

## Chapter 1

### INTRODUCTION

#### 1.1 BACKGROUND

This study owes its origin to a basic dissatisfaction primarily with the kinds of use to which investible resources are being put in India in the name of integrated rural development projects and secondarily with the upto-date measurement of impact upon the IRDP beneficiaries. On the one hand, we felt the need of improving upon the methodology of measuring the impact on the beneficiaries. The use of the new methodology lays bare the untenable claims put forward at times about the success of the IRDP. An economist in his fervour to campaign for the present form of IRDP was heard to support in the course of a seminar the selling out of a physical capital made over to a beneficiary for the purpose of purchasing consumption goods. Such has been the helplessness of professional people when they interacted with the existing form of IRDP. So, on the other hand, we give more stress on the restructuring of the IRDP in a bid to make sure that funds spent under IRDP adds permanently to productive capacity as well as to product flow. The result will be that consumption generated is not once for all phenomenon but is a part of continuous stream. What is more, the increase in output and income is continuously used for further income and further consumption till a good life is assured in respect of

food and clothing, housing and sanitation, health care and recreation, and education and cultural undertaking. On the contrary, if investible resources are spent up without expanding productive capacity or product flow, we lose not only some community income but also its subsequent growth. In other words we put off further development.

Any study of this nature can not be undertaken by one or two persons for the entire national economy. On the other hand a local level economy is most convenient for this type of study for reasons more than one. For one thing, a small local level economy can be seen as an organic whole. The study of the interaction of the economic organisms or economic agents can be studied more intimately here. In a lagging region or in a depressed grassroot area it is not difficult to find that a village level economy is relatively more progressive than another. In other words, a village level economy may be less traditional than another village economy. This means that there may be pronounced variation in the incidence of infrastructural facilities in the otherwise generally relatively depressed rural area. So a comparative study may be well provided even in a local study, if the latter is rightly planned or given a right sort of methodology. One really great advantage is that frequent visits and revisits can be paid to remove doubts and uncertainties about returns made by the informants.

## 1.2 AN OVERVIEW

We summarise in Chapter 2 the main steps in the evolution of IRDP as a tool for alleviating poverty at the grassroots in the rural sector. The later period of the British rule in India did witness some attempts to revive the old Indian republics of the grassroots, saw the introduction of one important model of rural institution, and ushered in some rural dispensaries. But they were not, in any case, part of any integrated rural development plan. This is why our short story of evolution of IRDP in India did not have space for elaborating the British contribution. Tagore's aided self-help programme for the villagers was the right precursor of the Community Development Programme of the fifties. The MacNamara Hypothesis that income generated through a balanced development programme does not trickle down to the poor was his basis for initiating, as President of the World Bank, a world-wide anti-poverty movement. The actual work of Indian IRDP began in the financial year 1976-77.

In Chapter 3 we describe the objects of the study, the methodology and the models used. A hitherto unused approach in measuring benefits to the recipients of the IRDP aid is applied in Chapter 4. The results reveal what the previous method of measuring from the responses of the beneficiaries failed to do.

The Chapter 5 gives the results based on the traditional method of beneficiaries. But here we have some more items than covered by previous investigators.

On the basis of the performances of the two village economies, one of them being in receipt of just relatively larger amount of infrastructural facilities, we find that the village with relatively better infrastructures have more income and output per acre and per household. This is reflected in the larger extent of use of the basic resources like land and labour. All this is found in Chapter 6.

The input response in agriculture is studied in Chapter 7. The crude tables on costs and outputs are analysed scientifically to decipher contributions made by inputs. This has two aspects. In the first place use of inputs and their responses are understood within a village. Secondly, the input responses come out to our view in the course of the comparison of the use of inputs in two different settings. While we value the analysis based on use of crude data, linear and log-linear production functions have been used to find the productivities of inputs.

A simple mathematical model is built up in Chapter 8. This model is an inter-industry model of the Leontief type. An attempt is made through this model to find the complementary activities for agriculture and animal husbandry.

These results and other results found in the course of the previous Chapters are used to devise restructuring of the IRDP in the area in particular and in the country as a whole. These recommendations are found in Chapter 9.