

THE CONTINUING ASIAN DRAMA: STRATEGIES AND MAJOR DEVELOPMENTS

CASE STUDY ONE

THE ROLE OF BUSINESS IN THE "PEOPLE POWER" REVOLUTION IN THE PHILIPPINES

Mr. DANTE SANTOS

Chairman, Philippine Airlines, Philippines

In 1983 the year former Senator Benigno S. Aquino Jr. (affectionally called NINOY) was assassinated someone wrote: "No social structure of injustice can withstand the power of people collectively enraged, united for a common just purpose, fighting for nothing less than life itself." Three years later, the Marcos regime collapsed.

Ninoy once said "We only ask that freedom be returned. We ask nothing more, but we will accept nothing less." And how the Filipinos regained their freedom! There was no carnage. No serious bloodshed. No butchery. Huge armored personnel carriers were stopped by human barricades. People with no more than grim determination and courage, stood unmoving in the face of loaded M-16's and machine guns. They offered flowers, rosaries and food to the "enemy" soldiers. This was the people power revolution, those glorious days in February 1986. Mostly, it was publicly perceived as a revolt for the victory of good over evil, the last chance to save a morality built upon cultural heritage. It was outrage at the violation of Philippine mores, however mixed, contradictory or syncretized, which was ultimately behind the revolt. It may not instantly lead to political stability or economic recovery but it did give the world a unique view of a people's resolve and determination. And what a curious revolution. It won us our freedom.

The Aquino assassination, the fateful incident at the Manila Airport tarmac on August 21, 1983, transformed a large part of the citizenry into a politicized majority. One shot and the morals of the nation were offended. This time, someone had gone too far. Aquino may have insulted Marcos but Marcos had insulted the Filipino people. The seeds of revolt had been planted. What used to be the activities of a politicized minority have become a more popular form of dissent. Businessmen, traditionally more concerned about their business interests and therefore far removed from partisan politics, suddenly shed off their business prudence and political neutrality. At the premier financial and commercial center of the country, business executives and employees led professionals, labourers, students and religious groups in anti-government protests like the yellow confetti mass demonstrations, marches and noise barrage.

Something more was at work in the Philippines. The assassination, the flagrant disregard for law, the special privileges of a select few, the patronage, Marcos and his cronies' impossible wealth — all these were a slap on the face of Filipinos.

Towards the end of the Marcos rule, public services were at an all time low, the economy was destitute, the political regime so corrupt that the country was on the verge of collapse. Marcos thought he could stonewall this symbolism of excess - of excessive rule, of excessive money, of excessive lying. A moral imperative grew against Marcos and all he represented.

It was then that rallies and demonstrations have become so massive, boisterous and burdensome that a popular and powerful form of communication was born. Dubbed as the "parliament of the streets," it was able to convey to the people the issues affecting them.

Playing the active role in these parliament of the streets were the citizen's movements that proliferated after the assassination. Among these were sectoral alliances from different levels of society: from the grassroots, the professionals, the businessmen, the labourers, the religious groups, youth/students, women and cultural minorities. Radical groups took to the streets their ideological demands for structural reforms in the political, economic and social set-ups.

These movements were not only in sympathy for the slain opposition leader, but more for the restoration of freedom and democracy, as well as common concerns for the national good. At that time, the demand for social and economic reforms were so great that this was made the rallying point of various cause-oriented groups in spite of the diverse causes they stood for.

Broad-based movements mushroomed all over the country as people realized that unless they rely more on themselves and less on the government, the corrupt authoritarian power will plunge the country to economic chaos and perhaps even into a violent and bloody ideological revolution. Movements went beyond tackling single issues to address basic holistic concerns. As the scope of concern widened, alliances under umbrella organizations were formed in order to have better bargaining power.

The business community concentrated in Manila and stymied by the economic crisis which resulted from the drastic erosions of the credit risk rating of the country, suspensions of all trade credit facilities and capital flight led the upheaval. To a large extent, martial law and the tragedy of the assassination quickened the businessmen's awareness of the impact of political maneuvers on the well-being of society and the national economy.

For the church, traditionally straddling the political milieu, the assassination of Sen. Benigno Aquino, Jr. was the catalyst which altered its major thrust from promoting social reform to directly advocating political change.

Thus the businessmen and the church fought Marcos from the only political "center" they knew. Otherwise, they would have succumbed to the godless ideology of the Left.

To the Filipino businessmen, two questions may be asked:

1. When and what role did Philippine business play in the people power revolution that changed the national leadership?
2. Were businessmen, in their pursuit of profit, careless about the prospect of the greater good for the greater number upon the imposition of Martial Law in September 1972?

Perhaps at the beginning, for a large number of businessmen throughout the country who had encountered severe difficulties because of nagging peace and order problems and interferences from political warlords during the late 60's and early 70's, there were hopeful anticipations that a shift from democratic ways to authoritarian rule would suppress countryside lawlessness and political warlordism. But then a handful of their breed took initiatives to address the increasingly serious social and economic problems that threatened Philippine society.

Thus in 1971, even prior to the imposition of Martial Law, a group of 35 key business leaders and an equal number of bishops laid the groundwork for the formation of the Bishops-Businessmen's Conference for Human Development (BBC). Their primary objectives were to pool the expertise, resources and influences of Church and business towards the economic, social, political, cultural and spiritual transformation and development of Philippine society. In a consensus statement, they pledged to pursue the elusive goal of "radical reform of a deeply divided society through democratic and peaceful means."

Upon imposition of Martial Law, the group at once saw the serious threats of authoritarian rule replacing the long-cherished democratic way of life in Philippine society. They campaigned for support and were joined in progressively increasing numbers by businessmen, professionals, educators, community leaders and members of clergy from various parts of the country as Martial Law began to be increasingly repressive. BBC undertook activities not in naked defiance of Martial Law and duly constituted authorities but more to seek meaningful ways by which Church and business might cooperatively seek relief and solutions to the worsening difficulties of human development in the country.

One might therefore observe that long before it became fashionable to speak out against the abuses of the authoritarian rule, the BBC leadership lent the weight of its influence to statements decrying the excesses of the previous regime. They called for concrete steps from the business sector and the more fortunate of society to ensure that the less fortunate are provided minimum needs for human life with dignity. They conducted researches and surveys to obtain and make public readings of the negative impact on the livelihood of the citizenry of the moves that disrupted the free market forces such as the formation of monopolies created by friends of the authoritarian power structure. They courageously took issue against various edicts and policies which led to the dismantling of cherished democratic institutions and directives that suppressed dissent. Among these were efforts to subvert the judiciary, the appointments for judges of lower courts and magistrates of the highest courts of individuals handpicked by Mr. Marcos for personal loyalty and the use of the armed forces to perpetuate power by extension of the tenure of office of members of the military high command with proven personal loyalties. The BBC promoted awareness of the obligations of business to society and undertook efforts to transform practicing and future business managers (business school students) into effective strategists for social development by encouraging them to include elements of business social responsibility in business planning and management.

BBC efforts reached out to the grassroots communities through sponsorship of workshops on community development and livelihood among the rural entrepreneurs, the local officials, the educators, the clergy and the citizenry. Resettlement and relocation problems of the urban poor were also addressed.

These varied activities were demonstrative of ways by which every sector of the community might take a more active role in the peaceful preservation of democratic ways in the country as well as to resist the widespread and increasing repression of Martial Law. The unravelling of the government's version of the Aquino assassination by a Marcos appointed fact-finding board which concluded that the act was a military conspiracy was still another way to show to the nation that Marcos was no longer able to manipulate the law. The institution of laws was once again increasingly made more powerful than the legalisms of Marcos.

During the 1984 election for the new members of the Batasang Pambansa (parliament) to replace the interim members who were voted several years before under questionable circumstances, there was already widespread view that political stability can be restored only by a credible government whose elective officials reflect the people's will expressed through a clean, honest, and orderly electoral process. The BBC leadership snatched at the opportunity and formed the nucleus of the National Movement for Free Elections (NAMFREL). The movement had the objective of harnessing the idealism and willingness to work amid real danger and sacrifice by thousands of volunteers nationwide. Together with members of the clergy, groups of concerned businessmen and women campaigned for volunteers and solicited contributions throughout the country. The response from all sectors, including students, housewives, farmers, professionals and many others were not only spontaneous but highly dedicated and generous.

It is suggested that all these various activities of BBC and the NAMFREL movement were the beginnings of the peaceful people power revolution. NAMFREL volunteers throughout the country willingly took training to better know the election code and courageously kept vigil over the electoral process to ensure that each step was followed in accordance with the provisions of the law: from the qualification and campaign of political contestants, voter registration, conduct at the polling places during election day, tallying and canvassing of election returns at all levels, etc. As a result the once-widespread coercion of voters, vote buying and manipulation of election results were minimized resulting in 30 percent of candidates independent of the Marcos party (KBL) gaining seats in the parliament.

The modest success of NAMFREL during the parliamentary elections provided the needed impetus and popular support for the movement during the surprise announcement by Mr. Marcos of "snap" presidential elections in early February 1986. NAMFREL volunteers increased many folds throughout the country. Businessmen not only campaigned for membership, but also volunteered members of their families and contributed materials and funds of more than P 5 million (in Manila) while provincial businessmen funded their local chapters.

Never in the history of the country was there a tidal wave of involvement by businessmen and their employees, students, farmers, professionals, together with all members of their families, and members of the clergy to ensure a clean, honest and orderly election throughout the country. Widespread pressures from citizens forced the Commission on Election (COMELEC) to again officially accredit NAMFREL as the citizens' arm of the COMELEC. Over strong objections and threats from the COMELEC NAMFREL conducted its own independent count of election results parallel with COMELEC's official tally to expose any manipulation of election results.

As expected, the COMELEC tampered with the election results (as announced by a number of computer operators who walked out in disgust), and reported the victory of Marcos. In contrast, NAMFREL's Operation Quick Count showed the trend of victory for the opposing candidate Mrs. Corazon C. Aquino (the reluctant candidate and widow of the assassinated former Senator Benigno Aquino Jr.). Despite the public outcry throughout the country about the manipulation of official election results, the Parliament, subservient to Mr. Marcos, proclaimed him and his running mate the victors. Two weeks after the snap presidential elections, with the people's disgust and outcry over the tampered election results still deafening throughout the country the peaceful people power peaceful revolution at EDSA was triggered in support of two of Marcos' high officials, Minister of Defense Juan Ponce Enrile and Vice Chief Staff General Fidel Ramos, who indicted Marcos for tampering the election results and together with some loyal followers, barricaded themselves at the constabulary headquarters.

The same spirit of unity and bravery against the formidable odds that NAMFREL volunteers displayed throughout the country during the snap presidential elections two weeks earlier were displayed by businessmen, professionals, workers, housewives, students, and many thousands of citizens who joined together and kept vigil for three nights and two days in defiance of military forces dispatched to quell the two officials and soldiers loyal to them. This unity among hundreds of thousands of brave citizens coming from all walks of life armed only with flowers, rosary beads, crucifixes and other religious images in defiance of fully armed soldiers and their fearsome instruments of war finally turned the tide against the dictator. Mr. Marcos, together with his family and some "cronies," fled the country.

Consistent with her election victory, a new democratic and refreshing national leadership was installed by popular acclamation - President Corazon C. Aquino.

To answer the new President's call for selfless and dedicated support to the awesome and challenging mission of restoring the country's democratic institutions, rebuild the economy and cure the ailments of society, many businessmen left more comfortable and better paying jobs in private business corporations and joined her new government. Some of them are here present with us today led by Mr. Vicente R. Jayme, now Secretary of Finance, Mr. Jose Concepcion Jr. now Secretary of Trade and Industry, and Mr. Bienvenido Tan Jr. now Commissioner of the Bureau of Internal Revenue.

These businessmen together with their colleagues will continue to play a vital role in the many challenges that face our country. They were successful in the past. They will prevail again.

**THE CONTINUING ASIAN DRAMA:
STRATEGIES AND MAJOR DEVELOPMENTS**

CASE STUDY TWO

THE GROWTH OF MULTITECH

Mr. SIMON LIN

Associate Vice President,
ACER International Corporation, Taiwan

First of all, I would like to give you an outline of how ACER came to be developed in the past twelve years in the fast growing computer industry. ACER was founded in 1976 with US\$ 25,000 US capital and 11 employees. By the end of 1987, it has grown to 9 companies with US\$ 71 million capital, employing 3,800 people around the world and an annual turnover of US \$ 331 million.

The business hub of ACER harbours social development, manufacturing, marketing, trading, publishing, education and investment in high tech areas. Since ACER has been enjoined, it has had an annual gross rate of over 100 percent each year. Certainly, the product range has been widely expanded. Today, ACER is engaged in product lines such as personal computers, index module systems, laser communication and bilingual computer systems. The latter is important for most of the Chinese and we are now looking for another market in Japan with an ACER design which is the most advanced technology in the world. These areas require our 550 engineers in our research and development centre to keep working very hard. They spend 5 percent of our annual turnover. In the meantime, they ensure that our target of US \$.5 billion can be achieved in 1988.

As far as international innovation is concerned, we have expanded our international operation and investment in USA, Hongkong, the United Kingdom, West Germany, Holland and Japan and invited the world investment institutes such as Chase Manhattan, Citycorps, etc. to become Asian shareholders.

All these activities have resulted in world recognition as number 10 in personal computer manufacture and number 5 ATC A36 based Computer, according to the Inter Corps Survey of the United States.

As regards business strategies there is no secret at all and I am happy to share our experiences with all of you. In the example of ACER, we cannot have all the different environments involved in its background, not only the political issues and natural resources but also cultural resources as well. Nevertheless the importance of the case study is that it comes from an environment where it has to confront factors of image, product quality, the political situation and huge currency reserves.

Under such circumstances we can prove that we have found something which has resulted in achievement as reckoned according to Western standards. Our major business strategies in fact are:

1. Entrepreneurship
2. Decentralisation
3. Planned growth

Under these strategies a marketing policy is followed such as balancing distribution and ordinary business. Other policies include productivity development, manufacturing policy and social programs.

The most important policy is how we develop our employees during the process of company growth. This human development in a corporation recalls our theme of the Congress. It is vital to the development of the company. First, we believe and trust in the goodness of human nature and its capacity for full dedication. The dignity of humankind is seen as the highest priority for development. The long history of the Chinese is of benefit to us in this regard. This belief results in good quality decisions and flexibility of operation. Corporate control allows us to pay for the tuition needed for this process.

Second, the career plan of middle level and higher level management is designed according to each person's background, record and expectations. I myself take advantage of a plan of circulating in various fields in the companies and have the opportunity to become a board member. I can ensure my contribution will be more valuable due to a wide range of experience. Thus the opportunity to participate in this congress and learn from your excellent experience is also part of the plan.

Third, there is stress on cooperation and creation of more opportunities. Certainly if you grow only in the "chair" you are in, this will not guarantee your growth any more than in other areas. But when growth becomes the mission of a group of people then you can plan and definitely create more opportunities for everybody in the group. In this kind of atmosphere, the aggressiveness, better future exploitation and hope will guide you to a correct working spirit and from there towards tackling future challenges.

Last but not least, entrepreneurship in the company is stressed. There are two major systems for achieving this:

1. 70 percent of our employees are shareholders. The company gives a premium by offering shares according to part value. The financial institutes estimate the real value to be five times that of the part value.
2. Our product management system encourages the innovation of products. It is not necessary to be in research and development to be part of this.

These two systems provide employees not only with satisfaction but also true benefits.

The ACER of today is sitting on the foundation of Taiwan so its focus is on the island. But the case study of ACER indicates that its experiences might be easily adopted in some other areas in the region as well. In Taiwan basic factors are as follows:

1. To a certain degree there is a very good infrastructure established in Taiwan from the component supplier to assistant integrator to the assembly based factory. This infrastructure makes Taiwan effective in manufacturing. It consumes material which comes from Japan, the United States, Singapore, Hongkong and Malaysia. On such a base you can build a wider ranging infrastructure still. This can benefit the region.

2. It is helpful to give a long period of protection to local industry. This causes strong controversy and to some extent endless argument. The premium will mostly be given to local companies with new domestic markets. However it is withdrawn when local companies can compete with foreign products in domestic markets without protection. This ensures competitiveness.
3. The educational system is well established. In the past ten years Taiwan has educated more than 40,000 university graduates annually. There are more from colleges and many more from vocational schools. This high level of education provides abundant resources of skillful and qualified engineers and technicians in many fields. This situation obviously shows the importance of education to human development.

However, the world is changing everyday and it affects Taiwan as well. The falling currency reserves is an issue to reckon with. No doubt Taiwan will change in a variety of aspects such as becoming more internationalised and more liberalised. By doing this we can practice free trade in more fields and can be accepted for our accomplishments as partners and in mutual understanding. Furthermore we can improve ourselves in the nature of our involvement. Pollution is spreading around the island. Meanwhile, the dollar continues to appreciate. Only in 1987 there was a 40 percent appreciation against the US dollar. Because of these two factors, most of Taiwan's enterprises realise the necessity of restructuring in order to give real competitiveness either on the cost side or on the innovation side. Those two considerations will pressure the local company to consider moving their operations offshore. The region we are in is most likely to be selected.

Finally, the education focus needs to be changed. This might be the most important change for the decade. The focus of education in Taiwan is too concentrated on the science side rather than the social and human side. Maintaining a balance in the development of the two sides has been discussed and it will surely have more meaningful human results.

Taiwan has been recognised for its economic development in the past decade. Yet those who have paid the penalty for our industrialisation should be paid off. If we really realise the problems and are sincere and expect change to be successful and of benefit to all the people in the region, then we need to work together and to share together.

**THE CONTINUING ASIAN DRAMA:
STRATEGIES AND MAJOR DEVELOPMENTS**

CASE STUDY THREE

RURAL DEVELOPMENT — FAR, FAR TO GO

DR. RAM TARNEJA

Managing Director

Bennett, Coleman & Co. Ltd., India

While growth has a quantitative dimension, development is a qualitative process. Its accurate measurement is nearly impossible to attain. As such, only in terms of a certain chosen indicator can a country be said to have developed or not developed. This indicator that is normally applied to measure growth is Gross Development Products or its variants such as Gross National Product or Net National Product or Per Capita Income. In terms of this measure (1985 GNP Per Capita) India is classified among the developing countries as a low income country (her GNP Per Capita was \$270 in 1985)¹, 17th among 128 nations and above such countries as Ethiopia, Bangladesh, Mozambique, Nigeria, etc.

India's growth experience and efforts at development have to be seen against a background of certain structural characteristics. The most dominant feature is India's mind boggling population which was estimated around 765.1 million² in mid-1985. This vast population, mostly residing in rural areas and eking out a miserable existence is said to be a drag on development efforts. This is significant because rural development has very much to do with the structure and characteristics of the population as measured in terms of different indicators. Development concerns the 765 million people of India. Rural development concerns almost 71 percent of this population, who depend on agriculture and whose contribution to GNP is around 36 percent. This means India's potential for development is equally large.

It is precisely the potential for development and particularly for rural development that holds the key to the performance of the economy. This potential is ultimately linked with the structure of resources and the way these have been utilised over the years. Whether such resources as are available for development, are properly utilized or not, has been a matter of intense debate among professional economists particularly concerned with rural development.

One way to know it would be to have a look at how certain key indicators have performed over the years. The most fundamental of all such indicators is life expectancy at birth. Life expectancy at birth for India is 56 years. Needless to say, a lot is left to be desired on this front. Most of the deaths at young ages occur in rural areas where provision of basic amenities is far from satisfactory. Yet the situation may not look as bad. For example, crude death rate³ per thousand population in India declined from

¹ World Development-Report: 1987 World Bank, Oxford University Press, p. 202

² Ibid, pp. 202

³ Ibid, pp. 256

21 in 1965 to 12 in 1985. The decline was of the order of 41.0 percent during these decades. Life expectancy⁴ though below normal has gone up from 46 years to 57 years during this period. Infant mortality rate⁵ (aged under 1) has fallen from 151 to 89. Child death rate⁶ (aged 1-4) too has gone down from 23 to 11.

How has India progressed in terms of certain vital indicators of significance to the vast population living below the poverty line (currently estimated around 40 percent)?⁷ The best way is to apply health indicators, as these help in knowing the standard of life or quality of life in a very crude way. In 1965, there was one doctor for 4880 persons. By 1981 the number of persons served per doctor came down to 3700. One nursing person served 6,500 persons in 1965 compared to 4670 persons in 1981⁸. A great reluctance on the part of the medicos to migrate to rural areas is a major factor behind the poor medical service in rural areas.

The classical economists talked of the 'subsistence wages' to keep up the supply of labour. A similar situation appears to be prevalent in India today. The per capita daily caloric supply⁹ has improved very minimally from 2100 to 2189 between 1965-1985. This is still below the average of 2339 for low income countries. India's performance in certain key indicators of development appears to be below average as compared to many other developing countries. The concept and content of development therefore has a critical significance not only for those below the poverty line but also for those without any power to change their plight. In fact, poverty and powerlessness (roughly indicated by the absence of any measurable assets such as land or other means of livelihood) go together.

It is interesting to know that there has been no explicit mention of rural development, neither of concept nor substance. The changing shades of the meaning of rural development through the successive Five Year Plans only point out how the plans' goals or targets were formulated without so much as defining either the conceptual or institutional characteristics of rural development. The first and second development plans had nothing to say on rural development. The term rural development first appeared in the Third Five Year Plan¹⁰. In the sixth plan¹¹ a chapter on agriculture and rural development showed that the concerned authors were somehow cognizant of the need for rural development.

Thus the idea of rural development evolved slowly. Firstly, it was associated with community development though largely as an adjunct, then with agriculture, co-operation and poverty alleviation. This only shows the confused state of thinking on rural development which, as a consequence, became largely neglected.

⁴ Ibid, pp. 258

⁵ Ibid, pp. 258

⁶ Ibid, pp. 258

⁷ Rural Dev. in India, Ed: - T.K. Lakshman, B.K. Narayan, HPH, p. 28

⁸ Ibid, pp. 260

⁹ Ibid, pp. 260

¹⁰ Third Five Year Plan, GOI Press, N. Delhi 1961, pp. 48,49

¹¹ Sixth FYP, GOI Planning Commission, GOI Press 1981, pp. 167, ch. 11

The root cause of this confusion lies in the dichotomous way of thinking about rural development. This dichotomy is evident in the sectoral and core programs (IRDP, NREP programs etc.)¹², Plan and non-development plan activities, rural and urban' development etc. The approaches towards rural development, therefore have been dubbed into such dichotomous categories as 'managerial and democratic' approaches with their procedural and institutional variants rooted in the power structure. The dichotomous way of viewing rural development has made it piecemeal. In such a situation the resources as well as developmental aspects are bound to get bogged down in hopeless confusion, further leading to wastage of resources. Precisely the whole exercise of rural development essentially means doing things at individual level with emphasis on utilizing given inputs optimally. In the words of an economist, "concern for rural development springs from the neglect of the rural areas", where the bulk of Indians (75 percent) live and also where the bulk of India's poor landless labourers, small and marginal farmers, village artisans (together numbering around 350 million) are to be found. Rural development is much more than the growth of agriculture, community development or poverty alleviation. It encompasses land reforms, bonded labour, children and women, scheduled castes and tribes, agriculture cooperatives, education, health, animal husbandry, forests industry, village and khadi industries etc. Rural development should go beyond mere provision of minimum needs or basic amenities. It should mean a wider participation of people at every level in the decision making concerning allocation of resources.

Mahatma Gandhi once said that India was a rural country. He described Indians as inheritors of a rural civilization. The vastness of our country, the vastness of our population, the situation and the climate of the country, have, in my opinion destined it to become a rural civilization. Its defects are well known, but not one of them is irremediable. To uproot it and substitute for it an urban civilization seems to me an impossibility, unless we are prepared to adopt drastic measure to reduce the population from 300 million to thirty or say even three. I can therefore suggest remedies on the assumption that we must (perpetuate) the present rural civilization to endeavor to rid it of its acknowledge defects. 'If the village perishes, India will perish too. Her own mission in the world will get lost'.¹³

The truth of Gandhi's views on the rural core of the Indian nation holds good even today. Commodities primarily produced in rural areas are mostly agricultural crops, animal husbandry fishing, forestry, rural craft and village industry products.

Rural areas invariably have family-based production and are sometimes organised into cooperatives. Rural development involves institutional development in the supply of finance, mobilization of deposits, location of governmental facilities to the extent that they can be diffused in the rural areas.

¹² IRDP - Integrated Rural Development Programme

NREP - National Rural Employment Programme (Oct. 1980)

¹³ Harijan, 29/08/36 - Rebuilding our villages, Edn. Bharatan Kumarappa Navajivan Publishing House, Ahmedabad 1952, pp. 3

Rural conditions in India

In India, the dynamism of rural settlement seen over centuries has all but vanished chiefly on account of the scarcity of arable land. The poor elements of the rural population settle in areas where the natural environment is hostile to stable agriculture. The picture thus presented is one of serious ecological and social imbalances. About fifty years ago, the average country town in India was much smaller than its counterpart in Europe. Most of the population tended to emigrate to towns having population numbering more than 20,000. Rural settlements and communities were thus left far behind and had the worst of both worlds namely, the world of worn out rural settlements threatened by an adverse man-land ratio and ecological imbalance and the urban economy world which played an exploitative rather than a supportive role in relation to the rural habitat. From the 1940's to the beginning of the first Five Year Plan¹⁴ in 1951, the rural population and the economy languished with no hope for the future. However, after India became a republic in 1950 the Indian government embarked on central planning to revive the economy and provide a direction for agriculture which is vital to the development of modern India.

The Five Year Plans and rural development

Thus the first Five Year Plan (1951-56) set about the long term goal of doubling the per capita income in 27 years. During this period, the primary sector consisting of agriculture, forestry, fishing and mining took up 57.1 percent of the gross domestic product (GDP). In the first plan it was assumed that the population would grow at an annual average rate of 1.25 per cent over the next 25 years, but while the birth rate was not reversed, the death rate came down significantly. Thus the balance of life increased steadily from 12.5 per thousand in 1941-51 to 18.9 in 1951-61. This had its effect on the per capita income and the availability of food. Over the six plan period the share of agriculture which is the primary sector has fallen from 60 per cent of the national output to less than 40 per cent. The proportion of funds going to the rural areas must increase if we are to bring about an improvement in the villages. To this end the communications media can play a pivotal role. The press is still the most powerful means of educating and influencing public opinion and it is the duty of every journalist to make the public aware of the problems in the rural and semi-rural areas and to encourage policy makers to act.

Gandhi¹⁵, writing in 'Young India' in 1919, said, "Lionel Curtis' description of an Indian village as a collection of unsanitary dwellings constructed on a dunghill is not much exaggerated: there should be some system about the village lanes, and roads should be scrupulously clean in this land of barefooted pedestrians, that nobody need hesitate in walking or even sleeping in the streets. The lanes should be macadam and

¹⁴ First FYP, 1952, GOI Press

¹⁵ Rural Settlements in S. Asia, MERB Bookshelves, Edn. Chanana, pp. 25, New Delhi - 1980.

have gutters for letting out water. The temples and mosques should be kept so beautifully clean that the visitors should feel an air of tranquil holiness about them. The village should, as far as possible, be full of shady trees and fruit trees in and around them. It should have a dharmashala, a school and a small dispensary. Washing and private arrangements should be such so as not to contaminate the air, water and roads of the village. There was a time when the Indian village satisfied most of these conditions. Every village should be self-sufficient, so far as its needs of food and clothing are concerned and should be capable of defending itself against robbers and wild animals. An ideal village should approximate to the description I have given here. Only such villages could be called self-governing, and if all Indian villages could come up to that ideal, India would be free from most of its worries".

Over the last fifty years, the environment has undergone a change, and tilted the ecological balance. Extensive areas have been brought under irrigation and cultivation, thus increasing the number of rural settlements under better environmental conditions. In areas influenced by the Green Revolution¹⁶, the better classes of farmers have established farms with homesteads to take advantage of the opportunities of merchandised farming under personal supervision.

Top priority has to be given to the better management of our water resources. By relying too much on large river projects we have by-passed soil and water conservation projects which help preserve fertility and save tanks and reservoirs from premature silting and river-beds from sedimentation.

Ninety million hectares of land have been affected by water erosion and 50 million by wind erosion¹⁷. A non-replenishable source of wealth has been lost in the form of topsoil. We must pay prior attention to the needs of good agricultural land, tank and reservoir catchments, and areas in the chronic grip of drought and aridity. To stabilise the rural populations in these areas, ground water development and small and medium water storage projects should be accorded the highest priority.

During the second half of our century there has been a rapid deterioration in many facets of our rural life. The growing demand for fuel has resulted in large scale deforestation leading to destructive floods and massive soil erosion each year. Though efforts have been made to improve irrigation, little has been done in the area of groundwater development.

Rural housing is another factor - the number of persons per rural unit. By the year 2000, it has been estimated¹⁸ that the arrears of rural housing will be several times the arrears of urban housing.

Another cause of the decline in rural life is the contraction of rural employment. This problem has not received the attention it deserves, but it will when we consider the sluggishness of rural to urban migration in the last two decades and the fact that our already large urban population is going to resist further migration to the urban areas.

¹⁶ Ibid, pp. 27

Op cit. Edn. - C. Chanana, p. 29

Ibid, pp. 44, 45

The Integrated Rural Development Programme (IRDP) is the single largest programme to provide direct assistance to the poorest of the poor in our rural society, in all the five thousand or more blocks and 15 million families as contained in the Sixth plan. On the average, 3,000 families per block have been provided assistance. Banks have also provided loans to selected beneficiaries to the tune of Rs.3,000 crores and priority has been given to scheduled castes and scheduled tribes. Under this programme the poor were identified and helped in a phased manner to acquire income generating assets or new skills and upgrading the present ones to take up skillful employment.

Many agricultural workers are unaware of the minimum wages act, which is mainly due to illiteracy and lack of organisation. If this is enforced it could improve the condition of the rural poor. Land reform would also go a long way in making available surplus land for distribution among the rural poor.

During the first two years of the Integrated Rural Development Programme, there were 5.6 million beneficiaries and 2.12 million under the national rural employment programme. The shortcomings as far as the implementation of the programme is concerned are that the share for the poorest is not adequate. There is no integration with the general development programmes, and NREP works¹⁹ are not always coordinated and integrated with the families nominated for assistance under the IRDP. The system of brokerage under these schemes has led to widespread corruption. Thus, proper programme implementation can only take place through good management techniques.

The IRDP and the NREP have now been extended to all development blocks in the country. A standard amount Rs. 35 lakhs per block has been given with the financial burden shared between the centre and the State. The purpose is to cover six hundred families in each block every year. Of this, four hundred will benefit from agriculture and the farm ancillary works, 100 from village and cottage industries and 100 from new employment in the services sector. The centre has also made available foodgrains at favorable prices.

The other programmes are the National Rural Employment Programme, Drought Prone Area Programme, Desert Development Programme, and the development of women and children in rural areas. All these programmes have aimed at alleviating poverty in the rural areas. Most of the rural poor are small, marginal farmers and landless labourers. Out of 81 million land holdings²⁰ in 1975-76, 58 million consisted of small and marginal farmers. They constituted 72 percent of the agricultural holdings though the land owned by them was only 23 percent. On the other hand the top three percent of the holdings belong to the large landowners owning 10 hectares. The ownership of land is unequal and the plight of the marginal farmers is particularly difficult.

The plight of agricultural labourers is also a problem. According to 1981 census²¹ there were 55.5 million agricultural workers in the country representing about 25 percent of the total labour force. About 25 percent of the rural households derived

¹⁹ Op cit. Edn. - Brahmananda, Narayan, Kalappa, pp. 56

²⁰ Dimension of Rural Development, pp. 53

²¹ SOI - Tata Services Ltd., Bombay, 1986, pp. 44

major portion of their income from agricultural labour. Nearly 50 percent of these households had no land, others had small holdings. The average size of the land cultivated by the labour households stood at 1.11 acres. About 60 percent of the rural households had cultivated land of less than one acre. With such a large number of farm workers and small holdings, the incidence of unemployment, underemployment and disguised unemployment is very large. Most of the agricultural workers are employed for less than two hundred days per year and employment is below their productive and earning capacity.

While new technology would help in this regard it must be noted that small and marginal farmers would need to have access to inputs. However, credit facilities for the purpose are not always available. It is thus necessary to reorganize the delivery and credit system. To really serve the interests of the landless, it is vital to install them in agricultural subsidiaries like dairy farming, goat and pig rearing, fisheries and sericulture.

In this context, Amartya Sen²² in the 'WIDER' report on Hunger and Entitlements said that "the news media may have a major role to play in acting as an early warning system against threatening famines, and also in forcing the hands of those in authority to act quickly and adequately. More generally, public understanding and participation in the battle to end hunger can alter institutions and behavioural modes, and can be a decisive influence on the success or failure of that objective". Fiscal and budgetary coordination of resources into a meaningful plan would be also needed. Institutions like primary cooperatives, land development banks, agricultural branches of commercial and rural banks, technical training institutes and administrative agencies, would have to function soundly for the programmes to succeed.

District planning is an important aspect of the planning process the aim of which is to mobilise manpower and material resources in each district to meet the needs of the district population as regards food, clothing, shelter, education, medical assistance, etc. Without the participation of farmers, agricultural development cannot be expedited. Hence, district planning, based on the people's involvement from the villages and village blocks will form the basis of planning.

The Seventh Plan²³ envisages employment generation as the central objective of rural development. The wage-goods production approach on agriculture related activities like dairy development, poultry, irrigation, agro-industries, and social forestry has enormous employment potential. Pulse and oilseeds production has to increase substantially and the Green Revolution has to be dispersed evenly over all the regions of the country. It is also important that rural artisans and cottage industries receive a boost towards this end. All the villages in the mandal panchayat must be linked with the growth centre through road development and public transport facilities. These activities could generate employment and prevent the large scale migration from the rural to the urban areas. Housing is another factor which could check migration and since it is both labour and capital intensive it could provide much employment. It must

²² Frontline, 19 March, 1988, pp. 32-40

²³ Seventh FYP - GOI Press, 1985, ch. 3, pp. 23

be noted that rural housing is somehow being neglected. If this aspect is examined and steps are taken to remedy the problem it would help stem the influx into the urban areas. Productivity of rural artisans has also to be enhanced through special training programmes and modern techniques.

The government is also cognizant of the fuel and electricity needs of the rural areas. But the dispersal is so wide in distance and geographical terrain that the use of non-conventional energy like biogas and solar cells hardly made a difference.

If rural development is accelerated, it would imply that the inflow of cash would increase, there would be greater monetisation, and enhanced credit utilization in the village. Today there is a greater flow of institutional credit from special agencies like cooperative rural banks, commercial banks, land development banks, and loans from the government. The issue of providing credit through a single-window system²⁴ needs to be looked into urgently. A rural development bank that provides financial assistance to the villages at a primary growth centre would be a step in the right direction.

Importance of R.R.B. ²⁵

Land development banks, the traditional long term credit institutions have encountered problems mainly because people have treated them as mere long term credit agencies and are misconstrued as covering only the farm section of the rural population. LDBs have grown tremendously since the days of the land mortgage banks. Land development banks are no longer the banks that advance loans to the rural poor for repayment of old debts and redemption of land mortgages. On the contrary, they have become providers of term loans to accelerate both agricultural as well as rural development.

During the period 1920 to 1954 the main aim of LDBs was to liberate farmers from the grip of money lenders. In 1954 the Rural Credit Survey Committee²⁶ suggested that banks should focus on the provision of long term loans for productive purposes to increase the output in the farm sector. In 1980 the third stage began whereby a suggestion was made to change the role of LDBs in financing rural development activities. Despite legal constraints, LDBs are progressing in non-land based rural development programmes. Up to the end of 1983 LDBs provided investment credit to the tune of Rs. 3,954 crores and at the end of the sixth plan about Rs. 5,000 crores²⁷. Annual lendings have crossed at Rs. 400 crore-mark in the Sixth Plan against only Rs. 1.79 crores in the First Plan. LDBs have been making intense efforts to diversify and out of a total sum of Rs. 370 crores in loans during 1981-82, Rs. 279 crores went towards minor irrigation, farm mechanisation and plantations and horticulture. Diversification accounted for 11.3 per cent of the total loans or about Rs. 42

²⁴ Business Std., 21/07/97

²⁵ R.R.B. - Regional Rural Bank

²⁶ Op cit. Edn. - Brahmananda, Narayan, Kalappa, pp. 68

²⁷ Ibid, pp. 69

crores. Of this, Dairy accounted for Rs. 7.63 crores and bullocks and bullock carts took up Rs. 5.25 crores. These banks have been geared to provide productive advances as shown by the fact that in 1981-82, Rs. 3.82 crores went towards non-productive purposes i.e. only about one percent of the total advances.

In rural India, the situation is such that capital is scarce and technology has not made much headway. Thus, labour will realise that the answers to income and productivity is the amount of land to be worked upon in joint production. Over the years, what has happened in rural India is that unutilised land no more exists and what is seen is a mass of poor, unemployed, underemployed and low-wage workers. Land reform seems to be the key to solving the imbalance between these two main inputs and although one would like to see the man-land ratio as it existed in the last century, it is impossible to reverse the situation. Land reform stimulates agricultural productivity, enhances social justice and results in the effective distribution of rural political power.

Landless labour

Take the case of a temporary labourer earning a couple of rupees per day. With about Rs. 30 or Rs. 40 a month he has to support a wife and three children, and eats only two meals a day. He owns a buffalo that yields three litres of milk per day and this is drunk by his family. Out of the remnants he makes ghee and sells it in the market for a paltry amount. He is heavily indebted and is paying interest at the rate of 35 percent or more.

This example amply illustrates the plight of the landless labourer in rural India. The term landless labourer implies the lack of any possession of land or produce in any form. Most of these people come from the lowest castes and there is a definite relationship between caste and land ownership in most families. It must be noted that the agricultural workers are not only low caste and without any land but are also politically powerless. The landless labourers could constitute the rural poor with inadequate income, inferior status, uncertain employment and living in the shadow of the more influential groups in the village. Today, the rural and semi-rural poor are made aware of their plight to a large extent by politicians and the media.

In rural India, what is actually required is not a fair share of land but an equitable distribution of income, education, employment and social well-being. The employment problem could be tackled by the institution of rural public works, expanding rural industries, and labour intensive farming technology. Unfortunately the rural poor can only give labour that is below the acceptable level of productivity. Illiteracy, malnutrition and disease have together led to lower output and wages. Efficiency cannot be increased overnight but a start must be made to improve the workforce. Unemployment insurance and a guaranteed annual income could also be considered, though the logistics for these schemes would present quite a problem.

Of course, the control of our rapidly growing population is the need of the hour and family welfare programmes will have to be stepped up and qualitatively improved. Here, the media could play its role in educating the rural masses on the urgency of the situation and the need to restrict the number of births per family, and also to avail of the facilities offered by the numerous family welfare agencies.

Rural electrification

Rural electrification has made progress but only in terms of the number of villages electrified and not by the number of households in each village that have received the benefit of electricity. In fact statistics show that not more than three or four percent of the rural households have been electrified. Moreover, the growing shortage of firewood in the rural area is never taken into account. Even after almost four decades of national planning the connection of rural and semi-rural areas by a good network of roads remains absent.

In the field of health also, it is only the urban area that obtains the best as far as hospital equipment and medical personnel are concerned. Village water supply is yet another problem that has been neglected while urban areas are beneficiaries of an exhaustible supply of this natural resource. Piped water is not on the cards and housing is not recognized as an important aspect of rural infrastructure. In the sphere of rural storage some improvement has been noticed. But even this has been concentrated in the urban areas to allow for the smooth movement of foodgrains. Thus, grain is not easily made available to interior and far flung rural areas.

Rural finance and agriculture

Rural finance is another facet which indicates a sectoral imbalance in favor of the urban segment. While institutions like the IDCI, ICICI, IFC, IDBI²⁸, have been set up to cater to the financial needs of industry, it is only a body like the National Bank for Agriculture and Rural Development (NABARD)²⁹ that has come up in recent years to assist the rural sector. Commercial banks have gone the way of financial institutions with a distinct bias for the urban sector. The rural credit-deposit ratio shows that rural deposits sometimes find a way to the urban areas. The advances to the agricultural sector by commercial banks is generally about 16 to 17 percent of the total advance deposits considering the fact that agriculture is considered a priority sector. Thus, it could be said that if there is a shift in resource allocation from the city to the village which brings about more efficiency, then equity improvement is a foregone conclusion. Public investment reallocation, while raising the income of the rural sector, at the cost of the urban sector, must not change the output structure in a manner that affects the poor. Savings is an important factor to finance capital formation and bring about development. The duty of the government is that it should generate more savings and redeploy them in the rural sector.

The principle behind the allocation of resources is that more capital formation is needed and too, sectors which can generate more surpluses or obtain larger resources which in turn would finance capital formation. Agriculture has less investment

²⁸ IDCI - Industrial Development Corporation of India

ICICI - Industrial Credit & Investment Corporation of India

IFC - Industrial Finance Corporation

IDBI - Industrial Development Bank of India

²⁹ India 1986, GOI, N. Delhi, 1987, pp. 281, 282

at the margin with two or three times as much extra output as non-agricultural investment. Thus more resources must be put into agriculture.

During the sixth plan a large outlay of Rs. 5,363 crores was provided for rural development, which covered different programmes like the IRDP and the NREP, special employment programmes, etc. In addition, the agricultural sector received an outlay of Rs. 5,695 crores. For special area programmes including backward area development a sum of Rs. 1,480 crores was allocated. Irrigation included a sum of Rs. 12,160 crores. Thus out of a total outlay of Rs. 97,500 crores, Rs. 24,704 crores went to improve the rural economy. If the growing rural population is kept in mind, rural sector improvement calls for a massive effort to improve the rural infrastructure.

The provision of roads, a proper sanitation system, electricity, storage facilities, schools, credit institutions and other agencies are part of the development of the rural infrastructure. In the planning process all these should be included in a package programme for each group of villages for the implementation of the IRDP in a given time-frame. While planning, it is essential to know what the rural scenario is like and the level of progress attained by the rural sectors in the various fields like water supply and electricity.

It is also necessary to examine the results of schemes undertaken in earlier plans to understand the problems involved in their effective implementation. We have to determine whether agricultural prices have become numerative to the farmer and if rural credit has made inroads into the remote villages in the country. If the rural economy is to be solidly constructed then it is vital to satisfy the minimum needs of the rural poor within a stipulated period of time. With the existence of a resource crunch, it may be required to impose a set of regulations on the urban sector so that part of its income is diverted to the rural sector for improving the allocation of resources and availability of social inputs. In this manner the basic minimum needs of the rural poor will be satisfied and their living standards will improve. By cutting down the facilities being made available to the urban areas and providing a greater share of income and resources to the rural segment it will be possible to bring about an improvement in the rural economy. Otherwise the lacuna between the urban and rural sectors is bound to widen and create a rift between the two both socially as well as economically.

The need for rural development is such that our national planners will have to foresee the teeming masses of rural poor struggling to survive in an economy dominated by subsistence farming and agriculture. Thus, there has to be an integrated approach to the issue combining economics with social fibre environment with development. A prerequisite for rural development is a comprehensive planning attitude to each region based on socio-economic principles and methods.

The stress should be on restructuring rural society through land reform and the family must be the basic unit of operation and a unit for micro-economic planning. There must be a community system in villages and economic activity should be diversified making rural manpower a source of capital formation. Each village or group of villages could come out with a system of cooperatives. This will foster a spirit of autonomy which is an incentive to rural progress. It is also essential to conduct research-based projects in the construction of small dams, artificial lakes, irrigation schemes, windmills, waterwheels, etc.

Irrigation

It must be recognised that irrigation improves rural output, productivity, employment and income. An important aspect of command area development is preparing land for irrigation. Agricultural development is well begun if land is properly levelled and shaped. Holdings must also be consolidated and various steps in this command area development must harmonise with the build-up of canals and reservoirs. This would assist in the effective storage of water and minimum wastage. An investment in irrigation expedites the process of rural development. Through a change in the cropping patterns brought about by irrigated agriculture, which in turn brings into operation better seeds, fertilisers, mechanisation, pesticides, storage facilities, brings on rural industrialisation itself. What follows is that employment will increase and disguised unemployment will be reduced making way for a better way of life for the rural inhabitant.

Management

Management of rural development is another important aspect of the rural economy. Rural development management is not just managing rural development projects, schemes, etc. On the contrary rural development management is controlling the entire process of rural development. We can look at the results of rural management over the last forty years in the various spheres of economic activity. As far as land is concerned, with just a fortieth of the world's land resources, India supports³⁰ over half its total number of buffaloes and over a seventh of its cattle and goats. As a greater portion of grazing land is brought under agriculture the ecology is upset since the scarcity of fodder leads animals into the forests. Corrupt foresters permit illegal grazing. India's wastelands³¹ i.e., those areas affected by salinity, alkalinity and wind and water erosion cover an estimated 100 million hectares and even now 42 million hectares are still being cultivated.

Scientists are discovering that intensive cropping has resulted in the removal of crucial micronutrient elements like zinc, iron, copper, manganese, magnesium, etc., which form only one percent of the weight of a plant but control various aspects of a plant's growth process. Ludhiana in the Punjab has recorded the highest yields for many crops but is found to possess an alarming deficiency of micronutrients³².

India's groundwater³³ resources though ten times the annual rainfall in the country have been steadily declining on account of the installation of more than 170,000 tubewells added each year during the 1970s. Where tanks irrigated about half the total cropped area in the country about a century ago, they now irrigate less

³⁰ Rural India Real India. Edn. - N.K. Thingalaya, HPH - Bombay 1986, pp. 83

³¹ Ibid, pp. 83

³² Ibid, pp. 84

³³ Ibid, pp. 84

than 10 percent of it. It is estimated that tanks constructed over 3 percent of India's total land area could hold a quarter of its rainfall.

Satellite data³⁴ also confirms that the country has been losing 1.3 million hectares of forest every year, which is about eight times the rate calculated by the forest departments. Community forest activities in the form of social forestry programmes have yet to reach the people in villages situated at a great distance from the nurseries. Large dams have submerged half a million hectares of forest, which is about a tenth of the area that has benefited from irrigation.

The Narmada Basin Development Programme³⁵ which involves the building of 329 large dams could eventually cost Rs. 25,000 crores and displace a million people. It is a sad fact that with the growth of towns and cities agricultural land is lost - about 1.5 million hectares since 1950 and it is estimated additional 0.8 million hectares over the next two decades.

In the area of pesticides it is estimated that India consumes about 100,000 tones of pesticides annually, about 70 percent of which had been banned by most western nations. A WHO study³⁶ of food samples across the country reveals that 50 percent is contaminated by pesticide residue and 30 percent exceeding the permissible limits.

Urban fuel in the form of firewood consumption is a major cause of forest destruction. Logs, which form three-fourths of firewood used in towns and cities in India are extensively used. Delhi obtains firewood from Assam. Ritual cremation of every Hindu burns 370 kilos of logs and more recently, 185 kilos with improved methods³⁷.

The use of 'tradition' becomes a key issue to the management of rural development. We have, by and large abandoned indigenous tradition and taken on the models of western thought and analysis. It is felt that only when one buys the products of a large profit-making enterprise does one achieve a certain superior status. There are a number of myths relating to rural development which hinder action and detract planners from the real issues. This is well illustrated by the population problem which is somehow not as big as it is made out to be. A US³⁸ study shows that measured globally, there is enough food for all the earth's inhabitants. It is estimated that the earth produces two pounds of grain i.e., more than 3,000 calories and a sufficient quantity of protein for every man, woman and child. This is apart from the range of other nutritious foods consumed by the average person like fruits, vegetables, beans, nuts, etc. It may thus be said that it is not the large population that led to the problems of hunger and malnutrition, but it is really that of entitlement.

Management of information is another important area that needs to be examined as part of the rural development process. How data is collected, analysed,

³⁴ Ibid, pp. 84

³⁵ Ibid, pp. 85

³⁶ Ibid, pp. 86

³⁷ International Herald Tribune, March, 1988

³⁸ Rural India Real India, pp. 95

presented and interpreted is quite crucial to the planning system. When the National Dairy Development Board (NDDB)³⁹, introduced 'Operation Flood' in 1970 it was found that milk production showed a continuous output rate of 4.8 percent per annum. Prior to this scheme, the production of milk invariably registered an output of around one percent. When a villager wants to buy cattle through a bank loan, he always ends up buying the animal from a select area, like buffaloes from Wani in Gujarat. This is a drought prone area but one which has the best animals, and is also out of the Operation Flood ambit. Thus, when a large number of villagers from a particular place buy their buffaloes from Wani, then the total output under Operation Flood goes up when the animal is transferred from that place. If we are to calculate national or state level output using the Operation Flood collection as the base, then we have a case of mismanagement of information and an erroneous projection of national milk production.

Systems management is another relevant aspect in the rural development process. We have to examine the workings of the entire system before we arrive at any conclusive statements. In the context of providing safe drinking water to villagers in the country, mere oral rehydration to combat diarrhea and dysentery are not enough. On the contrary we increase the toxicity of farm chemicals and introduce the utilisation of detergents that sometimes enter the water supply system. Thus, drinking water is no longer safe and defeats the very purpose of effecting a system to provide safe potable water.

Personnel management is another factor that goes into the rural development process. It is the quality and commitment of the personnel in the various agencies like the government, banks, etc. which emerge as key elements in the rural management process. Different techniques of selection have been attempted but experience shows that something may have been left out.

Fertilizers

Since rural development is almost always synonymous with agriculture, the use of fertilisers in augmenting agricultural output and enhancing its productivity could be touched upon briefly. With the growth of technology and the consequent expansion of the fertilisers industry it is an enigma that fertiliser consumption in India is one of the lowest in the world. It is thus recognised that to achieve self-sufficiency in agriculture, fertiliser utilisation must be substantially increased through field agriculture counsel and educational promotional activities. For this the fertilizer industry has to play its role in bringing about an awareness among farmers as to the benefits that would accrue to them with the use of fertilisers in agriculture.

The whole village development concept involves the increased scientific use of fertiliser in an integrated and comprehensive manner to regenerate the village economy using agriculture as the base. This could have a cascading effect on whole

³⁹ Ibid, pp. 96, 97

villages in a particular area and even surrounding areas and would play a useful role towards the development of agriculture through fertiliser consumption.

Growth of commercial banks-their role in rural development

Over the last 15 years, commercial banks have played a significant role not only as a source of rural credit but also as an agency for rural development. The various branches of different banks have been seeking to finance rural activity so as to foster balanced rural development. In the initial stages of the planning process, commercial banks were keen on achieving the targets set for them by the authorities in terms of the total volume of credit extension. In the next stage commercial banks kept their rural lending to villages falling within their areas of operation. Banks like State Bank of India adopted villages for intensive financing for the purpose of planned and supervised loaning. This method gave a development oriented thrust to the credit operations of banks helping micro-planning at the farm level with the help of technology inputs from qualified staff.

The problem today is how to equip each and every rural branch with some expertise in the assessment of loan applications. Each bank will have to work out a strategy according to its resources and structure and provide the technical staff required to satisfy the needs of all the rural branches. Sharing technical staff or a lead bank providing one of its own will not be a realistic proposition in today's world of competitive public sector banking.

What should be the strategy for rural development in India?. The Seventh Plan recognises the importance of science and technology in achieving to the objectives of modernisation and development. Since there are a wide range of problems in the rural areas a simplified solution lies in the application of technical knowledge to the capabilities available. Science and technology for the purpose of rural development has been effected through the Indian Council of Agricultural Research, and through the establishment of laboratories under the Council of Scientific and Industrial Research, the Department of Non-conventional Sources of Energy, the National Research Technology Corporation and the Council for the Advancement of Rural Technology.

Research of the media

We know that today more than at any other time in the past - the media has emerged as one of the most vital sources of information and instrument of public opinion. Newspapers remain the frontrunners in a list of media instruments which include radio, television, magazines and periodicals, etc. In fact, the newspaper remains the most powerful arm of the information and communications media and in India itself, the circulation of newspapers and journals has registered a remarkable increase especially after the end of the state of emergency in our country in 1977. Between 1976 to 1981 the circulation of daily newspapers in all languages rose from 9.3 million copies per day to 15.3 million, a rise of 65 percent. This is quite in contrast to the 6.5 per cent rise in circulation seen during the period 1971-76. While newspa-

pers have been criticized for sometimes inciting communal disharmony and tension albeit unwittingly, and in cases have been accused of raking up unpleasant political issues, it must be remembered that the newspaper is the most reliable and popular source of information and one which can steer the country into a sea of tranquility and prosperity if it adopts a policy of unbiased news coverage. It must also seek to expose the pitfalls and drawbacks in our political and economic system and bring to the fore the best politicians and economists we possess so that the country may embark on the road to progress. The key to this lies in the development of our rural economy.