NOTES

THE APPROPRIATE SIZE AND LOCATION OF RURAL DEVELOPMENT AREAS
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The decade of the years 1951 to 1961 was momentous for India. The achievements were significant and they indicate a clear break from the past. But even this record of development has not made a perceptible impact on the economic problems of the country. The intersectoral income distribution became more unequal.

I

The rural development programme in India has proceeded on two main planks: (i) institutional reorganisation of the economy, and (ii) improvement of production efficiency. The former includes first, land reforms, which consist mainly of protection of tenancy rights, consolidation of scattered fragments of land holdings and a ceiling on the size of operational units. The intermediate tenures between the State and the tiller are already abolished. Second, institutional reorganisation relates to marketing; markets are being regulated under statute, to achieve uniform marketing practices and to cut down inefficiency to the minimum. Third, credit, marketing of crops and distribution of important production resources are being co-operativised. The programme regarding raising of production efficiency relates mainly to agricultural extension, supply of better resources, liberal credit and building up of infra-structure in the rural areas. The infra-structure in rural areas would consist of roads, schools, warehouses, irrigation dams, implement manufacturing units, soil testing laboratories, seed-farms, artificial insemination centres and cattle breeding farms.
Neither the implementation of the programme nor its achievements has been uniform over different regions. Land reforms have varied in their achievements and enforcement. Extension services have covered the entire country but their success has not been uniform over different regions and different sections of cultivators. The emerging pattern of the development programmes does not promise to narrow inter-regional income variations. Seed, fertilizer and irrigation programmes have succeeded more in relatively prosperous regions. \(^1\) Liberal co-operative credit has been made available largely in regions where co-operation had already made headway in the past. These regions grow predominantly cash crops.

II

Can the wide variety of economic programmes found in rural areas in India be brought under one unit? And what would be an appropriate size for such a unit—administrative, governmental and otherwise? The answer to these two questions will have to take into account the following points emerging from the account of rural development given in the preceding sections. The income distribution—sectoral and regional—is unequal. Similarly inequality of personal income distribution can be easily established with the help of distribution of land, income of landless labour, etc. Low agricultural incomes with unequal distribution would suggest widespread poverty. The unit of area of development should be capable of not only generating additional incomes but raising incomes more rapidly in low income groups and low income areas. Low incomes in rural areas also suggest low efficiency of resources used in production. This may be due to excess capacity of resources. It would be the function of the rural development agency covering an appropriate area to locate unused or less used resources and formulate programmes suitable for their fuller utilization. Increasing production and increasing production efficiency would require the introduction of

better techniques of production and the improvement of the operational skills of labour through education, training, demonstration and on-the-farm experiments.

Taking the second of the two questions, we find that the above three considerations have a direct relevance to the size of the rural development area. Programmes for narrowing intra-regional income distribution (and, it can be easily inferred, for inter-regional income distribution too) and for fuller utilization of available resources and introduction of new techniques of production will require a direct, continuous and intimate contact between the rural population and the development agency. This implies that the development area has to be small enough to permit personal contact. When the extension agency was introduced in 1952 this consideration of dealing directly with human material weighed decisively, and blocks consisting of about 100 villages or less, equivalent to a taluka in most cases, were decided upon as the units. When progress was reviewed and improvement was suggested to make extension and rural development programmes in general more effective, the block as the unit of development area was once again emphasized. The improvement suggested consisted mainly of democratization of administration to involve people directly in the formulation, execution and supervision of development plants for the area. The village emerged as a unit of direct democracy in the process, but the development unit remained unchanged.

The two limitations which directly conflict with the above argument need to be pointed out. Experience has proved that the smaller the size of the development area, the less objective is the development programme both in formulation and execution. Village Panchayats invariably, and the taluka Panchayat in most cases, concentrate on giving priority to programmes whose impact is widespread though not maximum on production. Hence welfare programmes like health and sanitation and economic programmes like roads and education make greater progress. Even irrigation programmes in most cases have receded to the background. Distribution of fertilizers and seeds is done by co-operatives, along with the supplying of credit and the marketing of produce. Both Panchayats
and co-operatives have contributed little, if any, to extending the use of these and other better production resources through better understanding about their use. Use of improved implements has in any case remained very much restricted.

To maintain the objectivity of the development plans and to restore economic priorities, less direct contact would be of great help. For this, the experts’ services in various fields must be closely linked with the programme at all important stages of execution. All construction work needs engineering advice. Agricultural experts will have to maintain a close watch over the use of resources and the introduction of new production practices. Experts are in short supply. Their services are obtainable at the district level. For historical reasons the district is the unit for all major administrative decisions. For both these reasons, a unit smaller than a district is inadequate.

A third important factor may also be mentioned. The smaller the unit of organization for rural development, the less organic will be the link between it and the overall economy. Being deficient in resources, the rural agencies have to look to the Government at higher levels for the supply of development resources. It is a common experience that the local development plans of small units tend to reflect local aspirations more than the overall availability of resources. This situation would accentuate the overall scarcity of development resources. As a result factional tendencies may develop in the local units and pressures begin to develop at higher levels. In case the budget restrictions are strictly imposed, the regions may have to fall back on their own resources, or, as usually happens—a uniform amount may have to be allocated to all regions, with a proforma budget. The schematic budget is made flexible in pattern but not in magnitude. One hardly needs to argue elaborately that smaller units under these circumstances are not the agencies for the most profitable use of the nation’s limited resources.

The need for the direct involvement of the people in the development programme seems to have forced the final decision in favour of smaller units.
III

In a way the problem of the appropriate size of the rural development area is linked with the type of programme. Can an agency for rural development take up the entire range of the diverse rural development programmes? Or alternately, can various agencies dealing with different programmes function at the same regional level, assuming a suitable integration of their work is evolved? One of the arguments usually advanced in this connection is that the rural development programme is a socio-economic enterprise dealing with all aspects of human life. Since human life cannot be cut up into segments (except for convenience of study as far as possible all aspects of rural development should be tackled by the same agency. It was with this view that the extension agency was saddled with welfare programmes, construction works and the distribution of production requisites when it was created in 1953. Even the village level worker by definition and training was expected to be a multi-purpose agent. Subsequently, a few chisms have been noticed in this arrangement.

Right from the beginning, programmes like enforcement of land reforms, market regulation, marketing of crops, regulation of money-lending, and consolidation of holdings have been kept outside the purview of the development agencies, though the regional level of operation is identical. It is argued that since these programmes involve dealing with conflicting interests of different sections of the community, their integration with development programmes may prove unhealthy for the latter. But at the same time the passion for just and more equal distribution of income and wealth dictates that an agency which deals with development programmes and does not handle income redistribution programmes fails to enthuse the vital sections of the community.2 The multi-purpose agencies seem to be saddled with far too many responsibilities. It is natural therefore that all the functions given to its care do not receive the attention necessary for the progress of each of them. The routine jobs tend to

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2. What is implied here is not necessarily physical combination of responsibilities, but identification of the interest of the development agency with the sections to be involved in the development process.
get priority over extension work. Overall progress then slows down, as has already happened.

A major conflict arises from the basic assumption that all the functions combined in the development agency are capable of being dealt with at the same level and in the same manner. Just as involvement of the people is essential, so also is the involvement of expertise in the development process at all stages, planning, execution and supervision. Extension work for instance may best be carried out by an extension agent at the village level. But supervision of construction work has to be carried out by a member of a technical staff whose administration may be better organized at a district level. Supervision of schools would involve judgement about the quality of work and may therefore need an educationist. Since the amount of work and the availability of the technical personnel varies for different programmes, their administrative organization may have to be done at varying levels. Experience so far has shown that for historical reasons these services are organized at the district level. But in some cases, – like soil conservation, cattle breeding, etc. – these services are organized at a still higher level probably at the state level.

What emerges from the above account is that the rural development area may have to be cut up several times, depending on the nature of the development programme. A functional integration of these several ‘regions’ of appropriate sizes may present a problem, but not an impossible one.\(^3\) Depending on the nature, intensity, and

\(^3\) Responsibility for development in this situation would lie with the respective headquarters of different ‘regions’.

As a measure to make credit supply less risky and economically more viable, integration of marketing and credit was recommended. In regions most advanced in the field of credit cooperation, this integration has not been carried out to any perceptible degree. In my opinion one of the reasons for this failure is that the scale for marketing organization is very much higher than that for credit. The former involves some processing in the case of many crops, and this can be taken up profitably only for a certain minimum quantity. This even applies to handling and storage if a minimum cost is to be attained. Hence if marketing is carried out separately through marketing co-operatives and only the accounts of the two organizations are integrated, better results will follow.
the total magnitude of the Government action, the appropriate size and location of the area of rural development will be determined. If the Government decides to restrict its intervention to construction of roads, irrigation works, and land reclamation and soil conservation, the area of operation will be a natural region. If the Government extends its activity to institutional rearrangements, extension, education, and technical advice, the area of operation will have to coincide with some administrative unit, since regular administrative machinery will be directly involved in some way in these programmes. There can be further involvement by the Government, in reorganization of the unit of production and of marketing channels, in the supplying of production requisites, especially those containing new techniques e.g., fertilizers, better seeds, etc., and artificial insemination. These programmes would involve direct supervision of operations and active involvement of people. The unit of operation then will have to be a community or a group of villages. Where active planning of production is contemplated at farm level the need for a stronger association between the people and the Government will be felt. The unit of operation may then have to be restricted to a village or even a smaller unit like a co-operative farm.

IV

Wide inequality in distribution of regional and sectoral incomes is directly relevant to the problem of the location of development areas. It is relevant both to the problems of (i) the scarcity of investment resources, with a need to make most out of them, and (ii) spatial distribution of demand.

The production of farm produce is widespread but its consumption is not equally widespread. Consumption of certain crops like cotton, jute and to some extent oilseeds is concentrated in towns and cities where the industries using them as raw materials are located. The consumption of food is slightly less centralized, but market demand, demand for the quantity of food that passes through the market, will be concentrated to a large extent again in towns and cities. For milk also the situation is about the same.
With roads being limited in extent, and transport facilities being inadequate, transport costs mount up rapidly with distance. More important, distance makes market information less available, market uncertainties more formidable, and hence the link with the market more tenuous\textsuperscript{4}. In this situation the effect of growing demand for farm produce as a results of development will be felt through the market on the areas in the vicinity of towns and cities, technological conditions and production costs being given. As a result, products yielding larger net return but involving heavy transport costs will tend to be concentrated around the centres of development. In such a situation, with low overall occupational and regional resource mobility,—particularly of human beings—regional distribution of personal incomes may continue to be unequal. The development resources being limited in supply, it would be natural to confine their investment to regions promising relatively larger returns in order to maximize returns. It is assumed that their returns will be larger in the areas already developed. This approach maximizes the rate of growth but it also widens inequality of income distribution. Whether this will be a transitionary phase of long or short duration is a vital question. If the industrial expansion or economic growth of advanced rural districts is not rapid enough, the transition may be long drawn out.

There is no way out from this in the short run but to invest in regions which promise higher benefits for given cost. In the medium or long run, the benefit–cost relationship also may be influenced. An irrigation project without a road programme may give a higher benefit–cost ratio for regions in the vicinity of towns and city. With a programme of road development, even outlying areas might promise increased benefit for given costs. At the time, when new researches are undertaken, a decision as to their utility is relevant. The

\textsuperscript{4} In one of the studies relating to factors influencing market supply for villages in a rural district, within a radius of 10 to 15 miles, the distance measured in miles turned out to be a very important factor influencing ratio of quantity marketed to quantity of output. ‘Shifters of Market Supply’, paper submitted by the author to the Seminar on Marketing of Crops, organized by the Indian Society of Agricultural Economics, October 1963. (In press).
demand for the product which the new research may benefit is one consideration in this context. Another consideration is the supply of the product from alternative regions. If research is directed to 'regions' which experience harder technological barriers, their depressed incomes may receive sufficient impetus to narrow regional distribution of incomes.

The entire concept of size of rural development area may have to be redefined in this context. It will no longer be necessary to involve people directly in the research. For the purpose of research decisions, and implementation of research results, the areas may have to be cut up according to common technological barriers. These may be according to crops, soil, or climatic characteristics. When regions are so defined and research results begin to flow according to the nature of technological barriers, the location map of development programmes may undergo a material change.

CONCLUSION:

To sum up, we contend in this paper that in any economy not developing rapidly enough to bring about radical occupational redistribution of population, rural development will have to contend with the problem of unequal distribution of incomes, varying levels of production efficiencies, and low resource availability. The appropriate size of the rural development area will vary according to the need for the involvement of the people on the one hand and for expert technical personnel on the other. With the limited resources available for development, investment may have to be restricted to selected areas promising larger benefit for given cost. The benefit-cost ratio however will differ when a programme of development is considered in isolation and when it is considered in combination with other programmes. The benefit-cost ratio may also be influenced in the long run by redirecting research programmes. It may be possible to achieve a greater equality of income distribution together with maximization of output if research is redirected to influence the incomes of low income regions and low income sections.
विसाहिन्य अङ्क नाम्य तेथे विन्तार अग्रे स्थाने।

सते १९४६ अग्रे १३५२ वंशाने अङ्क दामान हर्षपाल भारते साधारण सिद्धिः।

विशेषतः हांगा अलाहाना अधिक प्रभाव देते तेनी भाषा अतर वर्तमानी नथी।

अर्थ-विद्वान विश्व आधुनिक कालान्तरो अङ्क अङ्कन ही प्रावी हांपण सर्वात अत्यन्त नानाशास्त्राने अधिक प्रभाव देते तेनी भाषा अतर वर्तमानी नथी।

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ખર્દ પણ છે. આ મારે વિવિધ ક્રમેંદ્રાં નિવૃતતાની સેવાઓને શેલ્ફ પણના આસપાસ ને ફરજાંગી શેરી લોક્સિય. રાખું, કાય આમબિકાસના સમગ્ર નાનું એક નાનું હોય તો આ અંદાજા વર્તમાણ સાથે તથ્યો લખ્યા નાનું રહે. નાના આમબિકાસ લાટી સંખ્યાકલ વડિલા શેલ્ફ પણ સાધની સામાન્ય પ્રાચીન દરિયતા સંખ્યાઓએ સામે વાહિત પ્રતિગિન્ધતા કથામાં સંખ્યાકલ શેલ્ફ પણ વધુ રીતીથી લખ્યા છે. પશુના સંખ્યાકલ આમબિકવાની જગ્યાંથી વધુ લમી શેલ્ફ પણ વધુ લમી શેલ્ફ શેલ્ફ શેલ્ફ શેલ્ફ શેલ્ફ 

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