

SUMMARY AND CONCLUSION

Our final task is to summarise the main findings of the study and thereby make concluding remarks. It has been emerged from the study that the district of west Dinajpur is mainly an agrarian district which is economically backward and poverty-stricken. Excessive dependence of working population upon agriculture and allied activities, lack of non-farm job opportunities, slow process of urbanisation, lack of sufficient infrastructure etc. have hindered the process of economic development of the district.

Lack of alternative employment opportunities in the non-farm sector makes the farm sector overcrowded, bidding down the wage rate. Low wage rate is an indicator of low saving potential which, in turn, leads to low capital formation. The scope of alternative employment opportunities is extremely limited by the fact that sufficient infrastructural facilities are not available.

Lack of sufficient infrastructural facilities indicates insufficient scopes in respects of transportation and communication, marketing and storage, generation and supply of power, level of literacy, level of irrigation, medicine and health and the like. Most of the villages surveyed are connected mainly by non-metallic roads unsuitable for communications with the trading centres especially during the rainy season.

Institutional credit-facilities are also not sufficiently available in the areas surveyed. Though a few branches of commercial, co-operative and gramin Banks are there, they are not much able to cater to the needs of the poorer sections of population including small and marginal farmers, landless agricultural labourers, rural artisans, scheduled castes and scheduled tribes.

Various constraints stand in the way of getting the facilities of the institutional credit. These constraints include unfavourable terms and conditions imposed by the financial institutions, lack of sufficient information and knowledge on the part of the poorer sections of population, misuse of the funds for consumption purposes, defaulting cases in respect of repayment of the loans etc. Furthermore, the households of each village under our study are not sufficiently covered by the financial institutions which are existing.

Therefore, a large number of economically backward people, being outside the institutional credit structure, become forced to take resort to the credit offered by the rural landlords - cum - money - lenders who charge abnormally high rates of interest on loans.

The Census Reports of the years of 1971 and 1981 show the over-crowding of the rural people in the farm sector while the percentage of workers engaged in household industry is very much negligible.

All these phenomena indicate economic backwardness of the district. As a result, there are widespread unemployment, under-employment and poverty prevailing in most of the rural areas surveyed. The marginal propensity to consume of the rural households in these areas is much higher and the marginal propensity to save is much lower. Lack of sufficient financial institutions in the remote areas poses a serious constraint in the extraction and mobilisation of the negligible amount of savings.

However, due to the unbalanced growth, overcrowding and limited job opportunities in the rural farm sector, migration takes place. Migration is said to be a function of the expected rural-urban income differential. The higher the income-differential is, the higher would be the migration and vice-versa. The different variables affecting rural-urban migration are expected rural-urban income differential, rural density of population, landlessness, education etc.

From the district census handbook of west Dinajpur, the rate of rural-urban migration has been computed to be 4.153 as against 2.840 in Malda and 1.930 in Coochbehar. From these findings, it may be concluded that the rate of rural-urban migration in the case of west Dinajpur district is much higher. It must be added that the expected rural-urban income-differential has been computed on the basis of the data of expected urban income ( $W_U P_U$ ) on the one hand and expected rural income ( $W_R P_R$ ) on the other. On this basis, the expected rural-income differential for west Dinajpur is 39.2 calculated on the basis of the census data of 1971.

Furthermore, the probability of finding jobs in the rural and urban areas is an important factor that must be considered in the determination of rural-urban migration. From the data of 1971-72, the probability of finding jobs in the rural areas of West Dinajpur was the lowest (0.44) as compared to the districts of Malda and Coochbehar where the respective figures were 0.49 and 0.51.

Apart from rural-urban migration, the phenomenon of rural-rural migration is also observed. Such type of migration is temporary and seasonal and involves people, with little or no land, who move from village to village, either singly or in groups, helping with a variety of tasks; in many cases, landlessness is forcing people to migrate temporarily or seasonally.

On the basis of this background, it is observed that the district of West Dinajpur possesses mainly an agrarian economy where economic development has seriously been disturbed by a number of factors as mentioned above. In such an economy, the study of the formation of various agrarian institutions is very much important. It is, therefore, essential to identify the formation of these various institutions, especially in the factor markets. These institutions emerge out of land, labour, credit and production relations. The institutions, thus emerged, are shaped by various economic, demographic, technological and social variables. The study of the formation of these institutions is a main issue in the study of micro-economic development literature.

In the present study, attempt has been made to build up the models of development economics and thereby identify the various technological, demographic, social and economic variables influencing the formation of the various agrarian institutions. The models include supply and demand for hired farm labour, adoption of new technology in agriculture, share-cropping tenancy, attachment or semi-attachment of farm-labourers, credit-labour linkage, formation of agricultural classes etc. Moreover, the concept and measurement of rural poverty and the evaluation of various anti-poverty rural development schemes have been studied both theoretically and empirically in the last two chapters of the thesis.

In the model of farm-labour-supply-behaviour, it has been empirically observed that there are a number of economic, social, demographic and technological variables influencing the phenomenon of the labour-supply-function in a particular period. In the traditional development literature, the labour-supply function seems to be influenced by the wage rate only and the supply curve of labour takes the shape of an elastic curve with respect to change in the wage rate. This may be due to the fact that there are seasonal fluctuations in farm-employment in the agrarian economy!

But in our present empirical development literature, it has been found that besides "wage effect", there are a number of explanatory variables influencing the labour-supply behaviour on the part of wage-labour-households in the agricultural sector.

Generally, the relationship between supply of labour and the wage rate defines the supply function of labour in either agrarian or industrial sector of the economy. Besides wage rate, there are various shift factors like tastes of consumers, size of population, labour force participation rate, the occupational, educational and geographical distribution of the labour force.

In a backward and agrarian economy like West Dinajpur, the suppliers of farm labour belong to the category of landless wage labour households. In such an economy, it has been empirically found that the main determinants of the farm labour supply function are social, demographic, economic and technological. These variables may be categorized as (i) the 'asset effect' (ii) the 'status effect' and (iii) the 'income effect'. The term 'asset effect' here refers to the farm-size of the wage-labour-households.

The term 'status effect' refers to the schooling of male members of the households under our study.

The term 'income effect' refers to the income from supplementary sources other than agricultural sources.

In the context of the district of West Dinajpur, income effect is found to be negative signifying the fact that the higher the level of supplementary income, the smaller would be number of days seeking for farm employment on the part of the wage-labour households.

The 'asset effect' also signifies a negative correlation between the assets and the number of days seeking for employment.

Finally, the ' status effect' also shows a negative correlation between the level of schooling and the volume of labour to be supplied.

Multiple regression analysis has been applied as the methodology for the measurement of the farm labour supply function for both males and females. In both the cases, apart from wage rate, a number of explanatory variables determine the volume of labour to be supplied in a certain period.

Furthermore, an important aspect of labour supply behaviour is the involuntary withdrawal from farm work on the part of the rural females. This phenomenon is common in the cases of those who are cultivating households. The females belonging to such households are often not in a position to participate in farm work in other's farms. Again, various economic, social, demographic and technological variables influence them to withdraw from labour force. Size of land cultivated by the households, number of babies in the family, unemployment among male members, number of male-earning members, number of school-going children ——— all these factors play crucial role for such seasonal withdrawal. The regression coefficients for the variables " ULAND " "BABY" "UEM" "EAM" and "SCHOOLCH" are all negative signifying the inverse relationships between the dependent variable (the number of days of female - participation in labour force) and the explanatory variables ("ULAND", "BABY", "UEM", "EAM", "SCHOOLCH").

Thus, the labour supply function seems to be less than perfectly elastic to changes in wage rate as the wage rate is not the only variable influencing the labour-supply function. In the micro-development literature, on the other hand, the labour supply function seems to be perfectly elastic to changes in wage rate because in this case the wage rate is the only variable to influence the decision of labour-supply.

Another point to be noted is that the participation in labour force is higher for women whose child-care and other household chores are eased by the presence of a large number of other adult women and children in the family for domestic work.

In the case of the demand function for hired farm labour also, a number of factors other than the wage rate determine the volume of the demand for farm labour. These factors may be regarded as economic, demographic, institutional, and social factors. Market wage rate, number of adult workers in the family, adoption of new agricultural technology, percentage of cultivated area irrigated, number of adult family workers, value of fertilizers and manures per acre etc. include these factors. The greater the dependence on hired labour, the higher would be the demand function for it. The larger the number of adult workers among the cultivating households, the lower would be the demand for hired farm labour.

Data have been collected through field survey for this purpose. On the basis of the choice and form of variables, algebraic equation of the demand function for farm labour has been derived. Thus, on the basis of empirical observations, demand for hired farm labour is assumed to be the function of four variables, viz. percentage of

area irrigated ( $IR_C$ ), total number of adult workers ( $A_L$ ), average farm wage rate ( $w_a$ ) and area of land cultivated by the household (C). However, (i) there is a positive relationship between the change in the area cultivated by households and the change in the demand for hired farm labour so that  $\frac{d}{dC} (D_L H) > 0$ . (ii) Secondly, there exists a positive correlation between the change in the percentage of area irrigated and change in the demand for hired farm labour so that  $\frac{d}{dIR_C} (D_L H) > 0$ . (iii) An inverse relationship exists between the change in the average wage rate and the change in the demand for farm labour so that  $\frac{d}{dw_a} (D_L H) < 0$ . (iv) Finally, an inverse relationship also exists between the change in the number of adult workers and change in the demand for hired farm labour so that  $\frac{d}{dA_L} (D_L H) < 0$ .

In the empirical analysis also, there are a number of social, technological, economic and demographic factors influencing the decision on the demand for hired farm labour. Caste/tribal identity, number of adult workers in the family, average wage rate, percentage of cultivated area irrigated, size of farm cultivated by households etc. may be regarded as those social, technological, economic and demographic variables.

Furthermore, the phenomenon of the demand function for hired farm labour has also been studied in the context of the adoption of new technology in agriculture with reference to certain areas within the district.

Chapter V deals with this study. Yearwise data of fertilizer and pesticide consumption for the district of West Dinajpur show increased use of fertilizers and pesticides in recent years. As a result, area, production and productivity of different foodgrains have been increased to a considerable extent. The adoption of new technology has resulted in capital-intensive technology leading to increased productivity and profitability per acre. The institutionalised subsidies and cheap credit and other similar facilities are relatively more accessible to big land-owners and rich farmers than to small and marginal farmers. The new technology leads to concentration on the one hand and landlessness on the other. The tiny and fragmented plots of land become uneconomic, unprofitable and unproductive so that the small land-holders lease out or sell their lands to the big landowners/rich farmers who can afford the high cost of cultivation.

Many observers think that there has undoubtedly emerged a tendency towards profit-oriented production and investment in land by a section of the cultivating population. As early as 1962, Sulekh Gupta had discerned this tendency on the basis of the data then available on rates of additions to capital stock by different groups of landowners (Gupta 1962). There had been steady inflation in agricultural and especially foodgrains prices since 1958, turning the terms of trade in favour of agriculture. It was with the particularly sharp improvement in the terms of trade from 1963-64 onwards (Thamarajakshi 1969), however, and the consequent enhanced profitability of agricultural production, that the tendency for investment-funds to flow into agriculture became visible. Daniel

Thorner was the first to draw attention to the phenomenon of the flow of urban funds into rural investment.

However, the rate at which capitalist development in agriculture is occurring varies widely in different regions depending on many historical circumstances.

In an agrarian rural economy of West Dinajpur, statistical information of various years in respect of the consumption of improved high yielding seeds, chemical fertilizers, insecticides and pesticides indicate that the new technology has increased the cost of cultivation. It is also true that the volume of production, productivity and profitability on investment in agriculture have been enhanced as a result of the application of mechanised cultivation.

From the data of sourcewise irrigated-area during the period of 1971-72 and 1987-88, it has been observed that the irrigated area in acres has been considerably increased during 1987-88 as compared to the period of 1971-72. River-lift irrigation, deep tubewells, shallow tubewells (state and private), pump-sets, tanks, dugwells, canals etc. are the main sources of irrigation in the district of West Dinajpur. From the data published by the Department of Agriculture (West Dinajpur), it has been learnt that the percentage of net cropped area increased from 6.3% in 1972-73 to 21.0% during 1987-88.

Moreover, yearwise statistics of fertilizer and pesticide consumption show that the volume of consumption of chemical fertilizers and pesticides has been increased during 1987-88 as

as compared to that of 1971-72. These yield increasing practices have definitely augmented production, productivity and hence profitability in the agricultural sector. Data on the area, production and productivity of various food-grains have been tabulated according to the Annual Action Plan (West Dinajpur), 1988-89.

From the above observations, it is to be noted that capital is required in order to carry out the new agricultural technology. Thus, the new technology has gone against the small and marginal farmers with limited access to capital and in favour of the big farmers with easy access to it (capital). The rich farmers are, therefore, in a more advantageous position.

That the new agricultural technology has led to phenomenal increase in farm-output and income is universally recognised as a positive contribution. But it has been asserted at the symposium of the Centre For Studies of Social Change in 1973 that the new technology in agriculture is accessible only to large farmers.

Initially, the new technological measures were 'scale-neutral'. But now it has been observed that the new technology is 'scale-partial' which has caused the widening of inequality and concentration. There is a tendency of leasing out of land on the part of the small and marginal farmers to the big landlords. This practice emerges from the fact that the smaller size of farms does impose constraint on viable farming.

Therefore, the new technology has established a positive correlation between farm size and productivity. The land reform measure providing land to the landless can be looked upon as a

failure as it goes against the enhancement of production and productivity in the light of the new agricultural technology. Being the owners of small and fragmented plots of land, the marginal farmers become unable to adopt the new technology.

Therefore , any land reform measure should take account of productivity enhancement programme dependent upon the adoption of new technology.

Again, it is also true that the distribution of land due to land reforms creates sub-division and fragmentation of land holdings leading to leasing out of cultivable land to big land-holders who have easy access to the adoption of capital-intensive new agricultural technology. Thus, there is growing land-lessness on the one hand and greater concentration of land on the other. The phenomenon of the concentration of cultivable land in the hands of few big landlords has been shown by drawing ' Lorenz Curve of Concentration '. Data have been collected from the agricultural census reports of the District of West Dinajpur for the periods of 1970-71 and 1976-77.

The capitalist mode of production existing in the agrarian sector leads to the emergence of a special type of relationship between the new entrepreneurial land-owner class and the class of wage-labourers. The special type of relationship between the above two categories of agricultural population has led to the emergence of an " institution " termed as ' credit-labour linkage ' which is an important issue of micro-economic development literature.

In a backward economy like west Dinajpur, in view of the extremely low mobility of labour, lack of alternative employment opportunities etc. the competitive marginal productivity theory of wages does not take into account the monopsonistic or oligopsonistic power of the employer. It is due to such power that the employer of farm labourer is frequently in a position to exert influence in fixing the terms and conditions of the labour contract. This dominance on the part of the employer may be reinforced by the workers' dependence on the employer for consumption loan. The employer also becomes in need of quick and ready availability of labour, especially during peak agricultural seasons ; such

coincidence of wants on the parts of both the employer and the labourer is crucial in an agrarian economy of west Dinajpur. The traditional marginal productivity theory of distribution is unable to explain this phenomenon. The institution of credit-labour linkage, therefore, plays crucial role in the determination of wages and employment in the agricultural sector.

In a backward economy like West Dinajpur, the phenomenon of credit-labour linkage is very much important because of the imperfections of the institutional credit-market and irregularities of the agricultural crop-cycle. During the peak season,  $(L_2 - L_1)$  amount of new casual labourers are recruited to meet the requirements of residual labour. Here the term  $(L_2 - L_1)$  denotes new recruits in peak season.

Thus, two types of agricultural labourers emerge in our study : (i) 'annual' or 'permanent' farm labourers and (ii) 'casual' or 'daily' labourers. The term 'daily' or 'casual' labourer indicates that the labourer enters into an agreement or a contract with a particular employer only for just a single day at a time. The term 'annual farm servant' clearly indicates that the contract of employment is of duration of one year.

However, there have always been labourers of different categories who do not belong to either of these two types, but constitute mixed categories. They are called 'semi-attached' labourers. This 'semi-attachment' indicates a non-casual and time-wise somewhat lasting relation of a labourer with at least a few employers.

Semi- attached labourers can be divided into two categories depending on the two aspects of attachment. They are : (i) duration of the contract and (ii) freedom of choice of the employer.

Full or semi-attachment relation between labourers and employers are usually based on certain factors like (i) allotment of land, (ii) current consumption-credit and (iii) old debts.

On the basis of empirical findings from field survey with all its limitations, it has been observed that the basis of attachment, in most cases, are hereditary debt and old debt incurred by the labourer himself, land allotment, consumption loan, long attachment etc. Among these items, consumption loan possesses the highest percentage (86.67%). This means that the main cause of attachment of a farm labourer to his/her employer is the credit taken for consumption purposes.

The contractual relationship between employers and labourers leads to the emergence of another type of agrarian institution called the sharecropping tenancy. In a backward and agrarian economy like that of west Dinajpur, the input markets for agriculture are imperfect and inadequate due to which a system of land-lease in the form of share-cropping contract emerges though, to a limited extent.

Reid (1973) has pointed out that the system of sharecropping tenancy has a special advantage in the face of uncertainty in agricultural operations. If the labour market is unable to provide needed insurance, share-cropping tenancy emerges as a partial solution in this regard. Furthermore, a capital-poor or credit-rationed tenant is likely to prefer share-cropping tenancy where the rental share is collected at the time of harvest. It is also true that the risk-averse tenant will prefer the risk-sharing involved in an equity loan from the landlord paid as a share in the harvest.

Finally, Bell (1976), Bliss and Stern (1981) have pointed out that leasing of land through sharecropping is a way of ensuring a fuller utilisation of the household-endowment of animal powers, endowment of under-utilised but indivisible managerial and husbandry skills to cultivators and to underemployed family labourers, particularly women and children, for whom there are various social and economic constraints in respect of participation in wage-labour market.

The theory of sharecropping is based upon the assumption that the crop-share is uniform for all tenancy contracts in a village or that crop-share varies from one contract to another in the same village depending upon the strength of bargaining power of individual lessors and lessees or on their differential risk-aversion.

Generally, it has been observed that the high-yielding varieties of crops are more frequently associated with higher tenant-share than in the case of ordinary varieties. It has also been observed that the crop sharing proportion is very much more concentrated on the 50:50 share.

However, the system of tenancy has been regarded as a "feudal" institution. The "feudal" relationship between the landlord and the tenant can be expressed as the unpaid or underpaid labour services to be provided by tenant for his landlord. It may be mentioned that in the landlord-tenant relationship, usury plays an important role. This is because, usury has been more lucrative than investment in the improvement of land. The second role of usury has been the preservation of power structure. The exertion of dominant power in a number of interlinked markets of rural economy depends upon the relative bargaining strength of the landlord and the tenant.

Therefore, there emerges interlocking of factor markets from the system of share cropping tenancy. Such interlinked factor markets have the impact on incentives to undertake innovations in agriculture.

West Dinajpur is a district where majority of the working population belong to the category of agricultural labourer. The category of agricultural labourer is in absolute poverty. The term 'poverty' needs to be defined in wider sense. According to Martin Rein, three broad concepts of poverty can be identified : poverty can be defined as subsistence, inequality and externality.

According to prof. Amartya Sen, poverty is, of course, a matter of deprivation.

However, in order to have an empirical measurement of poverty with reference to some areas of the district of West Dinajpur, data have been collected through field-investigations with all the limitations. The investigations include questions about the monthly expenditures of consumption on various food and non-food items, literacy levels, occupational category, size of family, size of farms etc.

In order to have an empirical measurement of rural poverty, working population of the sample villages have been categorized as (i) marginal farmers, (ii) agricultural labourers, (iii) rural artisans and (iv) others. The expenditures on food items include expenditures on cereals, pulses, poultry, meat, dairy products etc. On the other hand, expenditures on non-food items include expenditures on clothing, liquor, tobacco, festivals, rituals, education, health etc. The monthly total expenditures and the percentages of the expenditures incurred by the households on the various food and non-food items have been calculated.

In each of the villages, a sample of 80 households have been taken into consideration. In village "Kharua", the sample households possess a total number of 312 persons and the average size of the family works out to be 3.90. In village "Sundail", the total number of sample households is 80 and the total number of persons is found to be 338. Thus, the average size of the family works out to be 4.22 (approximately) in the case of this village.

In village "Ukhali", the total number of sample households is 80 and the total number of population belonging to these households is 284. The average size of family is, therefore, 3.55.

In the second step of the empirical measurement of poverty, we have computed the percentages of literacy among the marginal farmers, agricultural labourers, rural artisans and others. The main findings in this step are ; (i) the percentage of literacy is the lowest in the case of the agricultural labourers in each of the sample villages ; (ii) The level of higher education is zero in each village and in each category of the working population.

The final step for the measurement of rural poverty among the respondents is concerned with the computation of monthly consumption expenditures on food and non-food items of the sample households. Data for this purpose have been collected through field-surveys undertaken in the villages of "Kharua" "Ukhali", "Sundail" and "Ramkrishnapur". The respondents have been categorized as (i) marginal farmers, (ii) agricultural labourers, (iii) rural artisans and (iv) others.

On the basis of the facts and figures, the following observations may be made.

(i) In each of the sample villages, the expenditure on the food-items is the highest. It amounts to be more than 65% of the total expenditure. Even in some cases, the amount of expenditure on food-items is more than 70%. For instance, agricultural labourers in each of the sample villages spend more than 70% on food items. This indicates acute poverty of agricultural labourers.

(ii) Another observation is that the amount of expenditure on the food item "cereal" is the highest. It is also to be noted here that the category of agricultural labourers spend the maximum amount of money on "cereals". On the other hand, the expenditure on the proteinous food items is very much negligible. For example, in the case of each sample village and each category of household, the expenditures on the items poultry, meat and dairy products are very much negligible.

Specifically, the class of agricultural labourers is able to spend only a very small amount on the proteinous food-items. This phenomenon further indicates that the class of agricultural labourer is the poorest class in each sample village.

(iii) Expenditure on non-food items like education and health constitutes a very small portion of the total non-food expenditure.

On the basis of the observations made above, it emerges that the categories of agricultural labourers and rural artisans fall under the vicious circle of poverty. Due to the lack of alternative employment opportunities, most of them depend only upon agriculture. The reserve army of unemployed workers bid down the wage rate.

The existence of agricultural labourers and rural artisans below the poverty line causes nutritional inadequacy which hinders the working-efficiency and survival chances of children. There is a threshold value of calorie intake which may be regarded as a lower limit of homeostasis below which the self-regulatory mechanism governing energy balance breaks down and the risk of high morbidity and mortality increases very sharply. Maternal malnutrition may be responsible for the birth of premature, underweight babies. The toll of the killer diseases depends directly on the availability of public medical facilities, protected drinking water and environmental situation. Thus, rural poverty hinders work-efficiency and expedites mortality rates.

As regards the eradication of rural poverty, it may be argued that sufficient infrastructural facilities would have to be created. This would ensure mobilisation of productive resources, enhance productivity of agriculture and generate enough scope of job-opportunities outside agriculture.

The importance of the concepts of community development and rural extension has been felt since the inception of the five year plans. Special programmes for small farmers (SFDA), marginal farmers and agricultural labourers (MFAL) were adopted during the fourth plan. Since the nationalisation of commercial banks, the policy of direct credit to 'priority sectors' and to 'vulnerable groups' has been adopted. A crash scheme for rural employment (CSRE) and the drought-prone area programme (DPAP) were adopted during the fourth plan. The fifth plan and the subsequent plans adopted various

programmes in respect of education, drinking water, health, nutrition, house-sites for landless, roads, electricity and other rural development schemes.

Furthermore, strong emphasis has been given on panchayats co-operatives and village production plans.

In the sixth plan document, it has been pointed out, that " it is well known that the hard core of poverty is to be found in the rural areas". The poorest sections belong to the families of landless labour, small and marginal farmers, rural artisans and other socially and economically backward sections of population.

The district of West Dinajpur possesses an economy where there are imperfections in the credit market, factor market and commodity market. There exists surplus labour in agriculture. Literacy level is very low. Alternative employment opportunities is extremely limited. Under this background, the strategy of poverty eradication should be such that the household will remain the basic unit of poverty eradication in target-group-oriented-programme.

Each household below the poverty line will have to be assisted through an appropriate package of technologies, services and asset-transfer programmes. The 'modus operandi' will then be 'target - oriented' programmes. The programmes of promotion of employment will be aimed to specific target groups.

In the on-going SFDA and IRD programmes, the target group is defined as small farmers, marginal farmers, agricultural labourers and rural artisans. Under the IRDP, the major benefits passed on through subsidy-cum-loans are milch cattle, sheep units, plough bullocks and bullock carts. The marginal farmers and agricultural

labourers are entitled to a subsidy of 33.33% of the total cost. The balance of the cost is financed by a loan from a commercial bank or a co-operative credit institution.

Regarding the role of the IRDP scheme for the eradication of rural poverty, it can be said that a large quantum of benefits flow to small farmers rather than to marginal farmers and agricultural labourers. This process of 'natural selection' emerges for several reasons, viz., (i) the richer in the target group are more influential ; (ii) many persons in the target-groups are unable to afford the initial expenditures required to be made ; (iii) many applicants in the target-group are not considered credit-worthy by banks for loan component.

Therefore, the least to benefit have been the landless labourers and the rural artisans who, as a category, account for about one-fourth of the total rural work force.

It, therefore, appears imperative that the strategy for credit deployment should be so oriented as to equitably serve the needs of each category. This will call for more effective credit planning involving earmarking of credit for the landless labourers and the rural artisans. It is well known that the disposable incomes of the poorer sections of the community is inadequate to meet the minimum requirements, forcing them to meet the gap through dissavings or debt. The 'project' for which credit is extended may itself generate some surplus. But so long as the borrower needs cash for current consumption or for paying back a past debt, it will be unrealistic to expect that he will starve himself to repay the project-oriented loan. Every banker knows that loans are neither 'security-oriented' nor 'project-oriented', but 'borrower

oriented'. We can, therefore, anticipate that the targets to be fixed for the landless labourers and the rural artisans are not likely to be fulfilled by legitimately prudent banks. And to the extent that credit is given to the poorest, defaults are likely to be very high. Credit insurance schemes have to be devised for insulating the weaker sections from total loss due to ' factors beyond control'.

It is essential to provide a basic asset that can yield a basic income. One way to provide a basic asset that can yield basic income is to redistribute land. If land can be given free to the poorest in the target group, they can be assured first of their daily living. An effective land reform programme designed to redistribute surplus land among the landless workers and farmers with uneconomic holdings can make a significant contribution to raising the incomes and the productivity of the rural poor.

The IRDP and NREP schemes cannot be accomplished without village-level decisions and village-level co-operation.

There is no denying the fact that co-operation and decentralisation are the serious approaches to poverty-eradication and rural development.

In the district of West Dinajpur, Panchayat Samities, Gram Panchayats, financing banks including co-operative banks and concerned departments have how been involved in the execution of the programme, and the DRDA is assisting the banks and Panchayat Samities as a co-ordinating agency. But the targets in many projects in respect of animal husbandry, house dairy, village and cottage industries, services etc. have not been fulfilled.

Constant monitoring, keeping close and regular touch with the beneficiaries are now the need of the hour. During the field survey for selection of beneficiaries, co-ordination among various departments is needed.

The various constraints of the successful implementation of various schemes include bureaucratic attitude, unfavourable terms and conditions of the financial institutions, lack of proper maintenance of benefits on the part of the beneficiaries, lack of co-ordination between various agencies and institutions, defaulting cases in respect of repayments, lack of infrastructure, landlessness etc.

Therefore, the approach to the eradication of rural poverty in a backward and agrarian economy like west Dinajpur would have to be (i) symptom based, (ii) growth-reliant, (iii) ameliorative, (iv) gradualistic, (v) target-oriented and (vi) administrative.

The problem of rural poverty is old and massive. The earlier hope of its improvement through the percolation of the fruits of general economic growth failed. More land resources could not be made available to the poor. The IRDP experience of giving cattle and other assets has contributed little. Subsidy appears to be its centre of attraction. However, eradication of poverty needs a multi-prolonged strategy. But as things stand, the most important, indeed the central one, has to be the creation of massive wage employment opportunities, both on private and public account, in rural areas. Then the other programmes will provide opportunities for the able and the enterprising among the poor. It is time that resources, organisation and skill are directed to this end, if poverty is to be tackled in the decade to come.

It is also necessary to keep in mind that the factor like irrigation has a favourable impact on the demand for wage labour. The wage dimension is crucial to the conditions of labourers because of its sensitivity to non-economic factors like differences in castes between the employers and the labourers. It is important to note that the security of continued employment prompts the rural labourers to opt for attached employment.

Furthermore, the task of building up and developing rural development personnel needs to be considerably expanded and strengthened. The lack of rapport and the resulting indifference on the part of the personnel towards the poor could be the major reason behind negligent planning and delays and inadequacies in implementation which are numerous and common enough to get recorded even in official evaluations of the programme. It should, however, be mentioned that the improvements in rural infrastructures through employment programmes may provide enough room for expansion of the programmes already adopted (IRDP, NREP, RLEGP etc.) over the next few decades.

In a backward and poverty-stricken district like West Dinajpur, the constraints in the employment programmes occur in the forms of difficulties faced by the programme in identifying unutilised and underutilised local resources with good growth-potential and capable of diverting to the poor.

The prevailing wage rate must have to rise above the levels specified by the minimum wages Act. It is noted that the wage rates of the programme are in some areas below even the prevailing wage rates rendering the programmes unattractive to labourers. Provision of some supplementary employment to them during the slack season would be conducive to change their status and living conditions.

(ii) Technology , extension and credit.

Interventions must be there to reach technology, extension and credit to the land-based rural poor consisting of small and marginal farmers in the district.

The field studies show that the extent of benefits derived from the new technologies are higher in case of large farmers. Thus, the technological change in agriculture is a factor intensifying the degree of differentiation among the farmers by increasing the economic distances among the three categories : (i) those making substantial gains, (ii) those becoming viable but not affluent, (iii) those remaining viable. This has interesting implications for the rural stratification. The emergence of a numerically large, viable, but non-affluent group of farmers has the effect of broadening the middle stratum in the rural society and weakening the process of polarisation.

A major factor helping the large farmers to outpace others in making technological gains is their superior land-cum-asset position.

Another factor helping the large farmers is that the target-haunted extension agencies find it easy to work with the large farmer who has the command over the critical input of land and has also the command over the potential additions to production.

But there are strong empirical grounds to believe that the small holders use their scarce inputs like land with greater care and skills than the large farmers. Hence, the prevailing bias of research-extension-Credit-system in favour of large farmer needs to be regarded as a weakness of the interventionist strategy. The small farmers are likely to be slow and wary in responding to changes in technology. But these responses would change for the better if the small farmer gets dependable guidance, encouragement and help in time.

#### ASSETS AND SKILLS :

The rural poor are forced to fall back on land in the face of steady erosion of the economic base and viability of their traditional occupations. The policy makers must intervene to give assets and skills to the rural poor.

#### WELFARE PROGRAMMES :

The welfare programmes play two different important roles in the removal of poverty. First, they try to provide at subsidised cost or free a wide range of amenities and services which the poor would not be able to acquire for a long time, given their low and slow-growing incomes. This is the role of compensating for the inadequate thrust of growth-cum-redistribution policies in raising the incomes of the poor. The second role is that of

helping the poor to invest in themselves — health, nutrition, education etc. — to improve the attributes important for participation in development processes such as orientation, receptivity, absorption capacity and ability to take initiatives.

It is necessary to emphasise the need for continuing high priority for the compensatory measures to help the poor. Rural pockets with extreme poverty and areas with marked deficiencies in rural amenities and services continue to exist, pointing out the gaps in the reach of the welfare programmes.

The seventh plan was formulated with much optimism regarding further significant reduction of poverty in the country during the ensuing decade. The plan document states : there is now evidence to suggest that the process of economic growth and the anti-poverty programmes have made a significant dent in the problem of poverty.

But the point is that any sustained reduction in rural poverty can be ensured only by a structure of economic growth which is socially equitable and an agricultural growth which is regionally balanced. The available signals in the economy do not indicate any major departure from the past growth path which was largely distribution-neutral, even when many policy measures were included to introduce a bias in favour of the poor. Even though there is enough evidence to the effect that at the present stage of agricultural development, there is little trade off or conflict among the objectives of growth, stability, equity and efficiency ; there is hardly any evidence of efforts directed at achieving these complementary goals.

Finally, it is important to recognise the conflict of interests between the rural poor and non-poor. This rural contradiction is further accentuated by the fact that often "Class" groupings get super-imposed on the traditional "Caste" groupings. In a backward and economically depressed region like West Dinajpur, average agricultural productivity is extremely low. This is so even if the region is well-endowed in natural resources including soil and abundant supply of surplus labour. The upper classes/castes who have virtual monopoly of landownership in this region keep the lower classes/castes locked up in exploitative institutional arrangement like share cropping, money lending, bonded labour etc. In such a region, a fast agricultural growth is a necessary pre-condition for the removal of poverty. However, since the existing semi-feudal arrangements serve well the interests of the powerful rural rich, it is not easy to bring about a total green revolution in such a region.

It is thus clear that growth, though necessary, is not a sufficient condition for equity, social justice and removal of poverty. Once this basic reality is explicitly recognised, the next step is to conceptualise possible alternative strategies. Two such strategies may be prescribed here : (i) the first strategy would be to increase the bargaining strength of the rural poor. This can be done by reforming the existing institutional framework to make it subserve the interests of the poor ; by introducing economic and social programmes exclusively for the benefit of the poor ; by building up institutions and structures for economic and social development of the poor ; by introducing reservations for

the poor in employment, education and various social and economic development programmes ; by organising the poor to stand up to the economic and social power of their rivals and tormentors.(ii) The co-operative strategy is not much different from what Mahatma Gandhi wanted his countrymen to practise when he talked about trusteeship and " Gram Swaraj ". The community development programmes initiated in the early fifties and the panchayat raj institutions which came into existence in the early sixties have, indeed, incorporated some of the features of the co-operative strategy.

Each village, panchayat or mandal should be allowed to plan integrated development using its share of pooled resources earmarked under various anti-poverty programmes. The blue-print of the local plan should be prepared by a group consisting of elected representatives and local level functionaries of all the line-departments and development agencies. The plan should encompass all families in the community. The plan for public investments including self-employment and wage employment creation should be to supplement private employment opportunities so that the entire labour force in the community is fully employed. The plan should also have provisions for social security payments to the destitutes in the community.

It will be simplistic to imagine that all conflicts of interest in the rural community will automatically disappear or for that matter the gram panchayat will function smoothly without external intervention. Since the bureaucracy will be freed from much of its routine work in the nature of execution of the schemes,

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it can function as an effective watchdog to ensure fair-play. As all the economic and social benefits from the govt. are to be routed through the panchayat, even the most powerful person in the village will find it in his interest to ensure its smooth functioning.

As openness and free flow of information are the hallmarks of the proposed arrangement, a great educating process also will take place which will minimise corruption and ensure equity and social justice once the new set up stabilises.

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