

Some Observations on the Development Projects (I. R. D. P.) in Garhwal Himalaya

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INTRODUCTION

India is a country of villages. More than 75 percent of her people live in rural areas. Rural development programmes have been attracting in India for geographers, economists and national planners. In spite of considerably uniform distribution of her population on a spatially dispersed agricultural resources, the regional disparity is endemic to her socio-economic development. Integrated rural development programme launched in the country as a strategy of betterment of rural living has been assessed, and structural deficit of the existing integrated rural development programmes (IRDP) in the context of implementations and spatial framework has been analysed. To assess the implementation of these programmes for rural people an analytical survey has been made at a micro-level for concurrent evaluation of IRDP financing. Finally investigated problems through direct interview and suggested remedies have been discussed for rural development through development projects.

CONCEPT OF INTEGRATED RURAL DEVELOPMENT

Conceptually, integrated rural development means multifaced, development of rural economy by exploiting optimum resources inherent in men, material, land and water. It is done mainly on the basis of local initiative and drive. The government have to act as catalyst to bring about this change but it is the intrinsic strength of the economy itself which has to support the services of raising standards of sectional economic activities.

Rural development programme implies planning for a given geographic area in all aspects of development, agriculture, transportation, industry, banking, education, health, family planning and other services needed for betterment of rural living. Thus the concept of IRDP is an attempt to highlight the linkages among the multi-sectional activities and employment of the rural poor.

MAIN SOURCES OF FINANCING THE PROGRAMME

The main sources of financing this programme are Primary Agricultural Cooperative Societies (PACS) and Commercial Banks (see Table 1).

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PRIMARY AGRICULTURAL CREDIT SOCIETIES

At present, there are 136 PACS at all the 121 Naya Panchayats and a few other rural centres. The share capital of these societies were Rs. 51 lakhs, whereas deposits were Rs. 7.30 lakhs, and membership about 77900.

FINANCING OF BANKS AND PACS IN DIFFERENT SECTORS OF THE PROGRAMMES

(i) Agriculture and Allied Agriculture Sector

Agriculture is the main occupation of people in Garhwal as 64 per cent population is engaged in agriculture (1981). Being a primary productive economy many of the economic problems are in agriculture and in rural areas. Inadequate, untimely and expensive finance are important problems for the development of agriculture and allied activities.

Credit structure in this region was almost nil before a decade or two. It was very difficult to provide facilities from banks before nationalisation. Table 2 shows the condition of agricultural finance provided by different agencies. Since 1973 upto 1985, the total amount of loan disbursed is about Rs. 3042.27 lakhs. About 30 per cent of the population has received benefit from it.

(ii) Industrial Sector

Rapid industrialisation and economic development of the region depend upon the provision of adequate financial resources. The industrial sector in Garhwal consists of small-scale industries. The physiography and infrastructure do not allow to set up any heavy industry here. Therefore, incentives are being given to small-scale industries. Different projects are providing help to rural individuals for setting up small industries (Table 3) through banks. Except these, co-operative agricultural societies have been financing parallel to commercial and banking structure. Between 1980 to 1985 co-operative societies financed 539 families (Table 4). Table 5 shows the efforts of District Rural Development Agency (DRDA) in the region.

(iii) Tertiary Sector

Government has taken a few steps through various loaning programmes for reducing unemployment in this particular region. The number of registered unemployed in the employment office in 1984-85 was 6207 persons whereas total unemployed stood at 11739. It is obvious that a high percentage of population is unemployed and is an excess burden on the working community. Now government through different schemes is providing additional facilities of self employment to them. The loans distributed towards the self employment scheme since 1980-81 to 1983-84 are explained in Table 6.

EVALUATION OF IRDP FINANCING AT MICRO LEVEL

The basic trends in financing the programme in Garhwal by different public sector agencies focus certain aspects of the programme in the region. An attempt has been made to evaluate the financing of this programme at micro-level. Following is the review of the evaluation:

In India, Sixth Five Year Plan is called as an integrated rural development in backward regions. Union government proposed Rs. 750 crores and the same amount was added by state government for this purpose. Now the basic question arises whether this amount was properly used or not. To what extent the rural people got advantages of this programme. It is felt that the programme could not prove itself as it was expected while launching for the first time. There are several questions which the present study explores. The study was carried out with the following objectives:

- (1) Whether beneficiaries were selected in a fair procedure or not ?
- (2) Actual position because of introduction of the IRDP ?

DESIGN AND METHODOLOGY

The evaluation study was conducted within a period of two months. However, an attempt was made to find out all the possible trends, pertaining to the implementation of this programme. The unit taken was a Village Development Officer Circle (VDO). Direct investigation by random sampling was done at VDO circle level selecting a village at each such circle. Primary data were collected through questionnaire by individual opinions.

INVESTIGATED PROBLEMS AND SUGGESTED REMEDIES

Out of 10 villages, chosen for direct personal investigation, only 168 beneficiaries were interviewed and later on it was observed that the programme is under heavy pressure of many problems either financial or physical. During the evaluation some serious lapses were noticed in the implementation of IRDP. Some problems and remedies are as under:

1. It was observed that directions given by the administration for implementation of the programme were not followed by the concerned workers. It was proposed that every beneficiary must be chosen in the open meeting of Gram Sabha and Gram Panchayat which should be attended by Gram Pradhan alongwith concerned officers. But near about 90 percent beneficiaries was accepted that neither the meeting nor any canvassing was arranged for the proper selection. Consequently, the economic condition of the beneficiaries who were provided with the full amount of loan were for better than those who were not selected (Table 7).

Table 1

Bank	Branches	Deposit as on March 1983 (Rs. in lakh)
1. Punjab National Bank	7	4.58
2. State Bank of India	35	N.A.
3. Distt. Co-operative Bank	17	3.69
4. Bank of India	1	1.16
5. New Bank of India	1	8.50
6. Punjab & Sindh Bank	1	0.43
7. Luxmi Commercial Bank	7	0.77
8. Central Bank of India	1	N.A.
9. Allaknanda Gramin Bank	5	N.A.

Source: Credit Plan for Garhwal District 1983-85.

Table 2

Sector/Sub-sector	Balance of Programme		
	Institutional credit total to 6th Plan	Achieved upto 83-85	of which in 1983-84
(a) <u>CROPS</u>			
(1) Fertilizer Distribution (Hect.)	1741	825	564
(B) <u>IRRIGATION</u>	-	-	-
(C) <u>FARM EQUIPMENTS</u>			
(1) Bullocks (Pair)	3865	2456	1089
(2) Dunlop cart (No)	160	75	35
(D) <u>LAND DEVELOPMENT</u>	-	-	-
(E) <u>ALLIED ACTIVITIES</u>			
(1) Con (No)	1612	1084	468
(2) Buffalo (No)	1798	4640	2065
(3) Poultry Farming (Unit)	3105	1882	842
(4) Sheep Haring (Unit)	4104	2967	1319
(5) Mules (No)	571	367	167
Total	16956	14296	6549

Source: Credit Plan for Garhwal District 1983-85 (S.B.I.).

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Table 3

Scheme	Targets		Achievements	
	Physical	Financial	Physical	Financial
1. Shoe making	10	0.15	31	0.92
2. Carpentry Units	40	1.48	189	5.80
3. Iron Smithy	30	1.50	88	2.41
4. Ban making	100	0.77	7	0.08
5. Oil expeller/ flour mill	25	3.10	36	2.34
6. Auto repair workshop	6	0.71	12	0.95
7. Other S.S. Units	30	15.00	462	30.34
Total	241	22.71	819	42.84

Source: Credit Plan for Garhwal District 1983-85 (S.B.I.).

Table 4

Scheme	Amount loaned	Beneficiaries
1. Sewing Machines	514980	176
2. Carpentry & Iron Smithy	476690	259
3. Oil expeller/ flour mill	53500	11
4. Others	240930	93

Source: Registrar, Co-operative Societies, Garhwal.

Table 5

Scheme	Beneficiaries	Main Sub.	Helping Sub.
1. Shoe making	2	1000.00	60.70
2. Carpentry Units	205	91168.53	493060.77
3. Iron Smithy	144	42466.26	23106.73
4. Ban making	5	7630.00	4815.00
5. Oil expeller/ flour mill	18	29060.00	18735.00
6. Auto-repair workshop	4	5083.23	1877.11
7. Others S.S.I. Units	160	138963.33	70931.43
Total	638	315371.35	180862.74

(i) Note Main subsidy is just half of loaned amount.

(ii) District Rural Development Agency Annual Report.
(1984-85, D.R.D.A.).

Table 6

(In Lakhs)

Self-Employment Scheme	Targets		Achievements	
	Physical	Financial	Units financed	Amounts (in Lakh)
1. Taxi	20	900.00	58	2042.00
2. Truck	120	127.00	314	364.59
3. Buses	100	123.75	73	96.51
4. Dhaba	50	1.73	68	1.75
5. Restaurant	10	1.61	44	1.72
6. Laundry	10	0.64	-	-
7. Retail trade	150	7.50	454	34.26
8. Other loans	1500	20.00	746	26.52
Total	1960	29203.	1757	545.77

Source: Credit Plan for Garhwal District 1983-85.

Table 7

V.D.O. Region	% of wrong selection	% of beneficiaries having the same assets before and after selection	% of beneficiaries who got less than granted amount	Sample villages
	A	B	C	D
1. Chardhar	25	40	75	Dobha
2. Wajli	17	41	83	Kafina
3. Premnagar	33	66	66	Rawat Gaon
4. Raidul	6	40	67	Pali
5. Chatkot	10	30	80	Bumthi
6. Pauri	36	40	60	Malli Rewari
7. Daduadevi	25	25	62	Thapliagaon
8. Paidul	15	30	50	Paidul
9. Kandara	25	25	55	Kandara
10. Lwali	12	20	60	Lwali
	20.4 Average	35.7%	78.5% Average	

Source: Credit Plan for Garhwal District 1983-85 (S.B.I.).

It is noticed that the rural people were not adequately informed about the financing procedure of this particular programme: the result would be positive and people have been feeling much relaxed. It is seen that they are suffering badly from their poor family conditions and are still wondering to fulfil their basic amenities.

- Animal husbandary is one of the main parts of IRDP under which loans are provided for animal purchasing. It was found that beneficiaries had been facing many problems in this direction. They were asked to show their assets before providing them with granted loan. According to programme proposals, a team is to be selected for choosing and searching for a fair asset. But the workers neglected this proposal and consequently the quantity of the animals could not improve. Beneficiaries (36 percent) have accepted that either they did not buy any asset or sold their own assets. Table 7 shows this problem in the investigated area. It is suggested that while providing a loan sufficient time should be given to the beneficiary so that he may buy a better asset which may prove fruitful to him. Later on officials should go to villages to identify the assets. Thus every beneficiary will buy a better asset and will be benefitted from this programme.

3. A vast difference was observed between granted amount and actually paid amount to the beneficiaries. The functioning of the Punjab National Bank (PNB) and State Bank of India (SBI) was satisfactory because such complaints were not noticed against these. However a lot of complaints were put forth by the beneficiaries against other main financing agencies. It was found that 10 percent to 20 percent of total amount granted was taken away by these agencies without any explanation. This is the main factor that the normal persons are afraid of this programme. If IRDP aims at getting the high success in rural upliftment this problem should be solved. For this beneficiaries should be interviewed from time to time about the financing of these agencies and problems faced by them.
4. To provide loans to rural people is useful to get self employment but interest charged is high enough. The interest rates fixed by SBI, PNB, (Central Ban of India) CBI and other commercial banks are moderate and do not cost bad effects on beneficiaries. However, the interest rates fixed by co-operative banks and co-operative societies are more than 12 percent. The small areas are still deprived of banking facilities. So loans are distributed through PACS. It is suggested that banking institutions and co-operative societies should keep their interest rates at per and should minimise it in providing proper advantages to the rural poor.
5. Basically IRDP was started to remove poverty and unemployment. But it has been observed that rural poor do not have an adequate knowledge about these development projects in details upto this date. Consequently they are not taking keen interest in these projects. Different amounts are fixed for different schemes and assets but beneficiaries have not been purchasing the assets worth these amounts. It has become their nature to put an asset only for formality. Either they have their own assets which were existing before getting loans or they purchased the assets of low quality. Thus they do not get the proposed advantages of the programme (Table 7 shows the actual position). Government employees appointed for this work should communicate and enquire about the asset for which loans are granted. Monthly rural visit and general awareness of programmes may be fruitful in upgrading the economic condition of these rural people.

CONCLUDING REMARKS

IRDP shows the quest of government to solve the problems being faced by the rural poor. It was launched by the government for the rural development, removal of poverty, unemployment and under-employment. It has been appreciated from all points of view. But the study reveals that most of the results on this front are not encouraging. Mainly three factors that are responsible for its failure are as follows:

1. Rural poor are not fully aware of schemes launched and financing procedure. So proper canvassing of such schemes among the rural masses is essential to help the rural poor.

2. Selection of beneficiaries is not made according to the norms of the schemes. So most of the bonafide beneficiaries are not adequately benefitted to the extent they should have. This creates the way for corruption i.e., settling commission with the beneficiary. With the result, beneficiary earns a few hundreds of rupees as the subsidy because of the agency's enforcement and no real assets are purchased. Therefore, all the norms for selection of beneficiary must be followed without exception.
3. The casual approach being adopted by the high ups is responsible for the pessimistic results. The implementation of such scheme is usually left with the workers and officers at block level and they do not take keen interest in the result-oriented action. It is suggested that the highest officers at district level should personally visit the village unit, interview with the beneficiaries and try to solve their grievances quickly. If this comes into practice all the factors responsible for the failure shall solve automatically.

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BOOK REVIEW

Baldwin, David A. (1985): Economic Stratécraft, (New Jersey: Princeton University Press), pp. 374.

David A. Baldwin's "Economic Stratécraft" is one of the three or four most significant new contributions to either foreign policy analysis or international political economy that the voracious readers came across in the last decade. This book is regarded as a stimulus and model on the subject. Besides being new, the book in reference may serve as a bible not only for economist, nor only for the politician, but for both. Politicians rule, economists comment upon; but when they adjoin together, outcome can be superb. Same is the case with the book, the book with impressive persuasion to both - politician and economist. Strategies for development, both domestic and foreign, can be best built up provided both the groups from two distinct disciplines would adjoin together and common bond of friendship between these groups - formerly known as to belong to one discipline, viz., political economy - can be generated.

Nuclear world to which we belong is in need of an alternative to military force. So time asks us for thorough knowledge about stratécraft. Baldwin, the Professor of Political Science of the Columbia University, author of numerous books, is distinctly capable to do so -- conventional economic tools will not be workable in the changed context. The book is a conglomeration of economics, politics, psychology, philosophy, history, law, and sociology, and the author tries to justify aggregation of so many foreign policy tools to a single category. So the book can either be the eco-political dictionary for all different walks of life. The book was an outcome of author's constant dealing with disciplines of economics and political science in studying foreign policy and international relations for more than 25 years. Much of this work was a matter of transplanting ideas and insights of the social power literature into the field of international relations. The author says: If political economy is about wealth and power, it behoves those who would call themselves political economists to take power analysis more seriously. The best service peace research could offer in the world today probably consists, not so much in understanding conflicts better, as in providing politicians with an enormous repertoire of actions short of violence that can be applied in conflict situations.

While having a reference to Quincy Wright, Baldwin says that the fields of economics and politics overlap - a shortage of resources may generate political rivalry - one group may influence another in offering economic rewards or withholding economic advantages. In this context, author quotes Arab Oil Embargo of 1973, American grain embargo as a mark of protest against USSR's invasion of Afghanistan, the freezing of Iranian assets during hostage crisis in 1980; but the author confirms himself that such (harsh) measures rarely work, as if accusing against making economics as an instrument of politics. Conventional wisdom, Baldwin feels, is wrong. He further feels that economic techniques of stratécraft has been systematically underestimated by most analysts since 1945. So the author makes an attempt to rouse awareness about the various forces of economic stratécraft.

Common sense knowledge usually has the admirable quality of avoiding extreme measures, because they never work; they cannot work, he says. Economic boycotts never work - economic warfare is an ineffective weapon; grain embargo is a grievous mistake; because harsh economic 'sticks' don't increase coverage and control over another nation. Both common sense and historical data suggest just the opposite. There should, therefore, be admirable quality of avoiding extreme policy measures. Ill - informed policy recommendations can be even more disastrous.

Statecraft has traditionally been defined as that of conducting state affairs. Such a definition could include both the foreign and domestic dimensions of public policy. Statecraft embraces all the activities by which statesmen strive to protect cherished values and to attain desired objectives. Statecraft as an organised action takes government to change the external environment in general or the policies and actions of other states in particular to achieve the objectives, that have been set by policy matters. Statecraft may be taken up as governmental influence to other actors in the international arena. To study statecraft is to consider the instruments used by policy-makers in their attempts to exercise power i.e., to get others do what they would not otherwise do - policy and power be adjoined together for statecraft, but techniques of influence are so often ignored by both, policy and power analysts. Public policies are made, but they have shown little concern for their contents. Hence reason to discontent. When policy content will not be good, the discontent arises, policy process and policy output are important.

Baldwin as to give good meaning to his concept about economic statecraft compares this with propaganda and diplomacy. For him, propaganda means to influence relying primarily on the deliberate manipulation of verbal synopsis; diplomacy means to influence attempts relying primarily on negotiation; but economic statecraft refers to influence attempts relying primarily on resources which have a reasonable semblance of a market place in terms of money.

While giving ideas about the meaning of economic statecraft, Baldwin quotes Lasswell's politics, in which the latter says: thus concepts for the study of influence must be changed or invented when influence is sought by novel means or under changed conditions. In epochs or rapid development, there is need to reassess the relevance of intellectual effort. Economic statecraft is not merely a question of narration, but it is conceptualisation. In selecting a concept of economic statecraft for this study two criteria are important - first, does the concept help with the identification and evaluation of policy options? second, does it avoid unnecessary departures from common wage? The concept of economic statecraft elucidated thus far has the three basic components: Type of policy instrument used in the influence attempt; scope of influence attempt; domain of influence attempt, i.e., other international sectors.

Economic statecraft is defined in terms of means behaviour, whereas alternative concepts are usually defined in terms of actual or intended effects of a policy or in terms of the process by which the policy is made.

Baldwin terms economic statecraft as the foreign economic policy itself. Foreign economic policy is stated to be government actions intended to affect the international economic environment. Amazingly it has been made true that economic statecraft is regarded as synonymous to economic diplomacy. Further, the term economic leverage is used as means to achieving state policy. Such usage might appear similar to the concept of economic statecraft, even if there is difference between levers and leverage - a difference that is crucial to understand the dynamics of influence concepts. Leverage is a property concept and leverage is a rational concept. Besides these, Baldwin, in the context of economic statecraft, has incorporated international economic policy, economic sanction, economic warfare, economic coercion. So economic statecraft does not restrict itself to attaining goals that may be sought by economic means. It makes a conceptually possible to describe the empirically undesirable fact that policy-makers sometimes use economic means to pursue or wide variety of non-economic ends.

Baldwin tries to clarify the concept about economic statecraft by dividing it as positive and negative sanctions. Under positive sanctions, Baldwin gives a list which constitutes: tariff discrimination (favourable), granting favoured treatment, tariff reduction, direct purchase, subsidies to exports or imports, granting licenses (import or export), providing aid, investment guarantee, encouraging capital flow, favourable taxation, etc. Similarly, he also prepares a list for negative sanctions: embargo, boycott, tariff increase, tariff discrimination (unfavourable), withdrawal, of favoured treatment, blocklisting, fixation of quotas, license denial dumping, freezing assets, cartels, aid suspension, expropriation, unfavourable taxation, withholding dues, etc. Should all these constituents be treated in terms of a broad concept of economic statecraft? Why to bother to group them all together? It is one thing to show that such aggregation is possible, but it is another to show that it is desirable. There are at least three reasons for thinking in terms of a broad concept of economic statecraft - (1) because others do; (2) because economic techniques are peculiar; and (3) because other techniques of statecraft are treated at this level of generality.

In the end, Baldwin, while trying to conclude his sayings on the captioned subject, 'Economic Statecraft', takes resort to Thomas Jefferson's 'Notes on the State of Virginia', F.W. Nietzsche's 'Thus Spake Zarathustra', Josh Billings' Proverb. And they are tied up with the following excerpts:

- (1) "Ignorance is preferable to errors; and he is less remote from the truth who believes nothing, than he who believes what is wrong."
- (2) "Better know nothing than half-know many things."
- (3) "It is better to know nothing than to know what ain't so."

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