also benefited sub marginal farmers, ruined rural artisans, the growing class of agricultural labourers, unemployed or underemployed. In other words, these policies formed the crucial thrust of the approach by the government towards the rural poor in general.

Yet, the fact remains while there was sympathy in favour of these policies, there were also instances where the parties opposed to the Congress tried to sow the seeds of a polarized nation. The anti Indira campaign supported by the parties whether left or right forced Indira to declare internal emergency in 1975. On many occasions, the government's concern of basic minimum needs were overturned by the Congressmen at both provincial and central levels and all these resulted in curtailment of the political and individual rights of the people. However the fact remains that despite the declaration of emergency, Indira Gandhi displayed her economic commitment by initiating the 20 point programme. This sort of programme which offered advantage to the poor has to be evaluated in the context of the poor oriented welfare programmes which became popular after 1969. These programmes were undertaken to favour direct institutional interventions, though there had hardly been any empirical attempt to test the influence of these programmes in eradicating poverty. Out of the various institutional interventions the provision of subsidiary food through the public distribution system assumed importance for the poor. However except in Kerala and other southern states this programme was largely urban oriented. But gradually it was extended to rural areas in some other states.³¹

3. Nehru and the Plans of Rural Poverty Amelioration

On 15th August 1947, when the national flag was unfurled for the first time, there was an expectation from the millions of poor in the country that the Government would wage a war against poverty. There was a growing belief that the Government of independent India would also take every measure to ensure a better life for the younger generation of men and women. Jawaharlal Nehru as the first Prime Minister of India was not one who was impervious of the hardships, difficulties and danger that were inherent in almost every effort aimed at fulfilling these objectives.

30 *The Years of Endeavour: selected speeches of Indira Gandhi, supra* note 24.

31 Ninan, K. N. Poverty and Income Distribution in India. *EPW*. 1994, June 18, 29(25): 1548–1550.

Nehru was a man who believed in the acceleration of the pace of progress and in the fulfillment of pledges. As a deeply committed individual Nehru also knew that there would be some people in the country who would question his efforts to eliminate poverty and usher in a state of equality of all human beings. Nehru's vision was not one which always succeeded in fulfilling the expectations of the citizens of the country. The agricultural sector which continued to be the backbone of Indian economy throughout his tenure as Prime Minister was constantly beset by drought and floods. These natural calamities brought with them untold tales of misery and sufferings. Nehru's government despite being exposed to vagaries of nature did not rule out experiments in the field of agriculture and industries. The government gave the impression that even if it had not been able to solve many of the problems it had the capability of tackling them in the long run. Nehru exuded confidence that India would not only succeed in preserving her independence but in the coming decades would be a leading economic power in the world. The Congress government under Nehru was one which experimented with mixed economy – the blending of the private with public sector. Apart from agriculture, the government became interested in the establishment of new factories, increasing the production of steel, the generation of electricity and the manufacture of machinery which had been formerly imported from the developed world.³²

The Nehruvian period witnessed a number of programmes seeking to improve the productivity level of the agricultural sector. The most important of these were the Community Development Programmes which were started in October 1952 with 55 community development oriented projects. Each of the 55 projects was to cover about 3 development blocks or 500 villages and a population of about 3 lakhs. The launching of the Community Development Programme had its origins in the programme of the Grow More Food Campaign. After the Grow More Food Campaign failed to produce the required result an Enquiry Committee was set up to investigate the causes of its failure, under the chairmanship of Sri T. V. Krishnamachari. The report stated "The economic aspects of village life cannot be detached from the broader social aspects; and agricultural improvement is inextricably linked up with a whole set of social problems it is only by placing this ideal of bringing about an appreciable improvement in the standard of rural life and making it fuller or richer before the country and ensuring that the energies of the entire administrative machinery of states and the best unofficial leadership are directed plans for its realization, that we can awake mass enthusiasm and enlist the active interest and support of the millions of families living in the countryside in the immense task of bettering their own conditions".³³ The Second Five Year Plan also declared that the National Extension Service and the Community Development Programmes for economic development stressed the need to reduce inequalities by paying due attention to the needs of the less developed areas and to devise strategies which could lead to balanced economic development. In this connection, Second Plan made it very clear that "each district and, in particular, each national extension and

32 *The Years of Endeavour: selected speeches of Indira Gandhi*, *supra* note 24, p 183–185.

33 Krishna, M. *Poverty Alleviation and Rural Poor*. New Delhi: Mittal Publications, 2003, p. 73–74.

community development project areas should have a carefully worked out agricultural plan. This should indicate for villages the targets to be aimed at, the broad distribution of land between different uses and the programme of development.³⁴

However, the experiences of the first few years of implementation particularly during the First and Second Plans indicated that the community development programmes had hardly shown any significant positive trends in improving the economic, social and cultural conditions. The Balwant Rai Mehta Committee had observed “only 2.5 percent of rural families had been benefited by the programme”. T.V. Krishnamachari listed the following conditions under which the programme could be successful: comprehensive programme of improvements carefully organized for improving all aspects of rural life; increased agricultural prosperity, the block team should exhibit unity, coordinate its activities and secure support from the non-official leadership and enhanced role of the panchayats and cooperatives. In 1957, a Committee on Plan Projects observed that unless the people and their democratic institutions took full responsibility in the planning and supervision of the programmes, the movement of community development would never reach the desired goal. Since the new agricultural strategy was found urgent, the first step taken towards this end was witnessed in the beginning of the Third Five Year Plan. Based on a new agricultural strategy, a scheme called “Intensive Agriculture District Programme” (IADP) was started in 1960-61. This was also referred to as a package programme. The IADP was launched in the Third Five Year Plan which stated “In pursuance of this proposal, the Intensive Agricultural District Programme has been taken, to begin with, in one district in each state. The programme is intended to contribute both to rapid increase in agricultural production in selected areas and to suggest new innovations and combination of practices which may be of value elsewhere”. The Third Five Year Plan also stated “An attempt will be made to provide all the essential elements for increasing production to the extent needed, an effort will be made to provide credit on a scale sufficient to reach all farmers, including those previously considered credit worthy, and credit and marketing will be linked”.³⁵ In fact, the programme was based on certain truths since agricultural yields in 1950s were very low, a substantial increase could be brought by yield boosting technologies on an intensive scale. However, significant yield break through could be achieved in the most responsive areas and the yield breakthroughs would be possible only when improved technologies and practices were adopted in combination not in isolation and combined approach possibly was the only way in improving the pay off from capital investments in irrigation. The evaluation of the programme in 1966 revealed its poor implementation. According to the evaluation report “the programme suffered from poor administration, unfilled vacancies, frequent staff transfers, shortage of trained personnel and inadequate training, non-availability or inadequate availability of fertilizers and other essential inputs, inadequate cooperative credit, inadequate key supporting activities like soil testing laboratories, a quality seed programme, equipment workshop and information service, overburdened village level

34 Krishna, M., *supra* note 33, p. 75.

35 *Ibid.*, p. 79.

workers, absence of unified responsibility at the district level with full control over all inter-related disciplines”. This system based essentially on checks and balances, having evolved in different times and for different purposes had proved inadequate for any operation, the aim of which is not to maintain the status quo but to change it. Thus, the IADP had been a square peg in a hole. The programme had failed to address the problems of the small and marginal farmers and also did not succeed in increasing agricultural production. The programme also failed to extend the benefits of social justice to the weaker sections of the agrarian communities.³⁶

In 1966, Mrs. Gandhi endorsed the decision to import large quantities of food grains and she expected the state governments and the people to cooperate with the centre. She said that there was a disconcerting gap between intention and action and hinted significant changes in the administrative structure to remove poverty. In fact, the government declared that for increasing the production of crops, the necessary monetary and material inputs would be allotted on a priority.

When Indira Gandhi assumed the responsibility of the Prime Minister of India, the vision of the Nehruvian State remained despite the fact that economic recession was slowly and steadily affecting the social and economic fabric of the country. Indira Gandhi was in a difficult situation as she had to face constant criticisms from both the right and leftist political circles in the country. Indira in this difficult hour kept falling back on the wisdom of her father. Indeed this was reflected in one of her observations, ‘It is true that our production has not kept pace with the increasing demand. The more we produce the more we need to meet our demand, which is largely due to the rapid increase of our population. So we are always faced with the problem of how to meet the demand which is increasing day by day. Some people do not see things in proper perspective and try to belittle the achievements. Such people who close their eyes to the realities are no friends of the people’.³⁷

Indira Gandhi also realized that the failure to live up to the expectations of the people had also been one of the reasons behind the political debacles faced by the Congress in the general elections of 1967. The election results shocked the Congress’ top leadership, since the Congress could barely scrape through with a simple majority in the parliament and also lost power in many provinces. The growing influence of the communists and leftists in the countryside and the increasing incidents of land grab movements inspired by leftist ideologies was also not something of which Indira Gandhi was totally unaware. Unfazed by such developments Indira Gandhi observed, ‘Today we find restlessness among our youth and others. This restlessness is not peculiar to us alone. This is a universal phenomenon today. Maybe, in India it is because of unemployment, maybe it is because of poverty, but why we see this restlessness among youth in other countries where there is no unemployment or poverty. To my mind this restlessness is because we are emerging from one age and entering into another. And when such great transformation takes place it is bound to result in some restlessness,

36 Krishna, M., *supra* note 33, p. 80–81.

37 *The Years of Endeavour: selected speeches of Indira Gandhi*, *supra* note 24, p. 183–185.

sorrow and suffering. We cannot remain stuck to the old order nor can we wish that there should be no change. We want to play our part in this change. These changes are of various kinds. In India we have poverty and it is necessary that we implement our development programmes speedily to eradicate poverty and create conditions conducive to changes. We have done a lot in this direction but we still have to do much more. To meet the unemployment problem we have to enforce programmes to remove it as soon as possible. It is not possible for me to go into the details at the moment but these programmes have been explained in the Parliament and placed before the people at other forums. Some of these have already been undertaken and others are still to be taken up. These programmes have been designed to meet both immediate and future conditions. There are many problems which we must solve. We cannot wait passively for their solutions. We ourselves have to shape our future. We want that every Indian should have a hand in shaping our destiny. It is true that we are now free but, as I said earlier, we have yet to make this freedom real for our teeming millions. We have to build a society in which each individual can enjoy full freedom--economic, social and political'.³⁸

4. The Indira Gandhi Years in the 1960s and 1970s: The Accommodation and Conflicts with the Nehruvian Paradigm

In the early part of Indira Gandhi's tenure as the Prime Minister of India, despite the economic depression the production of kharif crops was good in several parts of northern and southern India. In 1966-67 the agricultural production increased in Andhra Pradesh, Kerala, Madras, Mysore, Jammu and Kashmir, Haryana and the parts of Punjab, Maharashtra, Orissa and Assam. However, in Madhya Pradesh, Gujarat and Rajasthan and West Bengal, Kharif production was below normal and there was heavy fall in production in Bihar and Eastern and Central Uttar Pradesh which were badly affected by drought. The overall production of food grain in the country during 1966-67 was around 96 million tones as against 72.3 million tones in 1965-66 and 89 million tones in 1964-65, the production potential of food grains in 1966-67, as a result of the implementation of various development programmes, was however, estimated at 94 million tonnes against the target of 97 million tones.

Yet there were short falls as against the targets fixed for 1966-67, in respect of most of the programmes, particularly manures, fertilizers and improved seeds. The progress in minor irrigation, soil conservation of agricultural lands and plant protection schemes were on the whole satisfactory.³⁹

Interestingly, the figures available in 1966-67 did indicate that the government would in the future move towards a rapid increase in agricultural productivity, which would be known as the Green Revolution. In the Kharif season of 1966-67, with such aims in mind 1.82 millions acres were brought under the hybrid varieties. The

38 *The Years of Endeavour: selected speeches of Indira Gandhi*, *supra* note 24, p. 185-186.

39 *Annual Plan 1967-68*. New Delhi: Planning Commission, 1969, p. 43-44.

requirements of seed, credit, fertilizers and pesticides were assessed and every effort was made to ensure their availability at the right moment. Among the paddy varieties Taichung Native – I was very successful and stood well in draught conditions. Its yield had ranged between 3000 and 6500 lbs per acre. In fact, similar performances were also obtained from Tainam -3, Tainchung -65 and ADT – 27. Fertilizers were a very important factor in increasing agricultural production through every effort was made to ensure their adequate supply; the demands of all states could not be met due short falls in indigenous production and foreign exchange difficulties. The government imported adequate stocks of pesticides and aerial spraying was carried out over 4 lakh acres. Seventy five mobile plant protection vans were also arranged for the HVP districts. The government released foreign exchange for import of 600 crawler traction and 1000 power tillers in addition to indigenous wheel tractors. Agro-industrial corporations were also set up in the states of Maharastra, Madras, Bihar, Uttar Pradesh and Punjab.

The government also took initiatives to improve the minor irrigation schemes. Some of the important achievements were reflected in the installation of pump sets, tube wells and masonry wells. The rural electrification programmes also increased the use of pump sets in different parts of India. The government in order to ensure fuller and efficient utilization of major, medium and minor irrigation projects favoured the implementation of schemes, which would benefit areas irrigated by canals and state tube wells and others irrigated by canals linked to the various dams. The examples of these were seen in the irrigation schemes which were undertaken in the Azamgarh district of Uttar Pradesh and in the Bellary district of Mysore. Such projects with a nation wide orientation were planned for the future years.⁴⁰

The Reserve Bank of India granted special credit limits to ten cooperative banks to the extent of Rs. 30 crores for meeting the needs of HVP. But the utilization was poor and this was partly due to the weakness of the cooperative structure together with the rigid procedures for the sanction and disbursement of loans in certain areas and partly to short comings in the coordination between various agencies involved. In order to facilitate the transfer of short and medium term credit, the estimated supply from Agricultural Credit Societies was fixed at Rs. 400 crores. The government also made arrangements to strengthen agricultural credit stabilization funds in cooperative banks to enable them to convert short terms loans of cultivators affected by natural calamities into medium term loans and thus facilitate the flow of credit to the indigent sections of the rural population. During 1966-67, the central government provided assistance of Rs. 6.77 crores for strengthening the stabilization funds of the apex cooperative banks. The supply of cooperative credit was supplemented by Taccavi loans amounting to Rs. 50-60 crores. The land development banks advanced long term loans to the tune of Rs. 60 crores as against 56 crores in 1965-66. The Government of India provided direct support of the debenture floatation programme of the Cooperative Land Development Banks to the extent of Rs. 8.55 crores. With this help and with the support provided by state governments, the Reserve Bank of India, the State Bank of India and the Life

40 Annual Plan 1967-68, *supra* note 39, p. 44–45.

Insurance Corporations, debenture floatation of the land Development Banks during 1966-67 reached the figure of approximately Rs. 54 crores. The Agricultural Reliance Corporation extended substantial support to the special medium and long-term projects. Until March 1967, 18 schemes in 10 states involving a total outlay of Rs. 38.70 crores were sanctioned by the corporation.⁴¹

By 1969-70 the high yielding varieties programme had received a great deal of impetus through the reorganization of the Indian Council of Agricultural Research. A large number of scientists were appointed on the basis of their specialization and eminence in different fields for initiating research projects in food crops, commercial crops, animal sciences including fisheries, soil agronomy, engineering, horticulture and other fields. Seventy research projects under the All India Coordinated Research Programme were also formulated by the different scientific teams. These mainly covered cotton, jute, oil seeds, rice, maize, barley, pulses, potato, sorgums and millets. The government sponsored projects also undertook studies for the evaluation and improvement of soil structure. In fact, tests were also carried out for comprehending the crop response, decomposition of organic matter and micro nutrients of soil. The government programmes also dealt with agronomic research and irrigation research in river valley project areas. The high yielding varieties program was accorded the highest importance in the schemes of agricultural production.

During 1969-70 the areas under high yielding varieties increased to 10.92 million hectares. The seed multiplication programme in respect of promising varieties which had been placed with the the All India Research Coordinated Programme and the Central Research Institutes, were entrusted to the National Seeds Corporation, which was expected to enter into agreements with agricultural universities. The supply of foundation seeds of varieties of all Indian importance and hybrids were to be the primary responsibility of the National Seeds Corporation. The certification services were entrusted to the National Seeds Corporation, in the states which would nominate it as the certification agency under the Seeds Act, as passed by the government. The Government also felt that large scale central and state firms would also play a vital role in seed production. Apart from the five firms which had already been established, one at Raichur (Mysore) and the other at Aralam were to be established for which most of the machinery was supplied by USSR as a gift.⁴²

By the late 1960s, the government categorically stated that the rural alleviation programmes should enable as large a section of the rural population as possible, including the small cultivator, the farmer in dry areas and the agricultural labourer to participate in development and share its benefits. As regards the category of small but potentially viable farmer, action was taken during 1969-70 to formulate a programme comprising of specific projects in selected districts, soocially where small farmers' development agencies could be established. The main function of such an agency would be to identify the problems of the small farmers in the area, prepare appropriate programmes, ensure

41 *Annual Plan 1967-68, supra note 39, p. 46.*

42 *Ibid., p. 41.*

availability of inputs, services and credit and evaluate progress from time to time. The government believed that to the maximum extent possible, existing instructions – public, cooperative and private and local authorities such as Zila Parishads would be utilized for the purpose. In 1969-70, two small farmers' projects – one in Purnea (Bihar) and another in Darjeeling (West Bengal) were started. In addition, two more projects were also approved.

As regards the non-viable small farmers and agricultural labourers, the fourth plan aimed at establishing forty projects which would provide supplementary occupations and other employment opportunities within the framework of local planning. These projects would be market based so that there was scope for the development of employment oriented activities such as poultry and dairy farming.

In the view of land reforms, steps were taken to abolish intermediary tenures. Legislations were undertaken for extending the provision of Bihar Land Reforms Act. However, in some places ryotwari tenures remained. It was decided to abolish the remaining intermediary tenures by 1970-71. The central government proposed a Chief Ministers' conference in September 1970 to discuss the various problems of land reforms and its implementation. It was decided that this would be followed by an all India Seminar on land reforms implementation in October 1970 in which state revenue officials and others would participate. A Central Committee on land reforms was constituted under the chairmanship of the Minister of Food and Agriculture with Deputy Chairman of the Planning Commission and members of the commission specially dealing with agriculture as its members. It was expected to assist the state governments and union territories in the formulation of their proposals including suitable legislations and speedy and effective implementation of measures related to land reforms.⁴³

Thus since the mid 1960s economic self reliance and particularly food self sufficiency became the top priority objectives of India's economic policy. The New Agricultural Strategy began to be implemented in the right direction. The World Bank appointed Bell Mission recommended such a transition and the US pressed in its favour but they appeared to have been 'leaning on open door' as a considerable consensus in favour of such a change was prevailing in the West. The inputs like high yield variety seeds, chemical fertilizers and pesticides, agricultural machinery including tractors, pump sets, soil testing facilities agricultural education programmes and institutional credit were concentrated on areas which enjoyed the benefits of irrigation, natural resources and institutional improvements. In fact, some 32 million acres of lands, about 10 percent the total arable lands, were initially chosen for receiving package programme benefits in top priority.⁴⁴

The government investment in agriculture also rose sharply. The institutional finance made available to agriculture doubled between 1968 and 1973. At the same time, public investment, institutional credit, remunerative prices and the availability of the new technology at low prices increased the profitability of private investment by

43 *Annual Plan 1970-71*. New Delhi: Planning Commission, 1971, p. 58–62.

44 Chandra, B.; Mukherjee, A.; Mukherjee, M. *India After Independence*. New Delhi: Viking, 1999, p. 413.

farmers and consequently the total gross capital formation in agriculture proceeded at a faster pace. The results of this new strategy began to be witnessed within a short period of time between 1967-68 and 1970-71, when food grain production increased by 37 percent and subsequently net imports of food items fell from 10.3 million tons 1966 to 3.6 million in 1970. Indeed, food availability increased from 73.5 million tones to 99.5 million over the same period. By the 1980's not only was India's self sufficient in food with reserve food stocks of over 30 million tones, but it was even exporting the food to pay back earlier loans or in the form of loans to food deficit countries.⁴⁵

By the time the emergency was declared, Indira Gandhi apart from the 20 point programme had also emphasized⁴⁶ on the Hill Area Development Programme, Special Livestock Production Programme, Food for Work Programme, Desert Development Programme, The Whole Village Programme, Training Rural Youth for Self Employment and Integrated Rural Development Programme. Indira Gandhi felt that the country's agricultural policy should be guided by the considerations of social justice and removal of poverty. Thus, the removal of poverty and attainment of economic self reliance became the dominant guide lines of the Fifth Five Year Plan. Indira Gandhi based her agricultural policy on the premise that 2/3 of the country's inhabitants derived their subsistence directly from agriculture. She believed that the welfare of almost four-fifth of our population was dependent on the fortunes of the rural economy. The importance of agriculture in the Fifth Plan was reflected in the allocation of budget outlets, where funds were year marked for the improvement of the agricultural sector.

In the Fourth Plan, the public sector outlay for agriculture was almost Rs 2728 crores. This was almost 16% of the total public sector outlay of Rs 16774 crores and in terms of production of food grains, the plan set a target of 129 million tons for the 1973-74 as against the assumed production level of 98 million tons in 1968-69. The actual production in 1968-69 turned out to be 94 million tons that was lower than the assumed base level by almost 4 million tons. It was estimated that during 1973-74 the production would be around 114 million tons. The realized additional production on annual basis during the Fourth Plan was assumed to be anything between 16 and 20 million tonnes as against the target of 31 million tons.

In the Fifth Plan, the target for the increasing production of food grains over the base level production was kept around 26 million tonnes as against the corresponding achievement of 16-20 million tonnes in the preceding plan. The targets for commercial crops, food production, fishery, forestry, animal husbandry, dairy farming were bigger than the achievements in the Fourth Plan.

The level of outlay envisaged in the Fifth Plan for the agricultural sector was 4730 crores, which was roughly about 13% of the total public sector outlay of 37250 crores ie. about 3% lower than that of the Fourth Plan. The government decided that it would later allocate additional resources for agriculture and believed that the production system within the present resources could not be expected to make up the short fall

45 Chandra, B.; Mukherjee, A.; Mukherjee, M., *supra* note 44.

46 Desai, A. R., *supra* note 20.

particularly for food grains. The overall rate of growth envisaged in the Fifth Five Year Plan was nearly 4.5%, which slightly on the lower side. In fact there was a belief that if the country's economy had to be strengthened there was no other alternative but to provide resources for the all important agricultural sector. Thus a total restructuring of the plan to provide increased outlays was necessary for sustaining a higher growth rate for agriculture. The government increased the target of growth rate in agriculture to 6%. It also debated whether the total outlay for the agrarian sector could be raised to 25% of the plan allocation. The government felt that this policy would help to stabilize the economy and remove the difficulties affecting the country as a whole⁴⁷.

The Indira Gandhi regime considered it important to bring to the notice of the Planning Commission the need for undertaking village surveys for ascertaining the requirements of villagers before planning for their development. The matters relating to agriculture in a village wise survey was most essential, since it was the only way one could know in precise terms the requirements of a village in respect to irrigation, drinking water, agricultural implements, roads, housing, hospitals and other facilities linked to the agricultural production. The panchayat was taken to be the base of democratic set up and it was incumbent upon it to collect the requisite information pertaining to each village. It was stressed that the three tier system of anchayati raj had to be involved in the planning process to make the implementation of the Fifth Five Year Plan a reality.

The economists connected with the drafting of the Fifth Plan identified food problems as the most important issue which had to be tackled by the government. There was an implicit belief that unless there was food for all and in plenty, the plans could not make visible impact on people. However, the sources available for increasing production were very limited. It had to be obtained through intensive methods of cultivation and through extra efforts for increasing the productive potentialities of the existing lands. The government also believed that efforts had to be made to bring new areas under cultivation, where it was possible to do so.

The government also realized that the supply of water for irrigation constituted an important aspect of agrarian development. The planners asserted that till the end of Fourth Plan the country had been able to irrigate only one out of four acres. Even in respect of that one acre, the assured water supply was only 0.6 per acre and for the other 0.4 there had to be dependence on rainfall. Therefore while planning for agricultural production greater importance was attached to irrigation. There was a belief in the bureaucratic circles that the dependence on major irrigation projects alone, which in some cases took as long as 9-10 years to complete and involved high inflationary investments, was really not visible. Along with major projects, due reliance had to be placed on medium and minor projects which would yield quicker results and also involve lesser investments. The government officials also felt that funds had to be provided for the minor and medium irrigation schemes to the maximum extent possible. In other words they believed that no such schemes should suffer from want of funds⁴⁸.

47 Draft of the Fifth Five Year Plan, Committee C (Agriculture and Rural Economy), Chairman Darbara Singh. New Delhi, 1974, p. xi-xii.

48 *Ibid.*, p. xiv.

The government instructed the officials that in view of these difficulties in irrigation it was important to determine critical periods during which specially deficiencies in moisture in the soil could bring about a decline in crops. Thus irrigation had to be devised in such a manner so that water could be provided at required time. Such schemes could also educate the peasants in terms of the judicious use of water.

Indira Gandhi's government also believed that an important task in agricultural development programme was to create awareness among the farmers of the benefits that would accrue to them from the adoption of improved agricultural facilities. It believed that for this purpose, an agricultural extension programme had to be devised. The government agencies also expressed the opinion that the agricultural universities had to play a leading role in the matter of training and that every effort had to be made to propagate improved agricultural technology to the farmers.

The government also emphasized on the importance of agro industries in the agricultural sector. It was felt that agro-industries corporation could be encouraged to manufacture small tractors. But, though it could be of greatest benefit to the landlords, the poor, small and marginal could hardly afford to use a big tractor on small pieces of land.

The government realized that in view of the high prices of the tractors, it had to come to the rescue of the small farmers and manufacture the small tractors and market them at reasonable prices. The assumption being that more land could be brought under agricultural productivity, if the small farmers were provided with low cost tractors and implements. At the same time, there was a belief that employment avenues would develop if educated young people were trained as tractor mechanics, technicians and drivers.

The government insisted that even though food production had been satisfactory during the early 1970's, food grains did not find their way into the market. The absence of proper marketing arrangements, indifferent attitude on the part of the administration often tempted the cultivators to hoard surplus crops or sell them at higher prices through underground channels rather than offering such surplus to the government sponsored processing agencies. It was argued that the assured market would protect the poor farmers from exploitation by the middlemen. Thus, a comprehensive plan for marketing of agricultural produce was drawn up⁴⁹.

The government was also aware of the fact that with increasing production, there was a change in the consumption levels. But there were problems in meeting these demands, since the poor farmers also did not make their surplus available for marketing purposes. The government felt that in order to resolve these problems there had to be efforts to provide a reasonable price for agricultural products. Indira Gandhi's government announced the policy of procurement of food grains providing for a levy of 50% on purchases by the whole sellers. The government kept vigilance over the markets for when the prices were high, consumers protested and when the prices tended to fall in spite of high price of the inputs, the farmers complained. The government stressed that

49 Draft of the Fifth Five Year Plan, *supra* note 47, p. xx.

it should have the pipeline of distribution to its capacity in surplus state so as to facilitate distribution of food grains to consumers at reasonable prices, this actually made the government to develop an argument in favour of subsidy. The government agreed to maintain the prices at a reasonable level and also promised to provide remunerative prices to the farmers. In view of these measures, the farmers were attracted to the market. The government also initiated punitive measures against the persons who were accused of hoarding the agricultural commodities. Indira Gandhi's government earned some success in view of its policies to maintain aimed towards the maintenance of a price level and in providing remunerative prices to the farmers for their products.

However, the problem of land reforms continued to pose a challenge to the government as in the earlier years. Indira Gandhi's economic advisors held the view that the production base of small and medium farmers and landless labourers could not be strengthened unless the government rigorously pursued its policies in favour of land reforms. The loopholes in the legislation and administrative lapses had been responsible for the delays in acquiring surplus land for distribution among all landless cultivators, specially the scheduled castes and scheduled tribes.

The poverty of the millions of landless workers and small farmers were intricately linked to these vital problems. The government realized that without the mobilization of landless workers and small marginal farmers, the goals and objectives of the Fifth Five year Plan in regard to agriculture could not be achieved⁵⁰.

In fact the process of consolidating uneconomic holdings had also not been completed. The fragmentation of landholdings always held out prospects of diminishing production. On the other hand, a compact consolidated holding could be used for a much more intensive cultivation. The government strongly stated that in order to consolidate the gains of the integrated holdings, certain states had to initiate effective follow up steps for ensuring the security of tenants particularly the sharecroppers who were the worst affected rural groups.

The government also stated that the national guidelines had not been kept in view while promulgating ceiling legislations in different states. It insisted that specific deadlines should be fixed for implementing ceiling laws. It also asserted that frequent changes in the ceiling proposals would create suspicions in the mind of farmers and would ultimately affect their production programmes. The government identified that the weakness of the agricultural sector was also due to the inefficient system of providing credits to the farmers. Though the main responsibility of providing credits rested with the cooperative institutions, it had been a matter of gratification that after the bank nationalization, commercial banks had also entered the field of agricultural credit. Unfortunately, the commercial banks had failed to encourage the farmers, for the simple reason, that the procedures laid down for advancing loans were too complex and time consuming. Since the majority of farmers failed to obtain loans from banks easily, most of them continued to depend on village money lenders, who charged exorbitant rates of interest. Thus, the entire machinery for providing agricultural credit had to be

50 Draft of the Fifth Five Year Plan, *supra* note 47, p. xxi.

geared up. In fact there were attempts to eliminate red tapism in some cases so as to make procedures of loans simplified. The government also instructed the banks to grant loans to the cultivators against their standing crops, the existing co operatives were also restructured to eliminate the vested interest.

Indira Gandhi's government was able to establish the view that Indian agriculture was redominantly a small farmer's economy. The small farmers development programme was started in the states in the Fourth Plan period with the view to improve the condition of small and marginal farmers and this was extended to the Fifth Plan. The government ensured that under this programme the small and marginal farmers were supported by advisory service and timely supplies of agricultural credit, improved seeds and plant protection service and improved irrigation facilities. Darbara Singh, the Chairman of the C-ommittee (Agriculture and Rural Economy) on Draft Fifth Five Year Plan stated that often factors behind the sad plight of the country's economy had been the utter neglect of the rural industries⁵¹.

The available land for surplus distribution among the landless labourers was also too inadequate to meet the demands of poorer sections of the rural society, particularly the harijans and other ackward classes. It was felt that the labouring groups in the villages must have an assured income to be able to feed their family. In fact, for all this, it was necessary that the small industries had to be shifted from urban to rural areas.

In fact prior to the declaration of emergency, Indira Gandhi had talked in details about agricultural production and economic self reliance. She had observed, "the farmers of India are our very backbone. The country cannot survive without them nor can we achieve self reliance. Cultivators are today in distress because of rising prices and shortage of some inputs. We are trying our best to help them in every possible way. After the terrible drought in the last year, the rains have been fairly good for this year. This has brought some relief. But many people have suffered due to floods. I offer my sympathies to the flood affected people. We have to increase agricultural production in all possible ways so that our needs are met and food grains and other essential commodities are taken to the people in remote areas, whether they live in mountains, or in deserts. Similarly, industrial workers constitute the foundation of a modern nation. We can keep our agriculture and strengthen our country only if the other factories are kept running and industrial production goes up. Our problems are many, but India is not the only country that faces economic crisis.

It is a world wide phenomenon. Even the bigger nations are facing all the problems that we face. But this is no excuse for us. No single country or a group of country can help us. We have got to stand on our own legs and march towards the goal of self reliance.

And I think that one of the major causes of the lack of discipline and selfishness that we see around us is that we have given up the tried and tested tested path during the lat three years. Our basic policies and objectives and our ideals which had inspired us to march forward and new ways sought out. We would have understood if they did find

51 Draft of the Fifth Five Year Plan, *supra* note 47, p. xxii.

a new way but they went in different directions. This was the reason why all those who had come together broke up and our speed slowed down”⁵².

However, the fact remains that despite all criticisms, the Green Revolution initiated by Indira Gandhi since the late 1960s contributed much to the rural amelioration programmes of the later decades. Indeed, a major impact of the Green Revolution strategy was that through increases in agricultural yields it enabled India to maintain a rate of agricultural growth, the highest since independence. In the pre-Green Revolution period, 1949-1950 to 1964-1965, about 51 percent of the growth in agricultural output was accounted for by an increase in area and 49 percent by increase in yield between 1967-68 and in 1989-90 about 80 percent of the growth of agricultural output was explained by increases in yields per acre while increase in acreage explained only 20 percent. In recent years, virtually the entire output has been linked to increases in yield, as agricultural acreage has diminished and has even become stagnant.

The critical impact of the Green Revolution was that it generated a rapid increase in the marketable surplus of food grains. This aspect has perhaps not been sufficiently highlighted. A number of factors were responsible behind the successes of the New Agricultural Strategy in generating a large marketable surpluses. The initial break through in food production in relatively developed regions of North West India and parts of Southern India, where food consumption levels were already high meant that a large proportion of the additional output was marketed. The use of labour per unit of output tended to decline, creating a marketable surplus from the rural areas to the extent that the proportion of the output which had to be set aside for consumption by labour declined and output increases occurred mainly as a result of yield increases and not increases based on arable lands⁵³.

However, it has often been argued that the revolution was highly selective and that its spread effect was limited to certain areas. Wolf Ladejinsky has argued that 3/4th of India’s cultivated acreage was not irrigated and dry farming predominated. The vast parts of the country were untouched by the transformation and equally vast parts could boast of only of “small islands within”.⁵⁴

Even in Punjab, with all its advantages, not every small farmer – not to speak of remaining tenants – practiced the new technology and much less so in other developing parts of the country. The Green Revolution affected the few rather than the many not simply because of environmental conditions but because the majority of the farmers lacked resources and were institutionally precluded from taking the advantages of the new agricultural trends. In typical Indian conditions of great inequality, as critics of the Green Revolution have pointed out apart from the inequality of landownership, resources and marketed surplus, disparities in income distribution remained a major problem. The seriousness of the disparities in income distribution was revealed in Prime Minister Indira Gandhi’s remark that there are only two genuine majorities in India –

52 The Dawn is Near. Speeches of Indira Gandhi. Publications Divisions, Ministry of Information and Broadcasting, New Delhi, 1974, p. 6–7.

53 Chandra, B.; Mukherjee, A.; Mukherjee, M., *supra* note 44, p. 415.

54 Ladejinsky, W. Ironies of India’s Green Revolution. *Foreign Affairs*. 1970, July, 48(4): 763.

the young and the poor. It was estimated that in 1969 out of a total rural population of 434 million, 103 million were landless and another 185 million held less than 5 acre as family holdings. They together represented 67 percent of the total rural population and of these estimated 154 to 210 million in abject poverty or at a level of Rs. 200 per capita per year⁵⁵.

Economists like Biplab Dasgupta found a great deal of weaknesses in the selective approach of the Green Revolution. It was argued that this approach of the New Agricultural Strategy stood counter to the declared objectives of the community development or cooperative movement involving the masses in rural development. It presented a technical solution to the country's food problem bypassing the real institutional issues. Thus rather than destroying or weakening the existing village power structure through land reforms and other measures, attempts were made to enlist their support to the exclusion of the rest of the village population. This sort of policy actually served the interests of the rich farmers. As has been argued, the bias against the small farmers was inherent within the new technology due to the very costly nature of the inputs.

In other words, the critics of the 'Percolation theory' pointed to the disparities in the distribution of assets particularly of farm assets like tube wells and tractors. They believed that in course of time the larger farms would be able to exercise their advantage over the small farms because of their greater credit worthiness and risk bearing capacity based on their high value of their asset holdings and partly because of the higher earning capacity generated by the ownership of productive farm assets. It was also stressed that mechanization of the ploughing operation had displaced human labour and led to greater unemployment in the rural localities. However, Biplab Dasgupta accepted the fact remains that despite such tendencies, seasonal demand for additional employment had been created because of the application of fertilizers, weeding and harvesting and other activities and also due to increase in the area under double cropping. It was also stressed that though the amount of work had increased largely because of the degree of mechanization, in reality it was not that high and bullocks were still used along side tractors. Yet, there always apprehensions regarding a sudden decline in the number of labour days needed per unit of land. The richer household dispensed with the services of their farm servants particularly in view of the increase in the participation of family labour in cultivation and in some cases there was also more dependence on casual or contract labour. Even the smaller ousehold was constrained to hire labour during harvesting. In fact, these developments took place because of the sheer volume of work associated with higher productivity and also because of the time constraint which the farmers faced because of double cropping⁵⁶.

It was also argued that while the amount of work in terms of labour days increased, such opportunities could only be exploited by a small number of higher people. The participation rate of the village population in terms of work force had started declining,

55 Ladejinsky, W., *supra* note 54.

56 Dasgupta, B. India's Green Revolution. *EPW*. 1977, Annual Number February, 12(6/8): 241-251.

particularly of the women and the children, as well as the old who opted out of the work. Furthermore, in the areas in which the application of the new technology made its presence felt, the avenues were mostly open for workers from the neighbouring areas who worked as casual labourers and there were also contract labourers who moved from village to village during harvest time. Wages were mostly paid in cash and while they might have increased, there was a doubt regarding the movement of real wages as a result of the Green Revolution. Thus in the opinion of the critics, though the new technology might have expanded the scope of employment in the short run, there were possibilities in the long run with further advancement in mechanization of a serious risk of falling employment.

However, it needs to be stressed that the demand for labour had considerably increased in many of the Green Revolution areas, despite partial mechanization of some labouring activities. In fact, there are differences of opinion as to how much a net gain had been possible for the inhabitants of the areas, after allowing both for the growth in the labour force within the areas and the increasing competition from the migrant labour from elsewhere. But, there had been an increase in real wages between 1954-55 and 1964-69 in the three Indian states of Tamilnadu, Kerala and Punjab, where over 14 percent of acreage was brought within the system of high yielding variety agriculture. In such a situation, though the real wage rates could fall, there were possibilities that the total earnings could increase if the number of labouring days increased. In the years 1967-68, there was a marked recovery after a period of two drastic years of monsoon failure. While, there might have been considerable inflation the condition of the poor may have been a little better than the preceding period. In fact, very few economists have taken a quantitative analysis of the effect of prices on producer incomes. Minhas in disagreement with Vardhan, Dandekar and others believed that agricultural labourers constituted only 1/3 of the rural poor, and small farmers comprised more than half and many of them were not sellers of food and thus benefited from a situation where food prices rose compared to the other periods. Given these complexities, together with the problems of evaluating labour incomes in money and kind, and the dubious quality of the basic data it was argued whether the modest trends in the well being of the poor would be available from the large scale surveys like the National Sample Survey on which many of the economists depended⁵⁷.

In fact, doubts relating to the new agricultural strategy had been there since the any early phases of its implementation. It has earlier been argued that by concentrating the resources on the regions that already enjoyed some advantages; the Green Revolution accentuated regional inequality. G. S. Bhalla has shown that instead of giving rise to further inequality, the Green Revolution actually benefitted large parts of the country bringing prosperity to these regions. In the first phase of the Green Revolution, 1962-65 to 1972-73, an all India compound growth rate of 2.08 percent per year was achieved mainly because of the sharp rises of the yield of wheat in the north western regions of

57 Cassen, R. Welfare and Population: Notes on Rural India since 1960. *Population and Development Review*. 1975, September, 1(1): 37–41.

the country. In fact, Punjab, Haryana and Western Uttar Pradesh witnessed a rise in the growth figures, which were faster than the average rate of growth. In the second phase, 1970-73 to 1980-83 with the extension of the high yielding variety seed technology from wheat to rice, there were further increases. The Green Revolution spread to other parts of the country notably the eastern parts of the Uttar Pradesh, coastal parts of Andhra Pradesh, Karnataka and Tamilnadu. In fact, regions like Maharashtra, Gujarat and Andhra Pradesh grew much faster than the all India growth rate of 2.38 percent per year. In the third phase of the Green Revolution, 1980-83, to 1992-95, there were very significant and encouraging results. The Green Revolution touched the low growth areas of the eastern regions of the country comprising of West Bengal Bihar, Assam and Orissa. Indeed, West Bengal achieving unprecedented growth rate of 5.39 percent per annum. The final phase of the Green Revolution not only saw a marked over all acceleration of the growth of agricultural output which reached a growth rate of 3.4 percent but also to a more diversified growth pattern reducing inequality through the increasing speed of rural prosperity⁵⁸.

5. The Twenty Point Programme: The Initiatives Towards a More Realistic Approach

On July 1, 1975, the Indira Gandhi ministry announced the 20 point programme and it set the agenda for the socio-economic development of the country. The programme was an action oriented package plan which intended to raise the living standards of the people and to revitalize the economy of the country as a whole. It laid stress on the development of the core sectors like agriculture, rural development, land reforms, irrigation and power.

The poor sections of the society like the workers, landless laborers, students, the unemployed and the people comprising the middle classes and engaged in various trade and professions were earmarked as beneficiaries of the programme, which for the first time, favoured an integrated approach to development. This programme left a significant impression on the socio – economic life of the millions⁵⁹.

The anti-poverty aspect of the 20 point programme was reflected in the rapid implementation of land ceilings, increasing provisions of house sites for landless labourers, the abolition of bonded labour, moratoriums on the recovery of debts from landless labourers, small farmers and rural artisans, the liquidation of rural indebtedness and legislations for higher minimum wages for the labourers. However in the speech delivered by Indira Gandhi at the Red Fort on August 15, 1975, she warned, “Please do not expect magic remedies and dramatic results, there is only one magic which

58 Chandra, B.; Mukherjee, A.; Mukherjee, M., *supra* note 44, p. 415–416.

59 Krishna, M., *supra* note 33, p. 85.

can remove poverty, and that is hard work, sustained by clear vision, iron will and the strictest discipline”⁶⁰

The Congress led by Indira Gandhi through out the 1970s and the early 1980s had put a great deal of emphasis on Green Revolution technology and visualized it as a poverty alleviating measures. A section of the economists have argued that there was greater pauperization as the Green Revolution technology spread to different parts of India. They argued that estimates based on per capita expenditure and consumption of calories in India exposed the hollowness of claim often made by the protagonists of the Green Revolution. Dandekar and Rath had observed “the process of rural development during the 1960-69 has benefited the upper middle and richest section more than the middle, lower middle and poorest sections”⁶¹. There after following their assessments a section of the economists have stressed that socio-economic inequalities in India had steadily increased. While Dandekar and

Rath found some 45 percent of the population to be below the poverty line at the 1960-61 prices, Pranab Bardhan came out with even more dismal picture. He compared the proportion of the rural population below the minimum level of living in 1960-61 with that in 1967-68. Without exceptions all the Indian states it was believed had experienced a massive increase in the percentage of rural people living below the poverty line. It ranged over 82-84 percent in like Bihar, Orissa, Uttar Pradesh and West Bengal in 1967-68. In the most prosperous states, for example in Gujarat it had gone up from 25.01 to 63.97 percent, in Maharastra from 40.14 to 67.61 percent and from 13.56 to 49.98 percent in Punjab. So, in the throbbing heart land of the Green Revolution this percentage had actually quadrupled in the years between 1960-61 to 1967-68⁶².

The International Labour Organization (ILO) in its report in 1979 also brought out the weaknesses of the rural amelioration programme. It drew its sample from the four states of Punjab, Tamilnadu, Bihar and Uttar Pradesh. This survey aimed at determining trends in absolute and relative incomes of the rural poor. It revealed a steadily worsening distribution of income and the declining real income of the rural / poor. In the rich farmlands of Punjab, the real income per head was reported to have increased by 26 percent during the 1960’s. Despite this, the proportion of rural population living below the poverty line increased in Punjab from 18 percent in 1960 to 23 percent in 1970. In Tamilnadu, the ILO study found that the percentage of population earning less than the costs possibly required for the minimum foodline had gone up from 36.04 percent in 1961-62 to 48.63 percent in 1969. In fact, taking ‘the basic needs line’ into account these percentages had gone up from 66.49 to 73.98 for the corresponding years. In dealing with the social origins of the rural poor, the ILO study revealed that in all the states it was the agricultural labourers – the landless and the near landless families – who constituted the core of rural poverty. For example in Tamilnadu 56 percent of cultivators, 85 percent

60 Indira Gandhi. *Selected Speeches and Writings, Vol. III: 1972-1977*. New Delhi: Ministry of Information and Broadcasting, 1986, p. 86.

61 Dandekar, V. M.; Rath, N. *Poverty in India*. Pune: Indian School of Political Economy, p. 70.

62 Bardhan, P. Green Revolution and Agricultural Labourers. *EPW*. 1975, (Special Number), 5(29-31): 1241-1248.

of other workers and 87 percent of agricultural labourers were living below the poverty line⁶³. However, some economists did share an optimistic view about the impact of the rural amelioration programmes. In the early 1980's C H Hanumantha Rao pointed out that the decline in the number of persons below the poverty line for the rural population was around 12.5 percent in contrast to 7.8 percent in the urban areas. However he accepted the point that between 1977-78 and 1983-84 this decline was less noticeable for scheduled castes and scheduled tribes which were 7.6 and 7.1 percent respectively, as compared to 15.1 percent for the rest of the population. D N Dhangare has argued that even if these assumptions are close to reality, they imply an admission that the poverty alleviation programmes whether the integrated Rural Development Programme of the National Rural Employment Programme had failed to bring about a sizable reduction in the rural poverty ratio in a highly developed states like Punjab, where between 1977-78 and 1983-84 the poverty ratio declined only by 17.1 percent. The poor performance of Punjab in poverty alleviation programme became even more striking in the context of certain facts, for instance the average per capita consumption expenditure was the highest being 81.69 as compared to the all India average of 70.94. The expenditure on the anti poverty programmes like the IRDP, NIEP and others for the years 1980-84 was the highest in that states – 31.22 for Punjab compared to the national average of 8.33⁶⁴.

The draft plan (1978-83) had estimated the size of the rural poor as to 90 million in 1978 where as a World Bank estimate had suggested that there were as many as 327 million rural poor. Some of the economists feared that despite the official claims about the decline in rural poverty ratio, the Sixth Five Year Plan figure of the poor population which was 339 million in 1980 could increase to 472 million by the end of the century, which would be more than India's population at the time of the independence⁶⁵.

However, there are certain studies which provide a different perception on rural poverty across the majority of the states across in India. B. S. Minhas, L. R. Jain, S. D. Tendulkar in their studies on rural poverty presented a summary picture in terms of the aggregated head count ratios for seventeen major states and certain summary indicator of the disparity in the head count ratios across the seventeen states. They also considered the categories of the seventeen states with reference to the poverty alleviation performance as judged by the level of state-specific head count ratio in relation to that at the all India level in each of the three years. Finally, there was an attempt of ranking different states on the basis of their poverty alleviation performance in terms of their annualized rates of change in the head count ratio and the number of the poor over the two periods 1970-71 to 1983 and 1983 to 1987-88. In the rural sector, the two southern states of Andhra Pradesh and Kerala managed to reduce both the head count ratio and the number of poor in the years between 1970-71 and 1987-88. The proportion of the rural poor declined from 12 percent in 1970-71 to about 8.5 percent in 1987-1988. The

63 Dhanagare, D. N. Green Revolution and Social Inequalities in Rural India. *EPW*. 1987, Annual Number May, 22(19/21): AN-143.

64 Hanumantha Rao, C. H. Changes in Rural Poverty in India: Implications for Agricultural Growth. *IASSI Quarterly News Letter*. 4(3-4): 7-14.

65 Dhanagare, D. N., *supra* note 63, p. AN-143.

six states of West Bengal, Tamilnadu, Madhya Pradesh, Uttar Pradesh, Haryana and Rajasthan accounting for nearly a half of the rural population of the seventeen states taken together, experienced a decline in the head count ratio in both the periods but the decline was not sufficient in relation to the growth in population, therefore they did not manage to reduce the number of the poor in both the periods. In fact, the states of West Bengal, Tamilnadu and Madhya Pradesh the absolute number of poor got reduced in the second period. At the extreme end was the state of Jammu and Kashmir where the head count ratio increased in both the periods. Next to Jammu and Kashmir were Gujarat and the agriculturally prosperous Punjab, where the decline in the head count ratio in the first period was followed by increased in the head count ratio in the second period. As a result, numbers of the poor increased in the second period at the compound rate 4.5 percent in Gujarat and 4 percent in Punjab respectively⁶⁶.

In the urban sector, only the small state of Himachal Pradesh experienced a decline in both the head count ratio and in the numbers of the poor. Numerically the most dominant group comprised of the seven states including Uttar Pradesh, Madhya Pradesh and Kerala, where there was a decline in the head count ration in both the periods. The combined share in the total number of urban poor for seventeen states taken together declined from about 44 percent in 1970-71 to 39 percent in 1987-88. In the states of Karnataka and Gujarat the proportion of the urban poor was 8.1 percent and 3.8 percent respectively. In fact, apart from the two extreme cases for the states of Andhra Pradesh, West Bengal, Bihar and Rajasthan the proportion of the urban poor as compared to the figures of the seventeen states taken together increased from about 41 percent (in 1970-71) and 39 percent in 1983 nearly 47 percent in 187-88. The highly urbanized states of Maharastra were in the middle of the ranking of the states.

In fact, these figures based entirely on aggregated estimates tried to prove that the incidence of poverty in rural India was believed to have declined from 58.8 percent in 1970-71 to 50.8 percent in 1983 and 48.7 percent in 1987-88. In the urban sector, the corresponding decline in poverty incidence was from 46.2 percent in 1970-71 to 39.7 percent in 1983 and to 37.8 percent in 1987-88. For rural and urban India taken together, the incidence of poverty declined from 56.3 percent in 1970-71 to 48.1 percent in 1983 and further to 45.9 percent in 1987-88. To put it differently the annualized rate of decline in rural poverty incidence in India as a whole was steeper between 1970-71 and 1983 which was around 1.2 percent as compared to 0.9 percent from 1983 to 1987-88. In the urban sector, the corresponding rate of decline was about 1.1 to 1.2 percent per annum during both the period⁶⁷. In fact, there can be a broad comparison of poverty estimates from 1969-70 to 1986-87. It can be strongly argued that despite its weaknesses the Green Revolution marked an important phase in India's agricultural development when there was a structural break in the trend rate of agricultural growth. Due to the bad drought years of 1965-66 and 1966-67 and its after effects, the benefits of the Green Revolution were perceptible only from 1966-68; 1968-69 onwards. In fact, a visual perusal of the

66 Minhas, B. S.; Jain, L. R.; Tendulkar, S. D. Declining Incidence of Poverty in the 1980s: Evidence versus Artefacts. *EPW*. 1991, July 6-13, 26(27/28): 1677–1678.

67 *Ibid.*, p. 1678.

time series data would reveal that the incidence of poverty measured in terms of the head count ratio or Amartya Sen's poverty index except for the late 1950's generally showed an upward tendency and reached the peak levels during 1965-68 and thereafter reversed to register a fall. The post 1969-70 periods also marked an important shift in the policy orientation towards the poor. In the background of the split in the ruling Congress Party, Indira Gandhi initiated the 'Garibi Hatao' (banish hunger) slogan, seeking to provide a pro-poor content to her party's programmes. Indira Gandhi recognizing

the limitations of the market mechanism in reaching the fruits of development to the poor and apart from her own political and economic compulsions supported the poor centred welfare programmes through direct institutional interventions such as integrated Rural Development Programme, National Rural Employment Programme, Food for Works Programmes, Employment Guarantee Schemes Mid Day Meals Scheme for school children and others focusing on improvements in the asset based employment generation and the towards providing access to basic needs. Thus there are both theoretical and empirical factors, which made it imperative to treat the period from 1957-58 to 1986/87 as constituting two distinct broad phases. It needs to be argued that the pro-poor centered programmes definitely proved to be advantageous to the indigent sections in India, particularly in view of the various institutional interventions and provision of providing subsidized food through a Public Distribution System (PDS). In a sense policies to accelerate agricultural growth, infrastructure development and provide a better access to food through the PDS alongside measures to control inflation proved to be effective in the reduction of rural poverty in India. However, the structural adjustments vis a vis rural poverty in India following the demise of Indira Gandhi held out interesting possibilities. The low priority accorded to agriculture compared to industry, the slashing of public expenditure on social sectors including subsidies as part of the deficit pruning exercises proved to be detrimental to the interests of India's poor and it did reverse the trends in rural poverty, which were visible after 1969-70⁶⁸.

6. The Introspection of the Poverty Amelioration Programmes in the Early 1980s

In 1980, returning to power, after a period of more than 3 years, Indira Gandhi had observed, "Some voices are raised that there has been no improvement in the lot of Indian people. Publicity is given to it in India and abroad. But if we look around we will find that while milk, sugar and other articles of daily necessity were cheaper in the past there were no avenues of progress for the people. There were few facilities for the education of children. The living conditions of farmers and other rural folk were not satisfactory. Their children did not attend school. They did not own bicycles. The spirit of enterprise was lacking. We have definitely made progress during the last 20 years. May be the pace of progress has not been fast enough, but it has been continuous. Rural

68 Ninan, K. N., *supra* note 31, p. 1548-1550.

folk are aware of the difficulty of having to wait or swim across with swollen reverse and rivulets during the monsoon. The current flows more swiftly in mid stream and it is there to that the water is deepest. India is in a somewhat similar situation. We are in midstream. I have no doubt that, given courage and determination, the people of India will be able to cross the deep waters and reach the other bank. We cannot afford to look back; we cannot afford to wait even for a single second. We must cross the swollen river, once across our progress will be easier.”

Indira Gandhi in her speeches also defined the main aspects of her economic policies. In one of her speeches she observed, “We have undoubtedly made progress in the economic sphere. We have set up new industries. We have increased agricultural production. We have to maintain the rate of progress in the agricultural and industrial fields. We have made every effort to reach food grains to deficit areas. You are aware that West Bengal, Kerala, Bihar, Uttar Pradesh and many other parts of the country are faced with food shortages through the efforts of the government and non official organizations, the needs of the people we met to some extent. The coming 2 or 3 months are full of difficulties. I would like to congratulate the people of these states for the courage with which they faced difficulties. They have upheld the honour of India; they have shown that a free nation is capable of overcoming difficulties. The people of India are faced with many other problems. There is a problem of rising prices; there is a demand for higher wages. This problem is not confined to India. The whole world is faced with the problem of rising prices and demand for higher wages. It is a vicious circle of rising prices, higher rents, higher wages and again higher prices. It is our endeavor to break this vicious circle. We want to stabilize prices. We have all to cooperate to solve this problem. We have to make sacrifices. We should restrict our purchase of consumer goods. It is not a easy problem. The poorer sections of the community are the worst sufferers. I have the greatest sympathy for them. We have to find ways and means of solving this problem. I know that everyone wants an increase in his wages. People are also worried that they can buy very little even in increased wages. We have to find a solution to the problem of peoples needs. We have limited resources. We have to consider ways and means of augmenting our resources. If we can increase our resources by suffering hardship, we should not hesitate to do so. Then our difficulties will end soon.”⁶⁹

In 1982, she did recast and redefine the 20 point programme. The essential points of the new 20 point economic programme can be analyzed in terms of three broad aspects: first, scheme of income generation for the poor households by assets endowment production and wage employment; second, development of certain specially backward areas for mitigating distress and poverty arising out of low productivity soil and wide variations of output due to uncertain climatic conditions; third, providing basic needs to vulnerable sections of populations for improving the quality of life by providing supportive services and the required social infrastructure.

69 Let's Build a Better Tomorrow. *Text of Prime Minister Smt Indira Gandhi's Independence Day's Speech from the ramparts of the Red Fort at Delhi on August 15th 1980.*

In the first category, the different programmes were listed as follows: 1) strengthen and expand coverage of integrated rural development and national rural employment programmes; 2) implement agricultural land ceilings, distribute surplus land and complete compilation of land records by removing all administrative and legal obstacles; 3) review and effectively enforce minimum wages for agricultural labour; 4) rehabilitate bonded labour; 5) accelerate programme for the development of scheduled caste and tribes; 6) pursue vigorously programmes of afforestation, social and farm forestry and the development of bio gas and other alternative energy resources; 7) liberalize investment procedures and streamline industrial policies to ensure timely completion of projects. Along with these the handicrafts, and handlooms, small and village industries should also be given all facilities to grow and update their technology. In the second category, the specific programmes are mainly; 1) increase in irrigation potential, development in disseminating technologies and inputs for dry land agriculture; 2) take special efforts to increase production of pulses and vegetable oil seeds; 3) pursue vigorously programmes of afforestation, social and farm forestry and the development of biogas and other alternative energy sources. In the third category, the following specific programmes came to be enumerated: 1) review and effectively enforce minimum wages for agriculture and labour; 2) supply of drinking water to all villages; 3) allot housing sites to rural families who are without help and expand programmes for construction assistance to them; 4) improve the environment of slums, implement programmes of house building for economically weaker sections and take measures to arrest unwarranted increase of in land prices; 5) maximize power generation, improve the functioning of electricity authorities and provide electrification to all villages, pursue vigorously programmes of afforestation, social and farm forestry and the development of biogas and other alternative energy resources; 6) substantially augment universal primary health care facilities and control of leprosy, T.B, and blindness; 7) spread universal elementary education for the age group between 6-14 with special emphasis of girls and simultaneously involve students and voluntary agencies in the programmes for the removal of adult illiteracy; 8) expand the public distribution system through more fare price shops including mobile shops in far flung areas and shops to cater to industrial workers, students hostels, and make available to students text books and exercise books on a priority basis and to promote a strong consumer protection movement. Then, there are other action items for checking the growth of population by promoting family planning on a voluntary basis as a peoples movement, creating conditions for industrial development by liberalization of investment procedures and streamlining industrial policies, correcting distortions created by parallel economy by continuous strict actions against smugglers, hoarders, tax evaders, there by checking the possibilities of creation of further black money, and fuller utilization of the capacity of public enterprises for generating sufficient internal surpluses for further development.

In fact, a multi dimensional strategy was adopted for the removal of poverty, particularly in rural areas by a composite package of beneficiary specific and area specific programmes in addition to direct employment generation schemes. At the same time infrastructural facilities like the generation of electricity and supplying electricity to

the villages created conditions for the use of technology and for improving on-farm and off-farm productive capabilities. The National Development Council in its meeting held on March 14th 1982, expressed its intention to implement effectively the programmes which were the core elements of the Sixth Five Year Plan. The council stressed the need for effective monitoring of the programme along with the implementation of the Sixth Plan. Indeed, before the revised 20 point programme was launched, it was considered that reports would be obtained on its feasibility from different parts of the country. This was a difficult exercise because reports had to be obtained from about 5092 blocks, 418 districts and from the head quarters of 22 states and 9 union territories. However despite these difficulties, reports were by and large received from the agencies in time⁷⁰. This undoubtedly revealed the seriousness with which the programme was revived and was taken up for implementation in new directions.

Subsequently the reports on the performance of the 20 point programme did reveal that from the outset the impetus was placed on 1) distribution of house sites 2) tea plantations 3) integrated child development scheme 4) sanctioning of primary health centres 5) economic assistance to scheduled tribe families 6) construction of bio gas plants 7) economic assistance families 8) assistance for construction of houses for the homeless 9) creating resources for clean drinking water 10) slum improvement 11) integrated rural development. Yet, the achievement had been less than satisfactory in respect of the national rural employment programme, distribution of surplus land, rehabilitation of bonded labour, housing for economically weaker sections, sterilization and village electrification and energization of pump sets. It was also revealed that there were areas, where certain conflict of interests prevented the implementation of the programme. It also indicated that the massive mobilization of beneficiaries were necessary to make the easy implementation of the programmes and to enable the beneficiaries to retain the gains.

In fact, the inherent difficulties of the structured bureaucracy posed by a structured democracy were also responsible for the lack of implementation of the programmes in certain spheres. Indira Gandhi's government tried to resolve this inbuilt deficiency by constituting implementation committees at different levels with adequate representations of the elected representatives of the people. Non-governmental grass root organizations were also encouraged to raise the consciousness of the intended beneficiaries for group action and to encourage them to participate directly in some of the activities⁷¹.

Nonetheless, in the early 1980's, the implementation of the programmes showed that despite all difficulties, a lot could be done for the removal of poverty, though it was a very difficult responsibility on the part of the government. The Prime Minister observed, "The removal of poverty had to be the main plank of all our future plans."

The impact of the revised 20 point programme need not be assessed nearly from the angle of material benefits that would accrue to the poorer sections of the society. The process of the implementation of the programmes particularly those relating to the

70 Krishna, M., *supra* note 33, p. 88.

71 *Ibid.*, p. 89–90.

reduction of poverty and destitution released impulses of change. It helped the down trodden, the disinherited, the dispossessed and the deprived to take a legitimate place in the society.

7. The Populism of Garibi Hatao and the Inherent Weaknesses in Economic Planning

In the early 1980's the Indira Gandhi Ministry repeatedly stressed on the implementation of programmes to promote land ceiling legislations and for minimum agricultural wages. The National Bank for Agricultural and Rural Development was established to provide credit for the promotion of agriculture, small sale industries, handicrafts and other rural crafts and allied economic activities in rural areas. This was done with a view to promote integrated rural development bringing prosperity to rural localities. At the same time to promote employment among the landless households and to create durable assets for rural communities, the rural labour guarantee programme was introduced in 1983⁷².

The Sixth Plan stated, "The development perspective visualizes accelerated progress towards the removal of poverty, generation of gainful employment, technological and economic self reliance. Experience shows that a substantial acceleration of the overall rate of growth of our economy ... is an essential condition for the realization of these objectives." In her address to the planning commission on the approach to the Seventh Five Year Plan in June 1984, Indira Gandhi confessed, "From all over the country I get reports that beneficiaries are seldom able to make full use of the assistance we give them because of stoppage of or even the complete lack of backward and forward linkages... Again these programmes which are now largely individual oriented, I think should be given a wide community base to improve their vitality. We must seriously consider why these schemes have such low impact and must take urgent corrective action. Roti, Kam, Utpadan Humara Lakshya Hona Chahiye."⁷³

Finally Indira Gandhi, in her tenure as the Prime Minister in 1970's and in the early 1980's tried to integrate issues of economic development within issues of social justice and empowerment. In 1975 she had stated, "I personally will be happy if S C's and S T's also start forgetting that they are S C's and S T's... they are entitled to these opportunities (reservations) and we are doing our best but to give them. But if we try to perpetrate the caste system, then it is very difficult to ask other castes not to give way to their own feelings."⁷⁴

At the same time she was opposed to caste lines. She observed, "We all belong to the larger Indian family and we all have equal opportunity. Naturally until that day when

72 Shah, G. The Prime minister and the weaker sections of society. In: „Nehru to the Nineties“. Manor, J. (ed.). Cambridge University Press, 1994, p. 246.

73 *Ibid.*, p. 248.

74 Lok Sabha Debates, March 13, 1980.

there is real equality of opportunity we must help those who are underprivileged so that they can compete on a more equal basis with the more privileged sector.”

However, Indira Gandhi was aware of the fact that atrocities on scheduled caste and scheduled tribes were almost a regular feature in different parts of India. As early as April 1972, Indira Gandhi’s ministry favoured some amendments in the unsociability offences act of 1965, but the parliament took more than 4 years to pass the bill. The ministry blamed the delay because of bureaucratic and political complexities. The untouchability amendment bill of 1972 was renamed the protection of civil rights act of 1976. In 1980, Indira Gandhi observed, “atrocities on harijans, casteism that is something that cannot be removed by the government decision or action, it has to be a peoples’ movement.”⁷⁵

In the mid 1980’s, the Indira Gandhi Ministry’s scheme of Garibi Hatao became a point of debate among India’s social scientists. The debate which was sparked off by the writings of Nilkanth Rath found a firmer voice in the number of other scholarly presentations which highlighted the short comings of the integrated rural development programme. The critics ignored two important points regarding the essentials of the programme. In the first place, the shortcomings in the choice of beneficiaries were not uniform. Rath quoted from a survey conducted by the NABARD and stated that misclassification was less than on percent in Uttar Pradesh, Bihar and Orissa, where half the nation’s poor lived. Secondly the studies showed that the incremental income from diaring was about 45% of the loans advanced. In fact, Rath’s ideas relating to the alternative strategy as regards wage employment through NREP and RLEGP also were questioned by scholars. They argued that apart from distortions it was evident that those with land resources determined the schemes and their location and also benefited disproportionately from them. This explained the reason behind the failure to include backward areas and groups. This made the quality of work patchy. However, this is not to say that the programmes initiated by the Indira Gandhi ministry lacked relevance. The government realized the need for massive social forestry on common lands. But, it was argued by all that the magnitude and extent of poverty was such that its alleviation would need a multi pronged attack and the real issue was not the strategy options but implementation.⁷⁶

The criticisms of Indira Gandhi’s integrated rural schemes have to be made in a proper perspective. The programmes were important policy innovations aimed to provide productive assets to the poor in order to raise them above the poverty line. They were integral to India’s development and its strategy of growth with redistribution. In fact the major criticisms of the programme were conceptual. The subsidy and differential rate of interest had been criticized by those who argued in favour of changes in the relations of production that is land reforms as a pre condition for poverty alleviation. At the same time, asset transfer was also criticized as ‘wasteful’ by those who argued that development needs were better served by increasing the resource base through investment. But, what was missed in these debates involving the structuralists and neo-

75 Lok Sabha Debates, March 13, 1980.

76 Sanwal, M. ‘Garibi Hatao’; Improving Implementation. *EPW*. 1985, December 7th, 20(49): 2176.

classicists was the extension of the scope and coverage of welfare measures as policy innovations which had tried to provide secured livelihood to the poor⁷⁷.

However, the 'garibi hatao' programme been the most difficult to design and implement. The infrastructure projects like roads, rural electrification, drinking water, housing etc required the allocation of resources and technical efficiency. The projects were visible and the benefits apparent in short terms. The welfare programmes like health, education, nutrition, family welfare etc required primarily an efficient organization for service delivery. In this case, the visibility tends to cover the problems of achieving the more medium term goals which depend on ensuring access to service. However, the programmes like the IRDP and RLEGP sought to target the poor, that is the 'special public' that is groups in special need and which also sought to generate income. They were the most complex because they depended on interplay of a number of factors like the infrastructure service facilities provided by the state, the motivation of the village level officials to ensure service delivery and access, as well a positive response on the part of the special public to the assistance. The special publics could not be reached through the institutional arrangements adopted for the welfare programmes and this was one of the major weaknesses of the anti poverty programmes. The special publics' constraints, needs and capabilities need to be taken into account. The rural poor were not very visible; the view from the road excluded inaccessible households; the diffidence of women responsible for maintaining the family and the lack of contact with the landless and migratory labour. The poor were averse to risk because they were prone to disaster. They appreciated the benefits of high yielding varieties, but they area also aware of the political role of the institutions which denied them irrigation, credit and fertilizers when they need them most and ruin them. On grounds of efficiency, government institutions were also often reluctant to help the poor when they could meet the target otherwise. The redistribution policy also affected the power balance and elites as well as the bureaucracy, since they were interested in maintaining the status quo. The 'special publics' in such cases continued to be kept out of the confines of the ameliorative schemes to ensure the dominance of the privileged sections of the rural society⁷⁸.

Conclusions. The Move Towards a New Strategy of Liberalisation

By the time, Rajiv Gandhi's ministry had assumed charge it was realized that poverty reduction schemes were sound. However, the service delivery model was inappropriate for a programme which emphasized on 'village level' agencies for implementation and the initiatives of the special publics. It was realized that building of new capabilities for improving administration at the periphery was needed to achieve the results. The block had to be recognized as the administrative unit for implementation with the district as the planning unit. The selection of beneficiaries and projects had to be done by people responsible for implementation at the village levels and the special publics themselves.

77 Sanwal, M., *supra* note 76, p. 2176–2178.

78 *Ibid.*, p. 2178.

Since substantial subsidies were provided, administrative procedures and processes had to be simplified with the introduction of a pass book and a monitoring system that increased the accountability and improved decision making. Such steps, it was felt, would almost double the success figures of the anti poverty scheme⁷⁹.

Incidentally, some of the social scientists have argued that the Indian take off predates the 1991 reforms and dates back to the early 1980's. They argued that Indira Gandhi, while pursuing her anti poverty schemes also started the phase of "pro business" reforms following her electoral victory in 1980. Indira Gandhi and her son Rajiv Gandhi, it has been stressed, provide a clear message to the corporate sector, "that the Congress party and the Indian government would abandon its previous pro socialism and pro poor rhetoric and favour the expansion of existing private companies through measures such as the easing of restriction on capacity expansion, the removal of price controls and the reduction of corporate taxes."⁸⁰ But, while these reform packages did not emphasize trade or entry liberalization, it did believe that there had to be steps in favour of growth by increasing the entrepreneur's ability to appropriate the rents from their innovative investments. Indeed, this policy shift was followed by an acceleration which was primarily due to a continuous increase in productivity and to a lesser extent to factor accumulation.

The interesting feature was that the growth surge had been more significant in Indian states, where members of the local government belonged or were politically linked to the ruling Congress party. But all this increase in growth would have hardly happened unless the anti poverty schemes have been given importance. These schemes did remain an important part of the government's objective as well as the Congress party's own electoral platform.

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79 Sanwal, M., *supra* note 76, p. 2178.

80 Rodrik, D.; Subramanian, A. *From Hindu Growth to Productivity Surge*. The Mystery of the Indian Growth Transition, Mimeo, Harvard University, 2004.

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KONGRESO PARTIJOS SKURDO MAŽINIMO PROGRAMOS: DŽAVAHARLALO NERU IR INDIROS GANDI ISTORIJOS NARATYVAI

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Santrauka. Apžvelgiamos kovos su skurdu programos, įgyvendintos Indijoje 1947–1984 metais, kai ministro pirmininko pareigas ėjo Džavaharlalas Neru ir Indira Gandi. Vyriausybė ėmėsi populistinių priemonių, kurios būtų naudingos kaimo bendruomenei, o kartu pagausintų Kongreso partijos elektoratą. Programos daugiausia buvo orientuotos į vargšų interesus, nuosekliai laikantis Kongreso partijos rinkimų manifesto – būti vargšų partija, Indijos atstumtųjų visuomenės klasių interesų gynėja. Siekdama šių tikslų ir uždavinių, vyriausybė inicijavo skurdo mažinimo programas, itin palankias pačioms žemiausioms sąrašo (angl. Scheduled) kastoms ir gentims. Nors kai kurios programos buvo gana sėkmingos, šios iniciatyvos nepajėgė pagerinti ribinių Indijos visuomenės grupių gyvenimo. Pavyzdys, atskleidžiantis ydingą vyriausybės kaimo atskirties mažinimo politiką, gali būti Žalioji revoliucija Indijoje. Numatytos programos sukėlė aktyvias diskusijas dėl skurdo, pajamų paskirstymo ir žemės ūkio darbuotojų padėties. Tų metų bendruomenių projektai turėjo įtakos vėlesnėms Indijos vyriausybėms ir jų naujoms skurdo mažinimo programoms.

Straipsnis ypač aktualus šiuometiniam tarpsniui, nes nuo paskutinių dvidešimto amžiaus dešimtmečių Indijos valdantieji režimai pirmenybę teikė dviplanei – liberalizavimo ir globalizavimo – ekonominei strategijai. Indija ir toliau ieško vietos tarp besivystančių šalių, kuriose aukštas neraštingumo ir skurdo lygis, nėra tinkamos infrastruktūros sveikatos priežiūros ir švietimo srityse. Pastarieji pora dešimtmečių pažymėti ir vyriausybės pastangomis mažinti konkurencingumo finansavimą, o tai sudaro sąlygas nekliudomam sparčiam kapitalo santykių rinkos augimui. Pažymima, kad nors tokie pokyčiai ir atsiranda dėl ideologinių vyriausybės strategijos pokyčių, negalima ignoruoti populizmo, ne jis efektyviai mažino prislėgtos kaimo bendruomenės skurdo lygį. Būtina pripažinti, kad ši pirmųjų Indijos nepriklausomybės metų politika verta šių dienų Indijos politikos strategų dėmesio, nes buvo sumažinta socialinė atskirtis, išvengta diskriminacijos, kuri plečia turtingųjų ir skurdžių pajamų atotrūkį.

Autorius analizuoja istorijos, sociologijos ir ekonomikos tyrėjų, kurie skurdo mažinimo programas interpretavo platesniame politinės ekonomijos kontekste, darbus. Bandoma susieti dešiniųjų ir centristų įgyvendintų programų kritiką ir apibendrintais naratyvais pateikti istoriko faktų vertinimus iš įvairių teorinių perspektyvų. Straipsnyje remiamasi plačia laikraščių ir vyriausybės dokumentų apžvalga.

Reikšminiai žodžiai: Penkių metų planas, Vieninga žemės ūkio vystymo programa, Dvidešimties taškų programa, Nacionalinė statistinė apžvalga, Žalioji revoliucija.

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