Exchange and Environment:
Local Officials and Poverty Alleviation Policy
in South India

Rita Ingrid Gebert

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Declaration

Except where otherwise indicated
this thesis is my own work

Rita Ingrid Gebert
December 1988
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Abstract

This thesis examines the local development officials’ implementation in Tamil Nadu of a rural poverty alleviation policy—the Integrated Rural Development Program (IRDP)—using resource exchange theory. Resource exchange has not been used previously in the context of local administration. I argue, however, that it offers a good explanation of the local administrator’s allocation of policy resources because it sees this allocation in terms of his political and socio-economic environment. The official’s environment in the community development block gives rise to many, sometimes conflicting, demands for the resources under his control (thus severely his time). He exchanges policy resources with the resource rich to satisfy as many of these demands as possible, and to gain valuable resources in return, such as help in implementing other policies. By exchanging resources the administrator more easily satisfies demands for resource allocations from politicians (who have some control over administrative transfers and promotions), and from senior administrators who want program targets achieved. Importantly, he also minimises the time he needs to spend with each policy.

I argue that the current, "management-style" development policy and administration literature, which also reflects the attitudes of many senior administrators in India, is both ahistorical and acontextual. Its authors fail to explain the local official’s implementation of rural development policy, largely because they view him as acting either "pathologically" or "irrationally," rather than as responding as best he can to the most important demands arising from his environment.

In terms of IRDP, which seeks to raise people’s incomes above the "poverty line" through subsidised loans for "productive assets," the block officials have of necessity ignored most of its time-consuming rules of implementation. They have met IRDP’s targets by trading a large percentage of its resources to "loan brokers" who choose the program beneficiaries and complete program minutiae for the officials in exchange for other administratively-controlled resources. These brokers, many of whom have profited handsomely from IRDP, are little concerned with the poor beneficiaries’ welfare, and the latter have seldom benefited from taking IRDP loans.
List of Abbreviations

This is a non-exhaustive list of the bewildering array of abbreviations used in both written and spoken "official English" in Tamil Nadu, and which appear in the thesis.

1. **Officials**
   - AHO--Animal Husbandry Officer
   - AO--Agricultural Officer (bank)
   - APO--Assistant Project Officer
   - BDO--Block Development Officer
   - DDO--Divisional Development Officer
   - DRD--Director of Rural Development
   - GS--Gram Sevak
   - PO--Project Officer
   - RDO--Revenue Divisional Officer
   - RWO--Rural Welfare Officer
   - VAO--Village Administrative Officer
   - VLW--Village Level Worker

2. **Programs**
   - DWCRA--Development of Women and Children in Rural Areas
   - GMF--Grow More Food
   - IRDP--Integrated Rural Development Program
   - NMS--Noon Meal Scheme
   - NREP--National Rural Employment Program
   - RLEGP--Rural Landless Employment Guarantee Program
   - SFDA--Small Farmers Development Agency
   - SSS--Self-Sufficiency Scheme
   - TRYSEM--Training of Rural Youth for Self-Employment

3. **Institutions/Departments**
   - DRDA--District Rural Development Agency
   - NABARD--National Bank for Agriculture and Rural Development
   - PEO--Program Evaluation Organisation
   - RBI--Reserve Bank of India
   - RD&LA--Rural Development and Local Administration Dept.

4. **Other**
   - AL--Agricultural Labourer
   - MF--Marginal Farmer
   - SC--Scheduled Caste
   - SF--Small Farmer
   - ST--Scheduled Tribe
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Chapter 1
Administering Poverty Alleviation: "Resource Exchange" Versus "Policy Failure"

The State shall, in particular, strive to minimise the inequalities in income, and endeavour to eliminate inequalities in status, facilities and opportunities, not only amongst individuals but also amongst groups of people residing in different areas or engaged in different vocations.

Directive Principle of State Policy
Constitution of India
Article 38, Clause 2

1.1. Introduction

Mrs. Gandhi's much-publicised election slogan in 1971, "Garibi Hatao!," heralded the first major political attention to poverty alleviation in India. Rhetorically, poverty alleviation policies are now the centrepiece of the Government of India's Five Year Plans, but in the community development blocks of the country poverty alleviation has received much less attention from local administrators. In this study I focus on the implementation of the Integrated Rural Development Program (IRDP) in two community development blocks of Tamil Nadu. I use IRDP as a tool to examine the local development administrator's (especially the Block Development Officer's) responses to his political and socio-economic environment and argue that they lead to a tremendous divergence between rhetoric and reality in poverty alleviation policy implementation in India.

India's development administration has been little studied at the block level, although the latter is at the centre of the Indian state's rural development activities. The exceptions are Mook (1974) and Heginbotham (1975) writing on Tamil Nadu, along with some articles in Farmer (1977) arising from the "Cambridge Project" (based partly in Tamil Nadu's North Arcot District). Some examples of district level political and administrative studies are Kothari and Roy (1969), Miller (1972), Rosenthal (1977) and Bjorkman (1979). The local level studies above were conducted at a time when development administration in Tamil Nadu and other states was primarily responsible for agricultural extension work. With the introduction of the World Bank-sponsored "Training and Visit" system for agricultural extension in Tamil Nadu in 1982, the development administration there lost its jurisdiction over agricultural extension (which had been its main responsibility) and became primarily responsible for poverty alleviation policies. There have not yet been, however, any major studies undertaken of the "new look" block administration. This new focus has meant in effect that senior administrators have made major changes to the local officials' responsibilities—from agriculture to poverty alleviation—without trying to change their existing relations with rural elites.

1This is the development administration's smallest administrative unit—comprised of anywhere from fifteen to fifty panchayat villages and a population in a range of about 65,000 to 150,000 in Tamil Nadu—to which funds for development policy implementation are disbursed. The funding available at the block has increased dramatically in recent years; twenty years ago the funding available in the block, with agriculture, was seven or eight lakhs, it is now at least 50 to 60 lakhs, and up to a crore (a lakh is 100,000 and a crore is ten million) in some blocks.
My primary argument is that the block administrator implements policy by exchanging policy resources (including money, subsidised credit, building contracts) largely with those who have resources of value to him, and as will be discussed in Chapters Four and Five, the implementation of IRDP is not an exception to this. The political and socio-economic system of which the administrators are a part in the block makes policy resource exchange the best possible strategy for them to adopt both in terms of achieving policy targets and enhancing their career security. Through exchanging policy resources they are able to meet a number of policies' targets quickly; by exchanging policy resources selectively the local administrators have the best chance of satisfying the largest number of demands on them, especially from important political people. The poor, with few resources of use to the administrators, are left out of most resource exchanges and are thus prevented from benefiting even from the policies (like IRDP) of which they are the "target group." Consequently, the state has not intervened effectively to alleviate poverty through its policies like IRDP and the National Rural Employment Program (NREP).

When policy resources are made available for the block administration to distribute, the demand for these comes essentially from three sources--administrators more senior to the Block Development Officer, locally influential people, and political people whose influence spreads beyond the boundaries of the block, such as the Member of the Legislative Assembly (MLA), the Block Chairman, and political party bureaucrats. I discuss the block official's "environment of demands" in two parts. In Chapter Two, I look at it in the context of the development administration’s structure, and argue that while the local official is at the bottom of a rigid hierarchy, he is still able to respond independently to the demands which arise from his immediate environment. In Chapter Three I explore the block official’s immediate political and socio-economic environment in the block, and identify the main demands (and from whom), which arise from it.

The "survival-oriented" local administrator must accurately assess which of these demands should be given priority, and when. If he is fortunate he will be able to satisfy a number of demands with a single resource allocation. More often than not, however, he will have to respond to the demands separately, and he will be left with the difficult task of deciding how to satisfy as many of the individual demands as possible. Not surprisingly, the local administrator tries to meet the demands first of those who will cause him the most trouble if he ignores them (often the MLA and his major supporters in the block). In the local administrator’s attempts to meet these demands lies the explanation of how development policy is implemented in the block.

IRDP, with NREP, has formed the core of the Government of India’s rural poverty alleviation efforts since 1980, and will continue to do so at least until 1990 (the end of the Seventh Five Year Plan). IRDP is a program of greater complexity and with more ambitious goals in terms of rural development and poverty alleviation than NREP, and makes many demands of the local administrator’s time and ingenuity. NREP is a "food for work" program designed to relieve unemployment in the rural areas largely through the construction of "durable community assets." The beneficiaries under this program receive a few days' additional employment in the year, and as such NREP is not designed to have continuing effects on its projects' employees (unless they are constructing something like houses for themselves).

2"Resources," "resource exchange" (resource exchange and resource trading are used interchangeably) and "resource traders" are explained later in this chapter. A note on gender--while senior officials in India are either male or female, the local officials are seldom female. Hence, my use of masculine pronouns in reference to local administrators.

3A large number of evaluation studies have been conducted on IRDP. I discuss some of them in Chapter Five.
In contrast to NREP, IRDP is meant to have a lasting impact on people's economic lives. By providing beneficiaries with productive, income-producing assets like milch animals through subsidised loans, IRDP should make it possible for the beneficiaries to have a continuing source of extra income. Moreover, the purpose of IRDP is to bring program beneficiaries' incomes "above the poverty line once and for all." IRDP, then, is a program which, theoretically, has the potential to have a continuing and lasting effect on its beneficiaries while NREP does not. Of greatest analytical interest is the way in which the local administrators have taken the senior administrators' "creation" in the form of IRDP's complex rules and guidelines and modified them so as to suit the political and socio-economic environment of the block. After setting out the block administrator's environment in Chapters Two and Three, I examine this issue in Chapter Four.

The Integrated Rural Development Program's title suggests that this policy promotes "integrated rural development," i.e., that it encourages diversified economic development while promoting greater equity in the state's rural areas. Government documents, however, always refer to IRDP as a poverty alleviation program (see for example, Sixth Plan, 1980: 171). Moreover, IRDP's "success" is measured by senior Indian administrators in terms of the number of poor beneficiaries it "raises above the poverty line," but in more immediate terms the local officials' implementation of it is judged largely by their achievement of the program's "physical and financial targets." This equating of policy implementation to target achievement in India has given block administrators a significant amount of latitude in choosing how to achieve those targets. In Chapter Five I analyse the impact of the program at village-level as a result of resource exchange. I also include a discussion of the varied political and socio-economic interests of the administrator's trading partners to highlight the important effect they have on the policy's impact.

While there is a comprehensive theoretical discussion of resources and resource exchange in Chapter Six, I provide a brief explanation of those terms here. Loosely, "resources" may be used to further political, economic, or social interests. For the purposes of policy resource exchange, the most important resources include: money and credit, supporters, control over jobs and contracts, land, "contacts," education, and information. In a majority of cases, the pattern of control of resources in the rural areas arises from ownership of enough productive land to allow its owner to branch into non-agricultural pursuits.

I see development or poverty alleviation policy (with distributive, as opposed to redistributive, content) as the resources it makes available to the development administration generally, but most importantly to the local (block) officials who must allocate these resources to a particular section of the

4The definition of "poverty line" is controversial in India. Some people believe that the poverty line should be equivalent to the costs of providing a daily minimum average food intake of 2400 calories (with 44 grams of protein), while others have argued that it must be based on the costs of having all the items required for a minimum level of living (particular food, clothing, and shelter). A Planning Commission "expert committee" deemed in 1962 that based on 1960-61 prices the rural poverty line was Rs 15 per capita per month (the urban poverty line was set at Rs 20). As Kurien (1977: 118) says, however, "[the basis of this calculation is not clear but it has become a sort of magic number in writings on poverty in the country." Guhan (1986: 8) states that the calorie-intake poverty line is Rs 78.50 per capita per month, while the minimum needs line is Rs 101.80 (both in 1983-84 prices). As of 1985-86, the Planning Commission has set a rural household (consisting of five members) poverty line of Rs 6400. In the Sixth Plan (1981:51) the poverty line used was that devised by a Planning Commission committee in 1977 and was equal to "the mid-point of the monthly per capita expenditure class having a daily calorie intake of 2400 per person in rural areas," (or, Rs 3500).

5G.B. Bailey (1969) makes use of the concept "resources," but largely in relation to "political action." He discusses leaders, for example, and how they use resources in political competition and especially in building up their faction or party.

6Some policy and regime analysts like Ichman and Uphoff (1969), and Rothschild and Curry (1978) have also used "resources," but in the context of policy making. They equate policy to an infusion of resources from the "regime" to the political-economic system. These authors are primarily interested in the level of resources as that relates to constraints on the policy maker's (the "statesman" according to Ichman and Uphoff) choice of policy, and his concerns about "regime legitimacy."
"public" (the "target group"). Under conditions of resource scarcity, there is usually intense competition for existing resources, and each new policy may be seen as another round in the competition. The advantages of this approach are that it takes into account the dynamics of implementation (policy resource allocation), it focuses on the interactions between state and people at the local level (where resources actually change hands), and by focusing on implementation it emphasises what the state actually is accomplishing in the area of poverty alleviation policy, rather than what it says it will do (Mrs. Gandhi's _Garib Hataao_ is a case in point), or what it claims it is doing (IRDP's reducing poverty—see Chapter Four).

I do not use the words "trade" or "exchange" to imply that these processes generally proceed as in the economist's market. Rather, I locate policy resource exchange in a "bazaar" which implies that its transactors take more than economic considerations into account when deciding how and with whom they will exchange resources. Moreover, the transactors may even, on occasion, value the exchange itself above the resources exchanged. Because we are in a bazaar rather than a formal economic venue, the exchanges may be carried out in cash, kind or future considerations (or combinations thereof). Bargaining over the transactions may take place as well. (I discuss the "policy bazaar" in Chapter Six.)

Ilchman and Uphoff (1969: 92-114) have, by contrast, discussed "political exchange" in political, economic and social "markets." Their "trading partners" are the "regime" as personified by the statesman, and "sectors," (which include parts of the state itself, different classes, and religious groups, in short, everything which is not the statesman), but they do not look at grassroots transactions.

Concrete examples of administrative resource exchange include the following: 1.) Intra-administrative resource exchange. An illustration of this lies in the Block Development Officers' "hosting" (ie., providing meals and other amenities) senior administrators on their visits to the block. The junior expects, although is not guaranteed of getting, favours such as a good conduct report from the senior administrator in return for the hosting (especially if repeated visits are involved) (see Chapter Two). 2.) Local official-local influential. In terms of IRDP, the BDO may ask one of the block's building contractors to take charge of a number of IRDP loans and form a village milk society comprised of IRDP beneficiaries. The contractor completes some of the time-consuming administrative tasks which the block officials should do, and in return he is entitled to resource sharing with officials on IRDP purchase committees, no interference from block officials in the operation of his milk society, and improved chances of gaining block contracts. 3.) Local official-MLA. The local official disburses an appropriate percentage of contracts to the MLA's supporters and arranges some well-attended publicity functions for the MLA. In return he may expect some help, if needed, with effecting a desired transfer.
"Environment" is a somewhat hazy concept.\(^9\) I use "environment" to emphasise that the local administrator's world does not begin and end with the administrative structure he works in, although it certainly includes it. The local official's environment may be portrayed as an "environment of demands"--the relations between political and socio-economic actors in that environment in turn give rise to demands on the administrator. I use the term "political and socio-economic" to indicate that the actors outside of the administration who have bearing on the local administrator's actions are not just those who hold political power, and that their interests in the resources the administrator controls are not necessarily political, but may be socio-economic as well.

In keeping with my use of the term "environment," I employ here, with apologies to Darwin, an "evolution-selection" metaphor to describe the local administrator.\(^10\) Rather than assuming, as is done in some of the "management" development literature, that the local administrator is "pathological," I assume on the contrary that he is well- or even best-adapted for his environment. George Honadle (1982: 176), for example, approvingly discusses R. T. Daland's (1981) work entitled *Exploring Brazilian Bureaucracy: Performance and Pathology*. Honadle (p. 176) observes, "Researchers . . . will find the many solid illustrations of pathological behaviour within bureaucratic settings to be of value."\(^11\) I argue that if the official does not adapt to suit his environment he reduces his chances of survival, and over a number of "generations," the poorly adapted administrator ("genotype") will be selected against. The implications for analysis of using an evolution metaphor are thus: first, if the administrator is a small part of a large environment, the likelihood of his (even with the state's resources under his control) effectively changing it are equally small and second, when something is well-adapted to its environment, inducing successful changes to it will be difficult, and if the "new" type is not well-enough adapted, it will either die out immediately or be selected against in future generations. Consequently, rather than a "change agent," the local bureaucrat is more a "status quo agent."

Local administrators have often been depicted as keepers of scarce resources. (See Thoden Van Velzen (1977: 225) who, borrowing from Easton (1965), calls the administrators resource "gatekeepers.") This view of administrative "keepers" does not do enough to capture the administrator as part of a dynamic process of resource allocation in which he also tries to gain resources under the control of those in his immediate environment. Furthermore, the "gatekeeper" approach does not take into account the varying value of the policy resources under the administrator's control--some of them are in such low demand by rural people that they represent a liability to the administrator charged with disbursing them, (unless he is an expert at fraudulently allocating policy resources), because they are equivalent to unmet policy targets and consequent censure from superiors. In using resource exchange, one is forced to look at the local official as an integral part of his environment, and to determine who his main trading partners are, and why. I use this analysis--of resource traders--to show in the conclusion how the poor might gain a larger proportion of the state's development policy resources.

To summarise, it has long been established that dominant castes and classes have captured the benefits of policies aimed at the rural areas. In this study I explore the mechanisms of that "capture" through focusing on the policy resource exchange activities of the implementing administrator in a given

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\(^9\) "Environment" is a concept favoured by a number of organisation theorists, although largely in relation to the organisation as an entity rather than the individuals within it (Kaufman, 1985).

\(^10\) Kaufman (1985) uses an evolution metaphor to discuss administrative organisations.

\(^11\) "Organisational pathologies" are not solely the concern of development management specialists; see Hogwood and Peters' (1985) work, *The Pathology of Public Policy*, which devotes a chapter to "pathology" in bureaucracy.
political and socio-economic environment. I show that in some instances economically dominant people
do not so much "capture" the benefits; rather they are asked to take them by the block development
administrator doing his best to meet as many demands on him as possible. The concepts of resources and
resource exchange are not new, but they have been little used, especially resource exchange, to analyse
the local administrator's implementation of development policy. I see block development
administrators as exchanging policy resources whenever possible, and each policy they implement in
terms of the quantum and type of resources it makes available in the rural areas. Among the rural public, I
identify the main traders (who exchange resources with administrators), and explain the effects of their
exchange activities on the implementation and impact of the Integrated Rural Development Program in
two blocks of Tiruchirappalli District.

1.2. Problems with 'Failure' and 'Prescription'

The development "management" literature, a branch of the now-enormous development literature,
offers explanations for the implementation of development policies which omit some important
explanatory variables, largely because its authors adopt a "success-failure" view of policy (and projects),
and have generally allowed prescription (for administrative reforms) to dominate analysis (especially of
the local administrator's environment). These management authors have seldom drawn on the wealth
of organisation theory available (including March and Simon, 1958; Kaufman, 1960; Blau and Scott,
1962; Etzioni, 1964; Downs, 1966), taking their cues instead from the early concerns with "structural
deficiencies" in developing country administration. Although analytical modifications have been
introduced, much of the management-oriented development literature resembles "the Classical approach
[to formal organisations] with its concerns for formal organizational structure" (Etzioni, 1964: 25). The
Classical approach is characterised by concerns with accountability, efficiency, centralisation versus
decentralisation, expertise, and the like. Etzioni's complaint (p. 25) that "some continue to apply it as if it
had never been criticized," is still valid for many management and development management studies. The
views expressed in this literature are influential, as there is a close relation between the arguments and
prescriptions expressed in it and those of senior, policy making administrators in India and elsewhere in
the Third World.

While it is easy to criticise the development management literature, it has made important
contributions to our understanding of the development process. Crucially, it has brought administration--
relegated in the past to the periphery of development issues--to the forefront of attention by development
analysts from a broad range of disciplines. It is no longer possible to escape from the fact that all
development projects and policies, irrespective of how technical their applications, are in some way
administered. This literature has created an acute awareness of organisational problems, of which there


13The prescriptive trend in the development policy literature arises partly from development agencies such as the United Nations,
the World Bank, and academics. It dates back at least to 1950 and the focus on "technical assistance" for "development" (see
Schaffer, 1969: 182-83). The United Nations was one of the first bodies to put these concerns into practice, with its Technical
Assistance Program in 1951 (Brailsford, 1966: 139). I am not opposed to prescription per se, but it must arise from a solid foundation
of data and analysis.

14There is also a large literature on the technical/scientific aspects of development, especially agricultural development, which I
do not attempt to critique here.

15Senior administrators themselves are contributors to this literature, and draw many ideas from it. This was made obvious to me
in early 1985 when I saw a fullpage ad in the Indian Express (Madras) which depicted Robert Chambers' (1983: 112) "deprivation
trap." The ad stated that in Tamil Nadu the government is actively working to help the poor out of the trap. The ad was occasioned
by a Regional Secretaries' Conference on Rural Development.
are undeniably many, and which also undeniably have an important effect on policy implementation. However, an administrator's actions are determined by much more than his place, for example, in a devolved hierarchy. Hence, my use of resource exchange as a hoped-for corrective to what I see as the narrowly-focused institutional concerns of the development administration literature.

The "mainstream" development policy and administration literature, now over thirty years old,\(^{16}\) has come to be over-represented, perhaps, by management analysts, (especially with the demise of Riggs' Comparative Administration Group). Because management analysts tend to avoid discussion of the socio-economic and political environments of implementing administrators, they have prescribed reforms which are based on acontextual analyses of the structural-institutional problems of Third World administration.\(^{17}\) The prescriptions are often based on the underlying notion that the local officials, as opposed to senior officials and foreign experts, are inexpert and corrupt, (senior administrators in India call local officials "irrational" when they do not implement IRDP and other policies according to "the rules."). This may, on occasion, be true, but surprisingly little of the literature has been devoted to major studies of local administration despite the emphasis that this is where the majority of problems lie. (Leonard's (1977) work is an important exception to this pattern. Moreover, he is one of the few development administration authors to turn to organisational theory to provide a framework for his study.)

The literature has over the years created a heightened awareness of many of the difficulties a "development manager" in the Third World must face, although more blame than sympathy for "policy failures" (including divergences from policy design) has been laid at the feet of implementers. Senior, policy making administrators are viewed approvingly, while the implementers are seen in the literature (and, conveniently, by senior administrators) as inhibiting the senior administrators' best efforts (not the least because those "best efforts" incorporate development agency suggestions). But even the "best-designed" project or policy is unlikely to have the impact advertised by its designers. Attempts have been made in the management literature to explain why policy or project implementation has so often "failed" but these attempts have usually drawn on "organisational constraints" to explain what has gone wrong, rather than to search more closely for the relations between officials and public, and between policy and public desires, which would add an important dimension to their analyses.\(^{18}\) Van Sant and Crawford (1985: 27) conclude, for example, that "In development practice, many strategies fail because the planning process does not fully consider implementation requirements." By contrast, Honadle et al. (1985: 34) in another article in the same volume begin by observing that "overly formalistic analyses take the place of understanding local circumstances."

The development management literature fits within the broader development literature, and has changed with the trends in that literature which I briefly review here. Bernard Schaffer (1969: 202) wrote that the development policy and administration literature has comprised "a series of somewhat panicky searches for panaceas." In the 1950s "community development" was a popular approach to the problems

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\(^{16}\)Fred Riggs was one of the earliest proponents of "development administration studies." His (1956: 70-80) article on development administration, saw it as the "neglected factor" in economic development. Considering the avalanche of development administration studies which followed, his article had the desired effect.

\(^{17}\)This is not to argue, however, that management analysis must always be equated with superficial analysis. Some people, notably Chambers (1974) and Moris (1981), have successfully put management (and project) analysis into a framework of learning first about (and from) the "environment," including local people's methods of administration and farming, and their socio-economic relations with one another.

\(^{18}\)See Moris (1981) for a contextual, multi-disciplinary study of rural development management in Africa, and for his extensive bibliography.
of rural development (particularly in India which had a fairly successful community development pilot project in Etawah District, Uttar Pradesh) (see Mayer et al., 1958 and Sussman, 1982), although World Bank lending, for example, continued to focus on major projects such as dams and steel mills. In the 1960s the emphasis in the wider literature on development shifted to "high technology" inputs for agricultural production in the form of Green Revolution strategies, and with the realisation in the 1970s that "trickle-down" and "redistribution" efforts were unsuccessful, emphasis again shifted, this time to a quest for "basic needs" and a "direct attack on poverty" through the provision of "an integrated package of goods and services to poor farmers" (Baum, 1982: 4; see also Chenery et al., 1974; Ayres, 1983: 92-111). IRDP is part of India's "direct attack on poverty."

By the late 1970s, the "linear" development policy analysts19 were arguing that rural publics had been wrongly seen as passive objects of centrally-designed development policies (a position I would agree with), much to the detriment of policy implementation, and advocated "community participation" instead (Korten, 1981: 202-213). Community participation entails the reorganisation of local administrative offices to encourage the participation of the "development policy beneficiaries" in all "stages" of the policies which affect them (see especially Korten, 1980 and Rondinelli, 1982). The task of convincing local administrators to consult a broad cross-section of the rural population when they generally deal (often in financial terms) with those who are wealthy and influential in the countryside would be, except in limited contexts, unfeasible. It is simply not in the administrator's interests to "participate" with the "community." It is time-consuming and unlikely to result in his accrual of the type of resources he can gain through limited relations with rural influentials. Moreover, even the "sincere" administrator may feel that investing much time in an unorganised, difficult to mobilise, rural poor, is a waste of energy (Bryant and White, 1982: 183). In the last few years, there has been increasing attention paid to "voluntary action groups" which are non-governmental organisations that ideally aid the poor to organise for their own development efforts. The academic interest in voluntary action groups reflects a distrust of local administration in particular to "get the job done." Again, the search is on for panaceas. (On "VAGs" see Eldridge, 1984 and Kothari, 1984.)

It would be inaccurate to tag the entire development policy and administration literature, even its significant management component, as "acontextual." Fred Riggs, for example, was an early proponent of "contextual" studies of development administration. He wrote (1956: 80) that there are "complex interrelationships between cultural values and administrative and economic problems." Riggs (1964) ascribed too much importance to traditional (cultural) forces at work on the administrator, but he shrewdly observed that local bureaucrats espouse a set of behavioural norms on one hand (which conform to their superiors' expectations), while eschewing it on the other. My interviews with local administrators and villagers support this argument. The officials spoke in terms of "helping the poor," while villagers told us the officials were only interested in meeting program targets and collecting bribes.

More recently, Merilee Grindle's (1980) edited volume, Politics and Policy Implementation in the Third World, also represents a move away from the "acontextual." Its cover announces its discussion of "the broader questions of how both the content and the context of public policy affects its

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19Schaffer and Clay (1984: 3) refer to the "mainstream" model of policy analysis which incorporates a "linear" view of policy. The mutual reinforcement of approaches between development agencies and "mainstream" academics manifests itself in the World Bank's "project cycle" which is equivalent to the linear policy approach (Baum, 1982). The "cycle" has six stages, beginning with project identification and ending in evaluation with steps such as appraisal and implementation in between. The Bank's author (1982: 5) states that "each project passes through a cycle that, with some variations, is common to all." He does not acknowledge that the local political and socio-economic context of the project can be such a dominant force as to scuttle the neatly planned project cycle.
implementation." However, a number of the management literature's contextual studies, and most of the Grindle book articles are not exceptions, do not follow through the implications of their observations because of their underlying assumptions about policy and administration. Their main assumption is that political and/or administrative policy makers do, indeed, design policy to achieve some "greater good" for the people. (For a counterpoint to this, see Adams, Graham, and Von Pischke (1984), who argue that policies to promote subsidised rural credit are nearsighted, and more likely to aid the rich than the poor. Honadle et al. (1985: 38) also suggest there are numerous "examples of initiatives that left the beneficiaries worse off than before the project started."). Moreover, some of these authors' research methods give them little choice but to believe what senior administrators tell them, as they seldom stray outside of the capital cities and if they do, it is for a short time and in the company of the senior administrators (Moris, 1981: 7). (Chambers and Moris are exceptions, as is Grindle; Chambers (1983) complains about "development tourists.") R. L. Rothstein (1976: 701) provides an example of someone who has not followed through the implications of his observations. He argues that

the political systems of many lesser developed countries . . . are split by sharp conflicts over very scarce resources between groups that mistrust each other and share only the desire to control the state for their own benefit. There is little consensus, there are insufficient resources to satisfy all groups, and the losers fear (with much justification) that they will be permanently denied access to the political arena and to their fair share of benefits.

He concludes, however, (1976: 705) that

. . . they [the elite] must . . . seek to legitimize their rule not only by competence but also by receiving the loyalty and support of the masses. They can do this only by convincing the masses that the government is actively seeking the public good, and by evincing some reciprocity in their own behaviour—by attacking corruption, by refusing to govern for the benefit of special interests, and by living in a style that is neither luxurious nor decadent.

Prescriptions for administrative reform generally imply that structural changes are needed in the local administrative offices, and often amount to suggestions for major behavioural changes in these offices. Because local administrators seldom "implement" policies as they are designed, management analysts conclude either that the officials themselves are inefficient and corrupt, or that there are major organisational constraints to efficiency (Bryant and White, 1982, take the latter position; Daland, 1981, the former). The prescriptive administrative studies, including a recent Government of India report (Ministry of Agriculture, 1985a), generally begin with the premise that the local administrator must be changed, whether it is to change his responsibilities (encourage him to be a planner in addition to an implementer, as is done in India), or his relations with the public (including changing his attitudes toward the public, and with whom he primarily interacts.) If India's development administration is any indication of changes possible in an administrative department, even a "simple" reform like increasing staff levels (staffing changes are often favoured by development managers—see Morss et al., 1985 for a discussion) in the block is difficult to put into practice, especially if the government's spending priorities lie elsewhere.

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20Van Sant and Crawford (1985: 12) squarely blame organisational constraints for project failure: "On paper, IRDP II [a project in Jamaica] commanded the resources necessary to achieve its objectives; in reality, however, the project was seriously handicapped by its bureaucratic environment."

21The contrast in staffing between the revenue and development administrations at the local level in Tamil Nadu is striking, and provides a good example of the state's differing spending priorities. The revenue administration, after changes introduced in the 1980s, has virtually one official per (revenue) village, while the development administration has at best, one official per three or four (panchayat) villages (which may be the same size as revenue villages). Ironically, the revenue administration has far more officials in charge of collecting much less money than the development administration is supposed to spend. For the financial year 1983-84, for example, the land revenue demand for Tiruchi District was Rs 2.06 crores while in the same year the district's IRDP spending target, representing less than a quarter of the "development" budget, was Rs 2.46 crores. (These data are from Tiruchi Collectorate mimeos.)
Corruption is seen as one of the (if not the) major bureaucratic pathologies standing in the way of "successful" implementation, although some authors ignore it (it is politically imperative for a development agency analyst not to mention evidences of corruption in the host country) and others have commended the use of "speed money" to "oil" the wheels of the bureaucratic machinery. Most treatments of corruption in the literature (Wade (1982a) is an exception), however, do not recognise that it is a reflection of the type of resource scarce environment in which the administrators work, and that much corruption is systemic; in India it exists at many levels in the bureaucracy, and it involves others outside of the bureaucracy as well (Narasimhan, 1987: 9). The latter point is important, for it is extremely difficult to tackle the problem of corruption by only focusing on administrators. If only part of a system is changed, and even effecting this transformation is problematic, the change is unlikely to have a desired, or lasting, effect. As is to be expected, senior administrators often accuse their juniors of corruption while maintaining their own innocence.

Administrative prescriptions have a tendency to rely on the "pathological" to overcome identified bureaucratic pathologies. In other words, the administrators who have been accused of exhibiting self-serving behaviour and a lack of sympathy for, or understanding of, "rural publics," are expected to give up whatever advantages they have been able to accumulate. As David Hirschmann (1981: 473) argued:

... in urging the bureaucrat to raise the status of field officers, to emphasize rural development, to flatten hierarchical arrangements, and to bring the masses into the decision-making process, it is asking him to alter his internal administrative conduct, to initiate innovations which in terms of manpower, organization, and finance are difficult and above all, to do this at the risk of his own privilege, security, and interests.

It may, however, be fruitless to suggest that politicians or military personnel should enforce bureaucratic reforms. Unfortunately they too, have made large gains through systemic corruption, and in a number of developing countries protect the system they profit by through violence. In India politicians have control over administrators' transfers and promotions (and other punishments and rewards) and they wield this power in order to extract payments and services from the, in this situation, vulnerable administrators (see Bhambhri, 1982: 28-34 and Wade, 1985).

Many development management authors have been concerned primarily with rectifying those features of administrative offices, especially "rigid, over-centralised hierarchies," which detract from their "optimal efficiency" in implementing policy (including Riggs, 1964; Gant, 1966). These "scientific management" concerns have been expressed partly through the view that administrative offices should be decentralised, devolved, or deconcentrated, to make them more efficient agents not only of policy implementation, but of local planning as well (UNCRD 1981 and 1982; Conyers, 1983). Advocates of

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22Corruption is a form of resource exchange which also includes resource sharing, but as I will argue, by no means all of resource exchange is "corrupt."


24For some works on corruption see Scott, 1972; Leys, 1965; Nye, 1967; and Tilman, 1968. Misra (1986: 275) contends that overall, "speed money" has the reverse effect, that is, it slows down rather speeds up bureaucratic action because even where decisions are taken quickly, this knowledge is kept from the "applicant," and he is forced to pay to "speed" a decision which has already been taken.

25It is commonly suggested, for example, that corrupt administrators should be paid higher wages to stop their corruption. This suggestion is at least 150 years old in terms of the Indian Subcontinent. In 1837, a judge, F.J. Shores wrote "... it is only on known and selected men receiving high pay on permanent appointments that we can rely for acting uprightly in matters for which a close superintendance is impossible" (quoted in Rosselli, 1971: 151).

26Needless to say corrupt behaviour is difficult to uncover with a great deal of accuracy, as informants in the political and administrative worlds are unwilling to discuss it.

27See Conyers (1983) for definitions. Simply, these terms all refer to reducing administrative hierarchies and bestowing more decision-making, planning, and financial powers to "middle" and "low" level officials.
decentralisation and other administrative reforms which emphasise giving more discretionary powers of both implementation and planning to local bureaucrats assume, perhaps, both too great a capability on the part of the lower level official, and too great a willingness of the senior administrator to part with some of his/her effective powers. Van Sant and Crawford (1985: 4), however, caution us against accepting governmental decentralisation rhetoric: "Since decentralized authority is rarely accompanied by real local control over resources, decentralized projects can be used to augment a centrally directed bureaucratic presence at the grassroots."

An obvious problem, however, in devolving greater powers to the local administrator is that if this does lead to him having greater control over resources, it makes him even more the target, whether a willing or unwilling one, of attempts to influence his distribution of resources. As soon as MLAs and locally influential people realise that their nearest source of state policy resources has even greater resources at his disposal they are likely to step up their efforts to secure them for their own benefit. An important impression I carried from the block development offices was that the most crucial change which had occurred in the blocks as a result of the shift from agricultural extension to poverty alleviation related to the large infusion of money for contract programs (partly in the guise of NREP and RLEGP). This money has made the block office much more a centre of political attention than it was in the past.

Policy

While "linear" policy analysts have paid some attention to problems with policy design, policy makers have seldom been criticised, at least partly because of their co-operative relationship with development agencies (see Cleaves, 1980 as an example of this). The politics behind various policy decisions have not been explored, and policy goals have generally been taken at their face value (Ilchman and Uphoff, 1969). As mentioned, there has been too great a tendency to assume an inherent "good" in statesmen’s policy goals, and in the policies’ or projects’ beneficial effects should they be implemented as intended. Even if policy makers are well-intentioned, however, they may be unable to design effective rural development policy simply because they are so far-removed from their own, especially poor, rural populations (see Chambers, 1983). Additionally, senior policy makers design policies without taking into account the "politics" that are likely to occur during the allocation of a policy’s resources, but then complain later about "political interference" in the policy’s implementation. They ignore or dismiss the local administrator’s political and socio-economic environment despite its impact on his allocation of policy resources.

Policy has often been equated with governmental "output," but this is like equating policy with government pronouncements. Kohli (1983: 649-71) in an article on "regime types" and land reforms in India adopts this position. While I would agree with his basic view (1987: 36) that regime types can be "associated with patterns of development," it must be kept in mind that government pronouncements are not what policy does. Instead, I see greater utility in Griffin’s (1979: 176) much-quoted warning that

Rather than assume that governments attempt to maximise social or national welfare but fail to do so, it might be more suitable to assume that governments have quite different objectives and generally succeed in achieving them. Rather than criticising governments for failing to attain what they did not set out to attain, or offering advice on how to attain a non-goal, it would be more instructive if more time were devoted to analysing what governments actually do and why.

For the purposes of this study, however, I take IRDP’s form as "given," and do not speculate at length on the central government’s possible ulterior motives in devising such a policy. Moreover, even if policy

28 In senior political and administrative circles in India rural electrification has long been touted as a "minimum need" which will aid in the fight against rural poverty. When one goes to an electrified village in Tamil Nadu, however, one soon sees that those who are gaining the most from electricity are those with enough land to warrant the purchase of an electric pump. Electricity, then, boosts agricultural production of those who are already at the top end of the rural income scale. It is implausible that New Delhi’s policy makers did not realise that the benefits of electricity would go more to the rich than to the poor.
pronouncements were an accurate reflection of state intentions, there is seldom a close relation between policy pronouncements at the "top" and the actual implementation of policy at the "bottom."

The "mainstream" approach to policy focuses on the "stages" of a single policy and unduly emphasises the separation of implementation from policy making (examples are Scott, 1969; Smith, 1973; Rothchild and Curry, 1978; Grindle, 1980). An example of the difficulty in separating policy into separate stages is that before the "implementation process" of the policy even starts, people's (those privileged few who have learned of it) perceptions of what the policy may do could cause them to behave in a certain way—whether to try to circumvent the policy, or to enhance the likelihood of their gaining by it. This was true of land reform policy in India. When large landholders learned that its implementation was a possibility they took various counter-measures, such as putting land in servants' and relatives' names, to avoid losing even a small part of their holdings (see Herring, 1983). Furthermore, looking at the "stages" of a single policy obscures the implementer's reality. India's block development administrators, for example, have always implemented more than one policy simultaneously, which affects what they do with each one.29

Many writers on development policy have judged a policy a success or failure by whether it has been implemented in the way intended (publicly) by its designers (Montgomery, 1980 and Grindle et al., 1980). In a majority of cases, the policy will not have been implemented according to design, its "goals" not been achieved and therefore its implementation will be deemed a failure.30 Policy which has not achieved its "goals" should not be simply dismissed as a failure, however, as it is more important to analyse what impact it has had, and why. As Bernard Schaffer (1984: 189) has argued, "public policy is, after all, what it does," and not what it is meant to do. "What it does" has much to do with the "fit" between the policy's design and the local administrator's environment. Therefore, it would be a useful exercise to point out as many of the demands made on the local implementer as possible, where these originate from, and how they might affect his allocation of policy resources.

Ironically, if a policy has not been implemented as it is meant, from certain perspectives it may be a great success—from the perspective, for example, of those who have, perhaps, unintentionally benefited (Cleaves, 1980 makes this argument). Sivaraman (1976: 403) argues, however (primarily with reference to agricultural extension), that rural elites in India do not unintentionally benefit from rural development policies; rather they ensure that policy benefits flow to them through their contacts with political and administrative actors. The same has been true to a certain extent of IRDP; the well-connected building contractor in the block has a better chance of taking charge of fifty subsidised loans than the agricultural labourer has of getting one subsidised loan.

It is important not to abstract one policy's implementation from the context of other policies. The concurrent availability of a number of policies' resources gives a relative value to each, thus helping to determine the demand for each. Policy should also be put into the context of policies which have been implemented in the past. When a "new" policy is to be implemented, the local administrators already will

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29 A BDO listed the following policies which he is in charge of (this does not include ad hoc tasks, attending meetings, writing reports, and many other responsibilities): IRDP, NREP, RLEG, Massive Program of Assistance for Small and Marginal Farmers, Village Works Program, Family Welfare, Small Savings, Bio-Gas, Construction of Women Teachers' Houses, Maintenance of Hand and Power Pumps, Construction of Sanitary Facilities (especially public latrines), other miscellaneous works, and the Noon Meal Scheme.

30 Some suggestions, such as Cleaves' (1980), to make policy goals clearer for administrators to understand and follow, are aimed at improving implementation. My data on IRDP suggest that this would tend to have a positive effect, but a quantitative one rather than a qualitative one.
have established styles of implementation which incorporate particular relations with villagers (excepting, of course, if a newly established department is involved, but in this case the villagers will have certain expectations—which would affect the new officials—based on their relations with existing departments). This past experience will have an important effect on the way the current policy's resources are allocated. Many policies Indian block officials implement now are termed "poverty alleviation policies," but this has not resulted in them changing their main contacts in the rural areas developed over many years.

I try to avoid the "success-failure" dichotomy of the linear development policy literature. The local administrators' allocation of policy resources reveals much about what the impact of the policy resources in the villages might be, i.e., it tells us who has taken control of which resources and how. Analysing policy in terms of its "stages" and its success or failure, blurs both the process of resource allocation, and the administrator's relations with those of his political and socio-economic environment. "Success-failure" forces one to judge a policy's implementation with reference to its stated goals, rather than to examine the reasons why the local officials have chosen to implement a policy in a certain way.

The linear development policy and management administration literature have been both too institutional and "regime" or "statesman"-oriented, with, perhaps, too much credence given to political leaders' overt policy goals. Policy makers themselves have shown a lack of awareness of the local administrator's political and socio-economic environment which has led them to devise policies, such as IRDP, which cannot both be implemented according to its rules and have its targets met. The literature has been too prescriptive, with too great a tendency to discuss the implementing administrators' behaviour without reference to their socio-economic and political environment. The community participation literature called for the need to "close the gap" between the bureaucracy and the poor (Korten, 1980). It is just as important, however, to close the gap between senior officials and the implementers who are at the centre of development policy resource exchange in the state.

1.3. Area and Methods

The research for this study was undertaken in Tiruchirappalli (Tiruchi) District of central Tamil Nadu. It has an area of 11,095 square kilometres, making it the second largest of Tamil Nadu's nineteen districts. There is a state government proposal to bifurcate Tiruchirappalli, but nothing concrete (as of mid-1988) has yet been done toward carrying this out. I decided to work in Tiruchirappalli District for a number of reasons. First, it is fairly typical of Tamil Nadu as a whole in that its agricultural economy is based both on paddy and other grains, and it has both riverine and groundwater sources of irrigation. Because the district has both "wet" and "dry" areas, it offers an opportunity to study the same program, under the same district administration but under quite different socio-economic conditions. Second, Tiruchi has never been under the purview of any special program which would lead to its blocks having differing administrative arrangements from the usual. Third, unlike its neighbour Tanjavur, it has not already been the subject of numerous political and administrative studies.

The district's population according to the latest (1981) census is 3,612,320 of which 2,688,596 (74%) is classified as rural. Tiruchirappalli has thirty-one community development blocks with rural

31Patterns of landholdings and of caste structure vary markedly between wet and dry areas of Tamil Nadu. See in particular, Haro, Mizushima and Nakamura (1982).
populations that vary from a low of 72,100 in one block of 20 village and town panchayats to a high of 158,600 in 32 village and town panchayats (this largest block, Kulithalai, was bifurcated in 1986, but because the central government has yet to recognise it, Tiruchi District still receives central government funds for 31 blocks).

The two blocks I chose to work in are Lalgudi (47 village and town panchayats—population of 118,902) and Thuraiyur (34 village and town panchayats and one town—rural population of 86,788 and a total population of 110,380). Both blocks contain taluk headquarters (the towns of Lalgudi and Thuraiyur). I chose to work in the blocks of Thuraiyur and Lalgudi because I did initially want to compare the administration of the program under differing agro-economic conditions. I had been led to expect differences in program impact in "wet" and "dry" blocks (see for example, Baker (1984)), but soon found out that the pattern of IRDP’s implementation in the two blocks was virtually identical. Lalgudi is one of the two wettest blocks in Tiruchirappalli while Thuraiyur is dry. I chose Thuraiyur because, besides being dry, it has a fairly large number of villages and a good record of spending under IRDP (I did not want to work in a block with a poor performance under the program as I was most interested in seeing how it is being implemented, rather than looking for reasons as to why it is not). Admittedly, it also has good public transport facilities.

Before embarking on the block and village research I interviewed senior administrators (reinterviewing some of them at later stages in the project) of the Local Administration and Rural Development Department in Madras to ascertain their perspectives of IRDP’s problems and successes in Tamil Nadu, and the areas where they think improvement is needed. After these interviews, I went to the district headquarters of Tiruchirappalli where I spoke with district officials and bankers, which gave me a good idea as to what their opinions of the block officials are. In both blocks I chose villages on the basis of the IRDP subsidies that had flowed into them. I visited those at the top and bottom ends of the spending scales (with preference given to those at the top), so that I could see what factors were at work in drawing the program benefits to particular villages and not to others. During the village survey work (six months in 1985 and two months in 1986), I lived first in Lalgudi Block and then in Thuraiyur.

I decided not to survey a large number of officials as I found that they were often adept at both telling interviewers what they thought the latter wanted to hear, and in presenting facts the way their supervisors would want to hear them. Because of this, I had a larger number of unstructured discussions with a few officials, as I found that as they became better acquainted with me, they began to speak more frankly about sensitive issues, such as their relations with political people. I interviewed twenty district and block bank officials and about forty administrators in Tamil Nadu, from Rural Welfare Officers at the bottom of the pecking order to a former Chief Secretary of the state; the majority of officials I spoke with were posted within Tiruchi District.

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32 According to census classifications, the village and town panchayat population is rural, while that in a town is urban. Both village and town panchayats have elected panchayat councils. Village and town panchayats often are comprised of a number of settlements, or hamlets.

33 The taluk is the smallest revenue administration unit with a headquarters. In Tamil Nadu it generally comprises two to four community development blocks. Tiruchi District, for example, has thirty-two blocks, ten taluks, and eight development divisions.

34 I quickly discovered in Tiruchi District that there is "dry" and "very dry." Distinctions have long been drawn in the literature between "wet" and "dry" without a distinction drawn between "backward dry" and "forward dry." While I do not wish to enter a wet-dry debate here, it is clear that historians have been guilty of accepting land revenue records at their face value. Even today, after the "sprouting" of numerous electric pumps in Tamil Nadu, land revenue does not classify well-irrigated lands as "wet." Thuraiyur Block, for example, is "dry" in the sense that it has no riverine irrigation and few reliable tanks, but it has many reliable wells which have led it to a thriving cash crop (onions, chilies, sunflowers, limes, and grapes) economy. I might have found more differences between the two blocks in the implementation of IRDP, had Thuraiyur been a "backward dry" block, rather than "forward dry." (My observations on this issue have greatly profited by discussions with colleagues, especially V. K. Ramachandran, at the Madras Institute of Development Studies.)
I did not ask villagers or officials directly about "resource exchange." This seemed a counterproductive way to proceed, as respondents would be pushed into my framework of analysis. For example, when we interviewed IRDP milk society presidents, I first asked them generally about how and why they started a society, and then moved into more specific questions about which officials they had had contact with, and whether they had continuing contacts with them. Our interviews with beneficiaries, without any prodding, quickly showed that many had paid bribes to officials—a common example of corrupt resource exchange. Admittedly, I found out the least about resource exchange from the officials themselves (primarily because of the element of corruption in it), but some tactful questioning about their relations with the public, politicians, and other administrators gave me valuable insights on the local administrator as a resource trader.

To collect information about the villages, I visited nineteen panchayat villages, including all their hamlets, with the help of a research assistant35, and information was gathered on one other village by my field assistants alone, with eleven villages surveyed in Lalgudi and nine in Thuraiyur. We consulted people who were considered "opinion leaders" in the villages. In all, we spoke with over 300 "opinion leaders," who ranged from ex-Panchayat Presidents (and newly elected Presidents in 1986) to building contractors, caste (jati) leaders, political party village representatives, credit society officials, teachers, and parish priests. While I had prepared a list of core questions about the villages (regarding village land use patterns, caste structure, bus facilities, schools, proximity of veterinary clinics, year of electrification, etcetera), we asked more of respondents depending on their career or caste backgrounds. These interviews varied in length from thirty minutes to three hours depending on the respondent's knowledge, loquacity, and suspicions about our intentions (some people thought, despite our explanations to the contrary, that we were from the government). In every village we visited, we interviewed about fifteen to twenty (occasionally less) "opinion leaders," which generally took four or five days.

IRDP beneficiary surveys were completed by a research assistant generally working independently. His task, not always easy, was to find the beneficiaries and ask them questions relating to their education, household size, employment, landholdings, how they learned of the program, costs incurred in acquiring the asset(s), what procedures were followed in acquiring the asset(s), whether they still had it/them, the loan and subsidy amounts, whether they thought they had profited by acquiring the asset, and how they had voted in the last state and federal elections. If the beneficiary volunteered further information of interest, it was also noted. Some of the information volunteered by the beneficiaries proved to be invaluable. I found out from beneficiaries, for example, about some of them being forced by their milk society president to purchase their assets (cattle) only at certain markets, or through particular brokers.

Overall, I felt that by carrying out extensive interviews in villages rather than in block development offices, it was possible to assemble a more accurate picture of the pattern of IRDP's implementation, including the officials' resource exchanges with villagers, and its impact.

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35I speak Tamil, but felt it would appear too unseemly for a woman to visit villages and talk to men alone. Moreover, my command of Tamil is not good enough to capture all the nuances of my respondents' replies. It should be noted that all village names given in the study are the actual names.
\textbf{Chapter 2}  
\textbf{The Development Administration’s}  
\textbf{Structure and Function: Room for Exchange}

"You want the Himalayas in North Arcot? Yes, sir! The Ganga in Tamil Nadu? I can do it!"—A BDO explaining how he responds to face-to-face demands from senior administrators.

The block administration, the most important agent of development policy implementation, does not operate in a vacuum impervious to external pressures. Its officials work in an "environment of demands" which, for ease of presentation, I break into two parts. In this chapter I examine the policy and administrative context of the block, looking at the block office’s denizens, administrators senior to them, the relations between the two, and the rural development policies the block administration has been responsible for implementing since Independence. In the next chapter I will discuss the current political and socio-economic context of the block official. These two chapters taken together set the "stage," "props," and "leading actors" of IRDP’s implementation. Block officials have "stage directions" in the form of the policy’s rules and guidelines, but the directions are unlikely to be followed if the available props are not as envisioned in the directions and if the other supporting actors are using different scripts. However, once the local administrator is placed in his political and administrative environment (once his actual props are found and the other actors’ scripts understood), his allocation of IRDP’s resources through resource exchange (through rewriting the stage directions) is easily explained.

I argue that the major inducements to local administrative resource exchange lie in the political and socio-economic side of his immediate environment, but that the policy and administrative side offer little by way of hindrances to this behaviour. The block officials, for example, have a large number of policies to implement concurrently which encourages them to seek means by which they can meet their policy targets in the least amount of time. Resource exchange is the most commonly used means by which the block officials both save time and develop useful connections with other administrators and those outside of the administration (the latter will be examined in Chapter Three). Moreover, while there is a rigid administrative hierarchy, it is exercised primarily with reference to the achievement of quantitative policy targets rather than the quality of the local official’s implementation. This gives the local administrator some freedom in choosing implementation strategies which, as in IRDP’s case, bear little relationship to program implementation guidelines.

When India gained its independence from the British in 1947, experience in development policy formulation and implementation on the Subcontinent was minimal. The British had not concerned themselves much with rural development, and their bureaucracy, particularly that part of it which extended into rural areas, was geared primarily, although not wholly, to the extraction of agricultural and land taxes and, of course the maintenance of law and order. One could, however, occasionally find programs such as are found in rural India today. These included, for example, the creation of credit co-operatives (especially in Madras Presidency—see Robert, 1979) and rural works programs explicitly
for Harijans, such as building paths from their hutments to burial grounds (see Tiruchirappalli District Gazetteer Supplement, 1927). In 1943 the British launched the Grow More Food campaign (GMF) after the Japanese invasion and takeover of Burma and the consequent loss of rice imports into India from Burma (Sarma, 1981: 11). The British expanded and improved irrigation facilities in major river systems, and undertook famine relief works (precursors of the National Rural Employment Program), but they had little by way of systematic agricultural or rural development policy.

Today's block administration is based directly on American engineer, Albert Mayer's ideas. Mayer's famous pilot project which was started in 1948 in Etawah District of Uttar Pradesh was largely responsible for the design, not only of the Community Development program but of the National Extension Service as well, and was the forerunner of the development administration in India. He put into effect a system which was comprised of generalist and specialist administrators in an administrative unit significantly smaller than the district—the Community Development Block. Hereafter, particularly after the introduction of Panchayati Raj institutions, the block rather than the district, would be the main focus of development policy implementation and, theoretically at least, of planning as well. The block would have Village Level Workers (Gram Sevaks) at the bottom of what Mayer hoped would not be a rigid hierarchy (Mayer et al., 1958: 70-75). The Block Development Officer, the senior officer at the block level and a generalist administrator, has a staff of technical/specialist extension officers and generalist Village Level Workers. The success, however, of India's Community Development program and the National Extension Service rested on the shoulders of the Gram Sevak, but the administration was never structured to help the Gram Sevak to bear their weight.

Despite the importance Prime Minister Nehru and others ascribed to the task of rural development in the early post-Independence years, it is evident that the development administration was structured so that it would not be a threat to the precedence of existing administrative departments, especially the revenue administration which, by virtue of its long history in British India, was one of the most firmly entrenched bureaucratic structures at Independence. In the districts the revenue administration, with the primacy of the District Collector, had no administrative rivals. The solution, then, was to create an administration extending to the field, and which could undertake agricultural extension work, but which would not challenge the revenue administration. This was accomplished by also having the Collector in charge of the development administration at the district level. Any additional officers posted in the district for the purposes of development and/or extension work would be the Collector's junior.

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1In Indian administrative history there is no denying the importance of the district. As it says in the First Five Year Plan (1951: 128),

The structure of administration developed during the past century was based upon the district as the principal unit with the district officer as the government's principal representative in touch with the people. . . . In the hierarchy of administration, he enjoyed status and powers which gave him considerable influence over the local population. . . . The district is still the most important single unit of administration. Recent developments have, however, altered this position and emphasised the need for giving an altogether fresh orientation to district administration.

2Agricultural Department officials did not want the creation of a new bureaucracy either, and the separate Community Development Ministry was subsumed by Agriculture by the mid-Sixties (Sussman, 1982: 58).
2.1. *The Development Administration Cast*

2.1.1. *In The Block*

The Block Development Officer, or Panchayat Union Commissioner as he is called in Tamil Nadu, is the head administrator of the block and one of the key figures in the development administration hierarchy. Crucially, final control over development fund disbursements is vested with him. The block budget has increased ten-fold since the early sixties, and the Block Development Officer of 1987 has a greater number of policies and programs under his purview than the BDO of 1962. The development administration in Tamil Nadu no longer does agricultural work at all. At the same time that Tamil Nadu’s Rural Development and Local Administration Department had agricultural extension work removed from its purview (early 1980s), it also lost jurisdiction over health and education (despite this, however, the block office is still responsible for running special "camps," such as for eye care, and it also retains responsibility for the construction and maintenance of village school buildings and women teachers’ quarters). Despite these "losses," however, with the addition of IRDP, RLEGP, NREP, and a number of other programs, the block budget increased dramatically in the 1980s.

The BDO’s is likely one of the most "high-pressure" jobs in the state public service—although it can also be lucrative—as the person who holds it must respond to administrative and political masters whose demands may be at cross-purposes with one another. Moreover, the BDO is vulnerable, as the politicians such as Block Chairmen and MLAs have the powers to have a block official transferred if he does not comply with their demands (this issue is examined in Chapter Three). One BDO remarked woefully on the number of heart attacks suffered by BDOs in the previous few years. Moreover, a senior administrator in Madras, himself formerly attached to the development administration for about four years, termed the development administration "the most demoralised department in Tamil Nadu." One reason for this is the very limited opportunities for promotion afforded to the non-IAS officials in the development administration, particularly those in the block. Another reason, however, is the political pressure (primarily from MLAs but now also from Block Chairmen) on block staff which leads to rapid transfers and job insecurity for them.3

BDOs vary considerably in their level of skills as BDOs, but there is equally considerable divergence between the views of senior administrators and politicians regarding whether a BDO is "good" or not. Politicians, for example, prefer a malleable official who disburses contracts according to their wishes. Senior administrators are keen on local officials who are good at meeting their targets (or at least skilled at appearing to meet their targets). If the BDO meets his targets and keeps the politician satisfied, then his chances for a good transfer or promotion are highest. Unfortunately, the BDO’s chances of promotion are not based on what, for example, IRDP beneficiaries think of his work. The "skilled" BDO, then, "survives" in the block of his choice for a maximum period of three years, but in so doing must be able to satisfy both administrators’ and politicians’ demands, which means relegating a low priority to the poor’s needs.

The one block, however, which even the "skilled" BDO cannot choose to be transferred to is his "native" place. In fact, the BDO in Tamil Nadu (I am uncertain of the practice in other states) cannot

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3 The BDO can please the MLA by favouring his supporters, and make some money out of it as well. The latter may cause its own kind of pressure, however, in that the occasional BDO is caught. Copestake (1987: 161) notes that 40 BDOs (of 378) were facing disciplinary charges in Tamil Nadu in 1986.
even be posted in the taluk of his birth. This is an administrative rule which acknowledges the potential importance of family and place in biasing administrative behaviour. While the local administrator's "primordial connections" are kept to a minimum, this has not precluded his rapid development of political and financial "connections" in the block.

BDOs represent the "middle"—they are middle-aged, middle class, and generally middle to high caste (although seldom Brahmin; Brahmans are much more frequently found in the elite Indian Administrative Service). Their average education is, however, much higher than that of the rural population's, and generally higher than that of the politicians (including the MLA) they "serve." Many BDOs have Bachelor's Degrees and most have attended tertiary educational institutions. One former BDO (now Divisional Development Officer) I interviewed has a Master's Degree in Sociology. James Bjorkman (1979: 44) showed that of his sample of 275 block to district officials in Andhra Pradesh and Rajasthan, 58% had Bachelor's Degrees, another 14% had M.A.s and/or Ph.D.s, while 4% had university Certificates or Diplomas. By comparison, 27% of Bjorkman's sample of 214 politicians had tertiary educational qualifications. BDOs normally come from the state's smaller urban centres.

The BDOs have been in the development administration for twenty years or so before reaching this post. Most of them would have spent a large number of years as block extension officers, quite possibly always within the same district, and so their knowledge of the workings of the block development machinery in the district would be considerable prior to being promoted to BDO. Moreover, some BDOs and former DDOs I spoke with had served first as extension officers and then as BDOs in the same blocks in Tiruchi District. This would lessen the negative impact of rapid transfers noted by Chambers (1983). (He argues that rapid transfers prevent the official from knowing enough about the area he is posted in to formulate development plans for it.)

The monetary, "life-cycle" demands placed on the Block Development Officer (and other administrators as well) by his family may lead to his need to adopt a policy resource exchange strategy to maximise the pecuniary gains from his job. It is an expensive proposition to be a member of the middle-class in India today. The administrator probably would have had to pay a large sum of money not only to gain entrance to the state public service, but also to receive promotions and/or desirable transfers. Moreover, it is common knowledge in Tamil Nadu that a college/university education for a son or daughter will also be expensive because of the institutions' practice of demanding thousands of rupees to secure a place, particularly for degree courses such as engineering and commerce which are generally seen as leading to fairly assured, and lucrative, employment.

Furthermore, the custom of giving dowry and holding lavish weddings is very widely practiced in South India; the cost of marrying a daughter to a similarly placed, college-educated boy is generally in excess of 100,000 rupees. The Block Development Officer may also pay for his children's "entrance fees" for employment, meaning further expenditures of thousands of rupees. If one has had to pay so much to gain an education and employment, it is of little wonder that one would try to get as much out of the latter in a financial sense, particularly if it is known that further major "life-cycle" expenditures will have to be incurred. The Block Development Officer in Tamil Nadu will have a gross salary, including all allowances, on the order of Rs 26,000 per annum.

The BDO's ability to meet the numerous demands for policy resource allocations is hindered on the administrative side by non-policy demands on his time. These are: the need to write reports, "host" senior administrators, and attend meetings at the divisional and district headquarters. In administrative terms the nemesis of the BDO is, perhaps, the report. Senior officials require reports at a high rate of
frequency. One of the Personal Assistants to the Tiruchi Collector assured me that on average, including regular periodical reports and special requests for statistics, the BDO would have to submit as many as one hundred reports per month to more senior officials. A BDO also told me that he must submit about one hundred reports per month to "higher officials." The BDO, then, spends much time ensuring that sufficient data are gathered for all the reports.4

Moreover, whenever a "higher" official comes to the block, the BDO will have to be at his beck and call, again keeping him away from the active coordination of development activities in the block, or just keeping abreast of his juniors' activities in the block. Administrators such as the Block Development Officer must play host to their administrative superiors when they come on inspection tours of the block. On these occasions, it is expected that the BDO will provide lunch and other necessary meals for the senior administrators and their accompanying staff without expecting any recompense. The BDOs do not like playing host, but see it as a necessary evil if they are to receive favours from the higher officials in future. (Mook, 1974 noted the same phenomenon of BDOs "hosting" more senior administrators in Tamil Nadu.)

There are always large number of additional (to actual policy implementation) and ad hoc tasks for the local administrators to take care of. When I was working in Tiruchirappalli District in 1985, for example, the Director of Rural Development (DRD) had issued orders that a detailed pump (for drinking water) census be taken in every panchayat village. At a district-wide meeting of development officials, the DRD forced one of the BDOs to produce the aforementioned census data. Luckily for him, the task had been completed and he had the appropriate data with him, but if the job had not been done he would have risked an instant suspension. Therefore, the BDOs must often assign top priority to completing additional tasks, rather than to ongoing poverty alleviation policy.

The meeting is an important forum through which senior administrators make explicit their demands of the BDOs for program targets.5 BDOs are forced to attend meetings chaired by the Collector, Personal Assistants to the Collector, the Project Officer of the DRDA, the Divisional Development Officer, and the Director of Rural Development, although the latter is fairly rare. As one BDO said ruefully, "When we don’t have to go for meetings with the higher officials, they are coming here." At these meetings the senior officials take the opportunity to do two things. The first is to tell the BDOs which programs or policies need to be paid particular attention to, and the second is to criticise those present for not adequately fulfilling program targets. At administrative meetings I attended, the senior administrators always gave emphasis to targets over methods even while denying to me in interviews they were doing this. One BDO confessed to me that if he is called upon at a meeting by senior officials to discuss his block’s "performance statistics" for certain programs, he occasionally lies to avoid the haranguing and castigations of the senior officials. The BDO takes this as a calculated risk as he knows that the senior administrators seldom try to verify the block statistics presented to them.

Because so much of his time is taken up with "desk work" the BDO has little opportunity to travel within the block (the BDO, for example, is forced to initial virtually every piece of paper which either

4While looking at the agricultural extension machinery in Tamil Nadu’s North Arcot District in the 1970s, Robert Chambers et al. (1977: 163) discovered that a Deputy Agricultural Officer in a block would have to submit approximately 316 reports per year, a modest 26 or 27 per month, but still more than one per working day.

5My visits to block offices revealed pages and pages of government orders on various subjects, not the least of which were revisions to IRDP’s guidelines. Most of these "g.o.’s" are filed and conveniently forgotten until a senior official makes an issue of them at a meeting.
enters or exits the office, including all bill payments). Among other drawbacks, he cannot be sure that the
work he assigns to extension officers and RWOs is actually done, nor can he be certain of the extent of
corruption among other block officials outside of the office (Mook, 1974). The BDO has very little direct
contact with villagers, except those who have regular business in the block office, and therefore does not
receive much information from the general rural population about the work his staff is doing. I asked a
BDO in 1985 with whom he had direct contact in the villages of his block, and the people he mentioned
were parish priests, former Panchayat Presidents, an ex-MLA, contractors, and other similarly placed
persons.

The BDOs I was in contact with received some complaints about their extension officers, but did
not seem to care very much. A woman in charge of a milk society told me (her story was verified by
bank officials) she had complained to the BDO about bribe-taking by the Animal Husbandry Officer
(AHO) but that not only had her complaints fallen on deaf ears, the BDO reportedly told her she could go
complain to the AHO herself; and he had just been transferred. People in the villages, outside the little
group mentioned in the previous paragraph, have little knowledge of who the BDO is or what he is
supposed to do, and the majority of our village respondents said they had never seen the BDO in their
villages. The ones who knew who he was were usually building and/or road contractors who made
frequent trips to the block office. (For an analysis of the relationship between contractors and block
officials see the next chapter.)

The BDO’s relations with his own staff are not necessarily cordial, and may be confrontational.
Many of his staff, particularly the permanent clerical staff, owe their jobs to political people which means
that their positions in the office are secure, and they may be disinclined to take the BDO’s orders or
remonstrations seriously. Also, some of the extension officers are on deputation from other departments
and are not only disinclined to follow the BDO’s instructions, they try to establish themselves as powers
unto themselves in the block. If an extension officer has direct relations with some of the more powerful
people in the block he will be able to profit the most by them. (I observed this in one of the blocks when
the Animal Husbandry Officer came to the BDO with a man to whom he wanted a block printing contract
to go. Interestingly, this man is a former village Panchayat President, an associate of an ex-MLA, and a
senior officer in a local bank). One BDO likened his position to ringmaster in a three-ring circus—it is
only by cracking a whip that he can extract work from his minions. In a literal use of “the whip,” a BDO
I spoke with claimed that he had beaten one of the clerical workers in the block development office
because of his corrupt activities regarding block cement supplies. This particular BDO also shouted
regularly at the office staff which did not stand him in good stead in an incident involving himself, the
office latrine, and a cobra.

The only regular contact point (and even that can be irregular) between the mass of villagers and
the development administration is the Rural Welfare Officer.6 He should, although seldom does, have at
most four villages under his purview, and he should visit each of the villages every week (one RWO told
me, however, that with all the necessary office work he has to do, he only visits villages on two days a
week making it impossible for him to go to each village every week). Every block was also to have
posted one or two female Village Level Workers (Gram Sevikas). There are, however, few blocks which
actually have any Gram Sevikas, and if they do have them, these women seldom visit the villages,
working instead in the block office. With the introduction of the UNICEF-sponsored Development of

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6 RWO is Tamil Nadu’s current, official, name for the Hindi title, “Gram Sevak” which means servant of the village. Prior to
1982 RWOs were called Village Level Workers in the state. Nonetheless, villagers and many of the block staff refer to the RWO as
the Gram Sevak or GS.
Women and Children in Rural Areas (DWCRA) program in the 1980s, the blocks where DWCRA is implemented are required to have Gram Sevikas, but there is no guarantee that they will go to the villages either. A sampling of the Gram Sevak’s job description, written in 1962, indicates his multifarious duties:

1. He collects all facts about the villages in his charge.
2. He visits all villages regularly, discusses with villagers their problems and creates interest in them to solve their problems.
3. He prepares plans and programmes for the village. In this process he involves the village people and village institutions and brings about broad agreement among them . . .
4. He helps to organise village cooperative societies and when they are already organised he gives them guidance . . .
5. He uses several extension methods to induce people to adopt improved agricultural practices.
6. He stimulates group action in the villages by organising youth clubs and their projects.
7. He takes a direct interest in the family planning work, and helps panchayats to induce fathers to take to sterilisation. (From TNG.O. Ms. No. 751, RD & LA 7 Dept., 28/3/62.) (For current job descriptions of the RWO and BDO see Appendix A.)

By the early 1960s, however, the Gram Sevak’s main role was as an agricultural extension worker under the National Extension Service. Officially, he was supposed to spend 80% of his time on agriculture alone although he tended to spend less than that (Hunter, 1970: 70). The extension work involved visiting farmers’ fields, checking on the condition of their crops, and suggesting improved methods of cultivation. The Gram Sevak was also to conduct field demonstrations for farmers. This was based on the idea that the farmers would be more willing to try the new methods of cultivation if they had someone there to show them what to do. If the Gram Sevak encountered any technical difficulties in his village extension work, he could easily, in theory, approach the appropriate extension officer in the block office to get advice.

Mayer and his associates felt that if the villagers had just one worker visiting them who, as a respondent in Tiruchi’s Collectorate described it, would be the “friend, guide, and philosopher” for the villagers, they would more readily accept all of his development programs, especially if those which most closely met their “felt needs” were begun with (Mayer et al., 1958: 25-26, 161-63). Villagers do not lead compartmentalised lives. Likewise, they should not be approached in a compartmentalised way by a large number of government officials, each with narrow, possibly overlapping, concerns.

As the Community Development program got underway, however, the number of tasks for the Gram Sevak increased, meaning in effect that a larger proportion of his responsibilities remained undone. With the introduction of the major poverty alleviation programs of the 1980s, his work load has reached unmanageable proportions (if he were to attempt to do everything on his job chart). Even at the beginning of the Community Development program the Gram Sevak was assigned too many tasks in too many villages to expect that they could be done effectively. The programs which were most difficult to implement, or required extra effort and follow-up action, were seldom attended, or only done superficially.

The initiation of the World Bank’s Training and Visit system during the Sixth Plan (1980-85)
caused a major disruption in Tamil Nadu’s VLWs’ work routines. According to World Bank advisers, the program’s village extension officers must be expert in the field of agriculture, and not be saddled with additional duties (Benor and Harrison, 1977: 11). Hence, the Agriculture Department in Tamil Nadu, and in other states which agreed to establishing “T & V,” had to acquire village level functionaries as well. Therefore, a number of Tamil Nadu’s Village Level Workers joined the Agriculture Department, thus leaving many blocks in the state with fewer than the requisite number of the now-called Rural Welfare Officers. A senior administrator in Madras told me that Tamil Nadu’s RWO staffing difficulties for the Rural Development and Local Administration Department had finally been settled by the end of 1985, and all the blocks should now have the appropriate number of RWOs, that is to say, ten. (Neither Lalgudi nor Thuraiyur, however, did have the full complement of ten RWOs while I was there in 1986.)

This change came at a critical juncture, in that the major new poverty alleviation programs like IRDP and NREP required much administrative effort to be implemented at all, let alone successfully. Moreover, when the elected village panchayats in Tamil Nadu became moribund in the late 1970s as a result of inadequate funding and the state government’s many excuses not to hold elections to them, the RWOs were given yet another set of tasks. From 1982 until March 1986 the RWOs had the legal powers as Group Executive Officers to undertake works in the village which had previously been the responsibility of the village panchayats. These new responsibilities included: the authority to supervise the work of village panchayat parttime staff, the assessment of taxes and other dues to the panchayats in their jurisdictions, augmenting the financial resources of panchayats, assisting the Special Officers (in other words, the Block Development Officers) in maintaining proper accounts, verifying accounts on a quarterly basis and submitting reports to the Extension Officer (Panchayats), and conducting panchayat meetings (from TN RD&LA Dept. mimeo, no date, but ca. 1983). As far as I know, aside from working with village panchayat staff, the RWOs were remiss in fulfilling these additional duties.

Although the RWO is directly responsible for the implementation of the state’s poverty alleviation and other programs, his avenues for promotion have never been wide. The average Gram Sevak can only hope that he will spend most of his career in blocks close to the district headquarters so that he and his family may take advantage of the amenities available in a larger centre. A very few Grade One RWOs (there are only two grades within the rank of RWO) will be promoted to Extension Officers in a block development office. Of late (starting in 1985) there has been a scheme introduced whereby senior RWOs are supposed to exchange jobs with senior clerks in the block office. This does not result in any change in rank for either set of officers and neither clerical nor field staff have welcomed this change. An RWO in one of the two blocks I studied received a promotion in 1986 to Noon-Meal Scheme Manager—after twenty-four years as an RWO. Rumour (which I could not substantiate) has it that he paid a significant amount of money to a politician to secure the promotion.

Many people in the villages told us that the Gram Sevaks “fifteen years ago” were diligent workers who visited the villages frequently, but that nowadays the Gram Sevaks are lazy and corrupt. In a sense, the good man of fifteen years ago is the lazy and corrupt man of the 1980s; if he had been able to look forward to regular promotions and pay increases, perhaps he would be less inclined to try to get payoffs for administratively-controlled resources—such as IRDP subsidies—from some of the poorest villagers. There is, moreover, a saying in Tamil Nadu that “once a Gram Sevak always a Gram Sevak.” Although senior administrators claim that an additional problem in IRDP’s implementation lies in the RWOs’ lack of knowledge about implementing a poverty alleviation policy, in the context of non-motivation (and of political pressures), the lack of IRDP specific training for RWOs makes little difference to their activities in the villages.
The extension officers posted in the block are supposed to have greater contact with villagers than the BDO. In practice, this seems not to occur as the extension officers, like the BDO, spend most of their time in the office, much of it helping the BDO file his reports with more senior administrators (I observed this in Lalgudi Block). As with the BDO, the extension officers' contact with villagers (aside from the AHO whose job it is to tag IRDP animals' ears prior to the beneficiaries' purchase of the animals) occurs mostly in the block office rather than in the villages. The extension officers' village work is mostly assigned to the Rural Welfare Officers, although they may not necessarily do it either. The Extension Officers may do few tasks which fit their job descriptions. Rather, the Block Development Officer delegates assignments to them as he sees fit. The BDO might have them help with a small savings drive, the family planning effort, a loans camp, the visit of an MLA, and many other tasks (Mook, 1974: 129-34). When I had discussions with Extension Officers, it struck me that they were aware of the generalities of their jobs, but not the specifics. This underscores the paucity of their contacts with the villages. Not a single Extension Officer (Co-operatives), for example, could provide me with an accurate list of active co-operatives in the block (although two AHOS could).

The extension officers attached to the block office are as follows: the Animal Husbandry Officer, Extension Officer (Panchayats), Extension Officer (Small Industries), Extension Officer (Adi-Dravida8 Welfare), Social Education Officer, and Extension Officer (Co-operation). There is also a Mukhiya Sevika, a woman, whose position could be likened to that of Extension Officer (Women's Affairs). Only the extension officers for Panchayats, Social Education, and the Mukhiya Sevika are recruited directly into the Development Administration. The others are on deputation from their respective departments which causes at least two important problems. First, some of these extension officers are unwilling deputees from their home departments, meaning they are unlikely to put much effort into their two years as block development officials. Second, the BDO may be unable to exert much control over the deputed extension officers, as they know that the control over their promotions rests with their own department supervisors (Mook, 1974 and Ministry of Agriculture, 1985: 21).

Another key post in the block office, on the "building and maintenance" rather than "development side" is the Union Engineer's (UE). (A former Collector argued to me that in money making terms, the Union Engineer's is the most coveted position of all.) The Union Engineer, on deputation from the Highways Department, is in charge of all construction work valued at less than Rs 5000 undertaken within the block.9 He receives, and vets, tenders for building contracts, sets contract estimates, and has a major role to play in disbursing funds to contractors at successive stages of the project. In recent years, with construction-oriented development programs like NREP and RLEGP, the funding available within the block for construction has increased dramatically, thus enhancing the Union Engineer's importance. In Lalgudi Block for 1984-85, the total number of non-NREP contracts was 45, while NREP "contracts" alone added up to 54 (including some incomplete works from the previous year) for a value of about Rs 20 lakhs (the NREP target had been 10 lakhs.)

The Union Engineer's juniors in the block office are the Overseer, an NREP Overseer, three road inspectors, and a few construction gang coolies (one of whom might work as a servant in the UE's home and another in the BDO's home). If the Block Development Officer, by vocation a generalist, does not have a fairly keen understanding of construction work, specifications, and the like, it is possible for the Union Engineer to amass a great deal of power for himself in the block office through his dealings with

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8Harijan or Scheduled Caste.

9For higher estimates the UE needs the concurrence of more senior engineers in Highways.
contractors. The BDO is, however, the only officer to have the power to sign pay bills for the block, and therefore can maintain a certain amount of leverage over the Union Engineer if need be. Union Engineers and BDOs often co-operate for profit, however, and it is not unusual to see the two officers transferred at the same time at the behest of a politician.

2.12. The Division, District and Madras

The officer immediately senior to the BDO and in charge of a division is the Divisional Development Officer. The DDO is a supervisor of the BDO, and in all likelihood was a BDO himself, thus giving him intimate knowledge of the actual functioning of the block development office. The point that the development administration was set up so as to cause the least challenge to other departments, particularly the revenue administration, is exemplified by the late creation of the post of DDO. Until 1974 in Tamil Nadu a Revenue Divisional Officer (RDO) (or, occasionally, a Deputy or Sub-Collector—a junior IAS officer) was the immediate superior of the BDO even though a functionary of the revenue administration.10

The DDO is, in part, an inspector for the blocks under his jurisdiction. One of his assignments is "to inspect Panchayat Union Offices annually and conduct cursory inspections of Panchayat Unions." He is also authorised to conduct surprise checks of block cash balances, of stocks of fertilisers in co-operative societies, and of midday meals centres in village schools. The DDO has a number of significant financial powers. He sanctions payments to block funds and village panchayats, and importantly, he has the "power to divert allotments under various schemes within the division." This would mean, for example, that the DDO could divert money from a block where there is difficulty in meeting financial targets under a program to a block where the money is easily spent. In this way, the DDO is able to fulfill his division's financial targets (job description from TNRD&LA Dept., 1974: G.O. Ms. No. 1529).

While the DDO's is primarily a position which involves interactions with other officials, especially BDOs, the Project Officer of the DRDA and the Collector, he also meets with the public at the divisional headquarters. According to Mr. Kanagasabbai, DDO of Musiri Division, people from the villages come to see him if they have grievances against their BDO. Village Panchayat Presidents are also frequent visitors, as they try to lobby him for special dispensations, such as funding for housing for the landless of their villages. The DDO's response often must be that funds are inadequate, and that the President will have to wait until his village is included under a program like NREP. He told me that "They [the Presidents] will all want extra funds, but we will note the ones who pester us the most." This is one of the most commonly used administrative tactics in dealing with demands from the public. The administrator denies the person while at the same time indicating that he will not be denied for long (whether it is true or not).

One of the most important posts in the British administration was held at district-level by the Collector (as in land revenue collector) who also functioned as a District Magistrate. The Collector was, and remains, the most powerful administrator in the district, although in India today, the District Collector

10Every district in Tamil Nadu is comprised of a number of divisions (the revenue division and the development division are equivalent in the state), and Tiruchi District has four, with three, eight, ten, and eleven blocks respectively. The revenue division is made up of two or more taluks—the taluk is the smallest revenue unit, comprising anywhere from 65 to 175 revenue villages—and is under the charge either of a Revenue Divisional Officer or a Sub-Collector. Both Lalgudi and Thuraiyur Blocks are in Muziri Division which has eight blocks.
has lost some of his/her powers; s/he, for example, no longer functions as District Magistrate. But the Collector is ultimately in charge of both the development and revenue administrations within the district. Because the Collector's is a post which allows for much discretionary power, the talents and predilections of the individual who holds it are important, and can make a significant difference to the tenor of district administration. If a Collector takes active interest in a certain program, the Block Development Officers will soon learn of it, resulting in their making extra efforts to meet that program's targets. But the Collector is not a policy maker. S/he will only take into account existing programs and choose from among them. While the Collector does not take part in the day-to-day activities of the development and revenue administrations, he makes his wishes known through meetings, through his subordinates (such as his Personal Assistants) who are more frequent visitors to the blocks, and with written orders to BDOs and DDOs.

The Collector's role is far from merely "administrative." It is also a position which is at the forefront of political lobbying at the district-level. When I asked a Collector how frequently he met with the district's MLAs (there are eighteen), he replied, "Daily." Moreover, MLAs often go to the Collector's residence and meet with him there rather than at the Collectorate, thus conducting what should be public business in private. The Collector has the authority to transfer both development and revenue officers within the district, and s/he is under almost constant pressure from political people to effect transfers of RWOs and BDOs. S/he can resist MLAs' and Block Chairmen's demands that BDOs, RWOs, or Extension Officers be transferred, but if s/he does resist there is a good chance the MLA, for example, would go above the Collector's head and seek the help of a Cabinet Minister in effecting the transfer.

Resource exchange is one of the most commonly used tactics by Collectors in dealing with political people. Politicians' demands extend beyond administrative transfers and into government appointments, licensing of public transportation routes, liquor licenses (when prohibition is not in effect), and the location of major construction projects. The Collector cannot possibly meet more than a fraction of the politicians' demands at once, but a negative response to an MLA can win even the Collector a transfer (if the MLA is sufficiently well-connected in the ruling party). A former Collector explained to me that "public relations" is one of the Collector's most important resources. If, for example, a politician comes with a transfer or appointment request (of a block official) that the Collector does not want to fulfill, the Collector can promise that if the politician backs down with his demands, he can be on the platform and at the forefront of a number of public functions (arranged by the Collectorate), which politicians are eager to participate in for the free publicity. The former Collector also explained that Collectors do generally favour the ruling party in the placement of projects. He said, however, that a politically astute Collector would be able to circumvent some of the politicians' particularistic demands by arguing, for example, that there will be "adverse political consequences to the politician" if he engages too much in overt "political favouritism." He added that if a politician were very adamant about his demand, the Collector would not have much choice but to go along with it.

This is not to say, however, that the Collector's powers went unchallenged or uncircumvented prior to 1947. See Lance Brennan (1977) for a discussion of the challenges mounted by district Congress leaders against the District Magistrate. Rosselli (1971) and Washbrook (1975) discuss how "underlings" could circumvent the Collector's power by passing on misinformation to him.

When I discussed the topic of "Collectors" with one of Tamil Nadu's highest ranking officials, he said that of the then 19 Collectors in the state, 4 or 5 were "very good," 4 or 5 were "poor," and the rest "average" in their performance. I mention this because personal ability is seldom mentioned in studies of administration, but when there is a post like a Collector's which allows a significant degree of discretionary power, the abilities of the person who holds it have a major impact on the area under his control.

From 1980 onwards District Rural Development Agencies (DRDAs) under the leadership of a Project Officer (PO) were created in each district. For purely development purposes, the PO is the senior officer in the district, but is of far less importance than the Collector. The PO has a team of subject matter specialists (Assistant Project Officers--APOs) in the DRDA. For a discussion of the DRDA's involvement in IRDP, see Chapter Four.
In Madras the two most important development administrators are the Director of Rural Development (DRD) who concerns him or herself most closely with the implementation of rural development and poverty alleviation policy and the Secretary and Commissioner of the department. The DRD is the direct superior of both the Project Officers of the DRDAs, with whom he will have regular contact, and the District Collectors in terms of development matters. The DRD has a team of officials working in the directorate who are program specialists, i.e., there will be a Joint Director for IRDP, another for NREP, one for Statistics, and another for Training. These "specialists" tend to interact mostly with their "specialist" counterparts (the Assistant Project Officers) in the DRDAs.

An important concern for the Director of Rural Development is the transfer of those personnel junior to the Collector in the district. While the Collector has control over the transfers of Block Development Officers and below within the district, it is not uncommon for politicians (including cabinet ministers) to approach the DRD directly in seeking the transfer of a BDO, especially if the Collector has not agreed to the transfer. A senior official in the development administration assured me that transfers which occur across districts are "political," and of transfers within the district, perhaps fifty percent would be requested by politicians.

Just as the Collector may choose to emphasise certain policies, or parts of policies over others, so too, the Director of Rural Development may exercise similar discretion over development policy implementation. An enterprising DRD can manipulate Government of India orders by the way in which s/he passes them to Collectors and PODRDAs, and by the way s/he treats officers who are found to be in contravention of the orders. An ex-DRD told me that when he was DRD he would not have any BDO punished who was using contractors in the implementation of NREP, (despite categorical Government of India instructions to the contrary) because without using contractors the BDOs would be unable to implement the program.

The seniormost official in Tamil Nadu's development administration is the Secretary and Commissioner of the Rural Development and Local Administration Department. The Secretary of the department has close contact with the DRD, but his/her attention is held more by central government officials, and s/he will regularly attend meetings in Delhi regarding, for example, the state's immediate past performance under development programs, the targets for the coming financial year, and changes that need to be made in program guidelines. The Secretary is a liaison between the central government and the state government's implementation machinery starting with the Director of Rural Development. A Secretary and Commissioner complained to me that the current system of development policy formation and implementation is "over-centralised," and quoted Harold J. Laski's, there is "apoplexy at the centre and anemia at the periphery."

The "development cast" discussion, especially of the Block Development Officer, has provided a thumbnail "administrative ethnography." Mukhiya Sevikas do not go to villages, BDOs lie to their superiors about block statistics, Union Engineers have block "gang coolies" as servants, Extension Officers for Co-operatives do not know about the block's co-operatives, and senior administrators expect to be "hosted" in the block. Moreover, all the officials, from the RWO to the Director of Rural Development, must respond to political demands. While political activities in the block and their implications for block officials' allocation of policy resources will be discussed in the next chapter, it is noteworthy that the Collector, whose position is fairly powerful in its own right, employs resource exchange strategies to keep politicians at bay. Further down the line, the DDO holds out promises of future resources to Panchayat Presidents, thereby winning some relief from their immediate demands.
And the BDO uses political and administrative connections he has garnered over the years (through past favours) to help his promotion chances. Thus, the development administration is comprised of administrators who, especially in the block, are responding as best they can to pressures which arise from their political, policy, and administrative environment.

2.2. The Development Administration: Structure and Style

This section examines the main features of the development administration which are an integral part of the local administrator's environment, and have bearing on his allocation of policy resources. I start with a discussion of the administrative hierarchy. One of the important arguments of this section is that the administrative hierarchy in Tamil Nadu is not as rigid as it appears to the casual observer, primarily because the local administrator is able to circumvent it in a number of ways. But this is not new. During British rule in India, local people recruited into the bureaucracy were given little discretionary powers, with decision-making undertaken by foreign administrators at the top of the pyramid. What this meant, in effect, however, was that underlings learned at an early stage how to circumvent authority, and establish profitable lines of communication with those outside of the bureaucracy. (See Frykenberg, 1965 and Washbrook, 1975: 31-6.) The local administrator is judged by his seniors by his target achievement, resulting in policy implementation--IRDP's implementation is not an exception--being equated to "the ends justifying the means." I also discuss targeting, red tape, and staffing.

2.2.1. Hierarchy--Manifestations and Circumvention

India's top planners have often commented that over-centralised, rigid hierarchies are a major drawback of Indian administration, particularly the development administration. However, the oft-made statement in Tamil Nadu that development programs cannot flourish without the active interest of more senior officers reflects the belief held there in the need for administrative hierarchy. Senior officials think that lower level officials, such as the Block Development Officers, would not, of their own accord, complete the tasks required of them. The Block Development Officers, in turn, feel the same way about their juniors in the development administration. Whenever I spoke with officials in Tamil Nadu, they would complain of the difficulties in "extracting" work from their underlings. Junior officials were never trusted to get their required work done, unless someone was standing over them with a whip. My research assistants found that this was not far from the truth, in that their arrivals at the block office when the BDO was absent invariably revealed most of the clerical staff and a large number of extension officers (if they were present at all) at their leisure.

Development policy is largely formulated by IAS officers, and they are also implementation supervisors from the district upwards in every state. The Indian Administrative Service, created in 1946 so that it would be operative at Independence, is the direct descendant of the old Indian Civil Service (the "steel frame" of Imperial Britain's bureaucracy), which in turn sprang from the East India Company's "civil servants" of the 1700s (Taub, 1969: 6). Britain's "steel frame," just as the IAS is today, was based primarily on generalist administrators renowned for their administrative skills. The IAS is unquestionably the elite domestic administrative cadre in India, as the seniormost officers of virtually all departments and the heads of state corporations are IAS. According to a former Chief Secretary of Tamil Nadu, there are about 328 IAS officers in the state, and between 800,000 and 900,000 non-IAS public
I observed in Tamil Nadu, as have others (especially Heginbotham, 1975), that there is a sharp
dichotomy in the behaviour of the state public service commission recruit, and the IAS officer. IAS
officers are, in essence, trained to be decision and policy makers. They should be analytical and
experimental, although, unfortunately, they do not seem to exercise these talents as often as they might.
The lower level, non-IAS, officer follows orders, fulfills targets as best he can, and is often treated as a
misbehaving child by his superiors. I saw this at a number of meetings presided over by senior
administrators and attended by Block Development Officers. The BDOs accept this behaviour at the
meetings, but one BDO told me angrily in private, "They [senior administrators] treat us like children!"
The non-IAS officer tries to please his superiors by fulfilling the targets they set him and within that
framework there is little room for him to be a planner or an independent thinker in terms of policy and
administrative rules.

The BDO pays heed to the demands of the more senior administrators that specified program
targets be met partly out of a sense of duty (see Heginbotham, 1975: 109), but more concretely because
they hold some control over job transfers, promotions, suspensions, and a number of other lesser
punishments (such as removal of the block jeep). The BDO, however, is not without his own resources
when it comes to interactions with the "higher officials," and employs intra-administrative resource
exchange to his advantage whenever he can. In one of the blocks I studied, the BDO and his DDO had
been under transfer orders which neither of them wanted. Because of a number of good political and
administrative connections developed over his years of being a BDO, the BDO was able to prevent both
transfers. The BDO in this case approached a senior administrator in Madras who had been a Collector of
Tiruchi District. During the senior administrator's time as Collector the BDO had developed a good
relationship with him which allowed the BDO later to ask him for help in preventing the transfers. The
DDO would then owe the BDO a favour such as preparing a positive report on his block development
office (which this DDO did) or about the BDO himself.

The local bureaucrat in Tamil Nadu is not as bound by the rules and norms of the rigid
administrative hierarchy as might appear on the surface. A useful phrase, "street-level discretion," which
comes from the Western public administration literature (Lipsky, 1980) can be applied loosely to the
Indian context as well. It leads away from the premise that a rigid hierarchy does not allow the junior
administrator to exercise his own judgement in implementing policy, nor respond to demands made by
those outside of the administrative hierarchy. As indicated above, an important source of "street-level
discretion" for the BDO is his set of connections with the political world. An administrator with close
political contacts may exercise more leverage vis-a-vis more senior administrators than the administrator
without, and is also more likely to ignore remonstrations from senior administrators.

An important example of discretionary administrative powers which the Block Development
Officer exercises lies in his shifting of funds between headings of the block budget. The BDO should
have clearance from the DDO or Collector to manipulate his budget, but in actuality the BDO may
present the supervising official with a fait accompli. One BDO told me that he had moved Rs 40,000

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14 IAS officers are recruited by competitive exam, and those successful are given a year long training course, an important part of
which is spent in a district of the state to which they have been assigned. For the sake of "national integration," for every IAS
officer posted to his/her home state, two IAS officers from other states are to be posted there as well. All IAS officers are assigned
to state cadres, but it is not unusual for them to be deputed to central government ministries (some spend most of their careers in
Delhi).
from the block's General Fund (LFD1) to his IRDP account, and then released it to a local bank for crediting to IRDP beneficiaries' loan accounts. He did this without the consent of the Collector but sent a letter to the effect that "I am sure your permission will be forthcoming . . ." Many BDOs, however, are forced to manipulate their block budgets just to pay office staff because the block is running at a deficit. It is not unusual for funds from development headings to find their way, at least temporarily, into general administrative accounts to keep the office functioning. In one block office I visited the BDO was having difficulty in keeping the block funds in order because the block accountant was shifting funds to pay contractors without the BDO's permission.

The physical distance between administrative offices also contributes to the local official's ability to exercise discretionary powers. A district is a large area. Tiruchirappalli, for example, is 14,291 square kilometres, and has a population of over 3.6 million. The distance from the district headquarters where the Collectorate is to the more farflung block offices is eighty kilometres and more, and travelling in rural India is a time-consuming proposition, even by jeep or automobile. Divisional offices are closer to the block offices of the division, but may be twenty kilometres away. Therefore, day to day supervision of the block development office is impossible, and the senior officials are often ignorant of the specifics of what goes on in the block. Phone contact exists between offices, but the phone service remains sporadic and cannot be described as a reliable form of communication. It is quite common for the Collector's office to issue telegrams to block development offices should urgent messages need conveying. Perhaps the knowledge that in practice it is difficult to supervise Block Development Officers contributes to the strident behaviour displayed by senior officials at meetings.

An administrative meeting I attended in 1985 was representative of this strident behaviour. It was chaired by Tamil Nadu's Director of Rural Development. This meeting was a Tiruchi District Review of rural development programs, and was attended by the staff of the DRDA, the Divisional Development Officers, the Block Development Officers and a number of their extension officers (the block development officials came with stacks of ledgers and files, so that they would be prepared should the DRD suddenly call on them to produce statistics). The DRD was highly critical of Tiruchi District's performance in a number of respects, and declared, "This district is just not responding to any instructions. I hold you PAs and DDOs responsible first. You are not exercising enough control over the BDOs." She also accused the BDOs of spending their time "running after politicians and not doing their work." She adopted a threatening, rather than encouraging, tone for the duration of the meeting, declaring there that she could suspend anyone on the spot for not doing their work properly.

The paragraph above illustrates the way in which administrative hierarchy manifests itself in Tamil Nadu's development administration. Senior administrators feel they must exercise control over their underlings to "extract" an adequate amount of work from them. The "underlings" seem to take up the challenge of avoiding the senior official's authority whenever and wherever possible. There seems to be little intra-administrative co-operation--mutual antagonism describes the norm better--to implement the state's rural development and poverty alleviation policies, although the officials do co-operate when it is in their interests to do so, such as to prevent transfers. The hierarchy is exercised in a limited way with senior administrators making their demands largely in terms of programs' quantitative targets. This, in combination with the distance factor mentioned above, allows the local administrator much discretion in responding to both administrative and political demands for policy resource allocations.
2.2.2. Targeting, Red Tape, and Staffing

In all parts of the Indian bureaucracy, there is excessive reliance on the "target" as an indicator of implementation performance. The main problem is that the quantitative target is virtually the only means by which senior administrators judge local administrative performance. If the local administrator is able to fulfill his targets then he is doing well, particularly if he achieves them for high priority programs such as family planning. This allows block administrators to take a cavalier attitude toward program rules. Since it is the quantitative rather than qualitative target which is emphasised, a program's targets may be reached without it bearing much relation in the village to the original policy design. In IRDP's case, for example, one-third of all beneficiaries must be women. In Lalgudi and Thuraiyur Blocks the appropriate numbers of female beneficiaries were "benefited," but our village interviews revealed that few women were in de facto control of the assets.

Another disadvantage of relying on quantitative targets is that it is easier to fabricate them than if some qualitative assessment were undertaken as well. "Fudging" data to show target fulfillment is a time-honoured way of pleasing superiors, and was certainly true of the development administration in Tamil Nadu when it had to meet targets for acreages sown with High-Yielding Varieties (see Chinnappa, 1977: 96). Senior administrators seldom check fulfilled targets for their veracity despite the existence of policy evaluation machinery at state-level, and so the deviations from the truth which exist in the Rural Welfare Officer's village-level statistics are compounded many times over before they reach the all-India level.

This is not to say that there are no spot or surprise checks on block performance for ERDP and other programs, but the checking which the Divisional Development Officer, for example, would do in a village is sporadic. Moreover, he may not choose a village for inspection at random, but rather at the behest of the BDO (especially if he and the BDO have a good relationship). Checks and audits are made much more frequently of the paperwork in the block office. I discovered, however, through working with block records followed up by village visits, that block records may be kept in order even while disorder prevails in the villages. For example, the neatly kept (in itself a rarity) IRDP subsidy register which balances with all the banks' records of subsidies disbursed gives little indication of the state of the program in the villages, excepting the number of subsidies which has gone to each.

A common complaint about virtually all administration in India is that it is ridden with red tape. The need for writing numerous reports is one aspect of it. The British introduced the "Tottenham System"--named after the Indian Civil Service officer who devised it--which kept the decision-making powers of the Indian officials at the lower levels of the bureaucracy to a minimum, while at the same time

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15If a BDO meets his family planning targets the Collector will not ask how he did it. An Indian Express, Madurai edition, story of 17 October, 1986 underscores this point. A widow in her late thirties died at a government hospital in Tiruchi District as a result of a tubectomy. She had been recruited for the operation by an RWO desperate to meet his targets.

16Rosselli (1971: 148) writes about local officials fabricating land revenue accounts in the 1820s.

17For NREP the block accounts of wages and materials spent on a project may balance, but that does not say anything about the actual state of the project, nor about whether all the workers' names listed correspond to a similar number of actual workers.

18Complaints about red tape are not confined to India. For a book on the subject in the United States, see Kaufman (1977) who observed (pg. 1), "Red Tape is everywhere and everywhere it is abhorred. How can any product of the human mind be so unpopular yet so widespread and so enduring?"
maximising their accountability.\textsuperscript{19}

The Tottenham System, still in use today, involves the annotation of files by every concerned clerk and officer, until the file reaches the appropriate seniormost administrator in the office who makes a decision on it (Heginbotham, 1975: 115). But red tape is an important bureaucratic resource in three respects. It provides (or, appears to provide) controls for those more senior in the hierarchy over subordinates, and is a means of making extra money for administrators who interact with the public. A BDO confessed to me that local development administrators often created artificial hindrances when making bill payments to contractors, for example, to extract a larger "cut" from them. Third, the BDO may use red tape to deflect people's demands which he cannot meet. (See Chapter Six for further discussion.)

The local bureaucracy's structural problems, especially those caused by staffing inadequacies, in implementing poverty alleviation policies have been the subject of concern in Delhi. It cannot be argued, however, that staff shortages are at the "heart" of administrative problems in India, nor do they explain why development policy resources do not reach the poor. In 1984 and 1985 two centrally-appointed committees to review the structure and functioning of the development administration tabled reports on the adequacy of the development administration for the development task. In June 1984 "The Informal Group to go into the Adequacy of Village Level Workers and General Structure of the Block" visited Tamil Nadu. They observed that block budgets had gone up from around six lakhs in the 1960s to 78 to 80 lakhs in the early 1980s, that block populations had gone up from an average of 66,000 to 100,000, and that there are far more schemes to implement now than in the Sixties. However, the sanctioned staffing levels in the block development office remain the same as they were in 1960. The group states (1984: 2), "There is an urgent need, therefore, for the strengthening of the block machinery, otherwise there will be a total collapse," but suggested rather limply that there be one VLW for every 5000 people, and that an Additional or Joint BDO be posted along with additional Extension Officers and clerical staff (Report of the Informal Group, 1984: 2).

The 1985 CAARD\textsuperscript{20} Report also suggests the need for staffing changes in the block office. It argues that with the "dilution" of Community Development, current staff levels are less than what they were in the 1950s, despite a central government scheme to restore block staffs to the same levels as the 1950s (Ministry of Agriculture, 1985: 20). The report's authors (1985: 21) go on to say that, "the sheer volume of work and funds now flowing in at the block level would necessitate a second look at the earlier schematic pattern evolved for the Community Development Programmes, assuming that even this had been fully restored." In other words, the CAARD report's authors suggest that even if the staffing levels of the original Community Development Blocks were put into effect, they would still be inadequate for today's blocks.

The "structure and style" of the development administration may be characterised in the main by rigid hierarchy (in theory, if less in practice), targeting, red tape, and staffing shortages. These characteristics are counter-productive for a bureaucracy which is supposed to be a dynamic agent of rural development, and have become heightened over the years since Independence. Adherence to targets is

\textsuperscript{19}As in the post-Independence period, however, pre-Independence lower-ranked officials, especially in the Collectorate, were able to circumvent the rigid hierarchy to their pecuniary advantage by establishing relations with locally influential people without the senior officials' knowledge (Frykenberg, 1965; Rosselli, 1971; and Washbrook, 1975).

\textsuperscript{20}Committee to Review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programs. It was chaired by the highly regarded G.V.K. Rao.
excessive, and red tape provides the administrator with a ready excuse to seek gain from the public, rich and poor alike. In fact, the senior administrators' emphasis on quantitative targets leaves the local administrator to adopt any method of implementation, as long as it results in the appropriate targets met in appropriate numbers.

Despite the desired changes in the basic functions of the development administration, from inducing community participation to increasing agricultural production to implementing poverty alleviation policies, no real attempt has been made to change its structure which still resembles that of the revenue administration, a bureaucracy whose main function is extraction. Furthermore, the development administration is something of a shadow of the revenue administration at the grassroots in Tamil Nadu because, as mentioned in Chapter One, Revenue has one Village Administration Officer posted for every revenue village (often the same size as the panchayat village) while the development administration generally has one RWO for a minimum of three or four panchayat villages.

2.3. Changing Responsibilities, Past Performance

In the heady, early days of Community Development and Panchayati Raj, Nehru and his Congress government saw the development administration as a crucial agent of change, inducing people to accept the ideology of development as their own. People's participation was the clarion call of the 1950s. By the Third Plan (1962), however, the Government of India was more concerned with increasing agricultural production, for which extension work was supposed to be the most important ingredient for success. The notion of community participation for development was dropped, as the state's emphasis shifted to inducing farmers to accept new methods of cultivation, new seeds, implements, and the like. Agricultural development took precedence over rural development. The "package program" of the Green Revolution heightened this emphasis, and Delhi's planners expected the administration to concentrate on extension work. It was only in the 1980s that the development administration was expected to pay much attention to poverty alleviation.

In the aftermath of the block administration's establishment and the introduction of the Community Development program, block officials had primary contact with the richer landholders as they found there was a demand for "community" works on their lands. The National Extension Service and later extension programs of the 1960s also saw officials interact primarily with the richer farmers. It was easier to convince them, as opposed to smallholders, to accept larger quantities of the new, high-yielding seeds along with fertilisers, thus making it easier for the officials to meet their targets. By the time the poverty alleviation programs were introduced on a larger scale in 1980, long-established patterns of interaction between officials and rural people had precluded the necessary increased contact between officials and the poor. IRDP's implementation also represents a continuation of these long-established patterns of interaction.

Both Byron Mook (1974) and Stanley Heginbotham (1975) working separately on the development bureaucracy in different districts of Tamil Nadu, (focusing especially on the block office which was then still in charge of agricultural extension work) showed that various agricultural policies, such as promoting the use of High-Yielding Variety (HYV) seeds, were implemented by way of resource exchange. Heginbotham argued that the Gram Sevak (now RWO) and other extension officers who visited the villages were most valued by the villagers in terms of the resources they could exchange, and became "centres of commercial exchange" (Heginbotham, 1975: 180). He (1975: 166) also argued that a Gram Sevak's or Agricultural Extension Officer's "most powerful strategy" in implementing policy lay in
using resources under their own control to stimulate farmer participation in unpopular programs." Mook (1974: 141) also showed that the block development staff could meet its targets more easily if there were some exchange of resources between the staff and wealthier rural public.21

2.3.1. Community Development to Green Revolution

One of the main ideas behind the Community Development Program, launched in selected districts in 1952, was that resources for development, including funds and labour, could be "mobilised" by the people themselves, and the planners envisioned, unrealistically, that the whole village would volunteer either labour or resources (or both) for rural works. Technical expertise, where required for local projects, would be provided by the development administration. If funding for the project were lacking, villagers could apply for some limited financial aid through the local development administration office. By the Third Plan (1961-1966) most of India's villages were covered by the Community Development program, and the country's districts all divided into blocks, but except in isolated cases Community Development was of little help to the nation's poor. (For an impressionistic but compelling account, see Nair, 1961.)

The National Extension Service (NES) began in 1954 in 112 blocks, but the Indian government decided that by 1961 the entire countryside should have NES blocks (meaning, in effect, having adequate extension personnel posted in the blocks, but the need for so many VLWs in such a short time resulted in both understaffing and the posting of inadequately trained personnel), and by that year their number had gone up to 3100 (Sussman, 1982: 73). The Community Development blocks had a greater variety of programs and more funding but because the planners wanted to cover the whole country quickly, by the Third Plan there was no longer a distinction made between the two types of blocks, with the blocks funded and staffed at the rate for the less intensive NES program (Sussman, 1982: 73-74).

Nehru and India's planners saw Panchayati Raj, which began in the states of Rajasthan and Andhra Pradesh in 1959, as a necessary complement to Community Development. The rural works and general village improvement programs were to be planned by the villages' elected panchayats which would thus be instruments of community participation. Importantly, the planners believed that if enough people were to participate in the development process, possible inefficiency and corruption in the development administration would be kept to a minimum (First Plan, 1952: 145-46). The panchayats did not operate, however, (except in rare instances) as instruments of development not the least because the state governments actively curtailed their sources of funds because they were seen, especially in the form of the Block Chairmen, as a challenge to state politicians (Ministry of Agriculture, 1985: 40). In the late 1970s the centrally-appointed Ashok Mehta committee studied the panchayats' operation and concluded that (1978: 6):

Panchayati Raj institutions are dominated by economically or socially privileged sections of society and have as such facilitated the emergence of oligarchic forces yielding no benefits to weaker sections. The performance of PRIs has also been vitiated by political factionalism, rendering development thrusts either warped or diluted. Corruption, inefficiency, scant regard for procedures, political interference in day-to-day administration, parochial loyalties, motivated actions, power concentration instead of service consciousness—all these have seriously limited the utility of Panchayati Raj for the average villager.

As the above quotation indicates, the Panchayati Raj institutions have been dominated by the rich peasantry. They, in turn, have established close relations with the local administrators to gain control of

21 It has been well-established that in the Sixties and Seventies, for example, the development/agricultural extension administrators met their targets for acreages of High Yielding Varieties seeds largely by falsifying statistics, but also through exchanging resources (for agricultural production) with the rich farmers for money and/or other considerations such as help with non-agricultural programs (Chambers and Wickermanayake, 1977: 163-4 and Chinmappa, 1977: 96-7).
the available resources under the latter's control. Rather than preventing or curtailing administrative corruption and promoting an administration which would be responsive to the needs of a broad range of villagers, the panchayats had the opposite effect in most cases. Community Development never received enough funding or administrative impetus to get off the ground, and Gram Sevaks quickly found that the targets for "community projects" could be most easily met by narrowing the definition of "community" to village elite. This spilled into extension programs as well, and improved agricultural techniques and inputs found their way onto the rich peasant's lands first.

India's planners realised with a shock in the aftermath of the Census of 1961 that the country's population growth was much higher than any of their earlier calculations had led them to believe. The high population growth rates and low agricultural growth rates caused the planners to renew their interest in raising agricultural productivity. That interest had lagged behind concerns with rapid industrial growth in the Second Plan. Thus, the Ford Foundation team's suggestion in 1961 that the Intensive Agricultural Districts Program (IADP), the immediate precursor of the Green Revolution, be adopted was eagerly accepted in Delhi. It represented a radical departure from Community Development programs as it focused on India's most productive districts with the aim of increasing their already comparatively high productivity. In administrative terms, this was to be accomplished by doubling the number of Village Level Workers from ten to twenty per block. The extra VLWs were to ensure that farmers used higher quality seeds and greater amounts of fertiliser which, along with institutional credit, were to be made more easily available to "all farmers" (Third Plan, 1961: 316).

With the failure of Indian agriculture to withstand the exigencies of two poor monsoons (1965-66 and 1966-67), the planners needed urgently to arrive at answers to India's food crop production woes. They saw salvation in the Green Revolution and the "package program" of inputs consisting of improved High Yielding Varieties (HYVs) of seeds along with adequate water, fertilisers, and pesticides. The package program has been of greater benefit to larger landholders, despite the insistence by agricultural economists that it is not biased against smallholders and that they are more "efficient" and hence more productive users of inputs than largeholders. Largeholders are more easily able to purchase adequate amounts of the expensive inputs such as fertilisers and pesticides, and have better access to assured sources of irrigation. As Harriss (1987b: 4) points out, even in the heart of Green Revolution areas (he refers to Punjab and northern Tamil Nadu) the incomes of "adopting" marginal and small farmers and of agricultural labourers remain at the poverty line.

2.3.2. Poverty Alleviation to the Fore

In some parts of India in the late 1960s, notably Naxalbari District in West Bengal and Tanjavur District in Tamil Nadu, there were violent altercations between landlords and landless agricultural labourers which led to widespread speculation that the Green Revolution would turn "Red" (see Sharma and Gough, 1973). This eventuality did not occur, but the violence in Tanjavur and Naxalbari, in combination with a number of important political events in the late Sixties and early Seventies, such as the split in the Congress Party, caused poverty alleviation to be brought to the political foreground by

22The Green Revolution was, however, a "revolution" only in the sense of increased wheat production, particularly in the states of Punjab and Haryana. While yields in rice have increased as well, they have not been as dramatic as the increases found with wheat. In fact, observers have noted that rice yields increased by more from 1949 to 1965 than from 1967 to 1985 (Harriss, 1987b: 1 citing Agricultural Situation in India, January 1986).

23There is a major, and unresolved debate in India about the "efficiencies of scale" in agricultural production. For a recent addition, which includes class analysis, see Athreya et al. (1986).
Prime Minister Indira Gandhi. The 1971 general elections, after four years of shaky Congress rule and the split of the Congress Party, saw Mrs. Gandhi win a two-thirds majority of seats in Parliament after a campaign in which she raised the cry of *Garibi Hatao*—Abolish Poverty. Mrs. Gandhi's decision to seek the bulk of her support from the "weaker sections" of the rural areas for the election campaign of 1971 had a good reason—according to a Government of India report, smallholders and agricultural labourers together represented 76% of total rural households (Fourth Plan: 149).

The development administration's list of responsibilities underwent an important change with the introduction of poverty alleviation programs in the early 1970s, but especially from 1980 onwards when these programs were introduced on a larger scale and with greater publicity. Moreover, as mentioned earlier, from 1982 onwards the development administration in Tamil Nadu was divested of its responsibilities for agriculture. Consequently, the RWOs and BDOs were suddenly to switch their efforts from agriculture to poverty alleviation. Central planners, with little heed to the local officials' possible difficulties in changing emphasis quickly, again raised community participation as an achievable ideal, although differently than during the height of Community Development in the 1950s. There were no more attempts at "consciousness-raising" of the broad mass of villagers, but rather people were invited to participate in specific development programs, such as IRDP and NREP, especially on a family basis.

The Seventies saw a renewed emphasis on "programs for the people" after the high technology strategies of the Green Revolution, but this emphasis was much more rhetorical than substantive, and it was not until 1980 and the beginning of the Sixth Plan that as much as 5% of Plan outlays was directly allotted to rural poverty alleviation. India's Fourth Plan (1969-1974), however, was a self-avowed break from the trends of the earlier three plans. Mrs. Gandhi wrote in her introduction to the Fourth Plan (July 1970) that "The Fourth Plan . . . provides a necessary corrective to the earlier trend which helped particularly the stronger sections in agriculture as well as in industry . . . " (Fourth Plan, 1970: v). Therefore, in addition to devising "area programs" (Drought-Prone Area Program, Command Area Development Program, Desert Development Program) to remove regional imbalances, a new program to help poor cultivators was also developed called the Small Farmers Development Agency (SFDA).

The SFDA arose directly from the recommendations of the All-India Rural Credit Review Committee in 1969 (Fourth Plan, 1970: 149 and 221) which favoured the provision of additional institutional credit to small cultivators (owning/controlling up to two hectares) who constitute 52% of rural households, and whose potential for output increases was as yet untapped. Also underlying the central planners' concern that over fifty percent of rural households were inadequately represented on bank and co-operative loan records was the fear, mentioned above, that the Green Revolution could turn "red." This concern was expressed in the Fourth Plan (149):

...the pattern of landholding is such that only about 19% of the cropped area is comprised within small holdings. In this uneven situation, the new agricultural technology tends to add a further dimension of disparity between those who have the resources to make use of it and those who have not. There is thus the danger of emergence of a sharp polarisation between the more privileged and less privileged classes in the rural sector [emphasis added], the privilege in this instance relating to the resources and tools of development.

Mrs. Gandhi's Emergency, declared on June 25, 1975, was presented as a major step in the fight against poverty. Her main justification for it was that foreign elements and divisive forces were at work in the country (Hart 1976: 29). These "forces" were derailing the government's programs of development.

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*Garibi Hatao* has since been used extensively as a catch-phrase in India, particularly by academics writing about poverty alleviation policies.
particularly those in aid of the country’s poor. It required the Emergency to ensure Garibi Hatao’s implementation. To help prove her point that the Emergency was to pick up the pace of economic growth and to put greater emphasis on removing inequality, Mrs. Gandhi instituted the “Twenty Point Economic Programme” from July 1, 1975. On the order of 50% of the states’ outlays under different headings, such as land reforms, irrigation, and minor irrigation were now deemed to be included under the Twenty Points (Fifth Plan, 1976).25

The Twenty Points included declaring bonded labour illegal, providing more housesites for the rural landless, planning to liquidate rural indebtedness with a moratorium on the recovery of loans from landless labourers, and a review of laws on minimum agricultural wages. Mrs. Gandhi’s Twenty Points did not represent a new departure in rural development. In fact, bonded labour had already been declared illegal in the Constitution of India (Blair, 1980: 256), and land reforms had long been advocated as a strategy to promote greater equality in the rural areas. Significantly, as Harry Blair (1980: 256) argues, none of the Emergency reforms aimed at the rural sector "was undertaken in more than a rhetorical way." He reasons (1980: 254-55) that the Emergency did not change "the existing reality" of the "the consistent ability of dominant elites to maintain their position in the system." The Emergency may have appeared to make major changes to the nation’s administration (the trains ran on time and public servants arrived at their desks punctually), but it did not attempt to change the underlying relations between administrators and local, especially rural, elites.

"Minimum Needs" appeared in India in the mid-1970s and like the Twenty Points, does not represent anything new in Indian development policy planning, nor does it necessarily represent increased expenditures under these particular headings.26 The Minimum Needs program is infrastructural in focus and includes eight components which are: 1. Elementary education 2. Rural health 3. Rural water supply 4. Rural roads. 5. Rural electrification 6. Housing assistance to rural landless labourers 7. Environmental improvement of urban slums 8. Nutrition (Planning Commission, 1982: 29). When I asked BDOs about their responsibilities in the block, they did not mention Minimum Needs. This gives emphasis to the idea that Minimum Needs may be more for public consumption than for effective implementation. Some of the policies which are under the block’s purview are included under Minimum Needs, but this is an accounting procedure rather than a means by which a sense of urgency is lent to the need to implement them. Part of NREP’s expenditure, for example, could be placed under point 1 (school buildings), 3 (well-deepening), 4, 6, and even 8 because wages for labourers are to be paid partly in food grains.

The Morarji Desai government’s (which only lasted from 1977 to 1979) Sixth Plan (1978-80) is noteworthy for its introduction of two poverty alleviation programs which were later expanded in the 1980-1985 Sixth Plan. They were the Food for Work Program (renamed the National Rural Employment Program in 1980) which started on a nationwide scale in April 1977, and the Integrated Rural Development Program which replaced the SFDA projects of the 1970s. Two programs similar to IRDP and NREP introduced during the Sixth Plan (1980-85) (and continuing in the Seventh–1985-90) are: 1) 

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26Minimum Needs likely received emphasis in the Seventies because of Western aid agency concerns with "basic needs," (Ruttan, 1984: 377) although some Indian planners had stressed the overriding necessity of meeting people’s minimum needs as early as the 1950s, and they circulated a report in 1962 entitled in part, "Implications of Planning for a Minimum Level of Living."
the Rural Landless Employment Guarantee Program (RLEGP) which is also a food for work program, and implemented partly through departments like Public Works and Soil Conservation and partly through the development administration, and 2) the Massive Program of Assistance for Small and Marginal Farmers (otherwise known as "Massive") which is a continuation on a minor scale of the SFDA as it is supposed to provide subsidised loans for specifically agricultural production purposes (land improvements and minor irrigation). "Massive" is also implemented through the development bureaucracy, although in Tamil Nadu it no longer does agricultural work.

Tamil Nadu, as the other states, has developed some policies outside the purview of the five year plans, and which the block administration is also responsible for implementing. Two development policies in the state are, for example, the Self-Sufficiency Scheme (SSS-nicknamed the Self-Satisfaction Scheme because of the reportedly large profits made by both contractors and officials involved in it) and the ongoing Nutritious Noon-Meal Scheme (to provide lunches to needy school age children and old age pensioners throughout the state). The SSS was implemented for only three years (1980-83), and was an intensive rural construction works program which resulted in a large infusion of money (equivalent to about half of what the block budget would have been otherwise) for the block office to disburse. The works were all undertaken on a contract-basis, and the ones I visited in Lalgudi Block (bridges over irrigation canals) had never been completed and are unusable. The NMS was started on a large scale in 1982. A midday meal scheme has long existed in Tamil Nadu, but it was not a major program until the 1980s when the Chief Minister, M. G. Ramachandran, took a personal interest in the program and had it much enlarged.

The Self-Sufficiency Scheme mentioned above highlights the major practical implications for the block officials in the changeover from agricultural extension to poverty alleviation--more money to spend in the block and more targets to meet. The senior administrators' and top politicians' anti-poverty rhetoric as exemplified by the preface to the Sixth Plan,27 has little to do with the realities of the Block Development Officer's environment in the block. While the senior administrators talk about "effective attacks on poverty," the local officials do what they can to meet their targets. In that respect there is little change from Green Revolution to poverty alleviation; in both cases the BDOs are given sets of targets to meet, and in both cases the BDOs have established exchange relations with the village elites to meet those targets as quickly, and with the most in return, as possible. As argued in this section, the Emergency had no effect on the relations between rural vested interests and officials, and there is little reason to expect that poverty alleviation rhetoric in New Delhi would have much greater effect.

2.3.3. Family Planning

I include a discussion of Family Planning because it is so prominent on every block's list of responsibilities and block officials always list family planning as the top-priority program for them to implement. Moreover, it is an anomaly in terms of resource exchange as not only is it impossible for the administrators to make profits through its implementation, they have to pay people to elicit their participation. The family "welfare" program causes the Gram Sevak, the official primarily responsible for its implementation, more difficulty than other programs, but still he spends much time with it. The program entails convincing couples with two or more children that the wife should have a sterilisation

27See especially page xix, "Its [Planning Commission's] overriding concern has been to give practical shape to the nation's collective will for using all the latent resources and energies of the nation for an effective attack on poverty, unemployment and inequalities."
operation. People’s reluctance to accept sterilisation operations, which include fears that the operation has permanent debilitating effects on the woman’s strength, causes the local development officials’ great difficulties in meeting the program’s targets.

The family planning program’s importance in Tamil Nadu is directly related to one of the seniormost administrators in the state government. A former Chief Secretary, and now head of the State Planning Commission, Mr. T. V. Antony, considers the family planning program to have a crucial role in the success of the country’s economic development. Prior to becoming Chief Secretary, Antony was Additional Chief Secretary, and had been concerned with the family planning program since his days as a Collector in the 1970s.

The concerns of this senior administrator have become translated into the observation by the centrally-appointed "Informal Group to go into the Adequacy of Village Level Workers" (1984: 2) that as much as 85% of the Village Level Worker’s time "has been taken by the Family Welfare Program." The family welfare program is largely the responsibility of the District Collectors, and so program targets are set for both the revenue and the development administration, although they are highest for the block officials. One of my respondents, a former BDO and now a DDO in a neighbouring district, complained that BDOs could easily get away with administrative malpractices as long as they met their family planning targets. This is, perhaps, an exaggeration, but it does give an indication of the importance attached to the program by senior officials.

In the development administration the person who must ultimately meet the targets is the RWO (VLW), and there is intense administrative pressure on him to find “acceptors.” The RWOs universally complain about needing to do family planning work, saying that they are set an impossibly high target of 40 “cases” each per year. Not only must the RWOs find “acceptors,” they must accompany them to the Government Hospital in the district headquarters, provide meals and cover transportation costs for the accompanying relatives, bribe various of the hospital personnel so that the “acceptor” need not wait for hours for the operation, wait at the hospital until the operation has been completed, and bribe the “acceptor” with more money and gifts than provided under the program (at about Rs 120 in 1985). The RWOs say that their problems are compounded by the village revenue officers’ (VAO) need to find cases as well, and that the competition for cases between the two officers drives up the acceptors’ asking price (sometimes to Rs 500), especially at the end of the financial year when the officials are most desperate to find “acceptors.”

The family planning program provides a good example of the powerful effect which top administrative pressure can have on the officials at the local level. When this administrative pressure is prolonged and intense, it has an effect on the block administrator which is as strong as that wielded by politicians, especially the Block Chairmen and MLAs. Therefore, while family planning is anomalous in terms of local administrative resource exchange with political actors, it is consistent with intra-administrative resource exchange. To repeat one of my informants’ views: BDOs can get away with any sort of administrative malpractice as long as they meet their family planning targets.

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28No other form of family planning is practiced to speak of in Tamil Nadu, and women who said they had “had family planning” meant that they’d had a tubal ligation or equivalent.

29Antony’s effects on the state’s propagation of the family planning message are renowned. It is impossible to go more than two kilometres along virtually any road in Tamil Nadu without being confronted with a family planning message. Also, all publicly owned transport vehicles bear family planning slogans.

30Family planning has led to the unusual situation of one policy fueling corruption in the implementation of other policies. If an RWO needs to give an “acceptor” and her family Rs 500, he will have to find the money somewhere--certainly not his own pocket.
2.4. Conclusion

The continuing need for changes in rural development policies over the years since Independence underscores the lack of ameliorative impact these policies have had in the rural areas. The state has only directed a limited amount of resources to its rural poor--never more than 5% of its plan outlays--and no more than a limited percentage of these few resources injected into the rural areas have reached, and helped, the poor. During the British era agricultural credit co-operatives quickly became dominated by the rich peasantry (Robert, 1979), and since Independence "vested interests" have controlled the impact of programs in the rural areas--from Community Development and Panchayati Raj to SFDA to NREP and IRDP. It was assumed for too long in India, and was politically and economically expedient to believe, that increasing agricultural production would lead automatically to the eradication of rural poverty.

These policy shifts, however, have not been accompanied by changes in the local administration's style of implementation which has seen the block officials, from Village Level Worker to Block Development Officer, interact primarily with the rich peasantry, thus ensuring that they are the major recipients of policy resources. The linear development policy and management administration literature also examines the policy and administrative context, but not as I have done here. For example, its authors are more likely to accept the existing development administration hierarchy without exploring how it might be circumvented by administrative juniors. They might point to understaffing as a major cause of "poor" implementation without seeing that increasing the staff in the block is unlikely to change the administrator's policy resource exchanges with the resource wealthy. They seldom analyse "red tape" in terms of it as a valuable resource for the administrator. Moreover, management development authors have missed the broad-ranging set of informal, often semi-private, relations among administrators themselves and between administrators, politicians, and villagers. These relations tell us the most about the ultimate effectiveness of the state's interventions to promote rural development.

In the next chapter I include an extensive discussion of the political-economic environment of the local development administrator which leads him to become a policy resource trader. Administrative resource exchange in Tamil Nadu's local development administration flies in the face of the "common wisdom" that this behaviour would not be possible given the rigid hierarchy of the development administration, and the plethora of specific program targets that need to be met within a framework of equally specific program rules.
Chapter 3
Resource Exchange in the Block: BDOs, Contractors and Politicians

The main purpose of this chapter is to demonstrate that the most important cause of local administrative resource exchange lies in the socio-economic and political environment of the block. I will discuss the local administrator's, especially the Block Development Officer, "environment" in terms of the effects it has on his disbursal of policy resources. I argue that the local development official's set of interactions with the actors of his environment, especially rich peasants and politicians, can best be explained in terms of exchanging policy resources. These interactions tend to exclude the poor, even from policies of which they are the "primary beneficiaries." It will be further argued in Chapter Five that the block administrators' exchange relations have a determining, and negative, effect on the impact of the Integrated Rural Development Program in the block's villages.

The local administrator trades the state's policy resources at his disposal to maximise his time, earn resources for his personal use (especially money), and minimise his vulnerability vis-a-vis politicians and senior administrators. The local administrator's vulnerability has a profound impact on his behaviour. He is financially vulnerable because of cost requirements in terms of, for example, hosting administrative superiors' visits to the block, paying for publicity functions for the politician, and for his own "life-cycle" events such as offspring's weddings. He is vulnerable in a career-sense in that rapid transfers are a prominent (as prominent as promotions are rare) feature of the development administration. The Block Development Officer who does not comply with the politician's demands may quickly find himself in a "backward" area.

The previous chapter and this one together examine two layers of the development administration. In Chapter Two I presented the more obvious, outer layer of the administration although showing some of the administrators' interactions which are often hidden beneath it. In this chapter I present much more of the inner, often semi-private and semi-legal, layer of the local development administration which is largely untouched by development management studies. The evidence presented in this chapter is based on extensive coverage, mostly through interviews, of local politics and administration in Lalgudi and Thuraiyur blocks of Tiruchi District. I argue that such factors as the pressures MLAs put on block officials, have an important, indirect, effect on administrative behaviour in terms of poverty alleviation policy implementation. These data underscore the argument made in Chapter One that prescriptions for administrative reform, such as decentralisation of administrative hierarchies, are unlikely to have an ameliorative impact on the local administration's allocation of poverty alleviation policy resources. Moreover, the reinstitution of the village panchayats, often with Presidents who have particularistic interests, is equally unlikely to have much of an impact on administrative behaviour, especially when the Presidents themselves engage in lucrative resource exchange and sharing with the block officials.

The development administration is in itself a resource of crucial importance to the MLA, and as
will be explained the BDO can almost be likened to a partyworker for the MLA. The single most important resource under the local development administration’s control is the money made available for construction projects. As a result of politicians’ concerns about contract works, almost to the exclusion of any other program in the block, IRDP is pushed down the Block Development Officer’s list of priorities. Rather than receiving the major attention it requires in order to be implemented according to its rules of implementation (examined in the next chapter), it receives the minimum amount of time required to ensure that its targets are met. Family planning, as argued, is an exception to this pattern, but that is because of the intensive administrative pressure to meet its targets. Because the block administrator himself is a valuable resource for the MLA, the latter even worry about the posting of RWOs since they do not necessarily favour the MLA’s supporters. Understandably, s/he (the MLA) exploits his/her administrative resource as much as possible. In his search for a reduction in vulnerability, the BDO does what he can to comply with the politician’s demands, although he also employs some resources in a defence against excessive demands.

3.1. Politicians and the Administrative Transfer

The transfer, already a “rapid transfer” in British India, is one of the most prominent features of India’s administration, and is a major contributor to the local administrator’s need to be a resource trader (often a corrupt one) (Frykenberg, 1965: 72; Washbrook, 1975: 31, and my reading of Tiruchi District’s pre-Independence list of Collectors showed that they were unlikely to stay in the district longer than eighteen months). Robert Chambers (1983: 213) refers to the transfer as “the slipping clutch” of development projects and programs. The idea in British India was that the generalist administrator did not need to be in any one place for long, as with his generalist’s adaptability, he could easily fit into any new posting. Administrators now find themselves in posts for as short as six months, and it is rare to find anyone in a post for longer than two years. Part of the rationale for the rapid transfer in post-Independence India is that it would prevent administrators from developing vested interests in a particular locale. But in light of political demands on local bureaucrats, this rationale has been defeated, and bureaucrats develop “vested interests” with amazing rapidity, sometimes even before they reach a particular area.

Administrative vulnerability in the matter of transfers is caused by the administrators’ understandable reluctance to spend any time in "backward" blocks. Even a district like Tiruchirappalli which is not especially "backward," has blocks which are far distant from Tiruchi, from any major roads, and which have villages (as small as 4500 people) as block headquarters. Moreover, it is possible for an MLA to have a BDO punished by transferring him to a district which has been designated "backward." Moving a family to such a place would be disruptive (educational facilities, for example, would be minimal), and the BDO may choose to leave his wife and children in a larger centre while working in a "backward" area, trying all the while to effect a transfer to a more desirable location. The other problem in being transferred to an economically poor area is that the money-making potential for the BDO particularly in the form of contract resource sharing will be curtailed. This would make it difficult for

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1 In this way, the RWO’s has become a politicised administrative post as well. Many village respondents complained that the RWO favoured only one party’s or faction’s supporters in the village (whether it was true or not) and in some of the villages we visited the current RWOs were persona non grata because of their alleged political biases.

2 In one of the two blocks I studied, it was widely rumoured among the local contractors that the incoming BDO had paid the MLA Rs 5000 in order to be assured of the posting in that block. Bjorkman (1979: 99) also discusses block and district administrators’ complaints that they must pay politicians for transfers and promotions.
him to amass sufficient funds to buy himself into a better posting.  

The development administration vests much authority in senior administrators, and a less clearly demarcated but equally important amount of control is vested in politicians. MLAs in India have a great deal of control over transfers of officials who are posted within their constituencies, and now that elections have been held for the local bodies in Tamil Nadu, the Block Chairmen are also asking the Collector to have RWOs and BDOs transferred. The difficulties for the block staff in satisfying political people will have greatly increased in light of these elections which resulted in many blocks now having opposition party Chairmen and ruling party MLAs (the panchayats' term of office is only three years, however).  

If an MLA is unable to convince the Collector of the necessity of transferring the offending administrator, the MLA will next, perhaps, approach the Collector in the company of a number of other district MLAs or appeal directly to more senior politicians in the governing party who in turn will approach an administrator like the Director of Rural Development to secure the transfer orders. Although the MLAs' and Block Chairmen's reasons for wanting transfers almost always have to do with their concerns about their supporters being favoured in adequate numbers, they couch their demands in a far different vocabulary which includes words like "inefficiency" and "unresponsiveness to people's demands."

An ex-DRD confessed that political demands for BDOs' transfers are an administrative headache. The Minister might phone his DRD in the morning to request or demand a transfer and then check back the same day to see if the transfer order had been completed. "How," the ex-DRD mused, "could I check on the legitimacy of such demands?" Politicians also have some say in administrative promotions and suspensions. One BDO told me that he owed his promotion from Extension Officer (Industries) to Block Development Officer in 1974 to M. Karunanidhi, leader of the DMK and then Chief Minister of Tamil Nadu.

The Block Development Officer and his staff are often at the mercy of their local MLA. If s/he is particularly demanding and difficult to satisfy, the block office staff may look forward to a reign of terror. If not, some of the staff may find themselves with improved opportunities for promotion or, transfer to a more desirable location. The local official must respond to two masters, an administrative one and a political one, but there are more immediate, and adverse, consequences (immediate transfer to a "backward" block, physical threats) for the BDO if he does not satisfy his political master. At one of the divisional meetings I attended, the DDO told the BDOs and other block officials present that if they did not meet their targets for drinking water projects they would be subject to a lot of "pressure" and/or "trouble" from the MLAs. In other words, the DDO strengthened his admonishments by adding the weight of the politicians' potential wrath. (For critical discussions of political control over the administration, see Khan, 1973 and Bhambri, 1982.)

3 Although Wade (1985) discusses lower officials' payments for transfers to more senior officials in a south India irrigation department, I have no evidence (not even circumstantial) that this occurs in Tamil Nadu's development administration.

4 Elections to Tamil Nadu's village and town panchayats, municipalities, and for Panchayat Union Chairmen were held in late February 1986 after a lapse of sixteen years. The elections for Panchayat Union Chairmen and the latter two civic bodies were held on a party basis. For these elections, then, the ruling All-India Anna Dravida Munnetra Kalagham (AIADMK) formed an alliance with the Congress (I) while the opposition Dravida Munnetra Kalagham (DMK) fought the elections with the two Communist Parties and the Muslim League. For the municipalities, the DMK won 64 of 97 councils, with its allies capturing another 4 seats while the AIADMK won only 11 councils and the Congress (I) another 11. In elections for Panchayat Union Chairmen, the AIADMK won 129 seats and Congress (I) 68. The DMK won 138 of these posts, while its allies picked up another 13 seats. For the town panchayats (information available for 417 of 428 councils), the DMK won 181 panchayats, its allies 33, while the AIADMK captured 117 town panchayat councils and Congress (I) 86 (Indian Express, Madurai edition, 28/2/86).

5 When I was in Tamil Nadu in 1985, I heard about disgruntled MLAs threatening to have, or having, BDOs beaten because of their distribution of and payment for contract work. One block was without a BDO for several months because no one wanted to be posted there in wake of the ill-treatment meted out to the previous BDO by the MLA.
A difficulty for the BDO lies in the politicians having favourites among the RWOs, because the RWOs who are favourites do not respond to administrative remonstrations from the BDO. Because of pressures from politicians, certain RWOs will be given charge of more villages than the other RWOs. In Lalgudi, for example, one RWO, a politician's favourite, had thirteen villages in his group while four RWOs in the block had only four villages each, and two had only three each (the populations under each man's jurisdiction varied from a low of 6600 to a high of 22,000.) In return for more villages he is supposed to favour the politician's supporters in his group. This is an important example of resource exchange between a low-ranked official and a powerful person external to the administration which allows the junioirmost official in the office to avoid the authority of the seniormost. The example of RWO-MLA resource exchange is important, for it shows how an official at the bottom of a hierarchy can use external connections to circumvent that hierarchy. BDOs also do the same thing. They help the MLA's major supporters in the block, host impressive functions for the MLA, and ultimately pay him/her directly in return for a desirable transfer or even a promotion. The BDO's connections with the politician, for example, would make it difficult for the DDO to exert much authority over the BDO. If the BDO's political connections are good enough he would not only be able to ignore the DDO, he may be able to convince the politician to have him (the DDO) transferred if he is too critical of the BDO. (This is not as farfetched as it sounds. I know of one instance where a PODRDA was transferred for suspending the DRDA driver.)

The First Five Year Plan's authors, presumably with Nehru's concurrence, raised as a spectre the potential for corruption in all areas of the administration. Their warnings bear repeating here:

The influence of corruption is insidious. It not only inflicts wrongs which are difficult to redress, but it undermines the structure of administration and the confidence of the public in the administration. There must, therefore, be a continuous war against every species of corruption within the administration as well as in public life generally and the methods to root out this evil should be constantly reviewed. (1951: 115).

With the apparently increasing political corruption in the post-Independence years, however, administrative corruption is a systemic reality. My interviews with people at every level, from the village to senior administrative offices, pointed to increasing political and administrative corruption in Tamil Nadu in the twenty years since the DMK, and subsequently AIADMK, took office, but this observation must remain an impressionistic one. My impressions, however, are given weight by the following quotation of Indira Gandhi's:

If there is unanimity about anything it is in regard to inflation and corruption. Both are increasing and both are eating into the vitals of our society. Inflation is statistically provable, corruption is not—but its pervasiveness is felt. (Quoted in Kurukshetra, Vol. 29, No. 20, 1980.)

According to a former Collector, the BDO in Tamil Nadu must be corrupt to survive as a BDO, and there is no doubt that the politically shrewd BDO has the best chance for career survival and advancement. I know of one BDO, however, who "overplayed" his political cards by trying to favour all of the most important political people (belonging to different parties) in his block, thereby satisfying none. He was subjected to Central Bureau of Investigation (CBI) inquiries (called for by a disgruntled political party representative in the block) of his sources of income, and was eventually transferred from a "forward" block near Tiruchi to Ramanad District, considered one of the most "backward" areas of Tamil Nadu.
3.2. Politics and the BDO

In the immediate post-Independence years India's leaders felt that political control over the bureaucracy would be an important corrective to the latter's years of servitude to colonial masters. Ironically, the situation has now been reversed and many observers in India (Bhambhri, 1982) feel that some corrective is needed for political control over the bureaucracy. In this section I will explain the type of relations which political people have with the Block Development Officer, particularly in relation to building contracts which are the MLAs' and Block Chairmen's main area of concern. The BDO's success in a block in Tamil Nadu depends more on his astuteness in distributing contracts than on his ability to devise a block economic plan or to implement a policy like IRDP. The BDO is like a partyworker for the MLA in his distribution of contracts, because he is generally partial towards the MLA's supporters in the block in exchange for hoped for favours from the MLA.6

The ruling party in Tamil Nadu is the All-India Anna DMK (AIADMK) formerly led by M. G. Ramachandran (known as "MGR" in Tamil Nadu), an ex-film star.7 MGR broke away from the then-ruling DMK in 1972, and his party won the next state elections held in 1977. MGR and the AIADMK have held power in Tamil Nadu ever since. The DMK, one of the first "linguistic nationalist" parties in India, is the main opposition party in Tamil Nadu. It held power in the state from 1967 to 1977, and has been led by M. Karunanidhi since 1969. The third main party in Tamil Nadu, loosely allied with the AIADMK, is the Congress (I),8 the ruling party at the national level in India.

Political parties in Tamil Nadu are factionalised, and in the ruling AIADMK there are at least three identifiable factions. These factions can cause difficulties for the BDO when the different factions are represented in the same block. In one block I studied, for example, the Town Secretary of the AIADMK supported one party faction leader and the current MLA, while the former MLA supported another leader and is a rival of the current MLA. Both the Secretary and former MLA were powerful in terms of having contractors allied with them, and two BDOs were transferred out of the block in rapid succession because they could not find the appropriate "blend" of contract disbursals to keep the two sides satisfied.9 The party factions exist primarily among Cabinet Ministers, ordinary MLAs, and among party bureaucrats down to senior party workers in the block, rather than extending to the villages.

The literature on Indian administration and public policy tends to suggest that the politician's control extends widely in his constituency and that he will have a determining influence over the flow of

6The rural legislative constituency is generally the equivalent of two or three blocks (one taluk) in Tamil Nadu, with its boundaries generally coinciding with block boundaries, so that two MLAs representing one block is a rarity. Because the constituency consists of two or three blocks, the Block Development Officer "shares" the MLA's full set of demands with at least one other BDO. Both of the blocks I studied are part of two-block constituencies, (one with an AIADMK MLA and the other with a Congress (I) MLA) The Congress (I) MLA's election was quashed by the Madras High Court in 1986, as his name did not appear in any electoral list in the state, and in his nomination papers he had fraudulently misrepresented himself as another person by the same name whose name is on the electoral roll for the constituency. Presumably, his nearest rival, a member of a very small party in Tamil Nadu, would have been declared elected (Indian Express, Madurai edition, 24/4/86).

7MGR died in December 1987, and his widow Janaki took over as Chief Minister. However, opposition mounted and President's Rule was imposed in Tamil Nadu in early 1988. As I have not been back to Tamil Nadu in the advent of MGR's death, I confine my "politics" discussion to the period prior to his death.

8"I" stands for Indira.

9Upto MGR's death the two principal faction leaders in the AIADMK were a deposed (by MGR in October 1986) Cabinet Minister, R. M. Veerappan, and one of MGR's former "leading ladies" and now a Rajya Sabha (federal upper house) member and AIADMK Propaganda Secretary, Jayalalitha. The faction leaders all claimed allegiance to MGR, and each took an "I am closer to him than you are" attitude. In Tiruchirappalli District there were three important Cabinet Ministers, two of whom were identified with the separate factions mentioned above. The Tiruchi Cabinet Minister, Mr. N. Nallusamy, who was loosely aligned with Veerappan in his opposition to Jayalalitha, was also dropped from the Cabinet in October 1986.
benefits into villages (Hadden, 1980: 181-83). Given the large number of villages in an MLA's constituency, this is not too likely. The constituency may include over one hundred panchayat villages and their hamlets each with a population of no more than three or four thousand, and some as small as fifty or sixty. The politician takes little interest in the villages, and does not have many direct contacts in them, except for people in his native village (if he is from a village), relatives who may be scattered around other villages, and some local contractors.

The politicians generally want to make an impact on a wide population. As far as winning the maximum number of votes is concerned, it makes sense for the politician to concentrate his efforts on large, highly visible projects for his constituency, such as a hospital, schools, important link roads, additional bus routes, and the like (that the construction or licensing of these would result in large payments to the politician is an equally important consideration). Small works for villages are at a low priority for the MLA (perhaps higher for the Chairman), and programs like IRDP which are supposed to be in aid of the poor individual have virtually no interest for the MLA at all. The outcome of this is that the block officials do not have much political pressure on them to implement poverty alleviation programs that do not have a contract component.

It is widely believed in Tamil Nadu that most politicians want to make up the cost (said to be a minimum of two or three lakhs of rupees) of their election victories during a single four or five year term. Wade (1985: 490) suggests that the MLA in another Southern state spends on the order of ten lakhs to gain "the dominant party's ticket and win the election." One of the ways an MLA may earn big profits is by having close contacts (in anticipation of "commissions") with departments like Public Works or even Forestry, which are in control of large contract funds. The development administration controls comparatively few funds but represents an important resource for the MLA in two ways. First, the development administration is one of the only departments which extends to the villages, and which provides them useful, if sporadic, services such as constructing school and other public buildings or maintaining street lights and drinking water facilities. The contract works it undertakes in the villages gives the politician the opportunity to build a coterie of needed grassroots supporters in the form of local, parttime contractors. Second, through the opening ceremony (see below) in particular the administration performs an important, free, public relations function for the politician.

It may not be an exaggeration to say that the BDO is the most important party-worker the MLA has, or even that the governing party has at the block level, and that he is judged by his abilities on that score. A senior official in Madras suggested to me that the AIADMK government's primary rationale behind the Self-Sufficiency Scheme (see Chapter Two) in Tamil Nadu was to provide spoils of victory to party people who had not been able to reap any profits during MGR's first term in office, 1977 to 1980. The SSS was implemented through the development bureaucracy (in fact, additional SSS BDOs were posted in the blocks where the program was being implemented), which would have to ensure that the appropriate number of governing party people received an appropriate number of contracts. During election campaigns the block development staff are run ragged with demands from the incumbent to get

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10In keeping with this observation, a senior administrator in Madras suggested to me that in Tamil Nadu some politicians do not seek re-election, but rather endeavour to make the largest possible profit in a single term and then "retire" from active politics. Moreover, the ruling circle of the ruling party has, in the last two state elections chosen new candidates for constituencies even when the incumbent had won the previous election by a solid majority. In Tiruchi District, of 12 AIADMK winners in 1984, 9 are "new faces" in the Assembly. Of these 9, only 2 are new because they had defeated opposition incumbents. Six of the 9 new AIADMK MLAs replaced AIADMK incumbents, and one of the 9 was the winner of a 1983 by-election which was caused by the forced resignation of the AIADMK incumbent. It was proved in court that he misrepresented himself as a tribal person so that he could fraudulently contest the election for this ST reserved constituency. The constituency is called Uppiliaparam and includes Thuraiyur Block.
tasks completed in his/her constituency.11

3.3. The Opening Ceremony: Three Perspectives

Politicians make few visits to villages, but there is one occasion which usually brings the politician to the village—the opening function. When the development administration has been responsible for construction work in the village, especially a school, midday meals centre or other building, there is generally a grand ribbon-cutting ceremony. The Block Development Officer will arrange for a ceremony to be attended by the villagers, the local MLA, other MLAs, preferably a Minister, some of the block development staff, and other political people, especially those in the MLA’s retinue. If possible, the BDO will try to arrange for a number of these functions to take place in different villages on the same day. The opening ceremony involves resource exchange in a number of ways. On one plane the BDO endeavours to "put on a good show" for the politician in return for political favours or even to ensure lesser harassment from him/her. The MLA’s satisfaction is its own reward. On another plane the BDO must raise the necessary funds for the ribbon-cutting ceremony and he does this through his relations with locally influential people.

One of the most important considerations for the Block Development Officer in arranging these opening functions is their cost. One Block Development Officer told me that he had once spent over Rs 5000 in a single day on the occasion of some politicians’ visit to his block for opening functions (other BDOs said that Rs 2000 was commonly needed to cover the costs of opening ceremonies). The Government of Tamil Nadu provides a small grant, no more than Rs 500, for such official functions but the rest must be raised by the Block Development Officer. The politician and his people will not provide any funds for the occasion, although they expect a lavish function complete with colour photographs, garlands, and good food, not to mention a proper stage, sound and light equipment, and printed invitations. The better the function the better the politician looks. The Block Development Officer would not raise all the requisite funds from his own pocket. Rather, he would put his extension officers in charge of particular elements of the ceremony. Undoubtedly, for functions like these misappropriated policy resources in the block development office find some public use. Additionally, the BDO may be able to raise money to pay for the function through some of the village influentials. In a good example of resource exchange, they are often willing to help with the function for the privilege of sitting on the dais with the politicians, having pictures taken with them, and later sharing a meal with them.

Organising the opening function may cause a number of problems for the Block Development Officer. Even if he has raised the requisite amount of funds, other difficulties may arise. Factions in the political party are a source of trouble for the BDO in organising a successful function. Local party workers from opposing factions occasionally invite MLAs from opposing factions to the same function. If the Block Development Officer is lucky, he will be able to persuade the workers of one faction to have their MLA participate in another function at a later date. An article from the *Indian Express* of August 4, 1985 indicates the difficulties local officials may face in arranging functions with politicians:

> The differences between the two Ministers hailing from Pudukottai District—Mr. R. M. Veerappan and

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11 From all accounts, the worst case for the BDO is when his block is part of a constituency where a by-election is being held. Then, the attention of the whole state is focused on the one area, and there will be numerous visits by important people from all the parties. The demands to get things done in the villages will flow fast and furious, and the concerned BDOs will have to get special dispensations from the Collector in order to meet the demands. One block in a constituency which had had a by-election in 1983 was still in debt three years after the election.
Mr. S. Thirunavukkarasu (who belong to rival factions in the AIADMK) had its echo at a government function held in Ponnamaravathi yesterday. The occasion was the laying of the foundation stone for a powerloom complex under the auspices of the Ponnamaravathi Weavers' Co-operative Society. Mr. Veerappan, who was to have laid the foundation stone did not attend the function even though he was in the district yesterday. Mr. Thirunavukkarasu and Mr. V. V. Swaminathan, Handloom Minister participated in the function.

Referring to the posters issued for the function, Mr. Thirunavukkarasu said that he found a Minister's name published in bold letters and the names of two other Ministers in small letters and appealed to the officials that they should not discriminate between the Ministers. The Chief Minister himself has said that in Government functions the size of the Ministers' names in the posters should be the same size.

Another potential problem for the BDO stems from factions within the village. It is possible for a faction leader, with his followers, to boycott an opening function or even hold some kind of demonstration while it is going on. For the Block Development Officer trying to impress his MLA with a well-organised and well-attended function, this is a mortifying prospect, and he will do everything he can to make sure that everyone in the village participates in the function. (This responsibility tends to fall on the shoulders of the RWO in charge of the village.)

These village opening functions have far greater importance for local administrators and MLAs than appearances would suggest. First, as argued above, they are one of the causes of corruption in the block development office. Second, they are one of the few forums for public relations that a politician has in the rural areas. At an opening function the politician is able to take credit for bringing a specific good to the village, thereby probably winning some electoral support with virtually no effort made. Both politician and development administrators can engage in mutual back-patting, thus projecting the appropriate image to the nonetheless increasingly sceptical villagers.

The opening function, or any other village function at which senior political or administrative people might be expected to attend, has a different significance from the villagers' point of view. It is one of the few occasions when they can make demands or, more realistically, supplications of those in control of resources they want, especially employment. At an opening function the villagers present the politician(s) with a flood of petitions and letters requesting help of various types. Both the petition and the letter, however, have become devalued currencies in terms of the villagers getting requests fulfilled because they are so overused. An ex-Collector told me that it had not been uncommon for him to receive as many as 200 letters and petitions on any single visit to a village in his district. He further added that he might have been able to do more about them had they been about "village upliftment," but most were individuals' requests for employment, and there was little he could do to help. Therefore, unlike village leaders and contractors, the "average" villager has almost no opportunity to exchange resources with either administrators or politicians, leaving them with ineffectual tools (letters/petitions) to try to get what they want from the political and administrative system. The MLA's constituency office provides further evidence of ordinary people's attempts to gain employment, for example, through political influence. His anteroom is always crowded with supplicants, few of whom will be successful. People understand where the power lies, but their problem is in gaining access to it. A few of our village respondents, especially small contractors, said they were formally joining the ruling party so that they could look forward to greater benefits. (The material on the opening ceremony was gathered primarily through interviews with officials. I have visited a number of MLAs' offices.)

12With the increasing percentage of educated youth in the rural areas, there is a concomitant increase in the demand for urban, especially government (because it is both secure and pensionable), employment.

13Another common, also ineffectual, tactic villagers employ in making requests of important politicians is, when they learn of a politician's visit to their area, to wait at a crossroads where the politician's motorcade will pass in hopes that he will stop and talk to them.
3.4. The "Contract System"

Most MLAs at the block-level are primarily concerned with the disbursal of contract work. They have a group of contracting supporters within the block for whom they put pressure on the block officials to disburse contracts in exchange (with the contractors) for financial support. This means that the demands the MLA makes on the BDO for various measures in the block have little direct bearing on the implementation of development policy at the village level. A program like IRDP, for example, when seen on a subsidy by subsidy basis, involves much too small an amount of money for an MLA to pay much attention to it. It was, perhaps, because of their lack of pecuniary interest in the program, that a few MLAs made complaints to the media about IRDP’s implementation (they were generally quiet about programs involving contract works). The block’s "contract system" is a complex set of resource exchange (and sharing), interactions involving block officials, MLAs, Block Chairmen, contracting rich peasants, and fulltime contractors.14

The MLA seldom interferes in the BDO’s handling of contract work on a daily basis, but rather has a more general concern that an appropriate number of party (or same faction) contractors receive contracts compared with opposition party contractors. One BDO told me that he was doing government party work in his block. On pressing him, I discovered that what he meant by this cryptic statement was that the MLA expected him to pay attention to local contractors’ factional alignments. The BDO had to disburse more contracts to those party contractors identified with the MLA and the faction he belonged to or risk the unpleasant prospect of an unwanted transfer. This evokes the "evolution metaphor" of Chapter One. The BDO mentioned here has become so well-adapted to his political environment that he distinguishes not only between ruling party and opposition party, but also between factions within the ruling party.

All contractors, including ruling party contractors, are expected to give a percentage of the contract’s value to the block development staff and political people. There was reportedly, however, a differentiation in the percentage that a party contractor should give compared with an opposition party contractor, with opposition contractors having to part with a higher percentage of the contract estimate. Some of the contractors we interviewed spoke of the profit-sharing arrangements they made with the block officials, although most were understandably unwilling to discuss the specifics. One contractor said that for a Rs 20,000 road contract in 1982-83 he and the other two contractors involved in the project were told that Rs 10,000 would have to be shared (with the bulk to the officials), meaning that the road would be constructed for Rs 10,000 or less. Other contractors mentioned that they were given estimates by the block development office, and then told that the project should be constructed for forty percent of the given estimate, with the rest of the funds to be shared. In one of the blocks a contract to construct public latrines was given to the brother of one of the block’s road inspectors. The contractor said that the estimate given for the project was for Rs 17,000. He was told he would not get more than Rs 8000, and he said that he actually spent only Rs 5000 on the work.

The implications of construction fund resource sharing are that the quality of materials used is poor, the quantity used may be less than required, and projects may not even be completed. Another

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14 Contractors can count on some help from MLAs, but generally must be quite assertive in their own right to get contracts. Mook (1974: 127) noted that block contractors tended to spend long hours at the block office (my observations confirm his). He does not offer any reasons for this but I would suggest two explanations. First, the local contractors would want to have the first information about any available contracts, and second when the time comes to collect bill payments, they would be able to apply pressure at the appropriate points in the office, thus reducing the officials' "insider information" advantage. It also does not hurt their interests to make friends with some of the clerks in the office (to speed up bill payments).
contractor's confessed wrongdoings exemplify this statement. He was working on a village school building and said that he normally used a ratio of cement to sand of 1:9, but for this school building he was using a ratio of 1:5 (apparently the appropriate ratio for buildings is 1:4). When asked as to why he was doing a better job on this building, he replied that this was his own village, and the school would have to last as long as his son would be attending classes there.

Not every building/road contractor in the block\textsuperscript{15} can be identified with a political party--some of them hedge their bets, and make donations to, or otherwise have contacts with, a number of political parties, and some of them do contracts for more than one government department. Compared with a department like Public Works/Highways which has enormous contracts under its control, the contracts which the block development office disburse are for relatively small amounts. Nonetheless, for a landholding villager contracting is a profitable sideline to agriculture. The local party contractor is often the only "grassroots organisation" a political party has in the sense that he is one of the few people the MLA has contact with in the block and who, in turn, may have some influence over voting in his village, and would be a source of funding for the MLA. Moreover, if an MLA is in a constituency where he has factional rivals, it is important for him to be able to point to useful supporters (especially at election candidate selection time).

Locally powerful people are not dependent on party politicians (the former's power springs from local economic sources of power such as ownership and control of land), and there is a symbiotic relationship between the two in that the politicians require both visible supporters in a constituency and financial support. The rich peasant who is also a local contractor satisfies the two conditions, and the contractors, with their political connections, are helped to get adequate contracts from the administration by the politician and his supporters in the local party bureaucracy. Because many local contractors are rich peasants, they are not dependent on contracting for their livelihoods. This gives them a significant degree of independence from the politicians. Moreover, contractors in a block who normally support different political parties sometimes share contracts among themselves, thus cutting across lines of party support. In Thuraiyur Block I knew of two examples of cross-party contract-sharing, the first involving two Panchayat Presidents, one an AIADMK man and the other DMK, and in the other instance a powerful DMK contractor shared some of his contracts with a Congress (I) man.

Although contractors and block development officials are engaged in contracts for mutual profit rather than for the commonweal, the active local contractor is an important figure in determining where contract works are undertaken, including those for poverty alleviation programs such as NREP and RLEGP. This was true of the political-administrative system without the elected village panchayats, and remains true in the aftermath of the elections. The Panchayat Presidents are often themselves at least parttime contractors; over half of the newly installed Presidents in the Lalgudi research villages do contracting as a sideline, if not their main occupation. They were, and presumably still are, able to get around the letter of the Tamil Nadu Panchayats Act (1958) which prohibits panchayat council members from undertaking any panchayat contracts, through the use of \textit{benami} transactions. This means that a person will have a transaction conducted in someone else's name, but control over the business or asset transacted will continue to be vested with the person. In India this is a time-honoured method of avoiding legislation (especially land reform legislation) and otherwise misappropriating policy resources. (Bruce L. Robert (1979: 172) noted the rich peasants' use of the \textit{benami} transaction for illegal profits in the

\textsuperscript{15}Not all the contractors who undertake work in a block are actually residents of the block. Some of them may be from neighbouring blocks, or even from the district headquarters.
pre-Independence agricultural credit co-operatives in Madras Presidency.) The *benami* transaction is one of the oldest and most commonly used tactics by the rich peasantry in diverting policy resources but the implications of this for policy in India, including poverty alleviation policy, have not been confronted by Delhi’s policy makers.

An AIADMK contractor in Thuraiyur, closely connected with the former AIADMK MLA of the area, explained how a contractor can influence block development office decisions as to where projects are undertaken. He said that in his own village no one put pressure on the union officials to get projects until he himself decided to. With the help of the ex-MLA, he managed to have two NREP social forestry projects allocated to his village (which he undertook, i.e., he constructed the necessary wells for them which means that his own benefits from his work for the village were substantial). Moreover, he said that for 1985-86 his and another village were both supposed to have panchayat buildings constructed in them, but the block budget was cut by one building and the other village lost the building project. He reasoned that the other, although much larger, village (his village’s population: 1785, the other village: 5127) did not get the project because it did not have anyone to put pressure on the block officials. (This contractor was elected President of his village in the 1986 panchayat elections.) The significance of this for development projects is that the block officials are most inclined to locate them where the well-connected contractor wants them, rather than where they are most needed.

The "well-adapted" Block Development Officer takes account of factional alignments in the ruling party and the importance of politically powerful people outside of the ruling party in his decisions about whose demands for resource allocations he should pay the most attention to. I was particularly interested, then, in a Block Development Officer’s assessment of who was and who was not politically powerful within his block. He said there were no AIADMK notables, and gave the following example to illustrate. The Extension Officer (Cooperatives) was about to be transferred to another block. He had good contacts with various AIADMK people in this block, and they wanted him to retain his post longer. Apparently, they asked one of the Cabinet Ministers in Tiruchi to reverse the transfer orders but to no avail. The BDO reasoned, therefore, that they had little political pull outside of the block, and further added rather disparagingly that his own contacts with the AIADMK ministers were better than those of the self-acclaimed "influential" AIADMK people. This assessment meant that he could ignore many of the demands of the AIADMK block leaders and concentrate on others instead. His block is in a Congress MLA’s and a Congress MP’s constituency, but the most powerful man in the block (certainly politically if not economically) is an ex-Cabinet Minister from the previous DMK regime, even though he is no longer an MLA (having lost his seat in the last Tamil Nadu state elections), and the BDO did take his demands seriously. This man had been a Block Chairman for many years, and had accumulated a number of positions of power, especially at the district-level, which include Chairman of the District Co-operative Bank and President of the District Co-operative Weaving Mill. He also owns a lucrative public transportation company which operates along a number of highly lucrative routes. The ex-Cabinet Minister continues to be powerful both because he is adept at translating his continuing political and business positions into power and influence, and is still able to exert influence through his political and administrative connections built up in the past. (In terms of resource exchange, this man would have so much "credit" from having been a Cabinet Minister that he is still able to recall "debts."
3.4.1. The NREP "Shelf"

A good example of how administrators interact with contractors and politicians in the block in implementing a "contract" program is provided by how projects are chosen (put on the "shelf" in program parlance) for the National Rural Employment Program.\(^{16}\) The NREP projects are to be selected for the villages based on what the greatest needs of the villages are, whether they be an additional school or other public building, culverts, or a link road with another village or main road. At the beginning of the financial year the BDO puts together a list (the "shelf") of eligible projects and their estimates for funding under NREP (taking into account targets for the different program components such as roads, schools, and group houses). I asked a BDO how he put projects "on the shelf," and he said that he had consulted with the current MLA, the ex-Cabinet Minister from the constituency, and the MLA for the neighbouring constituency whose native village is in the BDO's block. His reasoning was that if he satisfied the important political people's demands first, they would not cause him trouble, and that they could be helpful when it came time for him to be transferred. (Additionally, this BDO wanted to start up a business venture and said that if he pleased his administrative superiors by overfulfilling program targets, and satisfied the political people, he would have little trouble in procuring the necessary licences.)

On one occasion when I was at the block development office, a phone call came for the BDO. The caller, an AIADMK contractor in one of the block's villages, wanted to inquire as to whether the bathing ghat (cement and stone staircase) at his village's tank (artificial pond used for irrigation) was included on the list of NREP projects. "Yes," said the BDO, "it was." The village in question was one that I had visited, and I knew, and the BDO admitted, that there was little need for a bathing ghat there. The tank was dry for most of the year, and people tended to bathe or wash clothes within the village at one of two electric pumps. But this particular person was a big landowner, a contractor, a Co-operative Milk Society President, and an AIADMK man, and he wanted a contract that would be convenient for him to undertake.

In another example of the way projects are put on the "shelf," I noticed one day in early April (the time when project lists must be forwarded to the DRDA) that the ex-Cabinet Minister had paid a visit to the block office. Among other things, he had wanted to inquire about two NREP projects for his village. When I asked about the projects, I discovered that both of them would benefit the ex-Cabinet Minister's lands. The BDO was later forced to take these projects "off the shelf" by the current Congress (I) MLA which meant a sudden shortfall on the BDO's list of NREP projects. Fortuitously, another contractor (a wealthy Scheduled Caste man and now a Panchayat President) and a political rival of the ex-Cabinet Minister's (thus acceptable to the MLA), came into the block office with a proposal to undertake some projects under NREP which would not only make up for the loss of the ex-Cabinet Minister's projects, they would make the BDO look good to his administrative superiors because the new projects would be of apparent benefit to SC people. The contractor's projects were put on the shelf instead. Miraculously, however, one of the ex-Cabinet Minister's projects reappeared on the shelf at a later stage, thus reflecting his continued importance in the block, and the BDO's reluctance to refuse him. One might ask where the needs of the poorest villagers fit into this scenario, but it is evident that they have had no input on project selection or location, although the NREP Guidelines (1983: 17) state that "while preparing the shelf of projects a conscious effort should be made to particularly include (sic) those works which benefit the weaker sections of the community."

\(^{16}\)Officially, NREP projects are not to be delegated to contractors, but rather should be under the control of the block development office, generally the RWO. Unofficially, contractors undertake most of the projects under NREP, which leads to an important accountability problem. Because officially the work is all done through the RWO, the contractor's name will not appear on any documents, and hence he cannot be held legally responsible for the quality of his work.
3.5. The Village: Politics and Administration

In this section I discuss the political and administrative life of a village based on my observations gathered through visits to villages in Lalgudi and Thuraiyur Blocks. I provide a "political anthropology" of the composite village because it helps to explain how the administrators are able to interact with so few villagers, despite the development administration being one of the main points of contact between state and rural society (the others are the revenue and agricultural administrations), and the state’s main agent of rural development and poverty alleviation. I include a discussion of the, at times, adversarial but mostly non-existent relationship between the MLA and the villagers, and the paucity of political activity in the villages to show that the bulk of villagers unhappy with the local administration have little opportunity to exert pressure on the administration through a more powerful political representative. This both encourages and reinforces the resource exchange relationship between a few rich peasants and development administrators. The internal socio-economic dynamics of the villages lead primarily rich peasants to become "resource traders" with those who are perceived to control valuable resources outside of the village, including development administration personnel. The poor, again, are largely omitted from interactions with the development administration.

Generally, when the village panchayat councils operated in the Sixties and early Seventies in Tamil Nadu, the Panchayat President and to a lesser extent his councillors had the greatest amount of contact both with the Block Development Officer, his staff, and with the elected Block Chairman. The latter, a local politician, could be a powerful person, and have a great deal of influence over the activities of the block development officials. As Heginbotham (1975: 104) wrote,

If a Chairman chose to do so, he could tie his BDO in procedural knots by delaying or killing council resolutions. He could—and frequently did—also demand special attention, privileges, and projects for his personal followers, often in contravention of government rules. The BDO who could not work out a modus vivendi with his Chairman was in serious trouble. Besides his powers in the block, the Chairman was generally also an important regional politician with powerful contacts in his party's hierarchy. Through these contacts or independently, he could generally arrange the replacement of his BDO by a more malleable—or skillful— one.

Many people, from villagers to Secretary of the Rural Development and Local Administration Department, complained to me that without the panchayats the block development staff, and the BDO in particular, had become like minor rajas with no political checks on their activities aside from the MLA's. One senior development administration official in Madras told me in 1986 that he expected, optimistically perhaps, the newly elected panchayats to have a "checks and balances" influence on the local administrators' activities, including their corruption. However, as I pointed out in the previous section, many Panchayat Presidents themselves use benami transactions to continue contracting in the block, so that far from having a "checks and balances" influence on administrators, it is "business as usual."

The villagers we interviewed in 1985 saw the days of the panchayats as a time when the administration was more responsive to the villages' needs, partly because the Presidents were more adept than the Gram Sevaks in informing the BDO about basic amenities requiring attention in the villages. As many of our village respondents pointed out, there is one President for every village, but one Gram Sevak has three, four, or more villages under his jurisdiction. The village panchayat council also could put pressure on the administration, either directly, or indirectly through the Chairman. Many people felt that without the panchayats, their villages lacked leadership and hence, lacked anyone to put pressure on the administration for basic amenities. In the wake of the panchayat elections, people were cautiously optimistic about the good the new councils would do. If nothing else, in most of the villages we visited in 1986 the Panchayat Presidents had had all the village streetlighting repaired. However, virtually all
studies of the panchayats in Tamil Nadu (see Mencher, 1978 and Djurfeldt and Lindberg, 1975), and the Government of India's Ashok Mehta Committee Report (1978) on Panchayati Raj Institutions, argue that they favoured particularistic interests in the villages, and that demands they made were in aid of the few rather than the many. Nonetheless, elected village councils make more demands for amenities in the villages, not the least because the President is interested in the profits possible from construction projects in the village, and the councils themselves are in charge of local concerns such as street lights.

When visiting villages I soon learned that political activities there, such as public meetings and visits from the politicians, were minimal, primarily existing during election campaigns. The AIADMK and DMK did generally have a party representative each per panchayat village, but this person was often little more than a figurehead. Party meetings were seldom, if ever, held in the villages, and the political party worker was not usually seen as someone who could be approached to act as an intermediary between villager and more senior party people and/or the MLA. It often seemed that economically powerful people in the villages had better contacts with the ruling party than did the party workers (when the two were not one and the same).

During election campaigns the candidates running for MLA, sometimes not even all the candidates, visit the village, perhaps hold a meeting, make extravagant promises, accept petitions from villagers for employment and village-wide needs, and sometimes, in an obvious example of resource exchange, their workers would distribute money to potential voters.17 In an all too common showing of political opportunism (and another example of election-specific resource exchange), the ruling party candidate would, perhaps, start additional bus routes to villages during the campaign, but stop them as soon as the election was over. (This had happened to a village visited by my research assistants in Thuraiyur Block.) Likewise, village street lights all functioned during election campaigns, but were not maintained properly afterwards.18 During the state elections of 1984 television sets were installed in every panchayat village of one of my research blocks—not coincidentally a block where the ruling party feared that the DMK or one of its allies could do well. (Since then TVs have been installed in many of Tamil Nadu's blocks). After an election, the winning candidate generally makes a "thanksgiving tour" during which s/he revisits the constituency’s villages, thanking the voters for their support. After that, however, the elected MLA spends most of the rest of the term engaged in the "semi-private" politics of backroom meetings with local and district officials, with senior party workers, other MLAs, and favoured supporters in the constituency. The majority of the villagers and their needs do not, literally or metaphorically, enter the politicians' backrooms.

People in the villages quite rightly took a rather dim view of the local politicians' activities, and many complained about their lack of concern for the plight of the villages. There was, however, a sharp distinction made, not necessarily consciously, between the local politician and MGR. MGR's reputation

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17 Many people recounted tales of vote-buying in the panchayat elections of 1986. If an election were held at all (in some villages the Presidential candidate was unopposed), the general campaigning involved door-to-door canvassing, rather than holding public meetings. The candidates seemed to rely on winning votes of their caste mates. However, vote-buying at Rs 5 to Rs 10 a vote was rampant in the Scheduled Caste areas. This campaign tactic was quite successful as people did tend to vote for the "highest bidder." This made the local election process very expensive with presidential candidates of even small villages (less than 1000 voters) spending on the order of Rs 3000 to Rs 5000 each for their campaigns. Moreover, candidates also made donations to temples (especially for renovations) in sections of the village where they wanted to win more votes.

18 In visits to villages in 1985, we heard numerous complaints about the street lighting, and the corruption that surrounded the provision of this basic amenity. It was, apparently, common practice for block officials to order tube (fluorescent) lights for village streets, sell the tube lights, and install cheaper, less durable, incandescent bulbs instead. Moreover, some of our village respondents told us that burnt out lights from one village would be installed in another, with the money for the replacement lights of the one village pocketed. I cannot say how widely these practices were followed among officials, but there were, indeed, numerous villages which had low wattage, bare bulbs where fittings for tube lights existed.
as a champion of the poor, the downtrodden, and women remained unsullied, even while his partymen were reviled. He received praise from many villagers for his populist schemes in Tamil Nadu, such as the high-profile Noon-Meal Scheme, and schemes to distribute clothes to the poor, wheelchairs to the handicapped, electricity connections for huts, etcetra. Our IRDP respondents also gave MGR credit for wanting to help poor people with loan-subsidy programs like IRDP, a centrally-sponsored scheme. Colleagues at M.I.D.S. who had also done research on IRDP said that some villagers they had spoken with even thought that MGR did not want poor people to repay their IRDP loans.

The only resource people felt they could use against the nefarious politician was the election boycott, and the last two elections in Tamil Nadu (1980 and 1984) have witnessed a number of villages, in their entirety, boycotting the elections. In a few of the villages we visited, village leaders had had plans to boycott which did not quite come to fruition. In at least one village, none of the candidates were allowed to enter the village during the campaign, although a number of people did vote in the election. It seemed to take a serious, specific, village-wide problem, such as inadequate drinking water to encourage a village-wide election boycott rather than grumblings about the MLA’s inattentiveness to village problems generally. Anything less than a village-wide boycott did not attract media or other attention and hence, was ineffective. The villagers realise fully well that their votes are a valuable resource for the MLA at election time, and are showing increasing willingness to withhold them if the politician has not provided them with anything concrete during his/her term of office.

We also asked people about non-party or non-governmental organisations in the villages. Most of the villages had them, but most of the organisations were dormant. Many it seemed, had never been active. In the 1950s block officials had been charged with helping to increase (or create) people’s participation in their own development, and one of the ways in which they were supposed to encourage this participation was by forming organisations, such as for women and youth, in the villages. Hence, the legion of inactive organisations in the villages I visited. There were, occasionally, active caste and youth organisations, but their activities also were quite sporadic primarily because of a lack of funds.19 I mention non-governmental organisations because they can be, more theoretically than practically unfortunately, a valuable resource in effectively making demands of the administration for villagers who have few resources. The evidence I have strongly suggests that poor villagers cannot even hope (with rare exceptions) that the MLA, Block.Chairman, or Panchayat President will put pressure on the block administration to ensure that the majority of development policy resources flow to them (the poor). Their individual efforts are equally unlikely to win them rewards.

There was little evidence of development administration activity in the villages. In fact, the revenue administration was more prominent in the villages than the development administration. As mentioned, Revenue’s Village Administration Officers are posted at a rate of one per revenue village. The VAO generally has a small "office" in the village and people know where they can find him. Not so with the RWO who is seldom available in the village, and is not easy to find in the block office either. (During our village visits which took place over a six month period, we saw a number of VAOs, but I only once saw an RWO in a village.) The RWO is in charge of a number of panchayat villages and even people who knew who he was (many did not) had no idea when his next visit would be, and they could not be sure

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19In October 1985, Mrs. Gomathi Srinivasan, Tamil Nadu’s then Social Welfare Minister, announced that government-sponsored women’s organisations in the villages, Mahalir Mandrams, would be revitalised, but when I returned to the state in 1986 I did not learn of any that had been initiated. The plan Mrs. Srinivasan announced was that each development block in Tamil Nadu should adopt one mandram, “and provide all assistance to its members in educating women on health care, child care and on self-employment” (Indian Express, Madras edition, 11/10/85).
that they would find him when he did visit. A few of our respondents in some of the villages said the RWO's visits were frequent. Most others indicated that the visits were sporadic or rare. The RWO was, therefore, contacting the same people all the time, and made little attempt to contact others, especially the Scheduled Castes. People who want something for themselves or for the village through the development administration generally have to visit the block office, often on numerous occasions before they can see the concerned clerk or officer. With the new panchayat councils, however, people can also ask the Panchayat President about improvements to village amenities. The agricultural extension officer for the Training and Visit program, also in contrast to the RWO, is a "visible" official who visits villages on dates fixed in advance. Moreover, he has a list of "contact farmers," so there is no guessing as to where he will be, or who he will visit when he comes to the village.

The internal characteristics of the villages also help to explain why the relations between villagers and administrators are so limited. I visited twenty panchayat villages in two blocks of Tiruchirappalli District, and can offer something of a composite picture of a "village." A panchayat village is not usually a single hamlet, and many of the villages we visited are comprised of two or more hamlets. The distances between hamlets vary considerably, from a couple of hundred metres to 1500 metres and more. Often, although not always, the hamlets are made up of a single caste. Scheduled Caste people always live in separate hamlets or "streets" away from the caste people. For example, the panchayat village of Alangudi Mahajanam (population: 1296) in Lalgudi Block is made up of four named hamlets: Alangudi Mahajanam, Kalathivendarpettai, Kumarapalayam, and Koil Medu. The latter is a Scheduled Caste "colony" (recent settlement), while the others are multi-caste hamlets, two of which contain Scheduled Caste populations dwelling in separate "streets." Scheduled Caste populations vary from village to village; in Lalgudi there is a high of 43% SC people in one village, with the percentage dropping as low as 6% in others (officially, one of the villages I visited has no SCs because they had all converted to Christianity and are therefore no longer officially recognised as SCs) (see Tables 5-5 and 5-6 in Chapter Five).

As far as class structure and landholdings are concerned, the information I have is sketchy, as I personally did not spend more than a few days (total research days per village were about thirteen, including one research assistant's independent visits, and additional visits in 1986) in any one of the research villages (although I did stay at a couple of them) and people are understandably reticent to discuss landholdings (less reticent to discuss other people's, however). Nonetheless, the incidences of landlessness in the wet villages was estimated at 40% to 50% of households with over 50% of households relying on agricultural labour alone or the output from a small landholding plus agricultural labour. In Thuraiyur, a dry area, the incidence of landlessness was less, but many people have tiny, unirrigated plots of land which are worth little, either in terms of actual value or production. There are fairly high incidences of tenancy in the wet area (often with Hindu temples as the landlords), but virtually no share-cropping, while the situation was reversed in the dry area. The following table adapted from the World Agricultural Census gives a rough picture of the inequity in landholdings in Tiruchi District, and the vast percentage (79.3) of holdings which are small enough to qualify their owners for IRDP benefits.

The economic conditions of the villages vary enormously, although the internal variation does not

20There is a spatial reason behind the RWOs' rare visits to the Scheduled Caste "streets" of the villages. These areas are generally apart from the main village where all the caste people live, with the main village often located between the Scheduled Caste areas and the main road. The RWO who arrives by bus will go to the hamlet closest to the bus stop, seldom venturing into other hamlets of the village. In his work diary the RWO is able, truthfully, to record that he visited "x" panchayat village, even though he may have only been to one hamlet or just sat in the village teashop.
Table 3-1: **Tiruchirappalli District:**
Number of Operational Holdings and Area Operated by Size Class

<table>
<thead>
<tr>
<th>SIZE CLASS (Hectares)</th>
<th>HOLDINGS (Number)</th>
<th>HOLDINGS (%)</th>
<th>AREA (Hectares)</th>
<th>AREA (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-1</td>
<td>386,989</td>
<td>59.2</td>
<td>163,235.23</td>
<td>17.0</td>
</tr>
<tr>
<td>1-2</td>
<td>131,325</td>
<td>20.1</td>
<td>186,545.75</td>
<td>19.5</td>
</tr>
<tr>
<td>2-3</td>
<td>56,555</td>
<td>8.7</td>
<td>137,158.42</td>
<td>14.3</td>
</tr>
<tr>
<td>3-5</td>
<td>44,288</td>
<td>6.8</td>
<td>168,767.81</td>
<td>17.6</td>
</tr>
<tr>
<td>5-10</td>
<td>25,233</td>
<td>3.9</td>
<td>170,079.29</td>
<td>17.8</td>
</tr>
<tr>
<td>10-20</td>
<td>6,974</td>
<td>1.1</td>
<td>91,848.82</td>
<td>9.6</td>
</tr>
<tr>
<td>20+</td>
<td>1,354</td>
<td>.2</td>
<td>40,083.76</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td><strong>652,718</strong></td>
<td><strong>100.0</strong></td>
<td><strong>957,719.71</strong></td>
<td><strong>100.0</strong></td>
</tr>
</tbody>
</table>


It seems to be quite so great from village to village, ie., most wet villages I visited, for example, have on the order of 50% agricultural labourers (including people with tiny plots of land) while the dry villages have about 40%.21 Moreover, in some of the panchayat villages the economic conditions of the separate hamlets show considerable variation, most noticeably when one hamlet is made up of only Scheduled Caste people. Some of the villages are well-placed as far as irrigation facilities (canals or tanks) are concerned and therefore, have a secure agricultural economy. A few villages are near to other sources of investment and employment, such as brickfields/chambers, rock quarries, sugar factory or rice mills. Still others are so well-connected with a main town or even the district headquarters, that people are able to seek education and employment opportunities there.

Despite this variation, however, all the research villages have at least one thing in common which is that only a few people per village have regular contact with the development administration. This, however, should not be surprising given the estimated structure of landholdings in Tiruchi District shown in the table above--few people have enough profits from agriculture to invest in other areas, such as moneylending or contracting, the latter of which would bring them into close contact with the development administration. In some of the poorest villages I visited no one had any regular contact with the development administration, and these villages had little evidence of an inflow of development policy resources. (When agriculture was singularly lacking in profitability, the village was also singularly lacking in contacts with the administration.) Furthermore, if a main town is within easy reach of the village, people tended to turn their attention toward it rather than to the block development office, as their economic interests cannot as readily or assuredly be served by the development administration.

Despite the few formal mechanisms linking villages with larger political and administrative arenas, it should not be thought that villages are isolated, autarkical bodies. They probably never were, and they certainly are not now. In fact, with marriage networks, patterns of landholdings (ie., people from one village owning land in another), and other socio-economic connections existing between villages, many

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21 It must be stressed that these are very rough data, based only on estimates given to us by villagers themselves. We did not undertake any household economic surveys.
are closely tied with a number of neighbouring villages. In other words, villagers are not merely inwardly looking people. Many of them actively seek ties with those outside of their village in order to maximise their economic status and well-being (important resources in addition to being ends in themselves), and a few villagers (primarily rich peasants) try for success in larger political arenas (where, as argued earlier, the maximum possible rewards are available). Moreover, even people at the lowest end of the economic scale, agricultural labourers, have ties with other villages, in that they seek seasonal employment outside of their own village.

While influential villagers' information and contact networks are normally confined to within the block boundaries, they do seek political contacts outside of the block, and they try to use them in efforts to gain more resources from the block office. I noticed, however, that influential people also use their knowledge about the workings of the development administration to go over the head of the Block Development Officer to try to get what they want from him. Some people, for example, went to the Divisional Development Officer, and others sought special sanctions from the district collector. In other words, they do not necessarily accept the BDO's "no" for an answer, and try to have his decision reversed by administrators more senior to him. In some cases, the BDO's negative response was not based on a wish to refuse the demander, but rather resulted from his having already allocated all of the block's money for a particular program in that financial year. I know of two milk society presidents who were successful in gaining more IRDP subsidies after the BDO had disbursed his year's allotment for IRDP because they had received, with the help of more influential political people, special orders from the Collector.

People complained bitterly that the development administration was failing in its main tasks, and tellingly the villagers think of the development administration primarily as a "building and maintenance" administration. Villagers complained that their streets suffered from poor lighting and bad drainage, or faulty water pumps and broken community radios. Now that the panchayat councils are functioning again, the villagers will be more likely to take their complaints to the councils, and also assign more blame to them if they cannot get required work done by the administration. However, the Panchayat President involved in lucrative contract resource sharing arrangements with the block administration is unlikely to be responsive to the needs of the villagers beyond those involving contracts he can undertake. Villagers did not usually complain that the development administration was not providing them any benefits under specific development programs (mainly because most people did not know of the existence of such programs), although there were complaints if villagers knew of a neighbouring village which had received a lot of IRDP benefits, for example. From the vantage point of the villagers, then, "development" administration is a misnomer. For the average villager, the "visible" aspect of the development administration has very little to do with "development," and, indeed, I never heard anyone refer to it as the "development" administration.

\[^22\text{In the Tamil Nadu Legislative Assembly's Who's Who printed in the aftermath of the 1980 elections (as of October 1986, a new Who's Who had not been published for the late 1984 election.) Tiruchi's eighteen MLAs listed their primary occupations thus: Agriculturalist: 7, Agriculture and Business: 3, Advocate: 3, Business: 1, Trade Unionist: 1, Politician: 1, Actor: 1. Of the 20 villages we visited three were the birthplaces and permanent residences of ex-MLAs. This shows, assuming some accuracy in the MLAs' "bio-data," that over half of Tiruchi District's MLAs are likely to have a rich peasant background.}\]
3.6. Conclusion

For contract programs like NREP, the skillful administrator should be able to meet both the administrators' and politician's demands at one and the same time. This is extremely important for the BDO who is both vulnerable in a number of respects, and highly time-limited. The political emphasis on contracting means that poverty alleviation programs like IRDP which do not have a contract component will receive much less time than required for the block officials even nominally to implement them. By the end of this chapter it should have become clear that the interests of "the poor," the prime intended beneficiaries of poverty alleviation, amount to little in the local administrator's scramble to meet politicians' and administrators' demands.

An important conclusion to draw from this chapter is that Tamil Nadu has not only a monetised rural economy, it also has a monetised political-administrative system. In this sort of system where the politician needs so much money to win an election, where an administrator may have to buy a transfer or promotion, where administrators regularly share proceeds of contract estimates and pay to host publicity functions for politicians, resources, especially money, are in constant demand (but in short supply). Administrators are closely involved in this resource "bazaar," and have many reasons, as argued in this and the previous chapter, for needing extra money. Only a small percentage of their money needs, but using a large percentage of their short supply of time, could be met by implementing policies in such a way as to help the poor. Moreover, their needs to meet politicians' demands would also remain largely unfulfilled.

IRDP's stage has been set. "Starring" in the piece are time-bound, rapidly transferred, money-making, resource trading officials who are most responsive to the MLAs and Block Chairmen (who must be responsive to them if they are to survive). However, IRDP's administrative "time and effort" requirements are high. Given the evidence in this and the preceding chapter, it is predictable that the local administrator will do what he can to minimise the time and effort required for IRDP's implementation, thus simplifying the program's complex guidelines to adjust them with his needs in the block.
Chapter 4
IRDP--Complexity of Design,
Simplicity of Implementation

The Approach to the Seventh Plan reiterates the goal of bringing down the percentage of population below the poverty line to less than ten by 1994-95. Therefore, the special programmes for income generation for the poor through assets endowment and wage employment for them will be continued at an accelerated pace during the Seventh Five Year Plan. Draft Seventh Five Year Plan, Chapter Two.

Senior administrators have designed IRDP's rules and guidelines with scant regard for the local official's environment in the block, and this chapter displays what happens to those rules when their "fit" with the local official's environment is so poor. One of the keys to understanding IRDP's implementation and impact is to assume that local administrators will either ignore or actively circumvent its guidelines. Block officials are also able to turn some of the rules to their advantage, either using them to make money or to deflect villagers' demands. Rhetorically, and in senior administrative circles, IRDP is a high priority program, but given the political and other administrative demands on the block official, he has little choice but to reduce the program's complicated rules to their simplest elements--the number of beneficiaries targeted in the financial year and the amount of money to be spent.

The main purpose of this chapter is to explain how IRDP is put into effect in the blocks, such that barely 15% of Tamil Nadu's beneficiaries crossed the poverty line by the end of the Sixth Plan. I set out IRDP's design and attendant administrative structure to highlight the differences from policy design which occur during the allocation of IRDP's resources in the blocks of Tamil Nadu. I concentrate on IRDP's milch animal component, as the vast majority of IRDP loans in the Sixth Plan was for cows and buffalos. Given the local administrator's "environment of demands" and his placement in a hierarchy which is not as rigid as appearances suggest, these differences, termed "irrational" by senior administrators, are to be expected.

The resources available through the Integrated Rural Development Program are, taken on an individual basis, not worth much (during the Sixth Plan an average of less than Rs 1000 per subsidy) which would not seem conducive to the lucrative resource exchanges examined in Chapter Three. One of my most important findings about IRDP's implementation, however, is that the distribution of the policy's resources does not occur primarily on an individual basis. Rather, IRDP has been implemented largely, although not exclusively, through loan brokers (often part-time building contractors1) in the villages who are in charge of a large number of loans. The brokers have contacts, not only with development officials, but with bankers and political people as well, but are not the block's most influential actors. The beneficiaries, on the other hand, have almost no contact with the officials, despite the rules which dictate the opposite. The concept of IRDP's implementation is based on a one-to-one

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1I do not concentrate on the contractor-loan broker in this chapter, but rather discuss his crucial role in determining IRDP's impact in the villages in Chapter Five.
relationship between officials and beneficiaries, but the environment in which the local officials work makes that relationship impossible to establish, if the block official wants to meet his program targets. There are numerous examples of both resource exchange and resource sharing which occur in the context of IRDP's implementation, with the happy conclusion for local officials that through the exchange and/or sharing of resources with loan brokers in a limited number of villages, not only do they save valuable time in implementing the policy, they profit financially, and they satisfy their administrative superiors by meeting their physical and financial targets in terms of both overall numbers and the appropriate numbers of female and Scheduled Caste beneficiaries.

Both blocks I studied, although with different socio-economic bases, had fairly high spending for IRDP. Over the five years of the Sixth Plan, Rs 37.5 lakhs and Rs 36.7 lakhs were spent in Lalgudi and Thuraiyur respectively, exceeding the plan target of Rs 35 lakhs per block. The total spent on subsidies in the two blocks was about 35.83 lakhs and 34.97 lakhs. There were a number of blocks which had been unable to spend very much under IRDP during the Sixth Plan (in ten of Tiruchi's thirty-one blocks there were shortfalls of Rs five lakhs and more over the five year period), but my main concern was to see how IRDP is being implemented, rather than to look for the reasons which would explain why it is not (statistics from Tiruchi DRDA, 1985: mimeo).

4.1. IRDP: Objectives and Program Elements

In the words of the Sixth Five Year Plan's authors, "IRDP has been conceived essentially as an anti-poverty program. This objective is proposed to be achieved by enabling the poorest families to acquire productive assets, technology and skills as would make their economic activities viable" (Sixth Plan, 1981: 171). The main objective of IRDP, then, is to generate enough income for families significantly below the poverty line to enable them both to cross the poverty line and stay above it, and the means by which this is supposed to be accomplished is through subsidised loans from nationalised banks and other credit institutions for, among other things, milch animals, sheep, goats, tea shops, and tailoring endeavours. By 1985, however, the planners said about IRDP, "in view of the deficiencies noticed in the implementation of the IRDP, it has been suggested that greater priority should be assigned to rural employment programs by shifting resources away from IRDP" (Draft Seventh Plan, 1985: 112). Indeed, some priority has been shifted away from IRDP in that as a percentage of rural development outlays, the amount for IRDP has dropped from 28% in the Sixth Plan to 26% (Rs 23177.15 crores) in the Seventh Plan, while the food for work type programs (NREP and RLEGP) will receive 47% (Rs 4231.25 crores) of rural development outlays (Rs 9074.22 crores, up from 5363.73 crores in the Sixth Plan--of which IRDP expenditure was 1661 crores--but still only representing 5% of Seventh Plan outlays) (Seventh Plan, Vol. I: Table 3.49a and Vol. II: 57).2

A secondary objective of IRDP, a rather surprising one, is to create among beneficiaries an entrepreneurial spirit. The newly acquired assets would (theoretically) generate greater incomes for the beneficiaries, thereby encouraging them to invest further, and broaden the scope of their economic activities. Moreover, the "business-minded" among the poor are to be selected as beneficiaries:

Since the IRD Programme is intended to enable the beneficiaries to become small entrepreneurs by

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2 To give a comparative perspective on the place for "rural development" in Indian government spending, the total public sector outlay proposed for the Sixth Plan was 47,250 crores, while the amount spent on defence in the same period was about 25,800 crores. In the next three years another 30,200 crores had been spent and/or budgeted for defence (The Hindu, International Edition, 7/3/87: 1). In the Seventh Plan the largest chunk of plan resources is devoted to energy which is to receive 30% (Rs 54,821 crores) of the public sector outlays.
Table 4-1: IRDP in India—Performance in the Sixth Plan

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>TARGETS</th>
<th>ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total allocation (Rs crores)</td>
<td>1500.00</td>
<td>300.66 250.55 400.88 407.36 407.36 1766.81</td>
</tr>
<tr>
<td>2. Total expenditure (Rs crores)</td>
<td>1500.00</td>
<td>158.64 264.65 359.59 406.09 472.20 1661.17</td>
</tr>
<tr>
<td>3. Total number of beneficiaries (lakhs)</td>
<td>150.00</td>
<td>27.27 27.13 34.55 36.85 39.82 165.62</td>
</tr>
<tr>
<td>4. No. of SC/ST beneficiaries (lakhs)</td>
<td>50.00</td>
<td>7.81 10.01 14.06 15.37 17.38 64.38</td>
</tr>
<tr>
<td>5. Per capita subsidy (Rs)</td>
<td>1000.00</td>
<td>582 975 1041 1102 1186 1003</td>
</tr>
</tbody>
</table>

Sectorwise Coverage (%)

<table>
<thead>
<tr>
<th></th>
<th>Primary Sector</th>
<th>Secondary Sector</th>
<th>Tertiary Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>6. (a)</td>
<td>93.56</td>
<td>83.02</td>
<td>68.7</td>
</tr>
<tr>
<td>(b)</td>
<td>2.32</td>
<td>4.32</td>
<td>15.7</td>
</tr>
<tr>
<td>(c)</td>
<td>4.12</td>
<td>12.06</td>
<td>15.6</td>
</tr>
</tbody>
</table>

Source: Draft Seventh Five Year Plan, 1985: Table 2.1, page 118.

running economic enterprises of their own, it is necessary that the identified beneficiaries should have the willingness and ability to initiate and manage such economically viable enterprises either individually or in association with other similarly placed persons. It is, therefore, necessary that the selected beneficiaries have the required degree of motivation and a minimum managerial capability for starting and operating an enterprise financed through subsidies and loans provided under the IRDP Programme. Those beneficiaries who do not possess these qualities even though poor, may not be in a position to avail themselves of assistance through the IRDP Programme (G. of I. R.D. letter: 16 July 1982).

When I spoke with a Deputy Secretary for IRDP in New Delhi in November 1985 he evinced the same attitude as that in the letter above, and said that the "non-entrepreneurial" poor should be helped under NREP as construction labourers. I discovered, however, that there is so little contact between local officials and beneficiaries that the former could not possibly have any idea about the latter's "managerial capability." The Deputy Secretary, however, did not seem to take this into account.

Theoretically, IRDP's implementation requires the co-ordinated efforts of the elected village panchayats and/or village councils (if they exist), the block administration, other departments such as Animal Husbandry, Co-operation and even Fisheries, nationalised banks and rural credit co-operatives. The block development administration's implementation of IRDP is, as with other programs, supervised by the Divisional Development Officer (DDO), the Project Officer of the District Rural Development Agency (PODRDA) and the District Collector. In Madras the Director of Rural Development and Secretary of Rural Development also act as supervisors of the program and occasionally make visits to the districts and blocks to check on the implementation of IRDP and other rural development programs. There are also a State-Level Coordination Committee and Project Formulation-cum-Monitoring Cell in Madras. The State-level Coordination Committee is comprised of senior administrators and meets every three months, but it was never mentioned to me in Tamil Nadu, and I assume it is a figurehead. The IRDP Monitoring Cell in Tamil Nadu is part of the Directorate of Rural Development, and seems to be primarily a statistics gathering body. Practically, despite the administrative machinery which has been set up to facilitate IRDP's implementation, the block officials do what they can to meet IRDP's targets, and the statistics they present to their supervisors are seldom checked for their veracity.
IRDP is a target group program, and the Government of India has defined IRDP's target group broadly as the poorest of the poor in the rural areas. More specifically this target group includes small farmers, marginal farmers, agricultural labourers, non-agricultural labourers, and rural artisans with an emphasis on Scheduled Caste and Scheduled Tribe beneficiaries. The Government of India's definitions for the various occupational categories are as follows:

Small Farmer—A cultivator with a landholding of 5 acres or below is a small farmer. If he has "Class I" irrigated land, [ie., river canal irrigated] then the land ceiling is 2.5 acres.

Marginal Farmer—The land ceilings with respect to dry and canal-irrigated land are exactly half that for small farmers.

Agricultural Labourer—A person without any land but having a homestead and deriving more that 50% of his income from agricultural wages is an agricultural labourer.

Non-Agricultural Labourer—A person whose total income from wage-earning does not exceed Rs 200 per month. Persons who derive their income partly from agricultural and partly from other sources can also be brought under this category, provided at least 50% of their income is from non-agricultural sources. They need not have a homestead but must be residents of the village in which they are identified." (IRDP Manual, 1980: Para 2.1)

The definitions are further refined with the restrictions that small and marginal farmers "should themselves be cultivators" and that their off-farm income should not exceed Rs 200 per month. Furthermore, while the emphasis for definitional purposes is on the occupation of the identified beneficiary, the incomes of other household members must also be taken into account, and during the Sixth Plan the total household income could not exceed Rs 700 per person. (The "household" has been defined as "persons connected by blood and marriage and normally living together" and the average rural household is considered to have five persons (IRDP Manual, 1980: Para 2.3 and Ministry of Agriculture, 1986: 1). With the revision of the poverty line to Rs 6400 in the Seventh Plan, the new cut-off income for IRDP beneficiaries is Rs 4800 per household. In practice, these elaborate income definitions have played virtually no role in the block officials' selection of beneficiaries because they have not taken rural household surveys to determine what people's incomes actually are.

Although the economic conditions in some districts require a different application of IRDP's rules or a broader interpretation of some of the program definitions, New Delhi's administrators tend to be stridently protective of its rules. On the issue of land ceilings for beneficiaries there was a query from Madras as to whether tribal beneficiaries in Thuraiyur taluk of Tiruchi District who have five acres more than the five acre program ceiling could still be considered as beneficiaries because their "income from out of this ten acres is far below the poverty line" (TN RD & LA Dept. Letter No. 19122/IRD-III/82-5: May 25, 1982). The reply received from Delhi stated that "it is regretted that no relaxation can be allowed in the norms relating to landholdings" (G. of I., RD Letter No. 14016/7/82-IRD-III: July 15, 1982). The irony of this exchange is that while this posturing between Madras and Delhi is occurring, at least twenty percent of IRDP benefits are going to "agricultural labourers" and "small and marginal" farmers who belong to these categories only on paper (Rath, 1985: 243).

The "weaker sections" are supposed to get the most out of the IRDP benefits equation, and the Government of India has decreed that "a high priority should be given to cover Scheduled Castes and Scheduled Tribes" (SCs and STs) going on to state in the IRDP Manual (1980: Para 2.13):

Further on rural incomes and IRDP assistance, the Government of India, in its 1986 Manual on IRDP states (1986: 1) that "families with an annual income upto Rs 3500 . . . [must be] assisted first. After all such families have been assisted in a block, the block level officer would report to the DRDA that all the families with annual income upto Rs 3500 have been assisted. The DRDA would then verify the situation by issuing public notices and give sanction to the block to assist the families in 3501-4800 income bracket."
In view of the fact that these special programmes are specially aimed at ameliorating the lot of the weakest among the weak, the proportion of beneficiaries belonging to SCs/STs should be much higher than the percentage of SC/ST population in the total population of the area.

In Tiruchirappalli District, some blocks of which have an SC population of over thirty percent, the target set for the number of SC/ST beneficiaries is fifty percent (Tiruchi DRDA, 1985: 1). The Government of India rules also state that the percentage of SC/ST beneficiaries must be equivalent to the percentage they receive of the total subsidy amount disbursed to prevent BDOs from "tokenism" in meeting SC/ST targets. The Government of India has also recognised that women are often among the poorer and more oppressed sections of the rural population, and therefore, thirty percent of total IRDP beneficiaries must be women (Ministry of Agriculture, 1986: 2).

4.1.1. The Subsidy

The program rules are also specific about the loan-subsidy ceilings for the different occupational categories of beneficiaries. For agricultural labourers and marginal farmers, the subsidy should be 33% of the loan amount, with a maximum subsidy of Rs 3000 which may be reached over a number of loans. If the beneficiary is a small farmer then he is only entitled to a subsidy of 25% of the loan amount, although the subsidy ceiling is the same. This has led to some beneficiary cheating with "small farmers" claiming they, or their wives, are "marginal farmers" or even "agricultural labourers" so that they may get the maximum subsidy. If the beneficiary belongs to a Scheduled Tribe then he is entitled to a subsidy of 50% with a ceiling of Rs 5000. In the Seventh Plan (1985: 127) the minimum recommended individual subsidies were raised first to Rs 1333 and then to Rs 2000 but the total maximum subsidy per household continues at Rs 3000 (Min. of Agriculture, 1986: 12). The increased subsidy of Rs 2000 is "to enable them to cross the poverty line once and for all" (TNDRD letter 69127/K1: 20 June 1986).

During the Sixth Plan it was possible for Scheduled Caste beneficiaries to receive a 50% IRDP subsidy through the central government's "Special Component Program." For SC beneficiaries to receive the additional subsidy component, the BDO must send advice regarding their number to the PODRDA. The PODRDA accordingly sends these statistics to the Government of India which then should release the appropriate funds (subject to availability). This money eventually reaches the block via the district and from block accounts it should go into the beneficiaries' loan accounts. This cumbersome procedure may take months before the beneficiary actually has any of the extra subsidy money credited to his account, and in some years of the Sixth Plan the money was not actually forthcoming (from discussions with beneficiaries). Therefore, some SC beneficiaries received only a 33% subsidy even though their milk society presidents had told them to expect 50%. (I got the impression, however, that the milk society presidents, who are actually in contact with the block officials, passed on the wrong information to the SC beneficiaries because they were more concerned with enlisting a large number of members, thus enhancing the society's potential profits rather than the welfare of the society members.)

The block office's disbursal of subsidies showed improvement over the years of the program. At
first the BDOs tended to disburse subsidies worth as little as Rs 25 for such things as coconut palm
seedlings. It is unlikely that anyone would have thought that such a small amount for an "asset" that
would not give rise to any income for a number of years, would actually result in an IRDP beneficiary
crossing the "poverty line." Rather, the practice of disbursing small subsidies was a product of the Block
Development Officers' attempts to meet their targets in terms of the numbers of beneficiaries, and also
reflects the lag time in finding "loan brokers" who willingly take charge of a large number of loans. Over
the years of the Sixth Plan BDOs became more adept at disbursing greater numbers of subsidies which is
not a reflection of their having followed the program rules more closely, but rather of their having found
suitable numbers of people to act as milk society presidents.

Significantly, in both Lalgudi and Thuraiyur blocks the BDOs began to rely on loan brokers at an
early stage, and in both blocks the first loan brokers were not new milk society presidents, but rather
people who already had some interest in, or knowledge of, the milk business. In Thuraiyur these were
private milk vendors, and in Lalgudi parish priests were initially involved in IRDP (this was because the
diocese in which Lalgudi is located had started sponsoring milch animal loans for poor Catholics in the
late 1970s). As IRDP became more widely known in the blocks, people who had no initial interest in it
became more aware of its potential benefits for themselves, and began to make demands for its resources.
This made the BDOs' target-filling task much easier, as they could ask that these people form milk
societies as required by the program rules and demanded by senior administrators.

Most block records indicate an increase in spending over the years of the Sixth Plan which in some
blocks, including Lalgudi and Thuraiyur, outpaced the increases in the block allocations under IRDP. The
number of beneficiaries and the amount spent both increased, generally in such a way that beneficiaries
were receiving larger subsidies in the final years of the Sixth Plan. These trends are shown in Table 4-2
below. The two blocks show rather erratic trends in the per capita amount spent (subsidies alone
unavailable) but both started with higher than average per capita spending than for the district as a whole.

Table 4-2: IRDP Spending in Tiruchi District,
Lalgudi and Thuraiyur Blocks—1980-1985

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>TIRUCHI DISTRICT</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>14078</td>
<td>26886</td>
<td>24782</td>
<td>23153</td>
<td>20181</td>
</tr>
<tr>
<td>Subsidy Totals (lakhs)</td>
<td>41.54</td>
<td>143.35</td>
<td>212.46</td>
<td>219.11</td>
<td>238.58</td>
</tr>
<tr>
<td>Subsidy /cap</td>
<td>295</td>
<td>533</td>
<td>857</td>
<td>946</td>
<td>1181</td>
</tr>
<tr>
<td>LALGUDI BLOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>354</td>
<td>935</td>
<td>622</td>
<td>1292</td>
<td>1165</td>
</tr>
<tr>
<td>Totals (lakhs)</td>
<td>1.61</td>
<td>6.66</td>
<td>8.29</td>
<td>9.92</td>
<td>11.05</td>
</tr>
<tr>
<td>Amount /cap</td>
<td>455</td>
<td>712</td>
<td>1332</td>
<td>768</td>
<td>948</td>
</tr>
<tr>
<td>THURAIYUR BLOCK</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Beneficiaries</td>
<td>389</td>
<td>662</td>
<td>832</td>
<td>1200</td>
<td>1008</td>
</tr>
<tr>
<td>Totals (lakhs)</td>
<td>3.00</td>
<td>6.46</td>
<td>8.34</td>
<td>9.37</td>
<td>9.90</td>
</tr>
<tr>
<td>Amount /cap</td>
<td>771</td>
<td>976</td>
<td>1000</td>
<td>781</td>
<td>982</td>
</tr>
</tbody>
</table>

Source: Mimeos provided by Tiruchi DRDA. Block data are inclusive of expenditures in addition to subsidy. Subsidy alone unavailable.
There are specific rules which regulate how the IRDP subsidies should be administered, and the foremost rule is that the subsidy should not actually be paid to the beneficiary in cash, but rather be credited to his loan account, or be paid to him in kind. When the beneficiary is ready to purchase the asset (especially a milch animal), he may receive a cheque for the purchasing price from the bank which is then cashed and the money handed to the seller in the presence of the bank's Agricultural Officer, a block official, perhaps the president of the milk society to which the milch animal beneficiary belongs, and the beneficiary. This method of subsidy release, ironically as it turns out, is to ensure that the beneficiary cannot misutilise the subsidy, and that s/he gets the best quality asset.\(^8\)

The block officials' involvement in animal purchase committees indicates where some resource sharing occurs. Through co-operating with one another, the block official (especially the Animal Husbandry Officer), the cattle broker, cattle seller, milk society official and, occasionally, the bank official are able to profit handsomely at the beneficiary's expense. Moreover, the milk society president sometimes tells the milch animal beneficiary to use a particular broker or go to a particular cattle market; in this instance, the president gains a commission for having increased a broker's business. Bribes paid by the beneficiary to the RWO and Animal Husbandry Officer also represent a form of resource exchange in that if the bribe is not paid the official does not provide the service.

At the time of purchase of the IRDP animal (cows, buffalos, plough bullocks, goats and sheep), the animal must have a numbered tag put on its ear by a vet attached to the participating bank,\(^9\) or by the block Animal Husbandry Officer (AHO). The AHO or vet is to ascertain the health and age of the animal, and if it is not in good health or too old, he will not tag the animal's ear, and the beneficiary will be forced to look for another animal. The system of ear tagging was devised to ensure that the beneficiaries do, indeed, acquire a good quality animal, and also to prevent them from not buying an animal at all. Discussions with bankers and beneficiaries revealed that the main purpose the tagging serves in practice is to enhance the AHO's salary.

Unfortunately, the animal purchases by committee have led to many cases of collusive corruption. These are almost impossible to document accurately, and the beneficiaries often did not realise they were being cheated. My understanding is that beneficiaries were made to feel by the officials involved in the cattle purchases that their "share" was the subsidy portion of the loan, and that if they were entitled to that, then the other people participating in the acquisition of animals should be able to get some benefits as well. Many beneficiaries in Thuraiyur Block told us openly that they had to bribe the RWO and AHO. In this respect, there was a difference between Lalgudi and Thuraiyur Blocks; the Lalgudi beneficiaries were less likely to mention bribe-giving than were the Thuraiyur beneficiaries, although I do not think this is an indication of less corruption in Lalgudi, but rather of a greater incidence of milk society presidents collecting bribes on behalf of the officials without telling the beneficiaries. (In Thuraiyur, at least one milk society president refused to collect bribes for the RWO, and said that he would have to do it himself. He did.).

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\(^8\) As a one-year experiment in the Seventh Plan, twenty-two blocks in India were chosen (one of them is Manachanallur sandwiched between Lalgudi and Thuraiyur Blocks in Tiruchi District) in which the beneficiaries are given cash and are not be forced to purchase assets through a purchase committee. According to the Lead Bank Officer for Tiruchi District, the system was working quite well, and the instances of beneficiary wrongdoing were no higher than where the purchase committees operated (Interview: 14/10/86). A Reserve Bank of India official admitted that one reason for this cash experiment was that it was better if the beneficiaries themselves misappropriated some of the funds, rather than "middlemen."

\(^9\) Larger bank branches which specialise in agricultural lending, such as the Agricultural Development Banks of the State Bank of India employ veterinaries as "Rural Development Officers."
One of my research assistants was able to get some idea of the collusive corruption (considered IRDP's worst problem by a senior official in Madras) in animal purchases through extensive discussions in July 1985 with a cattle broker. The broker said that he had been personally involved in twenty-three IRDP milch animal sales near Lalgudi in 1984-85. He thought the loan animals were always deliberately overvalued by at least Rs 200 to 500, making the Rs 2500 loan animal worth Rs 2000 and less. The cattle seller would be given the money in front of the beneficiary, but generally it would be less than the loan amount, although still more than the actual value of the animal to "purchase" the seller's acquiescence. If the seller, or buyer, objected to this arrangement, the AHO would suddenly find some "fault" with the animal, and refuse to tag its ear. The cattle broker said that if the milk society president were there he would share in the proceeds as well.

4.1.2. Many Schemes, More Cows

IRDP is a composite program for which there are a large number of bankable schemes. Some of these include a pair of milch animals, a pair of work bullocks, bullock cart (whether with wooden wheels or rubber tyres), a sheep "unit" (20 ewes and one ram), pigs, sericulture, bee-keeping, farm forestry, poultry "units" (50 to 200 layers), fresh, brackish, and marine fishing, horticulture and the like in the primary sector. Small industries, service, business (known as ISB) and artisans' activities should also be financed under IRDP. In the small business sector, for example, there are loans for teashops, provisions stores, vegetable stalls, bicycle repair and rental shops, tailoring, jewellery making and repair. A beneficiary may be trained and then receive a subsidised loan to buy a tool kit in such areas as radio, hand-pump, tractor, and even television repair, although an obvious problem lies in the lack of adequate demand for these services, and in the beneficiaries' lack of adequate skills and equipment to repair these items properly.

Training for IRDP beneficiaries is given through TRYSEM (Training of Rural Youth for Self-Employment), which is termed by the Government of India a "facilitating component of the Integrated Rural Development Program." It is to "provide technical skills to rural youth [18-35] from families below the poverty line to enable them to take up self-employment . . . " Under TRYSEM forty beneficiaries per year per block should be selected and given training for a length of time such that they would be able to take up a career/job in that field when the training is over. In practice, however, the training period never extends beyond six months, and most trainees do not receive the training required for successful self-employment ventures, if they have received any training at all. Because TRYSEM trainees could previously be included in the BDO's list of IRDP beneficiaries, he tended to send the RWOs out to enlist participants for training, then give the "trainees" a stipend for a few months without worrying about providing any training, just so that he could meet his IRDP beneficiary targets (MIDS, 1980 and IFMR, 1984: 240, and see also Min. of Agriculture, 1986: 27 and 31).

The Government of India, in its Manuals on IRDP (1980 and 1986), has indicated that its list of schemes is not exhaustive, and that state and district planners should take into account the economic conditions prevailing in their own states, and devise further additions. Although the manual lists many primary sector schemes that are eligible for assistance under IRDP, in practice the Government of India wants to encourage some diversification in the rural economy. Therefore, throughout the Sixth Plan, of the 600 families to be benefited under IRDP in any given year, no more than 400 of them were to receive assistance under agriculture and "allied activities," while 200 were to be benefited under various of the non-agricultural schemes, particularly in the ISB sector. During the Sixth Plan, however, an overwhelming number of loans was given in the area of Animal Husbandry, and the Government of India
eventually responded by revising the target structure in the Seventh Plan. From 1986-87 onwards, 50% of all beneficiaries must receive loans under ISB with 50% of the subsidy allotment as well. But in the first year of the Seventh Plan (1985-86) in Tiruchi District 63% of the IRDP loans disbursed still came under the headings of Agriculture and Animal Husbandry, with the remaining 37% of the loans under ISB.

Even the Government of India, however, has encouraged the milch animal component of IRDP. This is because it saw IRDP as functioning in conjunction with another program called "Operation Flood" which is a centrally sponsored scheme, the costs of which for "Stage I"—1970-1981—were met by the EEC through the World Food Program. Operation Flood seeks to improve the infrastructural facilities for milk transport, chilling, and processing, thereby increasing the flow of milk into urban centres from the rural areas, and rural producers should be organised into milk co-operatives (for a critique of Operation Flood and its efficacy for the villager, see Shanti George, 1984: 2161-70; for a defence, Atkins, 1988). However, even if the Government of India had not emphasised IRDP’s milch animal component, the block officials themselves have several compelling reasons to focus on it.

IRDP has been so dominated by loans for milch animals that many people we interviewed in the villages, to the extent that they knew of the program at all, did not know it was for anything besides milch animals. Moreover, the Institute for Financial and Management Research (1984: vii) reported that the block development officials themselves seemed virtually unaware of anything but IRDP’s milch animal component. This assessment by the IFMR would no longer be true in the aftermath of the emphasis senior officials have given to the ISB sector of IRDP. Furthermore, in the Seventh Plan, the milch animal component has been reduced, amidst vociferous protests from the BDOs, to a maximum of fifty animals per block.

There is a good reason for the officials’ concentration on milch animals—ease of implementation. It is less difficult to meet targets for a program when subsidies can be distributed en masse through the auspices of a milk society president, as opposed to when potential beneficiaries must be contacted individually. Moreover, because every milch animal beneficiary is supposed to receive two animals (counted as one "loan unit" by the banks, but until the end of the Sixth Plan as two subsidies by the development administration), the block officials used to be able to count on distributing the same number of subsidies for second milch animals in the next year with no effort whatsoever (besides crediting the requisite number of subsidies to the appropriate bank), thus making targets for two financial years easier to meet. With the change in subsidy accounting procedures, however, the block official now must count the second milch animal as a "spillover," and cannot call it an additional subsidy. Undoubtedly, the main purpose of IRDP is to raise a poor person’s income above the poverty line and keep it there through the productive asset’s continued provision of additional income, but the most compelling reason for local officials to have concentrated on the milch animal component is the opportunity it gives to disburse so many loans through so few people. By allocating the control over a large number of subsidised loans to the contractor who metes them out with few administrative restrictions imposed on him, the block official further ingratiaites himself with those who are powerful in his area, thus enhancing his "survivability" in the block. Moreover, the banks also prefer milch animal loans because they then have "tie-up" arrangements with the milk society management for the beneficiaries’ loan repayments.
4.2. IRDP in the Block: What Happens to the Rules

The Government of India is very specific as to how the objectives of IRDP should be achieved in the block despite paying considerable lip-service to the concept of local planning. The districts and blocks are, according to Delhi, not merely implementers of IRDP, but program planners as well. However, the specificity of the Government of India’s instructions pertaining to IRDP leaves the district or block officer with little in the way of autonomous planning powers. The local official, however, exerts considerable discretionary powers in implementing IRDP and other rural development programs, although not in a way which furthers the program’s official aims.

The block development office is the crucial agent of IRDP’s implementation. Its main task lies in identifying poor (entrepreneurial) beneficiaries who would like to be participants in the program, sending the beneficiaries’ names to a bank in the same area, and ensuring that the beneficiaries’ subsidies are deposited with the bank as quickly as possible, so that they need not repay more than the subsidised loan amount. The local administrator’s role in IRDP does not, theoretically, end with the subsidy appropriately credited to the beneficiaries’ loan accounts, however. The block administrator also should "monitor" the beneficiaries’ progress. If a beneficiary family is having any difficulty with its new asset, and especially if its income is not being raised to any appreciable extent, the development administration should intervene to assist the beneficiary (IRDP Manual, 1980: Para 2.17). Moreover, the block development administrative machinery must ensure that "forward and backward linkages" are established in the block.

During the Sixth Plan each development block in India was set the same physical and financial targets. In physical terms, each block was to have 600 beneficiaries per year (3000 for the plan—over 1.13 million for the state of Tamil Nadu), while in financial terms each block was to spend five lakhs of rupees for the first year of the Plan, six lakhs in each of the second and third years, and eight lakhs for each of the final two years. This style of all-India targeting does not take into account that the percentages of rural population below the poverty line vary a great deal—from a low of 12% in Punjab to a high of 69% in Orissa (according to a 1977 NSSO survey). The Government of India has recognised this “over-uniformity” problem if its main aim is to reach the maximum number of poor people. It states in the Draft Seventh Five Year Plan (1985: 129), that IRDP will undergo an important funding change:

The outlays under the Programme will be based upon the principle of selectivity geared to actual incidence of poverty in different States. For the first two years, 50% of the allocations will be made on the basis of incidence of poverty determined by the NSSO survey. From the third year onwards, the allocations would be based entirely on the incidence of poverty.

The plan authors give no clue as to how the "principle of selectivity" will be applied, but another difficulty stems from the states’ even distribution of money across their development blocks. This means that the same type of discrimination which occurred across states, will still occur blockwise within a single state—the wealthy block with a small population is eligible to receive the same amount of money as the poor block with a larger population. Moreover, the former type of block, because the money is more

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10This means that the beneficiary must have various types of infrastructural support to help him earn a profit from his new asset. If, for example, he receives a milch animal, he must have not only adequate veterinary facilities, but milk marketing facilities as well. Albert Hirschman first coined this phrase in 1958 with regard to industrial investment planning (Hirschman, 1967: 178).

11The Government of Tamil Nadu, in a document published by the Department of Rural Development (1986) purports to have assisted 44.5% of its total rural households (that is, 2.89 million of 6.49 million; the latter figure is derived from 1981 Census data) under IRDP by the end of the Sixth Plan. However, the Department of Rural Development’s "IRDP Monitoring Cell’s” year by year performance statistics on IRDP gives the total number of assisted households as 1.39 million which is only 21.5% of Tamil Nadu’s rural households.
easily spent there, is more likely to receive extra funds to spend at year-end from district officials eager to meet overall district targets. In a letter (No. 14012/14/86-IRD-III: 1 May 1986) from the Government of India's Department of Rural Development, there is a list of every district in Tamil Nadu and the amount of money which will be provided for each. In all cases, the magnitude of funding was based only on the number of blocks, rather than taking into account additional variables such as the district's rural population.12

4.2.1. Block Planning

One of the first evidences of the senior administrators' distance from the realities of the block officials' political and socio-economic environment lies in their insistence on block planning for IRDP. The first administrative task for the development officials to complete, and one which is done perfunctorily, is preparing block plans. The block officials give planning very low priority, despite central administrators emphasising its importance. The administrators have so many pressing demands on them which arise from political quarters, they have little time to devote to genuine planning. Moreover, senior administrators themselves often set difficult and/or time-consuming tasks for the BDOs which must be attended to "immediately." Nonetheless, the first manual on IRDP, which is comprised of Government Orders and memos dating prior to 1980 (some of them had been used for the SFDA program), gives six objectives of a "model" block plan, ranging from identifying the block's "growth potential" to formulating "a package of schemes/programs which will seek to optimise production and augment the duration and productivity of employment of the poor." The proposed "stages of block-level planning and implementation" are given in the Manual, along with a time frame and who is responsible for executing each stage (see Table 4-3). Senior administrators continue to emphasise block plans into the Seventh Plan even though the plans have never transcended a "fill-in-the-blanks" exercise, and are largely a waste of time. The local administrators just complete the central government's pro forma and then go ahead and dispense resources to whom they would have dispensed them anyway.

One of the most important stages in IRDP's planning phase is identifying beneficiaries by means of household surveys. Without appropriately identifying the beneficiaries, the block officials cannot disburse resources to people significantly below the poverty line. Beneficiaries are to be selected according to the principle of "antyodaya"13 which means that the poorest of the poor should receive program assets first, but even surveying only poor block households is no small endeavour. Because Tamil Nadu's rural population below the poverty line was estimated at 56% (Sixth Plan, 1981: 16), a block of 20,000 households (100,000 people) would include over 11,000 which are below the poverty line.14 This is an implementation task, however, which the block officials usually have done by their trading partners (genuine surveys are not done, however). They thus satisfy a program requirement without having to do the work themselves, with the result that the identification and selection of beneficiaries is left in the hands of village loan brokers.

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12The inequity of two districts with the same number of blocks receiving the same funding is exemplified by Tamil Nadu's South Arcot and Salem. The former has a rural population of 3.5 million while the latter's is 2.45, and there is no reason to suppose that the depth of poverty would be much different in the two districts.

13This copies the Antyodaya Program in Rajasthan begun in October 1977. Under this program, the five poorest families in each village were to be selected for varying types of economic aid (Venna, 1980: 24-25).

14The Government of Tamil Nadu, in the same document which states that 44.5% of rural households were aided under IRDP during the Sixth Plan, claims that its rural poverty ratio has dropped from almost 56% in 1977-78 to 40% in 1985-86, and states that "the perceptible decline indicates the effect of implementation of poverty alleviation programs" (TNDRD, 1986). However, the Government of India set a new poverty line of Rs 6400 for the Seventh Plan which means that at least for the first year of this new poverty line, the percentage of people living in poverty should have increased, as it would be impossible that those who had "crossed" a poverty line of Rs 3500 could suddenly also have incomes over Rs 6400.
Table 4-3: The Stages of Block Planning

<table>
<thead>
<tr>
<th>Planning Stage</th>
<th>Who Responsible</th>
<th>Time Needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Resource inventory</td>
<td>BDO</td>
<td>30 days</td>
</tr>
<tr>
<td>2. Review of on-going programs</td>
<td>BDO</td>
<td>30 days</td>
</tr>
<tr>
<td>3. Resource analysis</td>
<td>Project Officer</td>
<td>7 days</td>
</tr>
<tr>
<td>4. Preparation of 5 year Plan and identification of clusters</td>
<td>PO/Planning Team</td>
<td>45 days</td>
</tr>
<tr>
<td>5. Preparation of credit plan, allocation of clusters among the banks and Lead Bank</td>
<td>PO/Planning Team</td>
<td>45 days</td>
</tr>
<tr>
<td>6. Identification of beneficiaries by household survey.</td>
<td>BDO will use village school teachers, village officers, statistical assistants</td>
<td>45 days</td>
</tr>
<tr>
<td>7. Preparation of family plans</td>
<td>BDO with assistance from VLWs, Bank, Co-op Officials</td>
<td>15 days</td>
</tr>
</tbody>
</table>


Second, the program guidelines require that the household economic surveys not be conducted in villages chosen at random. In any given year the Block Development Officer, in consultation with bank officials, is to choose a "cluster" of villages in which the household surveys will be completed and the poorest households chosen as beneficiaries. The Government of India has insisted on the "cluster approach," which means in essence that villages which are near to each other or to the same financial institution, or have some other important feature in common, such as being on the same milk collection route, may be considered a cluster. The senior administrators' rationale for the "cluster approach" is that by virtue of giving loans to a group of villages together, the local officials would more effectively encourage the formation of "forward linkages" by which marketing arrangements for beneficiaries' produce could be most efficiently made. Central planners have also said that villages with the greatest number of poor (a "concentration of Scheduled Castes and Scheduled Tribes and other weaker sections below the poverty line") should be given priority in selection. There are some contradictions, however, between a village's poverty and, for example, its access to a financial institution (i.e., generally speaking, the more remote a village, the poorer it is likely to be).

During the Sixth Plan senior officials in New Delhi said that the "cluster approach" was not really understood and therefore not being strictly followed. My evidence, however, is that the BDOs choose clusters as quickly as possible for the same reason they ignore planning directives—their most pressing demands in the block bear no relation to selecting cluster villages. Indicative of senior administrators' attitudes to the local officials, is an August 1984 letter from Madras to all the District Collectors and PODRDA's for circulation to BDOs:

[I]t has been brought to the notice of the Government that some of the BDOs have selected cluster villages not on a rational basis [emphasis added] and without any relevance to the Antyodaya approach. Hence the Panchayat Union Commissioners [another name for BDO] are informed that they should select only villages which have accent on the population below the poverty line and utmost care should be taken to select cluster villages based on the instructions of the state government and Government of India following the Antyodaya approach. (TN DRD, 26/8/84).
The above quotation is important because it demonstrates how far-removed the senior administrators are from the block. They think that the BDOs choose the cluster villages "not on a rational basis," but in terms of the BDOs' overall "environment of demands," the BDOs have acted rationally by not paying much attention to the clusters. Letters of criticism circulated state-wide have no effect on the BDO in the block, while his lack of attention to a politician's demands has immediate repercussions. In support of the senior administrators, however, the first impression one does get about IRDP in the block development office is disorder--subsidy registers were not properly maintained, and lists of identified beneficiaries from the cluster villages bore little relation to the lists of actual beneficiaries. Moreover, the "antyodaya" principal had little bearing on either the villages' or the beneficiaries' selection because the BDOs have relied on loan brokers to provide them with names of beneficiaries. But confusion in program accounting procedures and the BDOs not doing all they are supposed to for the program, cannot be equated with irrational BDOs. In terms of their "environment," there is far more "method" than "madness" in the BDOs' allocation of IRDP's resources.

The block records tell us which are the "cluster" villages for each year of the Sixth Plan, but the subsidy registers revealed that the "cluster approach" was followed nominally. The number of loan-subsidies a village received in any given year did not generally depend on its inclusion in the year's "cluster." Some villages, for example, received far more loans in the years they were not in a cluster than in the year they were, and some villages were included in more than one cluster over the five years, but still received few loans. The BDOs were primarily concerned, to satisfy their administrative superiors, that each village of the block had been at least nominally included in a cluster by the end of the Sixth Plan. In any given year there should not be more than one or two "cluster villages" under any one RWO's jurisdiction. This is a sensible administrative rule as it would keep the RWOs' IRDP workload evenly distributed, but it is observed in the breach. In Lalgudi in 1984-85, for example, of the 1061 (of a total of 1125) subsidies' destinations I could determine, 444 went to nine villages under the jurisdiction of a single RWO. I found, however, that some RWOs turned the "cluster" rule to their advantage when they were confronted with more demands for IRDP's resources than they could handle. A number of villagers told us that their villages had not received loans because the RWOs told them these villages had not yet been selected (but would be chosen "next year"). The block records showed that these villages had been in a cluster already, but had not received many loans.

Although the Block Development Officer is in charge of the implementation of the Integrated Rural Development Program, the RWO shoulders the primary responsibility for it, as he does with virtually every other program implemented in the block. The RWO should undertake household economic surveys in the cluster villages and prepare a "list of identified beneficiaries" (the poorest people in the villages) based on the results of the surveys, finding out which IRDP scheme each beneficiary would like to participate in.15 Numerous discussions with villagers in both Lalgudi and Thuraiyur reveal the surveys had not been done, or were so cursory as to be unremembered. The RWOs did complete the requisite list of identified beneficiaries for IRDP but largely by having the lists compiled for them by milk society presidents interested in large numbers of IRDP loans. This is an important example of resource exchange between influential people and local administrators—the loan broker who helps the RWO will not have any interference from the officials in the operation of his milk society.

15The "list of identified beneficiaries" is composed of about double the total number of actual beneficiaries for the year (if the government has set a target of 600 beneficiaries, then a list of 1200 potential beneficiaries would have to be prepared by the RWOs). These potential beneficiaries belong to the "cluster villages" only. It is a bit paradoxical, perhaps, that the Government of India insists that a list of potential beneficiaries only from the cluster villages is drawn up, but then also insists that no more than half the year's beneficiaries be selected from the cluster. These lists have even less relevance in the Seventh Plan, as most of the beneficiaries are to have been aided during the Sixth Plan.
The duly compiled "lists of identified beneficiaries" are available for scrutiny in the block development offices. The information in the lists pertains to household size, occupation, caste, landholdings, off-farm income, and total income. The list also includes "scheme prepared by the family." In Lalgudi Block's 1984-85 list there was a perfect correlation between the family-suggested schemes and "schemes suggested to the families to tally with Block Plan" primarily because families were not asked about which schemes they would prefer. I checked one of the lists against names and household information contained in the subsidy registers, and discovered that while the data from the two lists did roughly correspond with each other, there were a number of discrepancies. If a person were categorised in the list as a marginal or small farmer, s/he would likely appear in the subsidy register as an agricultural labourer. For the village of Koppavali (Lalgudi Block), for example, of forty loanees listed in the subsidy register for 1983-84, there were mistakes (deliberate, I assume) in the economic status of fourteen of them. In thirteen of the fourteen cases, people originally listed as owning land were put down as landless agricultural labourers in the subsidy register.

After the seven planning stages described in Table 4-3 have been completed, there is a schedule of implementation activities pertaining to district, block, and bank officials. This schedule is an attempted corrective to the "bunching" of IRDP subsidy allocations at the end of the financial year (March 31). "Bunching" causes many difficulties for the banks which must then process a large number of loan applications at once. Each implementation activity (including such things as preparing and then forwarding loan applications to the concerned bank) has four deadlines during the year, so that if officials meet them they will avoid doing most of the targeted 600 loan applications at year-end. Block officials ignore this schedule.

"Monitoring" is a continuous activity slated for the Rural Welfare Officer, and he is supposed to record the beneficiaries' economic progress in identity-cum-monitoring cards (also called vikas patrika). One copy of the vikas patrika should be given to the beneficiary, and another kept at the block headquarters. The Manual on IRDP states that "follow-up should normally be done for a period of two years after the beneficiary takes up his activity/scheme by which time the beneficiary household would normally [emphasis added] be able to cross the poverty line" (IRDP Manual, 1980: Para 2.17 and Ministry of Agriculture, 1986: 26). I discovered, however, that not only is there no follow-up, the RWOs used the vikas patrika as an excuse to ask beneficiaries for bribes of Rs 25 to 50, thus showing the value to the official of a program rule which is supposed to be in aid of the beneficiary.

This section has highlighted the local officials' methods of coping with a program's rules which they simply cannot adhere to. They have three basic strategies; they follow the rules nominally or superficially (as in preparation of block plans), they ignore the rules (household economic surveys, monitoring beneficiaries' progress), or they follow them by proxy (have a milk society president put together a list of identified beneficiaries). The irony of this is that while the local officials occasionally turn these rules to their advantage ("selling" the vikas patrika or using the "cluster approach" as a means of deflecting villagers' demands), senior administrators think they are in charge of a tightly-designed policy, the many rules of which cannot help but ensure that block officials will select the appropriate "entrepreneurial" beneficiaries and then help supervise their economic progress. The senior administrators' attitudes are evinced in the quotation above from the IRDP Manual which boldly asserts that beneficiaries will normally cross the poverty line within two years.
4.2.2. Popular Participation

The central planners envision the participation of local elected bodies (including panchayats, panchayat union councils, and zilla parishads—the latter is a district representative body which does not exist in Tamil Nadu) in the implementation of IRDP. In Tamil Nadu, because panchayat elections were only held in 1986 (after a hiatus of sixteen years), there was no formal popular participation as such in IRDP until the second year of the Seventh Plan and by that time the panchayats’ active participation was no longer required on a large scale.16 The main role for the panchayats (in effect, the Panchayat Presidents) lies in the identification of new beneficiaries, and the evidence I have suggests that the newly installed Presidents selected their supporters as beneficiaries. Moreover, given the evidence of the Ashok Mehta Committee and others who have commented on the panchayats, the Government of India’s continuing faith in the efficacy of village panchayats seems misplaced. The Government of India insists, however:

Active participation of the local people in the implementation of the programme starts with the association of the entire village community with the procedure of identification of the beneficiaries. In addition, the prominent voluntary action group and bodies engaged in socio-economic activities with the objective of rural uplift should also be associated with the programme (Ministry of Agriculture, 1986: 24).

In the beginning of the Seventh Plan the Government of India has specifically stated that of its rural development outlays, Rs 100 to 150 crores (about 1.4% of rural development outlays) "may be earmarked for use in active collaboration with voluntary agencies" (Seventh Plan, Vol. II, 1985: 69-70).

An issue raised by the panchayat elections held in Tamil Nadu in early 1986 is whether having elected representatives in the villages again, and a political counterpart—the Block Chairman—to the Block Development Officer would have an impact on the implementation of IRDP. When I returned to Tiruchi District in autumn 1986 I found that the new panchayat councils had little effect on IRDP’s implementation. The newly elected Panchayat Presidents and the Block Chairmen were largely uninvolved in IRDP’s implementation, as they turned their attention mostly to the more lucrative NREP, the works of which may be entrusted to the Presidents (I discovered, however, that the Panchayat Presidents often took charge of NREP works, but then sub-contracted them out to fulltime contractors if they were not themselves contractors.)

The block administrators continue to rely on the milk society presidents rather than turning to the Panchayat Presidents for help in meeting their IRDP targets, even with few additional milch animal loans as a tradable resource from 1986-87 onwards. The officials have continued their dealings with the milk society presidents because of the new rule which states that two-thirds of the beneficiaries per year in the Seventh Plan must be chosen from among ones who had been aided previously, but have not yet "crossed the poverty line." By far the easiest way for block officials to meet their new targets is to give a sheaf of subsidy-loan application forms to the president of a large milk society and ask him to find some of his society’s members to be beneficiaries for another type of loan (the third loan cannot be for a milch animal). (I met some milk society presidents in Lalgudi who told me they were trying to convince some of their members to take plough bullock loans as third loans.)

The Government of India has also suggested that in the Seventh Plan "Block Level Beneficiaries’ Advisory Committees" and "Panchayat Beneficiaries’ Sub-Committees," comprised of beneficiaries themselves, should be established to further the ends of increased public participation in IRDP. There is

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16With the reduction in the beneficiaries’ targeted number per block in the Seventh Plan, a village may be eligible to have at most twenty new beneficiaries in a year.
no provision, however, which states that the block’s implementing officials need pay any attention to recommendations made by the committees, and I did not learn of any such committees that had been set up in Tiruchirappalli District by the end of 1986 (Ministry of Agriculture, 1986: 24-25), although one BDO suggested that if such committees were established they would have to be comprised of AIADMK supporters. In effect, the "community's participation" has been kept to a minimum in IRDP’s implementation in the blocks.

4.3. District Officials

While the block officials are directly responsible for the implementation of IRDP, district officials have a co-ordinating and supervisory role to play. The District Rural Development Agency (in some districts, including Tiruchirappalli, the successor to the Small Farmers Development Agency) headed by a Project Officer, is the main body responsible for centrally-sponsored rural development policies (programs which are wholly state-sponsored, such as the Noon Meal Scheme in Tamil Nadu, do not come under the purview of the DRDA).

The Project Officer and his Assistant Project Officers (APOs) make occasional inspections of the activities under IRDP and other rural development programs in the block (more often the DDO goes on inspection tours of the blocks in his division and reports to the DRDA), ensure that block plans have been prepared properly, and disburse the subsidy money they have received from the state and central governments to the blocks' bank accounts in two or three installments per financial year. The Project Officer can and does exercise discretion, especially towards the end of the financial year, in shifting money around the blocks. If a Block Development Officer feels he can spend more than he has been allocated for IRDP or any other centrally-sponsored scheme, he will lobby the PODRDA or Collector for more funds, as overspending financial targets makes him look good to his administrative superiors.

As the BDOs' abilities to overspend their financial targets under IRDP increased during the Sixth Plan, competition began between some BDOs for extra money above their yearly allocations. The Lalgudi BDO was very keen on finishing first in the district for spending under IRDP in 1984-85, and knew he had competition in this regard from the BDO of Musiri Block. As a result, the Block Development Officers of both blocks sent emissaries (various of their extension officers) to the DRDA to request extra funding from both the Assistant Project Officers and the Project Officer himself. The Lalgudi BDO insisted on sending his Extension Officer (Co-operatives) to see the Project Officer, primarily because he knew they were distantly related, and felt that this would play a positive role in his pleas for additional funds. As it turned out, however, neither Lalgudi nor Musiri finished first for 1984-85. The Lalgudi BDO was most indignant at this turn of events, and insisted that the "winning" BDO must have "played some tricks" (especially with his accounts) to finish first. He and the Musiri BDO tied for second place, behind the winning block, Veppur, by Rs 20,000.17

The DRDAs are also supposed to check and approve the block plans, but in the Seventh Plan the Government of Tamil Nadu removed this function from the purview of the DRDAs, again detracting from the Government of India’s apparent commitment to decentralised planning:


17This raises the question as to why BDOs would want to compete with each other for extra funding. Interviews with BDOs revealed the opinion that if they did well, i.e., overfulfilled their targets, in a program that received a lot of attention from senior administrators, their career prospects would be enhanced. This is an example of intra-administrative resource trading. The BDO provides his superiors with overfulfilled targets in high priority programs, and expects help in another area in return.
have vested the powers for the approval of the Block Plans to the DRDAs themselves, in order to have uniformity and to have a check in the preparation of the Block Plan, it is informed that the DRDAs shall prepare the Block Plan and get the approval of the Government through the Director of Rural Development as was done during last year (TNDRD letter no. 69127/86 K1: 20/6/86).

The PODRDA through his/her APOs, also collects statistics from the blocks to collate district-wide spending statistics which then must be sent to the state government for its assessment of the district's IRDP performance.

The District Collector plays a supervisory role in IRDP's implementation. However, the Collector's role in IRDP has its greatest importance in the discretionary powers s/he is able to exercise with regard to program funds and target ceilings. Although the PODRDA is supposed to make decisions about shifting funds among the blocks, the Collector is behind some of them, and Block Development Officers will occasionally approach the Collector directly about extra funds. A Collector can also bend the rules of implementation vis-a-vis funding ceilings for villages (ie., allow a village milk society to receive 100 loans rather than just 50). One of Tiruchi's former Collectors, Shantha Sheela Nair, urged the BDOs to start up as many women's milk producers' co-operatives as possible, and as a result many were.

Although the personnel in the district have only a supervisory role to play in IRDP's implementation, they have a much better idea of the policy's implementation than administrators in Madras or Delhi. The plethora of government implementation orders, however, gives them little chance to change program rules to make them more in keeping with what they know goes on in the blocks and villages. During the course of a three-day seminar on IRDP in March 1985, the then PODRDA of Tiruchi, Mr. M. Thangavel spoke about an IRDP inspection tour he had made. In his talk he described a visit to a village which had eighty IRDP beneficiaries. He interviewed eight of them, and could say that seven of the eight had "crossed the poverty line" because they had started off above it. When I interviewed the Collector of Tiruchi in August 1985, and questioned him about some of the administrative malpractices under IRDP, his rather surprising response was, "We can't say that it's 100% corruption," indicating both his awareness of the significant amount of corruption in IRDP's implementation, but also an unwillingness to do anything about it. I did not ask him what percentage might be more realistic.

4.4. The Banks and IRDP

While IRDP is administered through the development administration, as a program it cannot function without the active participation of credit institutions including credit co-operatives, land development banks, private banks, and nationalised banks. The nationalised banks have the largest role to play in IRDP, and are obliged to follow rules and regulations regarding lending practices, interest rates and the like as set out by the Reserve Bank of India (RBI). The banks have "priority sector" lending targets which means that forty percent of their total lending must go to agriculture and rural development. IRDP lending forms part of the "priority sector," and so any lending a bank does under IRDP helps it to fulfill its priority sector lending quota. When there are a number of nationalised banks in a block, as is the case in both Lalgudi and Thuraiyur, it is easier for the BDO to meet his IRDP targets, as he will be able to divide the required loans among a larger number of banks, and if one bank is unwilling to participate in IRDP, then another bank will likely fill the gap. In Lalgudi Block the State Bank of India, ADB (Agricultural Development Bank) is most actively involved in the implementation of IRDP, and disbursed

18Lalgudi has six nationalised banks and four private banks, while Thuraiyur has four nationalised bank branches and one private bank.
over half the block's IRDP loans in 1984-85. It serves about forty villages in two blocks, and has eight Agricultural Officers on staff.19

For the successful allocation of IRDP's resources there must be close co-ordination between the block officials and local bankers and to a lesser extent between the District Rural Development Agency and the Lead Bank. In every district of India one bank is chosen by the Reserve Bank of India to act as "lead bank." This is normally the bank with the most branches in the district. In Tiruchirappalli District, for example, the Indian Overseas Bank is lead bank, and its main task, among other things, is to co-ordinate the lending activities of all nationalised banks in the district with regard to IRDP and to ensure that they follow RBI lending norms for it. Another function of the lead bank is to host and/or participate in, district seminars and meetings on the implementation of IRDP. The latter, generally held twice or thrice a year, are attended by both development officials and bankers, and are used to discuss any problems that arise in implementation. Suggestions for improvement are made, and then circulated to all the participants in the form of minutes, although like the Government of India's written orders, they are generally disregarded in the blocks. The meetings are attended by what is known as the District-Level Review Committee, chaired by the District Collector and convened by the Regional Manager of the lead bank.

I interviewed the Lead Bank Officer in Tiruchi a number of times about the banks' perspectives on IRDP. On one occasion in October (1985) he complained that he could not yet issue guidelines to block bank branches20 as to block lending requirements under IRDP because the DRDA had yet to send him the block plans for 1985-86, a task that is supposed to be completed at the beginning of the financial year (April). He further added that it reflected poorly on the development administration that five years after the beginning of a program, it still took over six months to produce the block plans. The reason, of course, is that planning remains as time-consuming and as unimportant to the BDO in the context of all the demands made on him in the block in 1985 as it was in 1980. Within a few days of the above-mentioned interview with the Lead Bank Officer, I visited the DRDA where the Assistant Project Officer (Statistics) was still busily checking over the current year's block development plans. The local planning exercise, perfunctory at best, is made a mockery of when the current year's "plan" is not ready to be acted upon before halfway into the year.

Reserve Bank of India rules regarding banks' lending under IRDP have changed since 1980 to make the terms as favourable as possible for the beneficiary. Initially, bankers insisted on borrowers making large deposits with them, or putting up some sort of collateral such as jewellery or land. When it was realised that the bankers were regularly asking the poorest of the potential beneficiaries to provide either large deposits or securities, the RBI insisted that no bank should demand collateral for any loan with a value of less than Rs 5000 which is a ceiling higher than the value of most IRDP loans (NABARD,21 1984: 19). Also, bankers are encouraged not to rush borrowers into making loan repayments faster than the set repayment schedules. For example, for two milch animal loans (treated by

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19The nationalised banks in the blocks tend to "adopt" villages. This means that a bank branch will give loans only to certain villages, leaving other villages for another bank to "adopt." Villagers are not forced to use only the "adoptive" bank, but they will find, occasionally, that other banks do not wish to infringe on another's "territory." Moreover, if a village has not been "adopted" it is an indication, generally, of both its remoteness and its poverty with most banks unwilling to extend their services to it. According to C. S. Mahadevan (The Hindu, International Edition, 6/12/86: 12), the population served per bank branch was about 65,000 in 1969 but had dropped to 16,000 by mid-1983.

20Excluding the cities of Tiruchi and Srirangam, Tiruchi District has 212 bank branches (IOB Annual Action Plan, 1985: 1-8).

21National Bank for Agricultural and Rural Development.
the bank as one unit), the RBI has set a repayment schedule of forty-eight months; the loan amount for two animals is no more than Rs 5000 (as of 1985), and with the subsidy of Rs 1666, the beneficiary would have four years to repay Rs 3334, often carrying a differential interest rate of only four percent, or a concessional rate of ten percent. Furthermore, all IRDP loans are entitled to a "recovery holiday" (some interest-free time) during the repayment period.

The RBI insists that all IRDP milch animal recipients be members of co-operative milk producers' societies. This has largely been followed, although not initially in either Thuraiyur or Lalgudi. Banks have insisted on IRDP milch animal beneficiaries being organised into milk co-operatives because loan payments can then be handled through the offices of the milk society president and his accountants, and the banks do not have to "chase" the individual members of the society for loan payments. As long as there are no problems with the milk society leaders, the bank can be fairly assured that the IRDP borrowers' loans will be repaid if they don't sell their animals prior to loan repayment and use the proceeds for other purposes. Bankers told me that the default rate on IRDP loan repayments was not worse than that for crop loans, despite their initial fears that poor people would not repay their loans.

In the rural branches, the bankers' role in IRDP does not end with vetting loan applications forwarded by the block development office, and then disbursing the loans. Some rural bank branches have on staff, Agricultural Officers (AOs) who are the main contact persons between the bank and its rural customer. The AO meets with customers in the branch, and also makes regular visits to villages to ensure that borrowers are using their loans properly. Unlike the RWO's, the AO's visits to villages are regular. Additionally, the Agricultural Officers may be members of IRDP purchase committees. According to Copestake (1987: 147), a bank official's participation in a purchase committee reduces the element of official corruption. Local bank officers and block development officials, especially the BDO, should have close contact with one another in implementing IRDP, and are to have meetings once a month to discuss problems of mutual concern.

My experience in the two development blocks of Tiruchi District suggests that the banks are largely passive instruments in IRDP's implementation. The block development office gives the banks lists of beneficiaries' names which the latter do not generally have the opportunity to scrutinise adequately. One banker told me that of all the IRDP applications the bank receives, a maximum of only 5% are rejected. IRDP puts the banks in an awkward position because the control over who their borrowers are is vested with the development administration, although the bank, not the administration, suffers should the borrower not repay the loan. The borrower's repayment of the IRDP loan is not the concern of the block development office. While block officials I interviewed did not have any major complaints against the banks, other studies of IRDP (MIDS, 1980; Bandyopadhyay, 1985) have shown that the banks have, on occasion, been obstructionist in their dealings with the local development administration, occasionally refusing IRDP loan applications on spurious grounds, such as an application form missing a non-vital piece of information. (One banker, however, said his branch sometimes received blank application forms from the block office having only a thumb impression at the bottom.)

While the banks are more passive than active in IRDP's implementation, it should not be assumed that they are merely tools of the development administration which have had no impact on the shape of the program in a block. Bank officials have also been involved in resource exchange (sometimes in a

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22 Each item purchasable under IRDP is subject to a "unit cost." Therefore, even if a beneficiary purchases a milch animal for Rs 3000, the bank will not finance him beyond the unit cost of Rs 2500, and the beneficiary will have to cover the extra Rs 500 by other means, usually an additional loan through informal credit channels.
corrupt way) with officials, but have also on occasion, thwarted the block officials’ desired transactions. A bank manager, for example, may refuse to sanction further loans to a milk society if he feels the president has mismanaged it (see below). The leverage a bank can exert over block officials probably depends on the number of banks in the block and how urgent it is for each to meet IRDP lending targets. If a bank manager is under pressure from his district headquarters to reach a certain target, he will be more likely to go along with the block officials’ requests, as it helps his cause as well.

The banks themselves are closely involved with the milk society presidents who, in turn, are in charge of beneficiaries’ loan repayments. Bankers frequently turn a blind eye to presidents’ wrongdoings vis-a-vis beneficiaries for the sake of maintaining a good relationship with the president.

The Block Development Officer must have good relations with nearby bank managers, as it is possible for them to be unco-operative in terms of IRDP lending. If the BDO does have a good relationship with the bank manager, it may be possible for him to convince the bank to do things which, strictly speaking, are not allowed. In one of the blocks, for example, the BDO tried to release funds (one lakh) for IRDP to one of the banks on the day after the end of the financial year, with the request that this money be credited to the block’s IRDP loan account the day before. The bank manager refused, and the BDO made his request of another bank manager, who did accept the IRDP funds and credited them retrospectively. Oddly, when I heard this story from the BDO, he claimed that the first bank manager had “cheated” him in refusing to accept the money, although it is certainly against banking rules to do so. Perhaps the BDO had expected the manager would accept the money because the BDO had arranged with this bank to do much of IRDP’s lending. In other words, the BDO expected an exchange of resources which did not eventuate, and thus felt “cheated.”

In another case the Block Development Officer requested that the State Bank of India (SBI) provide twenty-five loans to a certain milk society president. In this case SBI refused to co-operate because it felt that the milk society president had improperly managed his milk society. The bank official I interviewed, however, was anxious that the bank would be unable to refuse this president again in the coming year because he had good official connections, both in the block, and at the district level. The bank official further pointed out that the milk society president was “full of tricks,” and that he had come to the bank saying that he had already arranged for a television program to be made on how the State Bank of India had helped the village. Despite this, however, the bank refused to sanction the loans. The SBI officer said that to offer some compensation to the milk society president for not sanctioning the milch animal loans, the bank gave him a subsidised loan for a bio-gas plant for his home. Another bank also refused to give second loans to a milk society, but a new person took over the society and he managed to get the second loans from a different bank in the block.

IRDP loans are a "burden" to the rural banks. First, there may be a fairly large number of them although individually, the loans are for small amounts, resulting in a lot of paperwork for the bank branches. (I was told at Lalgudi’s, State Bank of India (ADB), that in 1984-85 they had disbursed 5100 crop loans for a total of Rs 1100 lakhs with an average of Rs 21,500 per loan. In the same year they had 595 IRDP loans for a total of 19.1 lakhs, with an average of Rs 3200 per loan. Of the 595 IRDP accounts, 488 (14.3 lakhs) were for milch animals. Of this bank’s total lending for 1984-85, IRDP represented just over 1.5% of the value but 9% of the number.) Second, as mentioned above, the banks have little control over who their IRDP borrowers are. Third, management rifts within the milk societies threaten loan

23This is a good example of "defensive" resource exchange, and is similar to the tactics employed by officials such as the Collector (see discussion in Chapter Six). Here, the bank is unwilling to give the president what he wants, and offers him something else in hopes that he will discontinue his demands.
repayment schedules. Fourth, the banks involved in IRDP are forced to work with the development administration.

Most of the bankers I spoke with would have been happier to implement the program without the development administration’s participation at all, and some had major grievances against the officials. One of the first complaints all bankers directly involved in the program make is that IRDP applications are badly bunched at the end of the financial year reflecting the block officials’ concerns only that they meet their targets, and not that they meet them in such a way as to help either banks or beneficiaries (with so many loans given to beneficiaries at once, the prices for cattle are driven up).24 Throughout the year bankers have little to do for IRDP, and then suddenly in March virtually all loan applications are sent to them by the block development officials. The bankers are then required to sanction the loans by the end of the month leaving them no time to scrutinise the loan applications. Some bankers were dismayed about the high level of corruption among the development officials. One bank manager, for example, (his sentiments were echoed by other bank officials) said that as soon as the block development officials were involved in the IRDP milch animal purchase committees one could count on corruption and malpractices, with Animal Husbandry Officers always demanding bribes for tagging the animals’ ears.

Our interviews with villagers indicated a widespread feeling that the bank officials were honest, especially when compared to the block development officials. This, however, does not mean that the bank officials are paragons of virtue. In Lalagudi Block, for example, one of the Agricultural Officers of the SBI(ADB) was discovered to have swindled about Rs 2 lakhs, some of it through IRDP. He had been able to swindle this money by forging people’s signatures on loan documents or simply by making up names. A substantial number of beneficiaries in one Lalagudi village felt that the concerned bank’s “agri” had been dishonest in handling their animal purchases. They told us they had paid less than the loan amount for their animals, and with despair in their voices, beneficiary after beneficiary said that the concerned bank’s “agri” had been dishonest in handling their animal purchases. They told us they had paid less than the loan amount for their animals, and with despair in their voices, beneficiary after beneficiary said that the bank’s Agricultural Officer "took it." I assumed that this was yet another type of corruption the IRDP beneficiaries had to suffer, but decided to check at the concerned bank. When I arrived there armed with the names of the appropriate beneficiaries, I was shown their loan records, which indicated that the amounts "taken" by the "agri" had been credited to their loan accounts. Unfortunately, because of their lack of education, their lack of experience with banks, and because their milk society president handles their loan accounts, the beneficiaries do not generally go to the banks themselves to check on the status of their loan accounts.

Some banks insist on holding a meeting in any village which is about to receive a large number of IRDP loans. At this meeting the bankers tell the potential borrowers about the program details, including loan repayment schedules. They also tell the villagers that the only legitimate expense they need incur is Rs 2,50 for the loan stamp duty and Rs 10,50 for the co-op society membership fee. The Agricultural Officer who gave me the above information admitted, however, that by the time of the animal purchase the beneficiaries may well have forgotten what they were told at the meeting. The beneficiaries may also feel, however, that they have no choice but to incur the extra expenses demanded of them, particularly by the block officials and milk society president. SBI (ADB) in Lalagudi also conducts vet camps (it has a vet on staff) at milk producers’ societies it has financed.

Bankers were also asked to help settle disputes among milk society members (by the members

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24I asked some BDOs and RWOs independently to list their top priority target and all said "family planning." IRDP’s relatively low priority in block explains why there is always a year-end rush to meet its target, rather than steady attempts throughout the year to implement the program, as with NREP.
themselves). On at least one occasion I know of, villagers unhappy with the operation of their milk society called for the assistance of the concerned bank’s Agricultural Officer to settle the problem. The bank officials are, however, reluctant to become involved in disputes which involve the milk society presidents, but professed willingness to help villagers if there is a large majority in favour of a particular action to be taken. As one Agricultural Officer put it, "We have to work with the milk society presidents, so we’re not going to do anything to purposely upset them."

The Government of India is trying to change rural banking practices so that the banks favour poorer borrowers, but it is still not the business of bankers to help the poor. This is evident from their participation in IRDP. Bankers have put a stop to some of the desired transactions between block officials and milk society presidents when they think the latter are a particularly bad credit risk, and while this may help lessen the exploitation of beneficiaries, the bankers’ primary concern is with loan recovery rather than the relationship between milk society president and beneficiary. Occasionally, the bank official on a purchase committee may try to prevent resource (subsidy) sharing among committee members but this only counters a small percentage of purchase committee corruption. Overall, and despite mutual complaints, bankers and block officials do co-operate with each other so that both maximise their IRDP targets.

4.5. The Poverty Line: Sightings and Crossings

The Government of India was much too optimistic regarding the number of people who would "cross the poverty line" with IRDP assistance, originally suggesting that virtually all IRDP beneficiaries would cross the poverty line within two years of receiving the asset. In the Seventh Plan document (1985), however, the Government of India itself suggests that a maximum of no more than 40% of beneficiaries could have crossed the poverty line in the Sixth Plan, and in light of more recent evidence, even that is a generous estimate. At the end of the Sixth Plan the Government of India emphasised that evaluation studies of IRDP be taken, indicating that the states would have to undertake "concurrent evaluations" of IRDP by way of surveys using Government of India pro formae in two blocks of two districts every month. This style of evaluation began in October 1985 (Dept. of Rural Development, 1986: 10) and an article in The Overseas Hindustan Times (30/5/87: 9) reported that these evaluations have shown that on an all-India basis, only 12% of IRDP’s beneficiaries have crossed the poverty line so far. Tamil Nadu’s own IRDP Monitoring Cell has provided data which show that 15% of the state’s beneficiaries surveyed crossed the poverty line by the end of the Sixth Plan.

When central government IRDP officials realised by 1985 that the beneficiaries who were receiving assistance under IRDP were not actually crossing the poverty line in sufficient numbers, they proposed that for the first three years of the Seventh Plan those families which had already received assistance but had not been able to cross the poverty line should receive a "second dose of assistance." In a Government Order dated August 16, 1985 the Joint Secretary of Rural Development, New Delhi stated that

a large proportion of beneficiaries have not yet been able to cross the poverty line. One of the main tasks under IRDP in the first three years of the Seventh Plan would, therefore, be to help consolidate the achievements in the Sixth Plan through proper remedial steps for correcting the deficiencies which have adversely affected the implementation of IRDP in the past.

Families still below the poverty line, then, are eligible for a "supplementary dose of assistance," although the subsidy they receive cannot bring their total subsidy above the prescribed ceilings (generally, Rs 3000 per family).

The Tamil Nadu government, following the instructions of the central government, set a target for
the first year of the Seventh Plan (1985-86) of 724 beneficiaries per block, with a projected block outlay of 7.35 lakhs, down slightly from the eight lakhs targeted outlay per block in each of the final years of the Sixth Plan (for total state-spending in the Sixth Plan, see Table 4-4 below). Of the 724 beneficiaries, 543 were to be beneficiaries who had received assistance in the first two years of the program (but were still "below the poverty line"), and 181, new beneficiaries (Interview: Mr. Sivapitchai APO Statistics, Tiruchi DRDA). For 1985-86, the first year of the Seventh Plan, all the "old" beneficiaries from 1980-81 and 1981-82 were eligible to receive assistance provided they still had the asset(s) they originally received. The APO Statistics of Tiruchirapalli District informed me that the subsidy for the old beneficiaries should not be more than Rs 688 while that for new beneficiaries should be on the order of Rs 2000 per loan which would have the likely effect of attracting larger numbers of people "above the poverty line" than during the Sixth Plan. However, if an earlier subsidy of, say, Rs 1332 (the amount a milch animal beneficiary would receive for two animals from 1980 to 1982) were not enough to raise a household's income above Rs 3500, it is unreasonable to think that a subsidy of Rs 688 would boost their income above Rs 6400.

Table 4-4: IRDP in Tamil Nadu—Sixth Plan

<table>
<thead>
<tr>
<th>ITEMS</th>
<th>TARGETS</th>
<th>ACHIEVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Total expenditure (Rs lakhs)</td>
<td>13188</td>
<td>1691 2810 3416 3369 3375 14661</td>
</tr>
<tr>
<td>2. Subsidy expend. (Rs lakhs)</td>
<td>N.A.</td>
<td>N.A. 2332 2659 2739 2864 10594</td>
</tr>
<tr>
<td>3. Total number of beneficiaries (lakhs)</td>
<td>11.30</td>
<td>2.55 3.58 2.72 2.78 2.33 13.96</td>
</tr>
<tr>
<td>4. No. of SC/ST beneficiaries (lakhs)</td>
<td>N.A.</td>
<td>.49 .97 1.02 1.09 1.06 4.63</td>
</tr>
<tr>
<td>5. Per capita subsidy (Rs)</td>
<td>1000</td>
<td>N.A. 651 979 986 1228 929</td>
</tr>
</tbody>
</table>


To give a "second dose" to the beneficiaries of 1980-81 and 1981-82, the Government of Tamil Nadu at the instance of the Government of India had surveys taken in the blocks, largely by National Sample Survey Organisation youth volunteers. The compiled results of the surveys as made available by the Department of Rural Development do not give much reason to hope for the success of the "second dose of assistance" as a corrective for insufficient aid to the Sixth Plan's beneficiaries. Of the total 613,548 beneficiaries assisted in the first two years of the Sixth Plan in Tamil Nadu, 332,552 were surveyed (54%) and of these beneficiaries, only 48,718 (15%) were deemed to have crossed the poverty line. However, a further 100,478 beneficiaries (30%) had disposed of their assets and were thus automatically ineligible for further assistance even if they had not crossed the poverty line. Another 112,169 (34%) beneficiaries were ineligible for the second dose because they were deemed to have defaulted on loan repayments. In the final analysis only 63,832 beneficiaries were eligible for more IRDP loans.

If we then divide the 63,832 beneficiaries by the number of blocks in Tamil Nadu (379), we arrive at a number of only 168 eligible "old" beneficiaries per block. In light of the numerical analysis
presented above, the target of 543 "old" beneficiaries (which originated with the central government) was unrealistic. If the Government of Tamil Nadu were to have met its overall IRDP beneficiary targets for 1985-86 in a manner commensurate with the survey findings and the targets for new beneficiaries, it should not have aided more than 132,431 beneficiaries \[((181 \text{ new beneficiaries times 379}) + 63,832)\] but in fact the IRDP Monitoring Cell says 209,686 beneficiaries received assistance in 1985-86.\(^{25}\)

4.6. Conclusion

IRDP is an incremental rather than radical departure from earlier rural development policies in India. It is an extension and refinement of the earlier Small Farmers Development Agency (see Heyer, 1981), but senior administrators have allowed it to inherit a large number of mistakes from the earlier SFDA policy. Some of these mistakes include too much uniformity, assigning too much importance to local planning (although at the same time not relinquishing any planning autonomy to the local official), and excessive reliance on quantitative targets. The major changes that have been made are to introduce the "antyodaya" or "poorest first" approach in IRDP (which has not been successful), broadening the scope of the program so that subsidised loans are available for non-agricultural purposes as well, and disbursing same-purpose loans to members of co-operative producers' societies. Additionally, IRDP is implemented on a nation-wide scale, while SFDA was not.

The discussion in this chapter has served to highlight the vast differences between senior administrators' conceptualisation of a poverty alleviation program and the block officials' allocation of its resources. As the chapter title indicates, senior administrators have designed a complex program with a myriad of rules, while its implementation in the blocks has been reduced to its simplest elements—achieving the physical and financial targets. While IRDP has been given much attention by senior administrators, the press, and academics in India, in practice it is just another set of targets for the block officials to meet (my interviews with the latter showed they are well aware of the senior officials' attitudes, although the reverse is much less true). Senior administrators discuss "the deficiencies which have adversely affected the implementation of IRDP," but the block development officials have employed the best strategy, resource exchange, to meet the program's targets. In administrative terms this is their primary aim, and in both Lalgudi and Thuraiyur Blocks, this primary aim has been accomplished.

In the Seventh Plan senior administrators have introduced two important correctives to IRDP—the "second dose of assistance" and the drastic limitation on the disbursal of milch animals. These correctives may help IRDP's implementation to a limited degree but they, as the original policy rules, reveal the administrators' failure to recognise what is at the root of IRDP's ineffectiveness as a poverty alleviation program—the impossibility that a policy like IRDP could ever be implemented as designed in the political and socio-economic environment of the block administrator. The main failure lies in the senior administrators' unwillingness to recognise the block officials' "environment of demands," and then build a policy that will fit better with it. The senior administrators' lack of understanding of the block officials' environment is, perhaps, most reflected in the rule that block officials, especially the Rural Welfare Officer, must have a one-to-one relationship with beneficiaries. This simply ignores the local

\(^{25}\)In 1986 another survey was undertaken to ascertain the beneficiaries still eligible for assistance from 1982 to 1985. The number of beneficiaries from these three years is given as 832,468 (incidentally, this is 50,000 more than the number of total beneficiaries given for these three years in another Government of Tamil Nadu source), while the number surveyed was 653,320 (78%). Of those surveyed, 126,401 (19%) are eligible for a "second dose," while of the ineligible beneficiaries, 98,573 are deemed to have crossed the poverty line (15% of 653,320), 177,612 (27%) no longer had the asset and 227,397 (35%) defaulted. In the meantime, prior to the completion of the survey the Government of India issued orders to say that 205,000 "old" beneficiaries should be assisted in 1986-87 although the survey reveals that the number eligible falls 78,600 short of this target.
official's environment in the block. The allocation of IRDP's resources does not deviate from the resource exchange pattern, including some of the main actors, which is particularly evident in the block's contracting programs.

The block environment predictably led local development officials throughout Tamil Nadu to concentrate on milch animals during the Sixth Plan. This concentration reflects the block officials' use of resource exchange strategies to their considerable advantage. Not only are they able to meet their targets with the greatest speed and efficiency using loan brokers, crucially, the block officials meet those targets in the appropriate percentages of female and Scheduled Caste beneficiaries without having a one-to-one relationship with them. In effect, the brokers do the development administration's implementation tasks; they "recruit" the appropriate beneficiaries, give economic details (sometimes falsified) about them for the block office's records, fill out the loan application forms, and get the required certificates to accompany the application forms. The president even collects bribes on behalf of the administration without telling the beneficiaries what he is doing, and shares in the proceeds of milch animal sales which go to the purchase committee. This exchange relationship between officials and vested interests in the rural areas has led not only to the "wrong" people profiting from the program, but to the economic exploitation of the "right" people.
Chapter 5

The Results of Resource Exchange:
IRDP in the Villages

If I could purchase an animal with my own money, I would make a profit. Middlemen are involved with the [IRDP] loan and subsidy and they take the profits. Also, when the cattle seller knows you are buying a loan animal he asks for a higher price.—IRDP beneficiary, Thuraiyur

I have argued that the block officials avoid doing anything for IRDP which is not specifically targeted, trading IRDP’s resources into the hands of those who will help them most in implementing the program. In this chapter I examine the program’s impact in the villages as a result of the officials’ trading of IRDP’s resources. The channeling of the program’s resources through loan brokers has led to the responsibility for its impact being placed firmly in the hands of the officials’ main trading partners. The loan broking milk society presidents have a free hand to run their societies in any way they see fit and, with a few important exceptions, do not try to help their members make a profit through owning an IRDP cow or buffalo. The style of allocation of IRDP’s resources combined with the treatment meted out to beneficiaries by their presidents has resulted in the poor beneficiaries’ interests being served last.

Many beneficiaries have lost rather than made money as a result of accepting the IRDP loan and purchasing a milch animal (see Section 5.2.4). The development management analysts critiqued in Chapter One would quite rightly point to the predominance of IRDP’s milch animal component and the consequent scarcity of good quality animals as an important reason for the beneficiaries’ losses, without fully exploring the role of loan brokers. Senior development administrators in New Delhi told me that the main reason for this dominance of the cow was that the beneficiaries themselves were only interested in cows and the block officials were not sufficiently well-trained or motivated to convince the beneficiaries otherwise. The Secretary of Rural Development in India, Mr. D. Bandyopadhyay has written (1985: 116), "The reason why animal husbandry could get such a high preference, both from the point of view of administrators and the beneficiaries, was that the agricultural labourers and marginal farmers had a hankering for owning such livestock." If a development policy’s implementation and impact are conceived of in these terms, then the influence of the local administrator’s political and socio-economic environment on his allocation of resources is not easily recognised.

I include here before I begin my description and analyses of IRDP in Lalgudi and Thuraiyur, a discussion of a selection of its many critiques. While a few have come out in favour of IRDP, most have been highly critical. Despite the larger scale of most of the critiques and evaluations, covering more blocks than my study, many of their findings tally closely with mine. The main studies I discuss include that of the Madras Institute of Development Studies (1980), of the Institute for Financial and Management Research (1984), of the Planning Commission’s Program Evaluation Organisation (1985), Nilakanth Rath (1985) (his article in the Economic and Political Weekly spawned a series of articles in that journal on the theme of poverty alleviation programs), Canara Bank (1984), James Copestake for the Overseas Development Agency (1985 and 1987), and the Draft Seventh Five Year Plan (1983).
The articles find much to criticise in IRDP. Even the Program Evaluation Organisation (PEO) report, the most optimistic appraisal, indicates there are severe administrative problems with the program, although at the same time it says that most of its sample beneficiaries reported increases in status, income, and employment as a result of receiving an IRDP loan-subsidy. The articles and reports cite numerous drawbacks of IRDP, from its conception to implementation, to administrative weaknesses in local planning, and to problems of co-ordination with the banks. As I also discovered, the complex design of IRDP lends itself to many weaknesses in its implementation. The different studies had different starting points, and few, for example, dealt with the question of whether IRDP is really "integrated" or not. Rath (1985: 238-39), however, observes that IRDP has not lived up to the original, Draft Sixth Five Year Plan conception of it, and rather than being for "integrated rural development," it is an "anti-poverty program."

All the articles are concerned with IRDP's main directive which is that its beneficiaries should, as a result of assistance made available under the program, "cross the poverty line." In this respect, the critiques vary quite a lot, although none are particularly sanguine. By far, the most optimistic report appears in the Draft Seventh Five Year Plan, in which the Government of India (1985: 119) states that 40% of the Sixth Five Year Plan's IRDP beneficiaries would have crossed the poverty line. Nilakanth Rath (1985: 243) estimates that realistically less than 10% of the beneficiaries would have crossed the poverty line, and goes on to say that "it would not be far wrong to estimate that at the end of seven years of IRDP's operation, about 3% of the poor households in rural India would have been helped to live above poverty, even if for a while only (1985: 243)." As pointed out, surveys done under the auspices of the Government of Tamil Nadu estimate that 15% of its beneficiaries crossed the poverty line.

Two of the studies (MIDS, 1980: 51 and Copestake, 1985: 10) conclude that beneficiaries under the milch animal component of the program (which all the studies indicate has been so over-emphasised that high-quality milch cattle are either unavailable or so overpriced as to be effectively unavailable) have not only not crossed the poverty line, but have actually lost money for having accepted the loan-subsidy. A number of studies summarised in the Indian Journal of Agricultural Economics, also conclude that poor IRDP beneficiaries have lost rather than made money from owning an IRDP milch animal (see Singh, Khatkar and Shukla, all in the IJAE, October-December 1986). Copestake (1985: 11) argues that beneficiaries' losses were minimised where, in contradiction to program intentions, they sold their animals. My research corroborates these conclusions in that I also found that the easiest way for a beneficiary to profit was through selling his/her milch animal and defaulting on the bank loan if necessary. (His/her profits are highest when s/he is able to keep the animal until an advanced stage of pregnancy before selling it--see Tables 5-13 to 5-15.)

Another point which all the studies make is that IRDP has not, so far, lived up to its important objective of helping the poorest villagers first. Rath (1985: 241) says that at least 15% of those identified as poor are not poor, the Government of India accepts that 15 to 20% of the beneficiaries were wrongly identified, while the PEO (1985: 390) says that 26% of its sample households had incomes over Rs 3500 before receiving any IRDP benefits, and that only 15% of the households could be categorised as the "poorest of the poor." The MIDS study (1980: 75) indicates that in one village in Tamil Nadu's former Rammnad District (now three districts) which its research team studied intensively, about 32% (40 of 123 beneficiaries) of the beneficiaries were ineligible to receive IRDP benefits. Generally speaking, MIDS found that about 20% of the beneficiaries were Small Farmers passing themselves off as either Marginal Farmers or Agricultural Labourers. In the group of villages I surveyed the minimum of beneficiaries "not poor" was 13%, with the maximum at 46% (non-milch animal beneficiaries were usually above the poverty line) (Table 5-11). Two of the studies conclude that beneficiary families did report increases in
income (PEO and Canara Bank). Importantly, the Canara Bank authors (1984: 13) state that virtually all the beneficiaries who reported any increases in their incomes, used those increases "for meeting consumption requirements," rather than for any further investment purposes, another main aim of the program.

There were numerous drawbacks cited in IRDP's performance, especially with regard to the milch animal component of the program. Many of the studies (Copestake, 1985; IFMR, 1984; Canara Bank, 1984 and PEO, 1985) point to recycling of milch cattle, meaning that poor quality animals are circulated from one beneficiary to the next. They also indicate that the necessary infrastructure, such as adequate veterinary and marketing facilities were lacking. The PEO evaluation (1985: 375) reports, moreover, that many milch animal beneficiaries were unable to acquire a second milch animal, despite the guidelines which unequivocally state that all of these beneficiaries should receive a second animal as soon as the first one goes dry. Very few beneficiaries who wanted one in Lalgudi and Thuraiyur Blocks did not receive a second animal, but they were seldom able to purchase the second animal within a year of the first.

A serious administrative failing mentioned in the studies is that the requisite district and block planning was either not done at all, or done very poorly (IFMR, 1984: 209). It also tended to be completed well into the financial year, whereas it should be completed at the beginning. The Government of India (1985: 121) points out that the block and district development administration suffer from a lack of qualified staff, while the PEO (1985: 367) states that "the block machinery was found to be quite weak for providing an appropriate and integrated delivery system [for program benefits]."

Corruption received some attention in the studies, but tended to be glossed over. The IFMR study (1984: 208), for example, reported that the block officials "functioned in a completely ad hoc manner, and the result has been that the flows of assistance have tended to bypass the poor." (I draw the opposite conclusion about the officials' behaviour, as there are good reasons for officials to direct "flows of assistance" past the poor.) The Government of India in the Draft Seventh Plan (1985: 120) accepts that there has been collusion between "government functionaries and vested interests in some areas" as a cause for the program's benefits bypassing the poor. The MIDS study (1980: 49) also supports the view that administrative corruption is a cause for the wrong people receiving benefits under the program, and the Canara Bank authors (1984: 18), without actually mentioning corruption as such, say that the presence of purchase committees at the cattle markets "boosts the costs of animals, thus forcing the beneficiaries to go for low quality animals." Even the PEO report, generally positive about IRDP's outcomes, says that there were instances where the subsidy amount was misappropriated with the "connivance of the banks and block officials."

The PEO evaluation of IRDP, geographically the most ambitious as it covered thirty-two districts in sixteen states, devoted a chapter to the quality of the development administration in charge of IRDP's implementation. In addition to the difficulties in planning mentioned above, the PEO uncovered numerous other administrative infrastructure problems. These included delays in establishing the District Rural Development Agencies, overly rapid transfers of Project Officers and Assistant Project Officers at the DRDAs, and staff shortages at the DRDAs caused by "specialist" departments' deputees' reluctance to be seconded there. Moreover, in only four of sixteen states were the requisite household surveys conducted, and there was no follow-up of the beneficiaries' progress after the receipt of their assets (PEO, 1985: 362-75). The MIDS survey (1980: 375) of IRDP in two districts of Tamil Nadu concluded that "at all levels of the administration" there was an over-concern for the "achievement of financial targets." My study, conducted in 1985 and 1986, confirms the MIDS conclusion in Tamil Nadu.
The IFMR report, in its introduction, lays some blame for the poor implementation of IRDP and other poverty alleviation programs at the feet of politicians, saying that "the ordinary MLA or MP has been more concerned with the disposal of funds for supporters than with the cause of the poor (1984: x)." (My findings are that "the ordinary MLA or MP" is virtually uninvolved with IRDP resource disbursal.) Indra Hirway (1985: 562), in a critique of Nilakanth Rath's article, suggests that political people be removed entirely from IRDP's implementation. More common, however, was the view that village-level political people should be more involved as they would aid in IRDP's implementation, particularly if elected village councils were to play a prominent role in beneficiary selection.

I give the final word on IRDP to the Government of India which in its Draft Seventh Five Year Plan (1985: 123) stated that

many of the shortcomings of the Integrated Rural Development Programme . . . would appear to stem from the fact that a programme of massive dimensions, having a multiplicity of critical parameters and functioning in a highly diverse environment, was launched with what can be called very little preparation. The Sixth Plan period could thus be called a period of trial in which the Programme has gradually come to be known, understood and even stabilised. The gaps that have been revealed and the weaknesses that have been experienced in the process will be remedied in the Seventh Plan so as to make IRDP an effective instrument of poverty alleviation.

This statement reveals, perhaps, unwarranted optimism on the Government of India's part. The style of IRDP’s implementation is deep-rooted in the relations between administrators and vested interests in the rural areas, and it will take much more than the Seventh Plan "to make IRDP an effective instrument of poverty alleviation."

5.1. Resource Exchange: First Evidence

I began my research in Lalgudi and Thuraiyur Blocks by looking for a concentration of IRDP benefits in the block's villages. Since the program guidelines direct that benefits are to be disbursed to "cluster" villages, looking for a concentration of IRDP benefits in a few villages would not automatically reject alternative explanations to resource exchange for the concentration. I first checked through the IRDP Subsidy Registers (they provide the only evidence of the flow of IRDP subsidies in a block; bank records are too dispersed to use) for the years 1981 to 1985. The blocks' IRDP Subsidy Registers, an administrative requisite, are a hand-written (sometimes barely legible, whether in English or Tamil) record of the beneficiary's name, address, occupation, if Scheduled Caste or not, the asset received, the subsidy amount, the sanction date of the loan, and if applicable, the serial number of the IRDP animal's ear tag. I could only use the Subsidy Registers from the year 1981-82 onwards, as the earlier registers were virtually non-existent. There was much initial confusion in the block office as to how the IRDP records should be maintained and for the first couple of years of the program they were largely incomplete (in later years of the program they were still, unfortunately, partly incomplete).

There was an extremely high concentration of IRDP benefits in a very few villages in Lalgudi, with the top three villages getting over 150 loans each over a four year period, and the bottom villages less than ten.1 The top village in Lalgudi received about 235 loans from 1981 to 1985 and the bottom village three; in money terms, the top village received Rs 209, 800 (Rs 950 per family of five) while the bottom one got Rs 2800 (Rs 6 per family). What is, perhaps, even more striking evidence of the concentration of benefits is that the top village in Lalgudi received more in IRDP subsidies than the bottom twenty villages

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1For ease of accounting, I counted each milch animal received as one loan, although the banks count two milch animals as one loan unit. For my purposes this would have added an element of confusion, as there were a number of instances where beneficiaries received only one milch animal, and I was hesitant to count this as half a loan. Moreover, the beneficiaries with two milch animals saw themselves as being the recipients of two loans.
put together (Tables 5-1 and 2). A similar condition held true in Thuraiyur, with the top village receiving over Rs 250,000 in subsidies and 241 loans, while the bottom village had three loans and Rs 3500 (Tables 5-3 and 4). Thuraiyur, with only 33 village panchayats compared to Lalgudi’s 45, had greater equity in subsidy distribution among its villages, although not necessarily among each village’s hamlets (Tables 5-7 and 5-8). My main task on a village-wise basis, then, was to explain why certain villages, to the exclusion of others, should receive a large number of benefits.

I calculated the total number (and amount) of IRDP subsidies each village had received from 1981 to 1985, and from this list chose which villages to visit in the block. I was concerned that the subsidy registers were giving a skewed picture of the concentration of IRDP benefits because in both blocks they omitted about 30% of the total claimed number of beneficiaries. The concentration of benefits in the two blocks may be enhanced by the missing subsidies, but I also suspect that some of the missing subsidies are for largely spurious items such as tree seedlings. Moreover, the total number of block beneficiaries seems to have included TRYSEM beneficiaries whose names would not appear in the subsidy registers, but who would account for a substantial number of beneficiaries in the earlier years of the program—Lalgudi records indicated that there were over 300 TRYSEM beneficiaries from 1981 to 1984. The incomplete registers are nonetheless fairly accurate indicators of subsidy concentration. When we visited villages I had identified as low IRDP recipients, people there told us their villages had received very few IRDP loans, and sometimes did not know about any that might have been received. Furthermore, there were two high recipient villages we visited which had more loans than the registers recorded.

Table 5-1: IRDP In Lalgudi (1981-85):
Top 10 Recipient Villages (Total Subsidies)

<table>
<thead>
<tr>
<th>VILLAGE</th>
<th>POPULATION</th>
<th>SUBSIDY (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. MANGUDI</td>
<td>1106</td>
<td>237</td>
<td>215</td>
<td>209768</td>
<td>948</td>
</tr>
<tr>
<td>2. M’PURAM</td>
<td>2063</td>
<td>181</td>
<td>88</td>
<td>152477</td>
<td>370</td>
</tr>
<tr>
<td>3. ALANGUDI</td>
<td>1296</td>
<td>156</td>
<td>120</td>
<td>103433</td>
<td>399</td>
</tr>
<tr>
<td>4. A’NALLUR</td>
<td>2110</td>
<td>138</td>
<td>65</td>
<td>103052</td>
<td>244</td>
</tr>
<tr>
<td>5. NATHAM</td>
<td>953</td>
<td>112</td>
<td>118</td>
<td>98172</td>
<td>515</td>
</tr>
<tr>
<td>6. Madakkudi</td>
<td>3250</td>
<td>127</td>
<td>39</td>
<td>94004</td>
<td>145</td>
</tr>
<tr>
<td>7. Thirumedu</td>
<td>3460</td>
<td>100</td>
<td>29</td>
<td>89899</td>
<td>130</td>
</tr>
<tr>
<td>8. KEELANBIL</td>
<td>1382</td>
<td>90</td>
<td>65</td>
<td>84024</td>
<td>304</td>
</tr>
<tr>
<td>9. KOPPAVALI</td>
<td>950</td>
<td>81</td>
<td>85</td>
<td>64585</td>
<td>340</td>
</tr>
<tr>
<td>10. T’mangalam</td>
<td>3049</td>
<td>87</td>
<td>29</td>
<td>59717</td>
<td>98</td>
</tr>
</tbody>
</table>

TOTALS 19619 1309 67 10.59** 270

*family of five  **lakhs

Villages in upper case were visited.
### Table 5-2: IRDP In Lalgudi (1981-85): Bottom 10 Recipients (Total Subsidies)

<table>
<thead>
<tr>
<th>VILLAGE</th>
<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. NER'KUDI</td>
<td>2322</td>
<td>3</td>
<td>1.3</td>
<td>2833</td>
</tr>
<tr>
<td>2. Marudur</td>
<td>1938</td>
<td>16</td>
<td>8.3</td>
<td>3438</td>
</tr>
<tr>
<td>3. Ariyur</td>
<td>2705</td>
<td>5</td>
<td>1.8</td>
<td>3748</td>
</tr>
<tr>
<td>4. Angarai</td>
<td>2830</td>
<td>10</td>
<td>3.5</td>
<td>3882</td>
</tr>
<tr>
<td>5. MANAKKAL</td>
<td>3527</td>
<td>5</td>
<td>1.4</td>
<td>4690</td>
</tr>
<tr>
<td>6. J'puram</td>
<td>1536</td>
<td>6</td>
<td>3.9</td>
<td>5161</td>
</tr>
<tr>
<td>7. P'suhi</td>
<td>1182</td>
<td>7</td>
<td>5.9</td>
<td>5432</td>
</tr>
<tr>
<td>8. P. UTH'UR</td>
<td>2652</td>
<td>9</td>
<td>3.4</td>
<td>5756</td>
</tr>
<tr>
<td>9. Valadi</td>
<td>2741</td>
<td>31</td>
<td>11.3</td>
<td>6215</td>
</tr>
<tr>
<td>10. Esanakorai</td>
<td>1680</td>
<td>17</td>
<td>10.1</td>
<td>6706</td>
</tr>
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</table>

TOTALS

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<tr>
<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>23113</td>
<td>109</td>
<td>4.7</td>
<td>47861</td>
</tr>
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</table>

*family of five

Villages in upper case were visited.

### Table 5-3: IRDP In Thuraiyur (1981-85): Top 10 Recipient Villages (Total Subsidies)

<table>
<thead>
<tr>
<th>VILLAGE</th>
<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. S'PALAYAM</td>
<td>1573</td>
<td>241</td>
<td>153</td>
<td>251467</td>
</tr>
<tr>
<td>2. KUNNUPATTI</td>
<td>2647</td>
<td>191</td>
<td>72</td>
<td>176465</td>
</tr>
<tr>
<td>3. Pagalavadi</td>
<td>3958</td>
<td>137</td>
<td>35</td>
<td>143221</td>
</tr>
<tr>
<td>4. SORATHUR</td>
<td>1527</td>
<td>132</td>
<td>86</td>
<td>104712</td>
</tr>
<tr>
<td>5. R'PURAM</td>
<td>2272</td>
<td>130</td>
<td>57</td>
<td>104507</td>
</tr>
<tr>
<td>6. Adanur</td>
<td>2770</td>
<td>131</td>
<td>47</td>
<td>99384</td>
</tr>
<tr>
<td>7. V'patti</td>
<td>4040</td>
<td>114</td>
<td>28</td>
<td>94964</td>
</tr>
<tr>
<td>8. Maruvathur</td>
<td>3123</td>
<td>88</td>
<td>28</td>
<td>94206</td>
</tr>
<tr>
<td>9. N'S'PURAM</td>
<td>1785</td>
<td>98</td>
<td>55</td>
<td>86563</td>
</tr>
<tr>
<td>10. V'PURAM</td>
<td>1362</td>
<td>124</td>
<td>91</td>
<td>84419</td>
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</table>

TOTALS

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<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
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<tbody>
<tr>
<td>25057</td>
<td>1386</td>
<td>55</td>
<td>12.40**</td>
</tr>
</tbody>
</table>

*family of five   **lakhs

Villages in upper case were visited.

### Table 5-4: IRDP In Thuraiyur (1981-85): Bottom 10 Recipients (Total Subsidies)

<table>
<thead>
<tr>
<th>VILLAGE</th>
<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. KOLLAPEATI</td>
<td>1229</td>
<td>3</td>
<td>2.4</td>
<td>3499</td>
</tr>
<tr>
<td>2. C'puram</td>
<td>995</td>
<td>7</td>
<td>7.0</td>
<td>6356</td>
</tr>
<tr>
<td>3. M'PALAYAM</td>
<td>1533</td>
<td>11</td>
<td>7.2</td>
<td>7830</td>
</tr>
<tr>
<td>4. Ammapatti</td>
<td>1218</td>
<td>14</td>
<td>11.5</td>
<td>11512</td>
</tr>
<tr>
<td>5. NA'PURAM</td>
<td>2201</td>
<td>13</td>
<td>5.9</td>
<td>13223</td>
</tr>
<tr>
<td>6. Va'puram</td>
<td>5127</td>
<td>32</td>
<td>6.2</td>
<td>22232</td>
</tr>
<tr>
<td>7. V.A.Sam'ram</td>
<td>1759</td>
<td>32</td>
<td>18.2</td>
<td>26145</td>
</tr>
<tr>
<td>8. Kottaiyur</td>
<td>2111</td>
<td>43</td>
<td>20.4</td>
<td>26353</td>
</tr>
<tr>
<td>9. Naiduvalur</td>
<td>1629</td>
<td>51</td>
<td>31.3</td>
<td>34729</td>
</tr>
<tr>
<td>10. Madurapuri</td>
<td>2079</td>
<td>53</td>
<td>25.5</td>
<td>36468</td>
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</table>

TOTALS

<table>
<thead>
<tr>
<th>POPULATION (No.)</th>
<th>SUBSIDY /1000</th>
<th>SUBSIDY (Rs)</th>
<th>SUBSIDY /Fam.*</th>
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</thead>
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<tr>
<td>19881</td>
<td>259</td>
<td>13.0</td>
<td>188347</td>
</tr>
</tbody>
</table>

*family of five

Villages in upper case were visited.
5.2. IRDP in the Villages

This section contains four "profiles" to highlight IRDP's impact in the villages—a profile of the average village which has received a large number of IRDP loans, one of the milk society president, one of the IRDP beneficiary, and one of his/her IRDP milch animal. I first discuss the IRDP village and the factors which lead to its receiving a large number of loans. I then go on to describe IRDP's primary resource trader, the milk society president, how he runs his society, and the main reasons for his/her involvement in IRDP. His reasons for involvement have led to a marked variation from village to village in people below the poverty line. I also discuss the important differences between "loan brokers" and "intermediaries," and how they make an impact on the beneficiaries' economic progress after receipt of the loan. I include a brief discussion of IRDP's non-milch animal component in which resource exchange occurs predominantly on a one-to-one basis rather than under the auspices of a loan broker and conclude the chapter with a note on the non-beneficiary.

5.2.1. Profile One: The Village

Resource traders, with few exceptions locally (within a panchayat village or small group of villages) influential people rather than MLAs or Block Chairmen, are mainly responsible for determining the flow of development policy resources into the villages. Other features of the village such as transportation facilities, depth of poverty, caste structure, and distance from the block office had little effect on the flows of benefits in Lalgudi and Thuraiyur (Tables 5-5 and 5-6). Because those who have studied IRDP have largely assumed that the block officials have tried to follow its rules of implementation, they have not looked at the important role of influential individuals in the villages both in channeling the flow of benefits, and later in determining their impact.

There is no relation between a village's distance (and quality of the transportation facilities) from the block office and the number of IRDP loans it received. The busy local administrator avoids going to the far-distant village, but this does not preclude the contractor from the distant village who has regular business in the block office from becoming interested in setting up a milk society. In Lalgudi there was virtually an inverse relationship between good transportation facilities and the number of loans received, as some of the villages most distant from headquarters and with decidedly poor bus services had the greatest number of loans. Relatively speaking, however, neither Lalgudi nor Thuraiyur have poor transportation facilities compared to other parts of Tamil Nadu (none of the villages we visited had less than two buses a day connecting them with the main town in the block); in blocks with inadequate transportation networks, especially larger blocks, distance would probably play a greater role in determining the flow of IRDP benefits.

There seemed to be little relation between caste and benefits received for villages as a whole, as villages with the same economically dominant caste finished at opposite ends of the IRDP benefits spectrum (Tables 5-5 and 5-6). I include this observation as a corrective to authors like Fred Riggs (1956 and 1964), who argue in favour of the prominence of "traditional," ascriptive factors in determining administrative behaviour. While my findings do not negate the "forces of tradition" analysis, they should make one wary of using it unreservedly, and without also taking political-economic factors into account in explaining administrative behaviour.

If a village with a number of hamlets receives loans, it is likely that some of its hamlets would be excluded from the benefits equation. This had happened in many of the villages with hamlets we visited;
Table 5-5: Lalgudi Villages: General Characteristics

<table>
<thead>
<tr>
<th>LALGUDI VILLAGES</th>
<th>IRDP LOANS No.</th>
<th>POP'N.</th>
<th>S.C. POP'N.</th>
<th>XIAN S.C. POP'N.</th>
<th>NUMERICAL DOMINANCE (CASTE)</th>
<th>ECONOMIC DOMINANCE</th>
<th>FACTION/DISPUTE</th>
<th>KMS. FR. BLOCK OFFICE</th>
<th>BUSSES</th>
</tr>
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<tbody>
<tr>
<td>Mangudi</td>
<td>237</td>
<td>1106</td>
<td>81</td>
<td>400</td>
<td>Kallar</td>
<td>Kallar</td>
<td>Yes</td>
<td>15</td>
<td>Poor</td>
</tr>
<tr>
<td>Mangam</td>
<td>181</td>
<td>2063</td>
<td>640</td>
<td>275</td>
<td>Pallar*</td>
<td>Shared*</td>
<td>No</td>
<td>13</td>
<td>Poor</td>
</tr>
<tr>
<td>Alangudi</td>
<td>156</td>
<td>1296</td>
<td>301</td>
<td>200</td>
<td>Kallar</td>
<td>Kallar</td>
<td>Yes</td>
<td>13</td>
<td>Poor</td>
</tr>
<tr>
<td>Agalanga</td>
<td>138</td>
<td>2110</td>
<td>125</td>
<td>260</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>No</td>
<td>5</td>
<td>Poor</td>
</tr>
<tr>
<td>Natham</td>
<td>112</td>
<td>953</td>
<td>0</td>
<td>250</td>
<td>Kallar</td>
<td>Kallar</td>
<td>No</td>
<td>15</td>
<td>Poor</td>
</tr>
<tr>
<td>Keelanbil</td>
<td>90</td>
<td>1382</td>
<td>594</td>
<td>125</td>
<td>Pallar</td>
<td>Chettiar</td>
<td>No</td>
<td>13</td>
<td>Poor</td>
</tr>
<tr>
<td>Koppavalli</td>
<td>81</td>
<td>950</td>
<td>61</td>
<td>0</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>Yes</td>
<td>9</td>
<td>Fair</td>
</tr>
<tr>
<td>Edayatha</td>
<td>31</td>
<td>2161</td>
<td>556</td>
<td>640</td>
<td>Pallar</td>
<td>Muthuraja</td>
<td>No</td>
<td>9</td>
<td>Fair</td>
</tr>
<tr>
<td>Pudur Uth</td>
<td>9</td>
<td>2652</td>
<td>365</td>
<td>320</td>
<td>Udayar</td>
<td>Udayar</td>
<td>No</td>
<td>7</td>
<td>Poor</td>
</tr>
<tr>
<td>Manakkal</td>
<td>5</td>
<td>3527</td>
<td>609</td>
<td>800</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>Yes</td>
<td>7</td>
<td>Good</td>
</tr>
<tr>
<td>Nerunjilla</td>
<td>3</td>
<td>2322</td>
<td>841</td>
<td>0</td>
<td>Pallar &amp; Muth.</td>
<td>Vellala</td>
<td>No</td>
<td>7</td>
<td>Excel</td>
</tr>
</tbody>
</table>

* A Scheduled Caste.
** Economic dominance in this village is shared among the Chettiar, Kallar, and Muthuraja.

Lalgudi Block has quite a large number of Christians in some of its villages. The numbers of "Christian Scheduled Castes" given in the table are estimates based on information gathered from villagers. Other population figures are from the 1981 Census. All villages surveyed in Lalgudi Block have schools up to the Fifth Standard. Bus services are defined as follows: Poor - up to 3 busses/day from village to block HQ; Fair - 4 - 6 busses; Good - 7 - 9 busses; Excellent - 10+ busses.

Table 5-6: Thuraiyur Villages: General Characteristics

<table>
<thead>
<tr>
<th>THURAIYUR VILLAGES</th>
<th>IRDP LOANS No.</th>
<th>POP'N.</th>
<th>S.C. POP'N.</th>
<th>NUMERICAL DOMINANCE</th>
<th>ECONOMIC DOMINANCE</th>
<th>FACTION/DISPUTE</th>
<th>KMS. FR. BLOCK OFFICE</th>
<th>BUSSES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sellipalaym</td>
<td>241</td>
<td>1573</td>
<td>504</td>
<td>Reddiar</td>
<td>Reddiar</td>
<td>Yes</td>
<td>11</td>
<td>Good</td>
</tr>
<tr>
<td>Kunnupatti</td>
<td>191</td>
<td>2647</td>
<td>147</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>No</td>
<td>6</td>
<td>Poor*</td>
</tr>
<tr>
<td>Sorathur</td>
<td>132</td>
<td>1527</td>
<td>370</td>
<td>Reddiar</td>
<td>Reddiar</td>
<td>No</td>
<td>6</td>
<td>Poor</td>
</tr>
<tr>
<td>Renganatha</td>
<td>130</td>
<td>2272</td>
<td>394</td>
<td>Naidu</td>
<td>Reddiar</td>
<td>No</td>
<td>6</td>
<td>Good</td>
</tr>
<tr>
<td>Venkatesh</td>
<td>124</td>
<td>1382</td>
<td>443</td>
<td>Reddiar</td>
<td>Reddiar</td>
<td>No</td>
<td>4</td>
<td>Walkable</td>
</tr>
<tr>
<td>Narasinga</td>
<td>98</td>
<td>1785</td>
<td>316</td>
<td>Muthuraja</td>
<td>Vellala</td>
<td>No</td>
<td>12</td>
<td>Good</td>
</tr>
<tr>
<td>Nagala</td>
<td>13</td>
<td>2201</td>
<td>667</td>
<td>Urali Gounder</td>
<td>Reddiar</td>
<td>Yes</td>
<td>12</td>
<td>Excellent</td>
</tr>
<tr>
<td>Muthiyum</td>
<td>11</td>
<td>1533</td>
<td>186</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>Yes</td>
<td>8</td>
<td>Poor</td>
</tr>
<tr>
<td>Kollapatti</td>
<td>3</td>
<td>1229</td>
<td>29</td>
<td>Muthuraja</td>
<td>Muthuraja</td>
<td>No</td>
<td>5</td>
<td>Poor</td>
</tr>
</tbody>
</table>

* Two of this village’s hamlets have poor services and two have excellent; the hamlets with poor services have more IRDP loans.

In contrast to Lalgudi, Thuraiyur has few Christians in its villages. The Thuraiyur villages we visited also have schools up to the Fifth Standard. Bus definitions as for Table 5-5.

benefits were concentrated in one or two hamlets, while others did not receive any, or only very few, loans (Tables 5-7 and 5-8). The hamlet, like panchayat village, concentration of IRDP loans again reflects the dominance of certain individuals in determining the flow of policy benefits. They largely decide who their village’s beneficiaries should be, and their choice of beneficiaries is often limited to their own and the nearest hamlet depending, for example, on their political aspirations (see discussion in next subsection). There was also little relation between the number of Scheduled Caste2 (and/or Christian

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2The main Scheduled Castes of Tiruchi District are Pallars, Parayars and Chakliyars. The latter live exclusively in the district's dry areas, and therefore are found in Thuraiyur Block but not in Lalgudi.
Scheduled Caste\(^3\) people and the number of IRDP loans received. Assuming that a greater percentage of Scheduled Caste than other caste people are poor, this contradicts the administrative guideline that villages with an "accent on people below the poverty line" must be helped the most.

**Table 5-7: Lalgudi Villages: Loan Distribution**

<table>
<thead>
<tr>
<th>LALGUDI VILLAGES</th>
<th>IRDP LOANS No.</th>
<th>M. ANIMAL LOANS No.</th>
<th>MILK SOCIETY</th>
<th>LOAN BROKERS No.</th>
<th>HAMLETS No.</th>
<th>LOANS BY HAMLET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mangudi</td>
<td>237</td>
<td>185</td>
<td>Yes</td>
<td>1</td>
<td>1</td>
<td>237 -- -- --</td>
</tr>
<tr>
<td>Mangamm</td>
<td>181</td>
<td>131</td>
<td>Yes</td>
<td>1</td>
<td>3</td>
<td>138 34 0 --</td>
</tr>
<tr>
<td>Alangudi</td>
<td>156</td>
<td>135</td>
<td>Yes</td>
<td>2</td>
<td>4</td>
<td>61 48 42 0</td>
</tr>
<tr>
<td>Agalanga</td>
<td>138</td>
<td>96</td>
<td>Yes</td>
<td>2</td>
<td>3</td>
<td>74 56 1 7</td>
</tr>
<tr>
<td>Natham</td>
<td>112</td>
<td>83</td>
<td>Yes</td>
<td>2</td>
<td>1</td>
<td>112 -- -- --</td>
</tr>
<tr>
<td>Keelanbil</td>
<td>90</td>
<td>82</td>
<td>Yes</td>
<td>1</td>
<td>2</td>
<td>63 27 -- --</td>
</tr>
<tr>
<td>Koppavali</td>
<td>81</td>
<td>68</td>
<td>Yes</td>
<td>1</td>
<td>1</td>
<td>81 -- -- --</td>
</tr>
<tr>
<td>Edayatha</td>
<td>31</td>
<td>22</td>
<td>Defunct</td>
<td>1</td>
<td>2</td>
<td>31 0 -- --</td>
</tr>
<tr>
<td>Pudur Uth</td>
<td>9</td>
<td>0</td>
<td>Defunct</td>
<td>0</td>
<td>1</td>
<td>9 -- -- --</td>
</tr>
<tr>
<td>Manakkal</td>
<td>5</td>
<td>0</td>
<td>Defunct</td>
<td>0</td>
<td>2</td>
<td>5 0 -- --</td>
</tr>
<tr>
<td>Nerunjilak</td>
<td>3</td>
<td>0</td>
<td>Defunct</td>
<td>0</td>
<td>4</td>
<td>3 0 0 0 0</td>
</tr>
</tbody>
</table>

D/K = Don't know

**Table 5-8: Thuraiyur Villages: Loan Distribution**

<table>
<thead>
<tr>
<th>THURAIYUR VILLAGES</th>
<th>IRDP LOANS No.</th>
<th>M. ANIMAL LOANS No.</th>
<th>MILK SOCIETY</th>
<th>LOAN BROKERS No.</th>
<th>HAMLETS No.</th>
<th>LOANS BY HAMLET</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sellipalayam</td>
<td>241</td>
<td>123</td>
<td>No</td>
<td>3*</td>
<td>1</td>
<td>241 -- -- --</td>
</tr>
<tr>
<td>Kunnupatti</td>
<td>191</td>
<td>94</td>
<td>No</td>
<td>3</td>
<td>4</td>
<td>84 68 24 7 8</td>
</tr>
<tr>
<td>Serathur</td>
<td>132</td>
<td>106</td>
<td>Defunct</td>
<td>2</td>
<td>1</td>
<td>132 -- -- --</td>
</tr>
<tr>
<td>Renganatha</td>
<td>130</td>
<td>97</td>
<td>Yes</td>
<td>2</td>
<td>2</td>
<td>97 28 -- --</td>
</tr>
<tr>
<td>Venkatesh</td>
<td>124</td>
<td>117</td>
<td>Yes</td>
<td>1**</td>
<td>1</td>
<td>124 -- -- --</td>
</tr>
<tr>
<td>Narasinga</td>
<td>98</td>
<td>73</td>
<td>No</td>
<td>2</td>
<td>2</td>
<td>81 15 -- --</td>
</tr>
<tr>
<td>Nagalapur</td>
<td>13</td>
<td>0</td>
<td>No</td>
<td>0</td>
<td>2</td>
<td>11 2 -- --</td>
</tr>
<tr>
<td>Muthiyam</td>
<td>11</td>
<td>0</td>
<td>No</td>
<td>0</td>
<td>3</td>
<td>6 3 2 --</td>
</tr>
<tr>
<td>Kollapati</td>
<td>3</td>
<td>0</td>
<td>No</td>
<td>0</td>
<td>2</td>
<td>3 0 -- --</td>
</tr>
</tbody>
</table>

943 610 (65 %)

* One of these people is an intermediary.
** This person is an intermediary.

One factor which did make a difference, at least in Lalgudi, as to whether a village received a lot of benefits is size. There was a strong, positive correlation between smaller size and greater benefits received in Lalgudi Block, although not in Thuraiyur. In Lalgudi (its forty-five village panchayats range in size from 922 to 5496, with an average of 2080), of the top ten recipient villages in per capita terms, eight have populations of less than 1400. Of the bottom ten recipients in per capita terms, nine have

---

\(^3\)In India, people of Scheduled Castes (former untouchables) and Tribes are given special privileges to help make up for their poor economic condition and continuing low social status—certain percentage of government posts will be reserved for Scheduled Castes and Tribes, and likewise a certain percentage of "seats" will be reserved for them in universities and other tertiary educational institutions. Moreover, a number of India’s constituencies are reserved for Scheduled Caste or Tribe candidates only. On conversion to another religion such as Christianity, Islam or Buddhism, however, a Scheduled Caste person loses the government privileges available to him, despite the fact that neither his economic nor social status will have changed. Among Christian converts in particular, a strict caste hierarchy is maintained, and there is no inter-marrying of people with differing Hindu caste origins.
populations of 2300 and more (and six above 2300 also in terms of the fewest number of loans—Table 5-9). I am at a loss to explain the Lalgudi trend, although I do not think it is related to Lalgudi being "wet" and Thuraiyur "dry," (excepting that the settlement pattern in a "wet" area lends itself to a greater number of smaller-sized villages). It is, perhaps, only coincidence that some of Lalgudi's smallest villages would have important block contractors-cum-loan brokers residing in them. One would expect that other things being (relatively) equal, the larger villages would have more subsidies although, perhaps, a smaller subsidy amount per capita. This held partly true in Thuraiyur, with four of the largest ten villages finishing in the top ten for overall spending and only one in the bottom ten (Thuraiyur has 31 non-tribal village panchayats with an average population of 2477, and two tribal villages in the Pachamalai Hills which are treated as "special" in terms of development policy).

Table 5-9: Population and IRDP Benefits:
Top 10 Recipients in Per Capita Terms

<table>
<thead>
<tr>
<th>LALGUDI</th>
<th>THURAIYUR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mangudi</td>
<td>1. S'palayam</td>
</tr>
<tr>
<td>953*</td>
<td>1573*</td>
</tr>
<tr>
<td>2. Natham</td>
<td>2. Sorathur</td>
</tr>
<tr>
<td>1296*</td>
<td>1527*</td>
</tr>
<tr>
<td>3. Alangudi</td>
<td>3. Kunnupatti</td>
</tr>
<tr>
<td>2063*</td>
<td>2647*</td>
</tr>
<tr>
<td>4. M'puram</td>
<td>4. V'puram</td>
</tr>
<tr>
<td>950*</td>
<td>1362*</td>
</tr>
<tr>
<td>5. Koppavali</td>
<td>5. N's'puram</td>
</tr>
<tr>
<td>1392*</td>
<td>1785*</td>
</tr>
<tr>
<td>6. Keelanbil</td>
<td>6. R'puram</td>
</tr>
<tr>
<td>2110*</td>
<td>2272*</td>
</tr>
<tr>
<td>7. A'nallur</td>
<td>7. Pagalavadi</td>
</tr>
<tr>
<td>944</td>
<td>3958*</td>
</tr>
<tr>
<td>8. Met'patti</td>
<td>8. Adanur</td>
</tr>
<tr>
<td>944</td>
<td>2770*</td>
</tr>
<tr>
<td>1039</td>
<td>1234</td>
</tr>
<tr>
<td>10. Kon'kudi</td>
<td>10. Venga'nur</td>
</tr>
<tr>
<td>TOTALS 12783</td>
<td>20865</td>
</tr>
</tbody>
</table>

*Also in top 10 in terms of overall spending.

The influence of an MLA is often cited as a reason to explain skewed flows of policy benefits in a block (see Hadden, 1980 and IFMR, 1984). In Lalgudi Block one village which is a close neighbour of an ex-MLA's home received many loans while another village, the actual home of an ex-MLA, received very few—both of the former MLAs are members of the state's main opposition party, the DMK. In Thuraiyur, the one village in which an ex-MLA of the AIADMK lives did receive a large number of IRDP loans. This evidence shows the difficulty in attributing the flows of development policy benefits to the politician (MLA). The presence of an MLA is no guarantee that a village will receive more than its "share" of benefits. Moreover, in the two villages which did receive a large number of IRDP benefits, the ex-MLAs were not directly involved in lobbying the block officials for loans. In one case a close, long-time, associate of the ex-MLA (a contractor) was responsible for the loans. In the other village, the milk society president (a former Panchayat President) was not closely associated with the ex-MLA, but said the ex-MLA had given him some help in putting pressure on the block and divisional officials to sanction the IRDP loans.

The dominating variable in the village-wise distribution of IRDP benefits is a "pull" from the villages for benefits from individuals who, for varying reasons, are interested in disbursing benefits in the village. The real picture is more complicated, however, than one influential person within a village acting as a "loan broker" between potential beneficiaries and the administration (Tables 5-7 and 8 give numbers of brokers/village). It held true in some instances, but in others, a person from one village was responsible for loans in two or even more villages. This was especially true of the private milk vendors in Thuraiyur—one of whom was responsible for 140 milch animal loans in six villages within a ten kilometre radius—also of two milk society presidents and a parish priest (all parttime contractors) in Lalgudi
who were each responsible for loans in two villages. (Bankers told me of another parish priest in Lalgudi who was responsible for loans in four villages.) In other instances, a non-influential person within a village received necessary information from someone with better administrative connections (and therefore with more program information) to lobby for a number of loans for the village. In Lalgudi Block one village received a number of loans in 1982 through a parish priest based in a neighbouring village who later encouraged one of the villagers, a Christian, to begin a milk society there in 1984.

Parish priests in Lalgudi provide a good example of the breadth of the block development officials' trading relations with locally powerful people. One parish priest, who also did NREP contract works, was able to get a number of IRDP loans for people in the hamlet where his church is located. He then operated a "milk society" (he did not actually register it), through which he purchased milk at a very low price from "members" and then sold it all on the lucrative private market (mostly to tea shops and "meals hotels"). Influential people in villages near to the parish priest first got the idea from him that operating a milk society can be a very profitable business (one milk society president admitted as much), highlighting the importance of effective information exchange networks in the rural areas. The priest had actually tried to arrange for loans for a number of Christians in a neighbouring village, but an influential person of that village quashed his attempts, and set up his own milk society.

There are occasions when one village has more than one influential person who is interested in IRDP loans. When this occurs it is possible that the local administrator will be able to satisfy both persons' demands, depending, for example, on their timing, and if they live in the same hamlet or not. This was true of the village Alangudi Mahajanam. It has four small hamlets, of which three received IRDP loans. One person was responsible for the loans in one hamlet (1981-83), and another was responsible for the loans in two of the hamlets (1983-85). In Sellipalayam, the village to receive the most loans during the Sixth Plan in Thuraiyur, most of the subsidies had come through the auspices of two private milk vendors (who live in neighbouring villages) and a young Chakliyar (a Scheduled Caste) man who helped other people of his caste get milch animal and plough bullock loans by giving them the appropriate information and then helping them with loan application forms and trips to the bank and block office. There is also some ripple-effect in the village where a large number of people get loans as people who have not received loans through a loan broker may try to do so individually after finding out about the program from beneficiaries.

While this is impressionistic, the "dynamic" element of the villages in terms of bringing in resources from outside of the village is the rich peasantry. Those with the largest tracts of land, the landlords, seem either to maintain their interest in the land with few non-agricultural pursuits, or go to the opposite extreme of moving to urban areas, becoming absentee landlords, and perhaps eventually selling their land. Those with small holdings are caught up with concerns about subsistence and seldom think about gaining control of policy resources on a major scale. The small peasant may try to get a subsidised IRDP loan while the rich peasant thinks of establishing a profitable milk society with a large number of IRDP beneficiaries.

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4When I originally discussed the National Rural Employment Program with the BDO, he told me that he had entrusted some of the works to voluntary church organisations which is allowed under the rules of the program. In reality the works were given over to the parish priest who acted just as a contractor would. His profit margins were much larger than would normally be possible for a local contractor doing an NREP contract work, in that he used donated food grains (wheat) from abroad as payment for workers, then sold the grain (rice) allotted by the development administration for his own profit.

5This was certainly true of the Brahmins in "wet" areas of Tamil Nadu. Many of them have sold their land and moved to urban areas (see Gough, 1960).
As the evidence above indicates, the boundaries of a village are fluid in terms of people's influence, with some people responsible for IRDP loans in more than one village. As far as the village as an entity is concerned, it is important, roughly speaking, that a village not be so wealthy that its people have no interest in administratively-controlled resources, nor so poor that it has not given rise to any rich peasants. In Lalgudi Block, for example, none of the villages situated along the main road between Lalgudi (the block's largest town, but not the block headquarters) and Tiruchi got very many IRDP loans (five of the bottom ten villages listed in Table 5-2). It was, at first, a surprise to me that the villages with the best transportation facilities in the block should have the fewest number of IRDP loans, but while there may have been other factors involved as well, it seemed that the people in these villages who might otherwise be interested in gaining administrative resources, had their economic interests served through activities in either Lalgudi or Tiruchi.

5.2.2. Profile Two: The Milk Society President, the Milk Society

In the local administrator's allocation of IRDP's resources the milk society president is a dominant figure who has a major role to play in determining the impact of the program's resources in the village. IRDP rules notwithstanding, the milk society president's contact with the administration precludes any but limited contact (largely relating to bribes) between the beneficiary and the administration. The milk society president is generally a fairly powerful person in the village, frequently a contractor, a large landholder (usually a rich peasant), and often a ruling party person. He has political-economic contacts with the world outside the village, and generally the larger the milk society, the greater the amount of contact between president and other influential people within the block, including the administrators. Less commonly, a highly motivated poor person, likely an educated Scheduled Caste youth among the agricultural labourers, also lobbies for loans or tries to intervene between officials and beneficiaries (or between the milk society president and beneficiaries) to help the latter.

It is important, however, not to overstate the power and influence of the milk society president. IRDP's resources are not as valuable as those of contract programs, and therefore more prominent political people, especially those whose own connections and influence extend outside of the block, do not try to affect the flow of IRDP benefits. The ex-MLA, the Panchayat President, and others who have more at stake in the local political arena (the block), and less access to the resources of larger arenas are also more interested in the "division of spoils" in the villages. The block's local elite, comprised to a large extent of the rich peasantry, have less interest in IRDP than in contract programs, although the control of IRDP resources may serve the rich peasants' political and socio-economic aspirations in the village. The rich peasants who are most interested in gaining control of IRDP subsidies do not generally have institutional bases of political power, (although they may be village representatives of a political party). The "political interference" (one of the most commonly offered excuses by senior administrators in India when "things go wrong" at the implementation level) which occurs in IRDP's implementation is substantial, but not in terms of the MLA and other political people whose contacts extend widely outside of the block. IRDP is a program of the village in that the demands made on the BDO for its resources emanate from locally powerful people who are interested in using policy resources to enhance their power within the confines of the village and the block.

In many, although not all, the villages I visited, the richest people (big landlords and/or big contractors\(^6\)) had little interest in any of the block officials' activities, except as those related to the

\[^6\] A "big" contractor is someone who gets valuable contracts through, for example, the Public Works Department. This contractor does not concern himself with the less valuable contracts available through the development administration.
maintenance of public amenities such as the overhead watertank or streetlights within the village proper. They were rarely interested in IRDP. However, rich peasants try to branch into more profitable activities besides agriculture, especially contracting in the local area (contracting is low risk and high profit), moneylending, and entrepreneurial activities. Henry Bernstein (1979: 431-32) writing about Africa also describes the rich peasant/kulak as a rural entrepreneur:

...it is worth recalling the original Russian meaning of “kulak” as an “all-round” agent of the extension of commodity relations--an economic agent who not only operates as a commercial farmer employing labour-power but also rents out farm machinery, acts as a local merchant's and money-lending capital, investing in crop purchasing, small-scale processing and manufacturing enterprises... [G]iven the backwardness of the circuits of commodity circulation in many areas, capital accumulated in agriculture is often invested in mercantile and transport activities which yield a better rate of return than reinvestment in production.

In Tamil Nadu the rich peasants' interests in profits greater than those possible from agricultural activities, have led them to seek increased contacts with the local administration thereby gaining access to valuable administratively-controlled resources.

The differences in efforts required by prospective milk society presidents in getting subsidised milch animal loans reflects the difference in the relations they have with the block officials and their political-economic status generally. The presidents of two milk societies in neighbouring Lalgudi villages exemplify this contrast. One president was a village AIADMK representative and a contractor, and he said that the block office’s Extension Officer for Co-operatives came to the village and asked him to become a president. Because the then Tiruchi Collector, Shantha Sheela Nair, was interested in "ladies' societies," the members would all have to be women, and his wife the \textit{de jure} president. He agreed, was immediately sanctioned 50 loans, and received subsidised loans for an additional 30 members in the following year. The neighbouring village’s milk society president, an unimportant man, had to try for seven months to get IRDP subsidies. He told us he met with the RWO, the Panchayats Extension Officer, the Animal Husbandry Officer, the BDO, and even the Collector before he was sanctioned 69 subsidised loans. He even told us he had wept before the BDO in making his pleas for the subsidies (he further claimed he spent Rs 10,000 in setting up the milk society, although he refused to itemise these expenditures).

Three other milk society presidents, all of them part-time contractors in Lalgudi, had no trouble in getting large numbers of IRDP milch animal loans. In one village the president is an associate of an ex-Cabinet Minister of Tamil Nadu’s DMK governments. Another would-be president (loosely associated with the DMK) appealed directly to the Collector during an opening ceremony for a Noon Meal Centre (which this locally important contractor had had a hand in building) in the village. The Collector agreed to sanction fifty milch animal loans immediately. The president then lobbied the Collector’s office for another fifty loans, and with the help of the Block Development Officer, whom he had helped to stage the successful opening ceremony, got an additional forty-six. (This was one of the few instances I know of where a Collector was brought into the decision as to how many subsidies should go to one village.) The third milk society president, an AIADMK village representative, took charge of 160 loans, which were disbursed both in his village (90) and a neighbouring village (70). The president put the loans in the neighbouring village under the care of a close relative of his wife. Interestingly in terms of political geography, the two milk societies mentioned above which had DMK presidents, each

\footnote{Harriss (1982: 195 and 1987a) also discusses the rich peasantry's search for more lucrative investment opportunities outside of agriculture.}

\footnote{This relative was interested in a share of the anticipated profits, and when he did not get what he felt was his due, he tried openly for over a year, including lobbying bank officials for support, to split his section of the society away from the main part. He was unsuccessful, at least partly because the bankers had identified him as a loan defaulter.}
had a larger milk society with an AIADMK president in the closest neighbouring village. Overall, a small majority of the presidents of large milk societies are AIADMK supporters with a significant minority in the DMK.

Some of the AIADMK milk society presidents in Lalgudi Block boasted to me (and others) about having close contacts with one or another of the Cabinet Ministers from Tiruchi District. These contacts were, however, sometimes rather more illusory than real, and the bankers and officials had to decide how plausible the presidents’ claims were. Certain milk society presidents would not only claim they had important political contacts, they would adopt threatening tones if the bankers hesitated or refused to fulfill their demands (i.e., threatening to have non-compliant officers transferred with the help of a politician). I suspect the milk society presidents would behave similarly towards block officials if they do not get what they want. Their behaviour, however, may be tempered by how much they expect from the officials (contracts, for example) in the near future, and also by their assessment of their own importance in the block.

Once the milk society president has a society in operation, he most often determines whether the IRDP beneficiaries actually make an incremental income. (It is, as mentioned, the block officials’ responsibility to make periodic checks on the beneficiaries’ "progress," but when we asked beneficiaries if the RWO came to check on how they were doing, the answer was universally, "No!"). When discussing IRDP with one of the Block Development Officers, I discovered that he did not even know what price beneficiaries were getting for their milk at any of the block’s milk societies, and thus had no idea as to whether they were crossing the poverty line or not. He just asserted they were. The IRDP beneficiary, then, is largely at the "mercy" of the milk society president and his accountants. If the president gives a good price for the milk to the society members, pays their loans to the bank properly (at some societies there were delays in money going to the bank—admittedly at times caused by late payments from the district milk union), and makes sure they are given an adequate monthly income from their milk sales, then the beneficiary will have a better chance of actually profiting by having taken an IRDP loan/subsidy (Tables 5-13 to 5-15). Unfortunately, however, there are numerous cases of wrongdoings by presidents or their accountants which have led to IRDP beneficiaries (and the banks as well) being swindled out of substantial amounts of money.

Just such a case was discussed at a three-day seminar on IRDP which I attended in Tiruchirappalli. The milk co-operative society was in Kulithalai Block west of Tiruchi city. The president of this society misappropriated a large proportion of the proceeds of milk sales that were to pay off the members’ loans, and of the total amount lent of Rs 113,000, Rs 68,000 were still in arrears when the Deputy Registrar of Dairying in Tiruchirappalli advised that all activities and transactions of the society be halted.9 According to a written statement provided at the seminar, "the President left the society and is now doing some other occupation." It did not say whether the ex-president was still in possession of all the money he had misappropriated, and it also did not say what happened to the beneficiaries. Legally, although the milk society president and his accountants are in charge of repaying the beneficiaries’ loans to the bank, the beneficiaries must bear the responsibility if something goes amiss with the society’s handling of their loan accounts. The only way the beneficiaries can seek redress is through legal action, but I did not hear of this occurring. Beneficiaries did occasionally complain to the concerned bank’s Agricultural Officer about the society’s handling of their accounts, but because bankers rely on the president for loan repayments they rarely try to take action against him.

9Once a milk society has been duly registered, it comes under the jurisdiction of the Deputy Registrar of Co-operatives (Dairying) who is based in Tiruchi, and only the Deputy Registrar’s office can take action, under the rules of the Tamil Nadu Co-operative Societies Act, against the officials of a village milk society.
There were twelve operating milk societies when we stayed in Lalgudi Block in 1985, of which eight were visited and of these eight societies, five had building contractors as de facto presidents (the largest milk vendor in Thuraiyur was also a contractor), another’s president has a number of "official" connections in the block and in Tiruchi, and one other president, a poor Scheduled Caste man, was put forward for the presidency by a locally important AIADMK man (the village party representative). In any block the building contractor generally has the most business with development officials, and would, then, have picked up the most information as to what development resources are available in the block.

In two villages in Lalgudi the presidents had established societies at least partly to press for an advantage in village factional disputes. Faction leaders need an assured number of supporters, and when the factions are based on inter-caste or inter-religious disputes, the combatants will divide along religious or caste lines, and supporters found within the caste or religious group. When the factional dispute is between two people (or families) of the same caste (and class), their supporters will necessarily split the caste group. In order to maintain (or gain) the upper hand the main disputants will have to woo people from other castes. One way to attempt this is through a program like IRDP.

The struggle between two families in one of Lalgudi’s villages had a marked effect on the disbursal of IRDP loans there. In this village one of the faction leaders used IRDP milch animal loans to try to win Scheduled Caste agricultural labourers to his cause, but he did not allow any labourers who worked for his faction rival to receive any of the subsidised loans. There were, however, a number of labourers who, despite receiving a milch animal, went to work for the milk society president’s rival and were then unable to receive the second milch animal because the president told the bankers not to give them second loans. Moreover, the block office’s subsidy registers listed a number of people from this village as having received a first milch animal, but we discovered in the village that they had not. Further enquiries revealed that all of the non-recipients were supporters of the milk society president’s rival, and that the president had told the bankers not to give these people loans. The milk society president had planned to run in the election for village Panchayat President, but his pre-election enquiries revealed that he would lose to his faction opponent, (who won the election unopposed).

When I returned to Tiruchirappalli District in the aftermath of the panchayat elections I discovered that a number of milk society presidents (and two milk vendors in Thuraiyur) had run in the panchayat elections with varying degrees of success. In Lalgudi, four milk society presidents ran, or seriously

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10 Village-based political and anthropological research over the years had led its readers to believe that most Indian villages are riven by factional struggles. About two-thirds of the twenty villages I visited did not have ongoing factional struggles, and only one village’s political and economic life was overwhelmingly dominated by a factional dispute. Other villages had factions or disputes which only manifested themselves in terms of religious events, such as temple festivals. Harris (1982: 231) also found in his study of a village in Tamil Nadu’s North Arcot District that factions are not necessarily a predominant feature of a village’s political-economic landscape. For a critique of the use of “faction” in political analysis in India, see Hardiman (1982).

11 I am uncertain as to how the rival’s supporters’ names would have appeared in the subsidy register but would suggest that the president may have given the block officials a long list of "potential beneficiaries" with the understanding that only his supporters would get the subsidised loans. The block officials accidentally listed people in the subsidy register the president did not want as beneficiaries.

12 The factional rivalry in this Lalgudi village highlights the way in which the village leaders tend to use political connections as it suited them to further their own ends in the village. The milk society president in the village is a member of the AIADMK, while his brother is in the Congress (I), the major electoral alliance partner of the AIADMK. The brothers wanted to maximise their useful political contacts which, I discovered, is not an uncommon situation in Tamil Nadu. This sort of thinking occasionally appeared in terms of voting behaviour as well. People sometimes split their vote between the ruling and opposition parties because they said that way it would not matter who won. Their faction rival was, not surprisingly, a DMK supporter. Moreover, this particular factional dispute spanned more than one generation, and therefore predated by many years, the breakaway of the AIADMK from the DMK in 1972. The two sides used their separate party connections in order to get administratively-controlled resources such as building contracts, liquor licenses, and in the AIADMK man’s case, the presidency of a large milk society. Bailey (1969: 75) notes the case of a family in Orissa where one brother was Congress and the other Communist, with the rationale that "the family could never be on the losing side."
considered running, for the post of village President. Of the three candidates, one was successful, and two others came second. In Thuraiyur Block, one milk society president became a village panchayat councillor, as did one of the private milk vendors involved in IRDP loan disbursement, while another vendor contested in his village’s presidential election, but lost badly (one ex-milk society president is also an ex-village President). This indicates the presidents’ interest in using IRDP for political purposes, although it is difficult to say whether the political interest predated the interest in IRDP loans or not.

Some people became milk society presidents because they did, indeed, have political interests, and wanted to make sure that they would have a solid support base in the village. Most of the milk society presidents belong to economically dominant castes, and they can count automatically on the support of their caste fellows in an election (unless they have an intra-caste rival). However, they cannot count on the support of other caste groups, including the village’s Scheduled Caste agricultural labourers, (although some of them would tend to support the president if he is also their major employer), and it can be assumed that IRDP loans were used in a not always successful attempt to purchase people’s votes in advance.

At one of the hamlets of a Lalgudi village we visited, the people complained bitterly that the milk society president (of the same caste) had completely ignored their interests, as he wanted to have supporters from another, more populous, Scheduled Caste hamlet of the village. Their complaints had foundation, as the records showed that not a single person from this hamlet had received an IRDP loan during the Sixth Plan, while people from the other hamlet had received loans for milch animals and plough bullocks as well.

This milk society president was a DMK contractor, but the members of his milk society were both DMK and AIADMK supporters. The members of his society were from the Scheduled Caste hamlet (an uncharacteristically wealthy one), but he also made sure that a large number of fairly well-off fellow caste people got loans. He obviously realised that in order to be a successful presidential candidate in the panchayat election he would have to appeal to more voters than would be either members of the DMK or only of his own caste in the village. His strategy resulted nonetheless in a second-place finish (to another DMK man who had been president of the local agricultural credit co-op society for seven years). The milk society president complained that he could have won the election with Scheduled Caste support except that an SC man stood for President as well, and split their votes.

I have only been discussing loan broking milk society presidents as important figures in IRDP’s implementation. There are also, however, milk society presidents with more philanthropic reasons for taking charge of IRDP milch animal loans. I call these people “intermediaries” to distinguish them from the more profit-oriented brokers who try to gain from IRDP beneficiaries’ acquisition and ownership of assets, although the intermediaries do perform a brokerage function for poor villagers. (There is further discussion of brokers and intermediaries in Chapter Six.) Significantly, in both blocks, all the intermediaries we met belong to the Scheduled Castes. There is undoubtedly a greater need for intermediaries in IRDP’s implementation, not the least because Scheduled Caste people appear to be among the worst exploited of the beneficiaries. In the two blocks I met five Scheduled Caste intermediaries (of whom two are milk society presidents; I do not, however, include number eight of the following "mini-profiles"), who had either lobbied the block officials for loans for their community or had intervened between officials and beneficiaries so that the latter would not be forced to pay such high bribes. The "motivated educated youth" is an important, although still uncommon, figure in IRDP as he, along with the occasional female milk society president, is an intermediary between the poor beneficiaries.
and the officials who tries to protect and even promote the former's interests. Intermediaries are not financial resource traders, but they (the milk society presidents among them) do have a continuing set of relations with the local officials wherein they help them with implementing other programs, the resources of which are not in great demand in the block.

The "milk brokers" are crucial actors both in the process of allocating IRDP’s resources and in determining its impact, and I offer here brief notes on some of the milk society presidents, a private milk vendor and a parish priest we interviewed in Lalgudi and Thuraiyur, to give the reader a more specific idea as to who these people are.

1. E.S.B.--Lalgudi. Brahmin (this caste formerly dominant in village), owner of local rice mill, connections with All-India Radio, gives talks in village for block development administration, no clear party affiliation, mismanaged society funds, and his small society no longer functional as bank refused to give additional loans.

2. V.D.--Lalgudi. Kallar (dominant caste of this village), large landholder employing numerous agricultural labourers, leader of faction in village, prominent member of local AIADMK, local contractor, wanted to be president of village (but knew would lose in election) so did not run in 1986. In charge of largest society in Lalgudi Block, but many members have sold cattle. Officially, his wife is in charge of this 'ladies' society.'

3. R.G.--Thuraiyur. Reddiar (dominant caste of this village), former Panchayat President of village, operates a printing press, a senior official of Land Development Bank in Thuraiyur, had help from ex-MLA in setting up milk society, handed over operation of milk society to relations on discovering that he was being swindled by his own society accountant. Society is dormant and in arrears.

4. N.A.R.--(private milk vendor), Thuraiyur. Muslim (significant minority in this village), worked in Malaysia a number of years, an important building contractor, son is active member of AIADMK, was in charge of 140 loans in six villages in Thuraiyur Block, good connections with previous Animal Husbandry Officer, stood for President in panchayat elections but lost badly.

5. K.A.--Lalgudi. Kallar (dominant caste in this village), longstanding president of milk society (since early 1960s), very close connections with former (opposition party) MLA and Cabinet Minister, a building contractor, stood for president in panchayat elections and came second. Society functioning well (the society’s longevity is a testament to its proper management).

6. Father D.--Lalgudi. Roman Catholic priest at this village for about seven years, undertook numerous building contracts in block, close connections with powerful people in neighbouring villages, personally in control of a number of IRDP assets through use of benami transactions, in charge of just over forty IRDP milch animal loans for an informal milk society in village, expelled from priesthood in mid-1985 for abusing his position.

7. R.C.--Lalgudi. Kallar (dominant caste in this village), Panchayat President of this village, wealthy, party affiliation somewhat uncertain, has undertaken important contracts in the block, in control of number of IRDP assets through benami transactions, has also procured calf-rearing scheme for village. He has made substantial additional profits through the bulk purchase and resale to members of feeds and medicines. The society is functional, but many have sold their cattle.

8. K.K.--Lalgudi. Scheduled Caste (Pallar) (numerically dominant in this village, but little economic strength), member of AIADMK, accused of misappropriating milk society funds. His name was suggested to block officials for presidency of society by important AIADMK man in village, K. lost control of society, and presidency taken over by AIADMK man.

9. A.R.--Lalgudi. Christian (numerically and economically important in village), got idea to start a milk society from a local parish priest from a neighbouring village, not a wealthy or influential man, accused of swindling society funds, deposed by others in society, society now being run by the village AIADMK youth leader.

10. A.R.--Thuraiyur. Scheduled Caste (Pallar) (numerically dominant in village but no economic strength), an educated youth (has Secondary School Leaving Certificate--rare among SC agricultural labourers), tried long and hard to start society, of no particular influence in village although father is acknowledged leader of Pallars, is now member of elected village panchayat council, society is for Scheduled Caste women only, therefore
The president is *de facto* rather than *de jure*. This milk society has milk fat-testing, and there is slight variation in prices given to members.

Of these ten people, only the last three qualify as beneficiaries, but of these three, only the last, A. R. of Thuraiyur, has been able to maintain his leadership of the milk society. None of the five wealthy and influential presidents had any leadership challenges from their "rank and file" members although their control over their societies was not entirely smooth. One of them (no. 3) was cheated by his own accountant (this also happened at a society in Lalgudi Block), and another was faced with an ultimately unsuccessful move to split the society. Only two of the five wealthier presidents mentioned above were entirely unchallenged, despite some grumblings among members about various wrongdoings.\(^{13}\)

One of my discoveries, a fairly obvious one, was that the smaller the difference in socio-economic status between the president and a beneficiary, the better chance the latter has to challenge the authority of the former. In one Lalgudi village, for example (no. 2 above), most of the beneficiaries are Scheduled Caste (Pallars) people employed as agricultural labourers and construction gang coolies by the milk society president. They had no say in the operation of the society, and it seemed likely they were being cheated by those responsible for the accounts (evidenced by the amount of milk sold to the society, the excessively long payback periods for the loans and the small amounts of money given to the society members as their monthly cash--some beneficiaries said they did not get any cash while they were repaying their loans). About fifty percent of our respondents at this village made allegations of malpractices regarding the measurement of milk,\(^{14}\) and it was common for the milk society to sell milk to members who required extra milk at Rs 3.75 per litre, although the society bought it for Rs 2.25 from its members. Because milk was purchased from members at a low price, and also likely because of malpractices, the society profits from one year's operation were, according to bankers' records, Rs 30,000.\(^{15}\) (While some of these profits are to be shared among all the members, the mathematically adroit milk society president is able to misappropriate the society's profits for himself and select supporters.) Of the beneficiaries of this society who belong to the same caste as the president, 14 of 23 we interviewed did not take a second milch animal loan, primarily because they were unhappy with the way the society was being run, and felt that they could not make a profit from their milk sales to the society.

Of additional interest regarding this milk society is that it is one of the so-called "ladies" milk societies; the *de facto* president's wife is the *de jure* president of the society. This milk society was the largest in Lalgudi Block from 1983 to 1986, comprising members from two panchayat villages. Part of the reason for its original large size lies in the fact that it is a "ladies' society" established while Shantha Sheela Nair was Collector. It was with little difficulty that a local AIADMK leader could arrange with the Block Development Officer to have a large number of IRDP loans. The only proviso was that all the loanees be women. Moreover, according to a milk society president in a neighbouring village, the president of the first society had wanted an even larger milk society, and had sent out feelers to people in

\(^{13}\)Milk societies are generally quite short-lived. The effective lifespan of most milk societies does not stretch beyond three years. If internecine quarrels over accounts does not destroy the society, then members' sales of animals does. In the two blocks there was only one long-lived society (no. 5 above) which had originated before 1980. Copestake (1985) also points to the short lifespans of societies in Madurai and Ramanad Districts.

\(^{14}\)Society members all must have their animals milked at a common yard by a society "milking person." Malpractices enter the picture when the "milker" records, for example, two litres but has actually milked 2.3 litres. It is also common for milk society officials to add water to milk which is sold on the private market.

\(^{15}\)Virtually all members of this society were compelled to buy buffalos. Buffalos give milk of a higher fat content than cows do, which means that beneficiaries should receive a higher price for it. At this society they did not. The society officials could dilute the buffalo milk with water and get paid by the Tiruchi District Milk Co-operative for a larger number of litres of "cow's milk" (or mixed cow and buffalo milk) than the local society bought in terms of buffalo milk.
the first man's village to see if they would join his society. In both blocks there are "ladies'" milk producers' societies with women as presidents, but the "ladies'" milk societies we visited in 1985 had men (generally the presidents' husbands) in charge.

By 1986 this society's fortunes had declined as a large number of its beneficiaries had sold their animals, and the amount of milk sold to the head milk producers' co-operative in Tiruchi city had fallen drastically. The president had also started to lend money to beneficiaries using society funds, and an inquiry was being conducted into the society accounts by the Deputy Registrar of Co-operatives. Additionally, despite using all the political influence he could muster, the milk society president was unable to get a further round of IRDP milch animal loans, meaning that the future of his society was jeopardised. It is strictly against IRDP's rules to finance beneficiaries a third time with milch animal loans, and the block officials' compliance with this rule is easily checked by senior administrators. The president realised this, and in 1986 tried to get 25 milch animal loans without subsidies from SBI (ADB). The bank refused, saying that he had allowed too many people to sell their animals without first repaying their loans. The president threatened to take action against the bankers through a Tiruchi AIADMK Cabinet Minister, but the bankers maintained their refusal, and the president remained unsuccessful.

By contrast to the "ladies'" society described above, in 1986 I went to a ladies' milk society (not in the survey villages) on the recommendation of bank officials and discovered a Scheduled Caste woman who was very much in charge of her society, and seemed to be doing her best to help the society members by making loan payments promptly, by giving a reasonable price (Rs 2.50) for milk, and even by formally complaining to the BDO and bank officials about the AHO's corruption. Mrs. Valiyammal (pseudonym) provides a good example of the resource exchange intermediary in IRDP's implementation. As I mentioned in Chapter Two, however, her complaints of administrative corruption fell on deaf ears, (although she had managed to reduce the AHO's bribe price from Rs 25 to Rs 15). She was not a person of political consequence in the block, and it mattered little to the BDO that her members had to pay the AHO.

In another society also in Lalgudi (no. 8 above), the members and the president were all of the same socio-economic status. For three months before the society was officially operational, the beneficiaries took their cows to the society yard to be milked, but payments for this milk were never made to the beneficiaries nor were any credits made to the members' loan accounts at the bank during this period. The society accountants claimed that the president had misappropriated these funds, and that he continued to misappropriate funds after the society's official inception. They made this information public, despite threats of beatings from the president's supporters, and with the help of two other local people (one of them an employee of the neighbouring block development office), convened a meeting at which it was decided that Rs 12,000 had gone astray, and that the president should show accounts for the money or have his assets confiscated. At the same meeting, the block development employee and his ally took charge of the society (apparently without a proper election).

A few months later, however, the original president was back in charge. The society had become factionalised, with a number of people continuing to support the original president. There were numerous complaints against the new management, and the old president, capitalising on people's discontent, called a meeting of the society members at the grounds of the local temple. A vote was held on the presidency, and the members decided that the original president should once more take charge of the society. At this meeting he said that Rs 1600 had gone to meet officials' expenses, but I am uncertain how he tried to account for the other Rs 10,400. It was obvious, however, that he remained a poor man (he had been
unable to maintain his own IRDP milch animal and had sold it within a year of purchase) and people were willing to forgive him his wrongdoings.

In a further development, when I returned to this village in September 1986, I discovered that a new president was about to take over the operation of the society. The old president, from all accounts, had been unable to exert any authority over either his accountants or the beneficiaries, and he could not manage the society. This milk society is a Scheduled Caste society (95% of its members are SCs), and the village it is in has a population of over 40% SCs, but the new president is from the village’s economically dominant caste (Kallar), and is a prominent local member of the ruling AIADMK (village secretary of the party). The incoming president said in an interview that when the RWO had originally come to the village about setting up a Harijans’ milk society, he (the AIADMK man) had suggested one of his supporters, K, to be president. Unfortunately, K’s tenure as president had been disastrous, with the members having lost a lot of money.

Although this subsection has been about the milk society president, the discussion of how he operates his society (and the examples of “internecine warfare”) shows how difficult it is for the beneficiary to make a profit at his hands. When the socio-economic differences between beneficiary and president are not so great, the beneficiaries have a much better chance of, if not profiting, at least putting some pressure on the milk society president to respond to their demands for a better price for their milk or for more prompt loan repayments to the bank. Unfortunately, because both bank and block officials have the closest relationship with the milk society president, and also have no desire to alienate him, the beneficiaries who feel they are being cheated by the president and his accountants can rarely win the intervention of these officials in their grievances against the milk society.

IRDP’s resource traders are not the most important political people in the block. The more powerful people are much more interested in building or road contracts, and are usually successful in getting them. Admittedly, then, IRDP’s resources are not the rich peasants-cum-contractors’ first preference, neither in terms of profitability nor ease with which they can use the resources for greater profit. However, the president who wants to receive administratively-controlled resources in the future may establish a society partly as a favour to the block officials. It is possible for a milk society president to make large short term profits not only through the actual operation of the milk society but with “spin-off” activities as well, such as the bulk purchase and later resale of cattle feed or medicines to beneficiaries, making commission arrangements with cattle brokers, or in the resource sharing among purchase committee members. Moreover, the milk society president may feel that his prestige and support in the village will be enhanced by appearing to be magnanimous in his disbursal of subsidised loans.

Unfortunately, I was unable to document accurately what the milk society presidents’ profits were through IRDP—undoubtedly in a number of cases, they were less than anticipated. It would be inappropriate, at the least, for a broker to admit that he is primarily interested in his own profits in establishing a milk society (see discussion in Chapter Six), and further to itemise them for the researcher. Judging from numerous beneficiaries’ accounts, however, it is undeniable that the presidents were able to extract beneficiaries’ money to cover the starting up costs of the societies (including payments to officials), and that the way they operated the societies led to the enlarging of society coffers (the amount depending in part on the size of the society). In the final analysis, there is a correlation between the presidents’ concerns with large, short term profits and the imminent collapse of the society. At societies (only two in our sample) where the milk officials assigned greater value to the beneficiaries’ interests along with longer term (in the short term, reduced) profits for themselves, the societies were longer lived.
Beneficiary and non-beneficiary members of these societies were more inclined to keep at least one cow or try to raise a heifer to adulthood.

The competition for IRDP's resources is confined largely to within a single village, with occasional spillovers into neighbouring villages. IRDP beneficiaries are the main victims of this intra-village competition for control of the milk society and cannot hope for the mediation of either block or bank officials. The dynamic of IRDP's impact in the villages gives the milk society officials the best chance to profit from IRDP.

5.23. Profile Three: The Milch Animal

The quality of the milch animal ultimately determines whether the beneficiary will be able to accrue any added income as a result of the program, (see Tables 5-12 to 5-15) and thus I provide its "profile" as well. Other "society" loans (such as for sheep) have not been as popular in the villages as the milch animals; for good reason, as the milk society is the only one which can yield such high profits for its leaders in so short a time, and consistently (i.e., every month). However, the economic laws of supply and demand have conspired with resource exchange to prevent the beneficiary from profiting.

In the Government of India's first IRDP Manual there are guidelines regarding the sort of animal which will qualify as "IRDP material." The IRDP milch animal should be a cross-bred cow or an "upgraded" buffalo. In this way the beneficiary would acquire an animal which, presumably, would have a higher milk yield than the local, "country" varieties, and be assured of a good profit. There are a number of problems with the guideline that IRDP beneficiaries should purchase "superior" milch animal breeds. The first problem is one of supply; most areas, not only of Tamil Nadu but India generally, do not have an adequate stock of cross-bred milch animals for anyone, let alone IRDP beneficiaries, to purchase (Rath, 1985: 244). Another problem is that the Government of India did not sanction a subsidy of more than Rs 833 by the end of the Sixth Plan for the purchase of a milch animal, resulting in a bank loan of no more than Rs 2500. With the high demand for milch animals created largely by IRDP, prices have skyrocketed, and Rs 2500 is often barely enough money to purchase a substandard animal in milk, particularly when purchase committee collusive corruption adds to the animal's price as well. Yet another problem is that cross-bred animals (local varieties which have been bred with foreign breeds, such as Friesians or Jerseys) require more care and attention than wholly indigenous animals, and are more prone to disease. The poor beneficiaries, with barely adequate food and shelter for their own families, could scarcely be expected to lavish all the required care on an "exotic" breed of cow. Local breeds, while hardy, are low-yielding in terms of milk production, and hence provide little in the way of added income to beneficiaries.

What sort of animal gets the honour of becoming an IRDP cow/buffalo? Generally speaking, it is an overvalued one; often old, sometimes sick, and seldom worth the money the beneficiary has paid for it. It is also generally a local animal, purchased within fifty kilometres of the beneficiary's village and almost always within the district, despite the guidelines which say that animals should be purchased from

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16Thuraiyur Block, with its drier lands which cannot support huge numbers of cattle, does have more IRDP loans for sheep and goats than Lalgudi.
outside the district.\textsuperscript{17} The animals are often purchased at cattle markets which are renowned for the cheating that goes on at them. If the beneficiary is a poor agricultural labourer, the chances are good that he will have little or no previous experience with milch animals and hence, will be even more easily cheated. Common malpractices by cattle sellers at the markets include not milking an animal for twenty-four hours so that on the day of sale it gives a lot of milk, lying about the animal's age and number of pregnancies it has had, and putting a young calf with the animal so that it appears to have just begun its lactation period when in fact, it may be reaching the end.\textsuperscript{18} Moreover, if the purchaser arrives at the market with a cattle broker who knows the sellers there, the broker and seller will likely arrange, through hand signals for example, to set an exorbitant price for the animal. This is even more likely to happen when IRDP beneficiaries are the purchasers because everyone knows they have Rs 2500 to spend. Because the AHO who tags the animal's ear often acts in collusion with cattle sellers and brokers he turns a blind eye to their malpractices, thus encouraging them to cheat the beneficiary.

Not only were beneficiaries cheated by cattle brokers and purchase committees, their milk society presidents would occasionally insist that they go to certain cattle markets or use particular cattle brokers. Undoubtedly, the presidents' insistence arose out of their having made arrangements for commissions to be paid to them. On other occasions the Animal Husbandry Officer and bank's Agricultural Officer have insisted that the beneficiaries purchase their cattle through one broker, indicating that they also had made special arrangements with certain brokers in advance. It is also common practice for brokers to purchase dry IRDP animals from beneficiaries for Rs 600 or even less, keep the animals until they have calved, and then sell them to the next beneficiary for Rs 2500 to Rs 3000, even though they may be worth decidedly less than that.

In cases where beneficiaries had sold their animals, the price they received was often far less than the loan amount of Rs 2500. In one village in Thuraiyur, for example, my research assistant interviewed 55 beneficiaries who had received a total of 105 animal loans from 1983 to 1985. Of these 105 animals, 32 had been sold and 3 had died. Of the 32 that were sold, only five had been sold for Rs 2000 or more (representing a good profit for these beneficiaries), and there were nine that had been sold for less than Rs 500 each (see Table 5-10). In another village of Thuraiyur, 41 of 81 animals had been sold, of which 24 had been sold for between Rs 500 and Rs 1000, significantly less than the Rs 1767 of the loan (Rs 2500) minus the one-third subsidy amount (Rs 833) (and not taking interest payments into account). In Lalgudi we visited a number of villages in which beneficiaries had received loans only in 1984 and 1985. As a result few animals had been sold in 1985, as can be seen in Table 5-10. When we revisited these villages in 1986, however, most of the animals had been sold (according to bankers and villagers; I did not have a chance to do any systematic resurveying of beneficiaries). There is also a likely understatement in animal selling because most beneficiaries know they are not, in fact, allowed to sell the first animal if they are to get a second one.

The low selling prices indicate three possibilities: first, the beneficiaries have received low quality animals, and second, the beneficiaries are likely selling the animal during its dry period when they are unable to maintain it. A dry animal is worth the least amount of money, no more than Rs 500 to 600 according to a Lalgudi bank vet. The third possibility is that adverse weather conditions have led

\textsuperscript{17}This guideline strikes me as reflecting a belief in "the cow grows greener on the other side." Undoubtedly, some districts will have a larger stock of better quality animals, but it is unreasonable to expect a genuinely poor beneficiary to go searching hundreds of kilometres, entailing heavy expenditures, for a cow/buffalo which may (or may not) give more milk than one he can find within 20 kilometres of his village.

\textsuperscript{18}These malpractices do not stop at cattle, but extend to sheep and goats as well.
Table 5-10: Sales of IRDP Milch Animals at Five Villages

<table>
<thead>
<tr>
<th>BLOCK &amp; VILLAGE</th>
<th>M. ANIMAL LOANS</th>
<th>SALES No.</th>
<th>SOLD &lt;Rs 500</th>
<th>Rs 500 to 999</th>
<th>Rs 1000 to 1499</th>
<th>Rs 1500 to 1999</th>
<th>&gt;Rs 2000</th>
<th>ANIMAL DEATHS*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lai. Al.</td>
<td>102</td>
<td>19</td>
<td>3</td>
<td>7</td>
<td>5</td>
<td>2</td>
<td>2</td>
<td>4</td>
</tr>
<tr>
<td>Lai. Ma.</td>
<td>122</td>
<td>15</td>
<td>8</td>
<td>6</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>7</td>
</tr>
<tr>
<td>Thu. Re.</td>
<td>81</td>
<td>41</td>
<td>6</td>
<td>24</td>
<td>7</td>
<td>2</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Thu. So</td>
<td>94</td>
<td>39</td>
<td>11</td>
<td>17</td>
<td>4</td>
<td>3</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Thu. Ve.</td>
<td>105</td>
<td>32</td>
<td>9</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>TOTALS</td>
<td>504</td>
<td>146</td>
<td>37 (25)</td>
<td>64 (44)</td>
<td>21 (14)</td>
<td>11 (8)</td>
<td>13 (9)</td>
<td>22</td>
</tr>
</tbody>
</table>

Source: Data derived from AL beneficiary surveys. Numbers in parentheses are percentages of total number of cattle sold. * Beneficiary reported that animal had died.

beneficiaries to make distress sales of their animals. This is an important difference between the wet block and the dry. The instances of distress sales in Thuraiyur were higher than in Lalgudi with beneficiaries in the former citing "drought conditions" and the consequent drying up of potential grazing land where they would normally be able to send their animals, as a major reason for the early sale of their cattle. A large number of sales at once would obviously depress the price a beneficiary can get for his animal.

Occasionally an IRDP milch animal is not, in fact, a purchased one. A potential beneficiary is sometimes able to present his own or a neighbour's animal to the purchasing committee as the animal to be bought, in which case s/he gets the subsidised loan and uses it for a purpose other than the purchase of a milch animal. In one village we visited, 12 of 42 beneficiaries we interviewed admitted they had purposely bought animals worth only Rs 1000 to Rs 1200 because they wanted to have immediate cash. Another feature of the IRDP animal is that it is likely "recycled," meaning that when a beneficiary sells an animal, it is likely to be eventually purchased by another IRDP beneficiary. In some villages in northern Uttar Pradesh, however, the villagers recycled to their advantage. They knew that neither the bankers nor officials in their area would check the assets too closely, and the same animal was tied up at a number of people's houses so that they could all take advantage of the subsidised loans without actually having to purchase a buffalo (Times of India, Ahmedabad, 13/8/87: 7). Apparently, to make it tougher for the beneficiaries to "recycle" the buffalos, it is now required that they get the signatures of six village, bank, and block officials. The outcome is that the beneficiaries must spend more of the subsidy amount in getting these signatures.

5.2.4. Profile Four: The IRDP Beneficiary

The IRDP beneficiary's interests are the least protected among the actors involved in IRDP. The one program resource s/he is entitled to, the subsidy, is eroded by the more powerful people who control access to the beneficiary's subsidy and acquisition of the asset. Resource exchange in IRDP's implementation occurs on a number of planes, and much of it, unfortunately, is corrupt thereby hurting the beneficiary's interests. The beneficiary must give money to his/her milk society president, to officials, and to cattle brokers to secure the subsidy and animal. Furthermore, the poor beneficiary's

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19The evidence of this section in particular is based largely on information gathered from questionnaires. We surveyed over 900 beneficiaries, chosen at random from the block offices' IRDP subsidy registers, in 20 villages of Lalgudi and Thuraiyur Blocks (527 in Lalgudi and 380 in Thuraiyur). I tried to ensure that a proportionate number of Scheduled Caste beneficiaries was chosen for interviews.
exploitation does not stop with the receipt of the milch animal, but continues in the milk society as well. In this profile of the beneficiary I examine the number of beneficiaries below the poverty line, how they become beneficiaries, their gains and losses by virtue of taking an IRDP milch animal loan, and their own views of their benefits from having taken a subsidised loan.

In terms of the beneficiaries' acquisition of assets, there are two main points to be noted: First, virtually all the beneficiaries had to pay bribes, whether directly or indirectly, to receive their loan-subsidy. Second, beneficiaries had high overhead costs in finding and purchasing the assets which further ate into their subsidies and often necessitated borrowing from private sources. Asset acquisition costs varied but, not including money spent above the loan amount for the asset, averaged at around Rs 300. Many people also spent their own or privately borrowed funds (upto Rs 250 was commonly cited) above the loan amount to purchase what they hoped would be a good quality animal. Table 5-12 shows that there is little difference between Agricultural Labourers and Small Farmers in their acquisition of assets. SFs are also affected by the same purchase committee corruption which affects the average AL beneficiary. Both ALs and SFs, then, pay an average of Rs 500 to acquire a single animal. Rs 500 represents 60% of a subsidy of Rs 833, and often necessitates borrowing on the private market, as the subsidies are not paid to the beneficiary in cash, but rather are credited to their loan accounts (sometimes later than the beginning date of the loan, resulting in the beneficiary having to pay more interest than necessary on the loan.)

The manner of IRDP asset acquisition highlights the complexity of "credit relations" in the rural areas, as people often borrowed the extra money (mortgaging jewels or household "vessels") needed to finance their initial IRDP costs from richer relations, from private milk vendors,20 from employers, and pawn-brokers to name a few.21 Their borrowings from private sources also mean that they have an additional loan to repay at a much higher interest rate than the bank loan. Unfortunately, I have little systematic data on private borrowings for IRDP and their effect on beneficiaries. I would guess, however, that where the beneficiary has a private loan, s/he would try to pay it back faster than the lower interest rate bank loan. IRDP's implementation through loan brokers and bribery, then, has led to high acquisition costs and a need for borrowing on the private market not at all envisioned by program designers.

The genuinely poor milch animal beneficiaries are frequently exploited by the president and/or accountants of their milk society, and the poorer the beneficiaries, the more likely they are to be victimised, especially if they are Scheduled Caste. Many beneficiaries were worse off for having taken the loans (see Tables 5-12 to 5-15, MIDS, 1980 and Copestake, 1985). As a general rule, the poorer the beneficiary, the less chance s/he would have to make a profit, or even break even, from an IRDP milch animal loan because of his/her inability to maintain the animal through long dry periods between its lactations. Additionally, few beneficiaries have the requisite knowledge about the care and feeding of their animals which contributes to an animal's poor health, poor milk yields and delayed pregnancies, and consequently results in poor returns for the beneficiary.

The majority of milch animal beneficiaries are, as required by the program rules, "below the
poverty line," but a significant minority are not "below the poverty line" either in relative or absolute terms. This number varied considerably from village to village which had received a large number of loans (Table 5-11), and depended on the political and socio-economic interests of the loan brokers. There were also cases where a richer person was in de facto control of the poorer person’s asset. Most of the beneficiaries we interviewed in the villages of Lalgudi and Thuraiyur are agricultural labourers, many of whom are landless or near landless (the incidence of landlessness is higher in Lalgudi than in Thuraiyur). Most are semi-literate or illiterate, with few labourers having schooling beyond the fifth standard. Because we went to villages at which there were women’s milk producers’ societies, a significant number of our IRDP respondents were women (whose level of education was much lower than the men’s--many female respondents had not attended school beyond the second standard, even though the survey villages have schools up to the fifth standard). Education is an important resource the beneficiaries lack.22 As a result, they are more easily cheated by the milk society officials who know they are unlikely to go to the bank to check their accounts if they suspect there are discrepancies between the amount of milk sold and the money credited to their accounts.23 This is exacerbated by either the banks’ (not all banks) failure to issue loan passbooks, or the demand by milk officials that they keep the books until the loans are paid off. Because the beneficiaries often rely on a single source, the milk society president, for their information about the program they do not know precisely about the subsidy they are entitled to, and the amounts they need to pay for such things as animal insurance. (I came across instances where information given to beneficiaries about the program seemed purposely inaccurate in order to convince them to take loans--ie., they had been told by their president that they all would get 50% subsidies and three milch animals).

Table 5-11: IRDP Beneficiaries Above the Poverty Line:
Lalgudi and Thuraiyur

<table>
<thead>
<tr>
<th>LALGUDI VILLAGES</th>
<th>BENEFICIARIES INTERVIEWED</th>
<th>ABOVE POV. LINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mangudi</td>
<td>104*</td>
<td>20 19</td>
</tr>
<tr>
<td>Agalang</td>
<td>86</td>
<td>11 13</td>
</tr>
<tr>
<td>Alangudi</td>
<td>81</td>
<td>17 21</td>
</tr>
<tr>
<td>Mangam</td>
<td>68**</td>
<td>31 46</td>
</tr>
<tr>
<td>Keelanbil</td>
<td>59**</td>
<td>9 15</td>
</tr>
<tr>
<td>Natham</td>
<td>58</td>
<td>10 18</td>
</tr>
<tr>
<td>Koppavali</td>
<td>42</td>
<td>11 28</td>
</tr>
<tr>
<td>Edayatha</td>
<td>16</td>
<td>8 50</td>
</tr>
<tr>
<td>Pudur Uth.</td>
<td>7</td>
<td>5 71</td>
</tr>
<tr>
<td>Manakkal</td>
<td>5</td>
<td>4 80</td>
</tr>
<tr>
<td>Nerunjila</td>
<td>3</td>
<td>3 100</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>527</td>
<td>129 24</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>THURAIYUR VILLAGES</th>
<th>BENEFICIARIES INTERVIEWED</th>
<th>ABOVE POV. LINE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sellipalayam</td>
<td>85</td>
<td>27 32</td>
</tr>
<tr>
<td>Kunnupatti</td>
<td>80</td>
<td>33 41</td>
</tr>
<tr>
<td>Venkatesh</td>
<td>55</td>
<td>7 13</td>
</tr>
<tr>
<td>Renganath</td>
<td>52</td>
<td>9 17</td>
</tr>
<tr>
<td>Sorathur</td>
<td>48</td>
<td>8 17</td>
</tr>
<tr>
<td>Narasing</td>
<td>42</td>
<td>9 21</td>
</tr>
<tr>
<td>Nagalap</td>
<td>9</td>
<td>7 89</td>
</tr>
<tr>
<td>Muthiyum</td>
<td>7</td>
<td>3 43</td>
</tr>
<tr>
<td>Kollapatti</td>
<td>2</td>
<td>1 50</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>380</td>
<td>104 27</td>
</tr>
</tbody>
</table>

* Includes 12 beneficiaries from a neighbouring village not in the survey group.
** Includes four beneficiaries from a neighbouring village.
Table based on information given by beneficiaries themselves, with allowances made for discrepancies between what they told us and what seemed to be true.

22The rural literacy rate in Tiruchi District is 38%, and for the total Scheduled Caste population (urban and rural literacy rates not given separately for SCs, but 87% live in rural areas) in Tiruchi it is 31%. From Census of India, 1981. (Series 20) Tamil Nadu. Part II-B, Primary Census Abstract: 8, 13 and 14 facing page.

23Few beneficiaries realised that they could check on the status of their accounts at the concerned bank. Admittedly, however, if the poor agricultural labourer discovers at the bank that s/he is being cheated by the milk society president who is also his/her employer, s/he is unlikely to take any action.
It was impossible to say precisely whether people were below the poverty line or not. Villagers give evasive answers about the extent of their land, making it notoriously difficult to gain the correct information without an extended stay in a village. It is possible, however, to make an estimate of people’s economic status, despite their efforts at obfuscation. At times, people owning large grain storage urns would tell us they were landless labourers. Or, someone living in a spacious, comfortable house would claim that he only had an acre to his name, and no other sources of income. Moreover, villagers are often willing to gossip about other people’s landholdings, thus offering correctives to tales of landlessness. The Village Administrative Officers (grassroots revenue officials) were not very helpful in clearing up the mystery surrounding landholdings, as their records are in individuals’ names, rather than by households, and it is often difficult to tell what the total holdings under the control of a single household are (especially as some people have land in more than one revenue village). One respondent, for example, said he has over fifty acres of land, although the VAO’s records only showed thirty-five.

There were some differences between Lalgudi and Thuraiyur Blocks in how the villager became an IRDP beneficiary, although I do not believe these differences are related to Lalgudi being "wet" and Thuraiyur "dry" (see "wet-dry" discussion in Introduction). When interviewing IRDP beneficiaries, we asked them how they found out about the program. In Lalgudi Block beneficiaries seldom mentioned the RWO as a source of information about the program. Instead, they usually mentioned their milk society president or the bank Agricultural Officer. In one Lalgudi village, only 5 of 86 IRDP respondents mentioned the RWO or other government official as an information source. In two other Lalgudi villages, the proportion was higher—26 of 59 and 25 of 68. In a Thuraiyur village 23 of 55 respondents mentioned the RWO as the original source of program information, but 54 of 55 mention giving bribes to him.

The general sequence of events which leads to people joining an IRDP milk society in Lalgudi is that the president calls a meeting in the village (sometimes with the participation of bank officials), having first told his supporters and/or relatives about IRDP, explains about the program, solicits names (sometimes the president imposes a fee to have a name included in the original list), chooses from among them. The president then has the requisite IRDP forms filled out (for each of which Rs 5 would have to be paid to the RWO; the forms were only Rs 2 in 1985-86 if bought, illegally, from private printing presses), and pay the necessary bribes to the development officials en bloc. The IRDP beneficiary in Lalgudi, then, would have virtually no contact with the development administration. Many IRDP respondents in Lalgudi said the RWO only ever visited the milk society president’s house.

The beneficiaries in some of Lalgudi’s villages mentioned large sums of money, from Rs 100 to Rs 200, that they had paid to milk society presidents (this amount included a few legitimate expenses such as

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24 Evasive answers are given (and not just to foreign researchers) regarding landholdings for a number of good reasons: one is to avoid payment of any existing land taxes, another is to evade land ceiling legislation, and yet another is to take advantage of benefits, such as preferential interest rates at village co-operative credit societies and free supply of electricity for irrigation pumps, that are available only for "small" farmers. Families with larger holdings commonly divide their land, at least on paper, among family members so that they may take advantage of the concessions available in the state to small farmers.

25 This post is a recent creation in Tamil Nadu. Prior to 1982, each revenue village had a karnam and munsiff. Both posts were traditionally inherited by local people, although in the years before the VAO post was created, the Tamil Nadu government appointed karnams on a part-time basis. The karnam was, and now the VAO is, in charge of maintaining all the village land records and registers which, according to one source may number up to twenty-four, including registers of land and water-use statistics (S. Subramaniam, ca. 1981: 25). Traditionally, and prior to the onset of the village panchayats, the munsiff was the village headman who then became more of a village policeman (arbitrating minor disputes). Importantly, the munsiff also helped with land tax collection.

26 See Copestake (1987) who also notes that some people paid an initial fee to the milk society presidents but then did not get a loan, nor a refund.
Rs 10.50 for the initial co-operative society membership fee), and in one village caste fellows of the milk society president paid him Rs 180, while the Scheduled Caste beneficiaries had to pay Rs 280. (In a further instance of Scheduled Caste beneficiary exploitation at another IRDP milk society, the SC members' cows were always milked last, and if the milk collection van from Tiruchi arrived before the "SC animals" had been milked, these animals were not milked, and their owners would be denied much needed income.) Another president was apologetic about collecting a large fee from each beneficiary but claimed it was necessary to pay to officials (we could not verify this). In yet another village the beneficiaries paid Rs 100 to the milk society president, excepting those from one hamlet who paid a more reasonable Rs 41. This hamlet is the home of two educated Scheduled Caste youth who calculated that Rs 41 was an appropriate amount to pay, and then insisted that no one in the hamlet pay more than that to the milk society president. In most instances the Lalgudi beneficiaries did not know why their milk society presidents required so much money. Some respondents said they were told the money needed to be collected for the animals' insurance, but the total stated to have been given for insurance was generally too high, and it is likely that some of the money was misappropriated by the presidents or their accountants. At one village people said they had each given the president Rs 200 for the second animal's insurance; the actual amount should have been no more than a maximum of Rs 94.27

Thuraiyur presented us with quite a different picture from Lalgudi in terms of RWO involvement in IRDP's implementation. The Rural Welfare Officers in Thuraiyur were more directly involved in IRDP, although the primary reason for this was the need for them to collect bribes personally. The private milk vendors who played a large role in IRDP's implementation in the first three years of the program in Thuraiyur Block did collect some bribes for the RWOs, but in general the beneficiaries paid money directly to the RWOs, and told us they had; these amounts varied, but averaged at about Rs 50. In most cases, the beneficiaries told us the justification the RWO offered for the bribe was that they needed to buy the *vikas pariika* which, from the beneficiary's point of view is completely unnecessary. In one Thuraiyur village only 16 of 48 beneficiaries mention bribes, but all the beneficiaries mention the same amount of money they paid as an "advance" either to a milk society president (Rs 135) or a private vendor (Rs 200); some people, then, identified this as bribe-giving while others did not. In another Thuraiyur village, 35 of 42 people said they bribed officials, while in yet another village 76 of 80 beneficiaries (with loans for milch animals, sheep, plough bullocks, and carts) said they had to pay bribes to the RWO, AHO, and VAO.28

As mentioned, the AHOs in both blocks demanded Rs 25 to 50 from the beneficiaries for the requisite ear tags. There was little the beneficiaries could do to refuse an Animal Husbandry Officer's demand for money as no animal purchase could be completed without his affixing the numbered tag to the animal's ear. If they refused to pay the bribe they would not get their animals, and forego expenses already incurred, such as for travel and brokerage. At one milk society in Lalgudi the beneficiaries generally indicated they had paid Rs 25 for tagging their second animal's ear, but not for the first. The reason for this was that the first animal purchases had been made with the help of the lending bank's

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27 According to the latest IRDP guidelines (issued January 1986) on insurance, the animals should be insured at a cost of 2.25% of their value per annum. After subtracting the insurance subsidies which the beneficiaries are eligible for, the insurance premium should be 1% to 1.25% of the value of the animal, meaning that if the beneficiaries have a three-year policy for a Rs 2500 milch animal, they would have to pay Rs 75 to Rs 94 to cover the costs of the three-year package.

28 If an IRDP beneficiary has any land, he must get certificates from the Village Administrative Officer. Most VAOs will charge a fee (often Rs 25 to 50) for any certificate they issue, although the issuees are entitled to the certificates at no cost. Beneficiaries are also supposed to produce "no dues certificates" from the village co-operative credit society they belong to. In Lalgudi block, milch animal beneficiaries seldom mentioned having to collect the various certificates, and I assume this work was done by the milk society presidents.
veterinary, rather than the block development office's AHO. The block development officials had apparently been adamant that their extension officer take over from the bank vet for the second round of animal purchases, and the reason why is clear—the collection of bribes. (At Rs 25 per animal, this may not seem like a lot of money, but if there are 600 or 700 animal purchases in the year—including plough bullocks and sheep—the AHO will earn an extra Rs 15,000 to Rs 17,500, which doubles his salary, although part of it would be shared with the BDO, or help to finance some of the block's opening functions.)

In each village there were a few instances where the beneficiary named in the block's subsidy register had never taken possession of the animal, with it going instead to someone ineligible to benefit under IRDP. The beneficiary might get some money out of this agreement, but is at risk because the loan is in his name. In other instances, however, beneficiaries "transferred" (sometimes privately mortgaged) animals during the loan repayment period because they could no longer afford to take care of them. Sometimes the beneficiary sent the animal to a richer relative or employer, but I am not sure as to what money would be involved in these transactions. I know of some examples in Lalgudi where the richer, caste people, returned (at the behest of the lending bank's Agricultural Officer) the animals they had misappropriated from their Scheduled Caste labourers, but then demanded money from them for the cows' maintenance even though they (the caste people) had received payment for the milk sales.

The raison d'etre of IRDP is to give its beneficiaries a substantial additional income through the ownership of productive assets, and I tried to get an accurate impression as to whether IRDP beneficiaries were actually benefiting from the program, and whether they thought they were benefiting from having a milch animal or two. From loan payment schedules of the beneficiaries, the price at which their milk was bought, and the cost of feed for their animals, I calculated that most poor beneficiaries lost money while they were paying back their loans, and it was especially difficult for agricultural labourers to recoup their losses through continued milk sales over a number of lactations, especially with extended dry periods between lactations (Tables 5-13 to 5-15). As one female respondent put it, "The only income I get is from the cow's dung." (This would not add up to more than about Rs 100 for a year.) Others said, "Income?!? How can I tell you if I have any income? The milk society hasn't shown us any accounts for months." In other instances people said the program was a good one, but that they could not make a profit because of the mismanagement and wrongdoings by the milk society officials.

Overall, however, people did think they had benefited by virtue of having received one or two milch animals, but not in the same terms as the program designers thought people should benefit which entails keeping the animals for at least three years each (Table 5-18). The vast majority of beneficiaries we interviewed felt they would gain by acquiring an asset (after their loans were paid off), not an asset they would keep to augment their income and assets further through "entrepreneurial activities," but rather one they could easily sell. In an economy where "cash in hand" is one of the scarcest

---

29 Some beneficiaries complained that this particular vet had refused to tag certain animals. When I discussed his role on purchase committees with him, he said that he had been very strict about only tagging animals that were really worth Rs 2500, and he refused to tag some of the animals chosen for purchase by the beneficiaries, thereby forcing them to find other animals.

30 I noticed that in different villages there were different relations between caste and Scheduled Caste people. The worst case was in a Lalgudi village not in the survey group—although I did visit it—where in September 1986, the Udayar landholders set fire to and destroyed the Scheduled Caste hutment (with one fatality) because the labourers had been so presumptuous as to ask for the statutory daily wage. The landowners also set fire to their Panchayat President's house, a man of the same caste as themselves, because he had agreed to pay the Scheduled Caste labourers the statutory wage.

31 As long as the beneficiary owns his milch animal, as long as it continues to give milk, and as long as the milk society is operational, she has no choice in the matter of loan default, as the village milk society pays money directly to the bank. Therefore, when asked about IRDP milch animal loan repayment, bankers told me it was "good."
commodities, having a saleable asset is extremely important, especially at times of extra need--such as a wedding, funeral, sickness, drought, and lean employment season. Unfortunately, however, the milch animal is as weather-dependent as rural people’s economic lives generally, i.e., if dry conditions prevail in the area, agricultural labourers will have fewer days of labour, there will be less fodder for their animals, and they will no longer be able to maintain them (this was especially common in Thuraiyur). While some people thought they had been cheated in the purchase of their animals, they still believed that a poor quality saleable asset was better than no asset at all.

---

32 Although this is a rough estimate, very few rural households would have even Rs 100 on hand at any given time, except after harvest.
Table 5-12: ALs and SFs: IRDP Income/Expenditure Variables

(Als N = 106) (SFs N = 29)

<table>
<thead>
<tr>
<th>ASSET ACQUISITION</th>
<th>MILK 'VARIABLES'</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OVERHEADS</strong></td>
<td><strong>LOAN REPAYMENT</strong></td>
</tr>
<tr>
<td><strong>/ANIMAL</strong></td>
<td>ALs no. %</td>
</tr>
<tr>
<td>&lt; Rs 150</td>
<td>12 11</td>
</tr>
<tr>
<td>150 - 249</td>
<td>18 17</td>
</tr>
<tr>
<td>250 - 349</td>
<td>63 59</td>
</tr>
<tr>
<td>&gt; 350</td>
<td>13 12</td>
</tr>
<tr>
<td>TOTALS</td>
<td>106 99</td>
</tr>
</tbody>
</table>

| **AMOUNT PAID**   | **MILK SOLD** |
| **/ANIMAL**       | /DAY***      |
| (+/- loan amount) |              |
| > Rs 250 < loan   | < 3 litres  |
| upto 250 < loan   | 11 11      | 2 7   |
| upto 250 > loan   | 3 - 3.9    | 69 67 |
| 250 - 500 > loan  | 4 - 4.9    | 20 19 |
| > 500 > loan      | > 5        | 3 3   |
| TOTALS            | 103 100    | 29 100 |

| **SALES**         | **LACTATION** |
| **ANIMAL SOLD (Rs)** |              |
| < 500             | 16 24      | 0 0   |
| 500 - 1000        | 27 40      | 3 18  |
| 1001 - 1500       | 14 21      | 4 24  |
| 1501 - 1999       | 6 9        | 8 47  |
| > 2000            | 4 6        | 2 12  |
| TOTALS            | 67 100     | 17 101|

<table>
<thead>
<tr>
<th><strong>PRICE/ LITRE (Rs)</strong></th>
<th><strong>APPROX. FEED COSTS/DAY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.20 - 2.35</td>
<td>lactation dry</td>
</tr>
<tr>
<td>2.36 - 2.50</td>
<td>3.50</td>
</tr>
<tr>
<td>2.60 - 2.75</td>
<td>1.00</td>
</tr>
<tr>
<td>3.00 - 3.15</td>
<td>.50</td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
</tr>
</tbody>
</table>

Table Notes:* Where less than 106, except under 'sales', did not have clear answer from beneficiaries. The 106 ALs had received 183 cows and buffalos, while the 29 SFs had 52 animals. The data provided here refer to the first animals purchased (and sold).

**Percentage of monthly milk income. Rounding leads to total of 101.

*** This tends to be somewhat less than milk produced/day as families may keep some milk for consumption.

# A longer lactation may not bring in much extra income; cows produce little milk toward the end of lactation.
### Table 5-13: Agricultural Labourers' Ownership of IRDP Cattle: Options and Profits

#### AL.A SOURCES OF INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milk (Rs 2.25, 3 Is, 244 days)</td>
<td>Rs 1647</td>
</tr>
<tr>
<td>2. Sale of Calf</td>
<td>Rs 180</td>
</tr>
<tr>
<td>3. Sale of Dung</td>
<td>Rs 120</td>
</tr>
<tr>
<td>4.0 No sale of cow</td>
<td>---</td>
</tr>
<tr>
<td>4.1 Sale of cow @ 600</td>
<td>Rs 600</td>
</tr>
<tr>
<td>4.2 Sale of cow @ 1500</td>
<td>Rs 1500</td>
</tr>
</tbody>
</table>

**TOTAL (4.0)**: Rs 1947
**TOTAL (4.1)**: Rs 2547
**TOTAL (4.2)**: Rs 3447

#### DEBITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 2/3 Loan repayments (+ 10% int.) *</td>
<td>Rs 1153</td>
</tr>
<tr>
<td>2. Feed costs (Rs. 3.5, 244 days)</td>
<td>Rs 854</td>
</tr>
<tr>
<td>3. Feed costs (Re. 1, 121 days)</td>
<td>Rs 121</td>
</tr>
<tr>
<td>4. Asset acquisition costs</td>
<td>Rs 300</td>
</tr>
<tr>
<td>5. Amount paid above loan**</td>
<td>Rs 200</td>
</tr>
<tr>
<td>6. Milking fee (Rs 14/mon.)</td>
<td>Rs 112</td>
</tr>
<tr>
<td>7. Insurance Premium (1%, 3 yrs)</td>
<td>Rs 75</td>
</tr>
<tr>
<td>8. Bull or A.I. Charge</td>
<td>Rs 10</td>
</tr>
</tbody>
</table>

**TOTAL DEBITS**: Rs 2825

#### TOTAL INCOME FROM ONE COW

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Without sale of cow</td>
<td>- Rs 878</td>
</tr>
<tr>
<td>2. With sale of cow @ 600</td>
<td>+ Rs 278</td>
</tr>
<tr>
<td>3. With sale of cow @ 1500</td>
<td>+ Rs 537#</td>
</tr>
</tbody>
</table>

#### AL.B SOURCES OF INCOME

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milk (Rs 2.5, 3 Is, 244 days)</td>
<td>Rs 1830</td>
</tr>
<tr>
<td>2. Calf</td>
<td>Rs 180</td>
</tr>
<tr>
<td>3. Dung</td>
<td>Rs 120</td>
</tr>
<tr>
<td>4.0 No sale of cow</td>
<td>---</td>
</tr>
<tr>
<td>4.1 Sale of cow @ 600</td>
<td>Rs 600</td>
</tr>
<tr>
<td>4.2 Sale of cow @ 1500</td>
<td>Rs 1500</td>
</tr>
</tbody>
</table>

**TOTAL (4.0)**: Rs 2130
**TOTAL (4.1)**: Rs 2730
**TOTAL (4.2)**: Rs 3630

#### DEBITS

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 1/2 Loan repayments</td>
<td>Rs 992</td>
</tr>
<tr>
<td>2. Feed costs (Rs. 3.5, 244 days)</td>
<td>Rs 854</td>
</tr>
<tr>
<td>3. Feed costs (Re. 1, 121 days)</td>
<td>Rs 121</td>
</tr>
<tr>
<td>4. Asset acquisition costs</td>
<td>Rs 300</td>
</tr>
<tr>
<td>5. Amount paid above loan**</td>
<td>Rs 200</td>
</tr>
<tr>
<td>6. Milking fee (Rs 12/mon.)</td>
<td>Rs 96</td>
</tr>
<tr>
<td>7. Insurance Premium (1%, 3 yrs)</td>
<td>Rs 75</td>
</tr>
<tr>
<td>8. Bull or A.I. Charge</td>
<td>Rs 10</td>
</tr>
</tbody>
</table>

**TOTAL DEBITS**: Rs 2648

#### TOTAL INCOME FROM ONE COW

<table>
<thead>
<tr>
<th>Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Without sale of cow</td>
<td>- Rs 518</td>
</tr>
<tr>
<td>2. With sale of cow @ 600</td>
<td>+ Rs 82</td>
</tr>
<tr>
<td>3. With sale of cow @ 1500</td>
<td>+ Rs 897#</td>
</tr>
</tbody>
</table>

**Table Notes:**

*Loan repayments for AL.A are Rs 135/month, and AL.B, Rs 114 (interest "holiday," months 9-12).

** Beneficiary has paid Rs 2700 for animal rather than Rs 2500.

# This amount takes into account feed costs (Rs 85) of keeping animal until advanced pregnancy.

Remaining bank debt (plus interest) for AL.A is Rs 704 and for AL.B it is Rs 910.

---

33Tables 5-13, 14 and 16 provide a more detailed breakdown of expenditures and incomes than most beneficiaries provided us. By going over a large number of surveys, it became clear that beneficiaries regularly omitted, for example, incomes derived from sale of calves and dung. Thanks to James Copetake for advice in constructing these tables.
### Table 5-14: Agricultural Labourers’ Ownership of IRDP Cattle: 
#### The Second Year

<table>
<thead>
<tr>
<th>AL.A SOURCES OF INCOME</th>
<th>AL.B SOURCES OF INCOME</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. First animal’s milk</td>
<td>1. First animal’s milk</td>
</tr>
<tr>
<td></td>
<td>Rs. 1647</td>
</tr>
<tr>
<td>2. Second animal’s milk</td>
<td>2. Second animal’s milk</td>
</tr>
<tr>
<td></td>
<td>1647</td>
</tr>
<tr>
<td></td>
<td>360</td>
</tr>
<tr>
<td></td>
<td>240</td>
</tr>
<tr>
<td>5.0 Sale of Cow 1 @ 600</td>
<td>5.0 Sale of Cow 1 @ 600</td>
</tr>
<tr>
<td></td>
<td>600</td>
</tr>
<tr>
<td>5.1 Sale of Cow 1 @ 1500</td>
<td>5.1 Sale of Cow 1 @ 1500</td>
</tr>
<tr>
<td></td>
<td>1500</td>
</tr>
<tr>
<td><strong>TOTAL (5.0)</strong></td>
<td><strong>TOTAL (5.0)</strong></td>
</tr>
<tr>
<td></td>
<td>4494</td>
</tr>
<tr>
<td><strong>TOTAL (5.1)</strong></td>
<td><strong>TOTAL (5.1)</strong></td>
</tr>
<tr>
<td></td>
<td>5394</td>
</tr>
</tbody>
</table>

#### DEBITS

<table>
<thead>
<tr>
<th>AL.A DEBITS</th>
<th>AL.B DEBITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Animal 1 loan (+ 10% int.)</td>
<td>1. Animal 1 loan</td>
</tr>
<tr>
<td></td>
<td>910</td>
</tr>
<tr>
<td></td>
<td>992</td>
</tr>
<tr>
<td>3. Feed costs (Rs. 7, 244 days)</td>
<td>3. Feed costs (Rs. 7, 244 days)</td>
</tr>
<tr>
<td></td>
<td>1708</td>
</tr>
<tr>
<td>4. Feed costs (Rs. 2, 121 days)</td>
<td>4. Feed costs (Rs. 2, 121 days)</td>
</tr>
<tr>
<td></td>
<td>242</td>
</tr>
<tr>
<td>5. Asset acquisition costs</td>
<td>5. Asset acquisition costs</td>
</tr>
<tr>
<td></td>
<td>300</td>
</tr>
<tr>
<td>6. Amount paid above loan</td>
<td>6. Amount paid above loan</td>
</tr>
<tr>
<td></td>
<td>200</td>
</tr>
<tr>
<td>7. Milking fee (Rs. 28/mon.)</td>
<td>7. Milking fee (Rs. 24/mon.)</td>
</tr>
<tr>
<td></td>
<td>192</td>
</tr>
<tr>
<td>8. Insurance Premium (1%, 3 yrs.)</td>
<td>8. Insurance Premium (1%, 3 yrs.)</td>
</tr>
<tr>
<td></td>
<td>75</td>
</tr>
<tr>
<td></td>
<td>20</td>
</tr>
<tr>
<td><strong>TOTAL DEBITS</strong></td>
<td><strong>TOTAL DEBITS</strong></td>
</tr>
<tr>
<td></td>
<td>4626</td>
</tr>
</tbody>
</table>

#### TOTAL INCOME FROM TWO COWS

<table>
<thead>
<tr>
<th>AL.A TOTAL INCOME FROM TWO COWS</th>
<th>AL.B TOTAL INCOME FROM TWO COWS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. With Sale of cow 1 @ 600 - Rs 132</td>
<td>1. With sale of cow 1 @ 600 + Rs 221</td>
</tr>
<tr>
<td>2. With Sale of cow 1 @ 1500 + 683</td>
<td>2. With sale of cow 1 @ 1500 + 1036</td>
</tr>
</tbody>
</table>

Table Notes: Remaining debt for AL.A is now Rs 704 and B’s is Rs 910. See Table 5-15 for possible Third Year incomes.

By end of Animal 1 loan repayment AL.A has paid Rs 190 interest and AL.B, Rs 235.
### Table 5-15: ALs’ Three Year Options and Incomes

### AL.A

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3*</th>
<th>YEAR 3.1**</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1 COW)</td>
<td>(2 COWS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. No sale</td>
<td>-878</td>
<td>-732</td>
<td>+146</td>
<td>+996</td>
</tr>
<tr>
<td>B. Rs 600 sale</td>
<td>-278</td>
<td>-132</td>
<td>+746</td>
<td>+1596</td>
</tr>
<tr>
<td>C. Rs 1500 sale</td>
<td>+537</td>
<td>+683</td>
<td>+1561</td>
<td>+2411</td>
</tr>
</tbody>
</table>

**AL.A’s income possibilities:**

1B + 1B = -556 (Sales of animals at end of first lactations. Remaining debt = Rs 1408)

1B + 1C = +259

1C + 1C = +1074

1A + 2A + 3.1A = -614 (Follows program rules. No sales until Year 3. No bank debts.)

3.1B = -14

3.1C = +801

1A + 2B + 3A = -864 (Keeps Animal 2 at end of Year 3.)

1A + 2C + 3A = -49

1A + 2B + 3B = -264 (Sells Animal 1 at end of Year 2, Animal 2 at end of Year 3.)

1A + 2C + 3B = +551

1A + 2C + 3C = +1366 (No remaining bank debts.)

1A + 2B + 3B = +442 (No remaining bank debts.)

1A + 2B + 3C = +1257 (Sells Animal 1 at end of Year 2, Animal 2 at end of Year 3.)

1A + 2C + 3C = +2072

### AL.B

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1</th>
<th>YEAR 2</th>
<th>YEAR 3</th>
<th>YEAR 3.1</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(1 COW)</td>
<td>(2 COWS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>A. No sale</td>
<td>-518</td>
<td>-379</td>
<td>+139</td>
<td>+1188</td>
</tr>
<tr>
<td>B. Rs 600 sale</td>
<td>+82</td>
<td>+221</td>
<td>+739</td>
<td>+1788</td>
</tr>
<tr>
<td>C. Rs 1500 sale</td>
<td>+897</td>
<td>+1036</td>
<td>+1554</td>
<td>+2603</td>
</tr>
</tbody>
</table>

**AL.B’s income possibilities:**

1B + 1B = +164 (Sales of animals at end of first lactations. Remaining debt = Rs 1820)

1B + 1C = +979

1C + 1C = +1794

1A + 2A + 3.1A = +291 (Follows program rules. No sales until Year 3. No bank debts.)

1A + 2A + 3.1B = +890

1A + 2A + 3.1C = +1706

1A + 2B + 3A = -158 (Keeps Animal 2 at end of Year 3)

1A + 2B + 3A = +657

1A + 2B + 3B = +442 (No remaining bank debts.)

1A + 2B + 3C = +1257 (Sells Animal 1 at end of Year 2, Animal 2 at end of Year 3.)

1A + 2C + 3C = +2072

---

*Year 3 (B + C) represents the most preferred option of keeping both Animal 1 and 2 through two lactations only.

**Year 3.1 represents a beneficiary’s income if s/he were to follow program guidelines and not sell either animal until the end of Year 3.*
### Table 5-16: Small Farmers’ Ownership of IRDP Cattle: Options and Profits

#### SOURCES OF INCOME

<table>
<thead>
<tr>
<th>Option Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milk (Rs 2.25, 4 litres, 244 days)</td>
<td>Rs. 2196</td>
</tr>
<tr>
<td>2. Sale of Calf</td>
<td>180</td>
</tr>
<tr>
<td>3. Sale of Dung</td>
<td>120</td>
</tr>
<tr>
<td>4. No sale of cow</td>
<td>---</td>
</tr>
<tr>
<td>4.1 Sale of cow @ 1700</td>
<td>1700</td>
</tr>
<tr>
<td>TOTAL (4.0)</td>
<td>2496</td>
</tr>
<tr>
<td>TOTAL (4.1)</td>
<td>4196</td>
</tr>
</tbody>
</table>

#### SOURCES OF INCOME

<table>
<thead>
<tr>
<th>Option Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. First animal’s milk</td>
<td>Rs. 2196</td>
</tr>
<tr>
<td>2. Second animal’s milk</td>
<td>2196</td>
</tr>
<tr>
<td>3. Sale of Calves</td>
<td>360</td>
</tr>
<tr>
<td>4. Sale of Dung</td>
<td>240</td>
</tr>
<tr>
<td>5. Sale of Cow 1</td>
<td>1700</td>
</tr>
<tr>
<td>TOTAL</td>
<td>6692</td>
</tr>
</tbody>
</table>

#### DEBITS

<table>
<thead>
<tr>
<th>Debit Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 2/3 Loan repayments! (+ 10% int)</td>
<td>1517</td>
</tr>
<tr>
<td>2. Feed costs (Rs 4, 244 days)*</td>
<td>976</td>
</tr>
<tr>
<td>3. Feed costs (Rs. 5, 121 days)**</td>
<td>61</td>
</tr>
<tr>
<td>4. Asset acquisition costs</td>
<td>300</td>
</tr>
<tr>
<td>5. Amount paid above loan</td>
<td>200</td>
</tr>
<tr>
<td>6. Milking fee (Rs. 14/month)</td>
<td>112</td>
</tr>
<tr>
<td>7. Insurance Premium (1%, 3 yrs.)</td>
<td>75</td>
</tr>
<tr>
<td>8. Bull or A.I. Charge</td>
<td>10</td>
</tr>
<tr>
<td>TOTAL DEBITS</td>
<td>3251</td>
</tr>
</tbody>
</table>

#### TOTAL INCOME FROM ONE COW

<table>
<thead>
<tr>
<th>Income Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Without sale of cow</td>
<td>-Rs 755</td>
</tr>
<tr>
<td>2. With sale of cow @ 1700</td>
<td>+ 895</td>
</tr>
</tbody>
</table>

#### TOTAL INCOME FROM TWO COWS

<table>
<thead>
<tr>
<th>Income Description</th>
<th>Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. With sale of cow 1 @ 1700</td>
<td>+ Rs 1914</td>
</tr>
</tbody>
</table>

---

**Table Notes:** SF’s loan repayments Rs 182/month; by end of Loan 1, has paid Rs 169 interest. SFs interviewed managed to receive full 33% subsidy rather than 25% they’re entitled to. When an SF sold an animal, it was usually when the animal was at least in an advanced stage of pregnancy.

* Feed costs for an animal in milk are higher than ALs’ because the SF with a better quality animal must feed it more purchased feeds (oilcakes) to maintain higher milk production.

** Feed costs for a dry animal are less than ALs’ because of reduced need for purchased feeds; SF can use crop residues from own land. #Accounts for Rs 50 to keep animal until advanced pregnancy.
### Table 5-17: The Small Farmer: Three Year Incomes

<table>
<thead>
<tr>
<th></th>
<th>YEAR 1 (1 COW)</th>
<th>YEAR 2 (2 COWS)</th>
<th>YEAR 3</th>
<th>YEAR 3.1</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. No sale</td>
<td>-755</td>
<td>+264</td>
<td>+1018</td>
<td>+2356</td>
</tr>
<tr>
<td>B. Sale at Rs 1700</td>
<td>+895</td>
<td>+1914</td>
<td>+2668</td>
<td>+4006</td>
</tr>
</tbody>
</table>

1A + 2A + 3.1A = +1865
1A + 2A + 3.1B = +3515

Program guidelines.
No bank debts.

1A + 2B + 3A = +2177
1A + 2B + 3B = +3827

1B + 1B = +1790
Remaining debt = Rs 638

### Table 5-18: IRDP Cattle: The Impossible Optimum

#### SOURCES OF INCOME

<table>
<thead>
<tr>
<th></th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Milk Animal 1</td>
<td>Rs 3050</td>
<td>Rs 3050</td>
</tr>
<tr>
<td>(Rs 2.5, 5 Is, 244 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Milk Animal 2</td>
<td>1513</td>
<td>3050</td>
</tr>
<tr>
<td>(Rs 2.5, 5 Is, 121 days)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Sale of calf</td>
<td>200</td>
<td>400</td>
</tr>
<tr>
<td>4. Sale of dung</td>
<td>250</td>
<td>360</td>
</tr>
</tbody>
</table>

**TOTAL** 5013 6860 6660

#### DEBITS

<table>
<thead>
<tr>
<th></th>
<th>YEAR 2</th>
<th>YEAR 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Animal 1 loan (+4% int.)**</td>
<td>833</td>
<td>923</td>
</tr>
<tr>
<td>2. Animal 2 loan</td>
<td>419</td>
<td>823</td>
</tr>
<tr>
<td>3. Feed costs (Rs 5, 365 days)</td>
<td>1815</td>
<td>2440</td>
</tr>
<tr>
<td>4. Feed costs (Re 1, 121 days)</td>
<td>121</td>
<td>242</td>
</tr>
<tr>
<td>5. Assets acquisition</td>
<td>150</td>
<td>---</td>
</tr>
<tr>
<td>6. Milking fee (Rs 10/month)</td>
<td>120</td>
<td>160</td>
</tr>
<tr>
<td>7. Insurance premium</td>
<td>150</td>
<td>---</td>
</tr>
<tr>
<td>8. Bull or A.I. charges</td>
<td>20</td>
<td>20</td>
</tr>
</tbody>
</table>

**TOTAL DEBITS** 3628 4618 3522

**TOTAL INCOME (YEAR 1)** +Rs 1385 +Rs 2242 +Rs 3284

*Animal 2 is received as soon as first animal goes dry.*

**Loan repayments of Rs 100/month. Rs 178 interest for both loans.*
Commentary on Tables 5-12 to 5-18

Ownership of the IRDP Milch Animal

A major problem for all beneficiaries, whether agricultural labourer or small farmer, is the repayment rate of their loans. Whenever loans are repaid at a rate equivalent to 2/3 of the total milk income, the AL and SF beneficiary stands to make heavy losses in the first year no matter what quality animal s/he has. Table 5-18, the IRDP Optimum, shows how much easier it is for a beneficiary to earn a reasonable income when the loan repayments are not tied to milk income, but rather are fixed at a low monthly rate allowable under the Reserve Bank of India's repayment schedule for two milch animals. AL.B in a society which uses a 50% repayment rate (and pays the beneficiaries a milk price about 11% higher than most societies we visited), benefits over AL.A in the first year of loan repayment, but has higher repayment costs over subsequent years of animal ownership. Nonetheless, the advantages of a lower repayment rate (and a slightly higher price for milk) in the first year when high overhead costs must also be absorbed, results in a higher net income for AL.B compared to AL.A over a two or three year period.34 P.J. Atkins (1988: 309), in a defence of Operation Flood, offers an estimate of yearly milk incomes in the co-operative sector:

The average gross receipt in 1985/86 was Rs 1845 for a year's supply of milk, with an additional Rs 400 or so in bonuses and the value of any local sales.

His estimate of Rs 1845 plus Rs 400 is very close to my data on AL.B (Rs 1830 plus Rs 300) for 1984/85. But his argument that this represents a good income loses weight by his not taking expenditures into account.

I do not have any useful data on loan default and can only offer speculations on its frequency. (Government of Tamil Nadu data suggest that 34% of IRDP beneficiaries it surveyed had defaulted by the end of the Sixth Plan.) Part of the reason for the paucity of my data is the timing of interviews; many were conducted when the beneficiaries had just received second animals which means they could not be classified as loan defaulters (two animals equal one loan unit). Another part of the reason lies in the illegality of loan default; a beneficiary is unlikely to admit to having defaulted, or planning to default. Loan default is a good strategy for the beneficiary who wants to sell his/her first animal before it begins a second lactation. Nonetheless, one cannot recommend loan default without knowing about the stridency of the concerned bank in collecting unremitted debts, and whether the beneficiary might want to get loans from a bank in future (block bank branches check with each other on loan defaulters).

The quality of a milch animal in terms of the amount of milk it gives during a lactation period is extremely important for the IRDP beneficiary. As Table 5-12 shows, the average AL beneficiary is unlikely to have an animal which gives much more than three litres of milk per day (after any milk for household consumption is subtracted, although this amount was seldom reported as more than 150 ml/day, if that). A comparison of the incomes given in Tables 5-13 and 14 with 5-16 demonstrates that having a better animal gives the beneficiary a better chance to benefit from the second year even when the society pays a low price for milk and uses a 2/3 loan repayment schedule. Not only does the animal which produces more milk produce more income, it will also have a better resale value. SFs are more likely to purchase a better quality animal than an AL because there is a greater chance that they will have owned a milch animal in the past or have close neighbours or relatives with milch animal experience and

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34 Some milk society presidents insist that their members' loans for the first animal be repaid before the second animal can be purchased. Bankers insist that their requirements are only that the beneficiary still have the first animal, and that the first part of the loan be about half-paid before purchase of the second animal. However, if a president insists on his members repaying the entire amount of the first loan prior to the second animal's purchase (as happened at two of the Laligudi societies we visited), the bankers will not object as one of their first priorities is to ensure that their outstanding loans are repaid.
who can offer useful advice. In light of the drastic effect having a poor quality animal has on the beneficiary, especially the one who knows nothing of good animal husbandry practices, the AHO's failure to act honestly at the time of animal purchase, amounts to a far greater cost to the beneficiary than the Rs 25 to 50 for an ear tag. If the AHO were as rigorous in ensuring that the beneficiaries buy decent animals as he is about bribe collecting, their chances to earn an income from owning a milch animal would be enhanced.

An agricultural labourers' inability to pay for purchased feeds exacerbates the problem of having a low quality cow/buffalo. There is a direct relation between feed inputs and milk outputs. Therefore, if an animal which is capable of producing 5 litres/day receives too little feed, or the correct feeds but in the wrong ratios, it may only produce 3 litres. (On the importance of feeds, see Leaver and Fraser, 1987 and 1988.) The reverse does not hold true, however. A cow/buffalo which can only produce 3 litres will not produce more than that with more feedstuffs (it will become fat and sluggish instead). Very few beneficiaries receive advice from vets as to appropriate feeding regimes, and the ALs' lack of education in this regard is an important factor in their animals' low milk production. It was difficult to get an accurate picture from the beneficiaries themselves as to how much they were spending on feeds for their animals. There was, as far as I could determine, almost universal exaggeration of feed costs in both Lalgudi and Thuraiyur Blocks, but with little differences in the stated daily total (Copestake (1985: 17) observes the same phenomenon in Madurai and Ramnad Districts). Common wisdom suggests that feed costs may be higher in a dry area because of the need to buy more green and dry fodders, but this does not take into account that there are poorer quality animals in a dry area (dry areas are not traditional cattle "strongholds," but rather have higher numbers of sheep and goats). The person who owns an animal which gives only 2.5 litres of milk per day will not (indeed, should not) spend as much on feeds as someone who has an animal which gives double that amount Copestake (1985: 16) shows that IRDP beneficiaries in dry Ramnad District paid on average less than beneficiaries in an irrigated area of Madurai District for feeds. The main problem in a dry area in years of lower than average rainfall is availability of green and dry fodders. Copestake (1985) argues that fodders have such unstable markets that it is almost pointless to speak about fodder markets at all, and that when an area is deficit in fodder, there is little "import" from other areas. This leads to distress sales of animals. (Beneficiaries we spoke to who complained of dry conditions as a reason for selling their animals, did not say that fodders had become unaffordable but rather, unavailable.) Moreover, even if poor beneficiaries could purchase "imported" fodders, this would represent an added daily expenditure they cannot afford when their own days of work are reduced under prevailing dry conditions.

Another problem for beneficiaries is the length of time between receipt of milch animals. According to the IRDP guidelines, beneficiaries are supposed to receive their second animal as soon as, or shortly after, the first one goes dry (eight to ten months). In this way the milk sales from the second animal will support the purchase of feed for both animals, but in Lalgudi and Thuraiyur the second animals were almost always bought over a year after the first ones. (Table 5-18 shows the efficacy of receiving a second good animal as soon as the first one goes dry.) A negative aspect of milch animal ownership which cannot be tabulated is that AL women--usually in charge of caring for the milch animals--often have to rise at 3 a.m. (early even by Indian standards) to take their animal to the society

35Copestake (1985: 17) argues in fact that some milch animal beneficiaries, especially SFs who have a greater disposable income, feed their animals too much in relation to the milk they produce.
milking yard where they have to queue to have their animals milked. Some women also complained that they were losing income as daily wage labourers because there were some days they were forced to spend their time with the animal, and could not seek employment.

The IRDP beneficiary has a choice in purchasing a cow or a water buffalo. Although the tables do not indicate this, the beneficiary who invests in a buffalo is much more likely than a cow owner to do badly. There are a number of reasons for this. First, the water buffalo is a larger animal than a cow and requires extra feed just to maintain its body weight. Second, water buffalos do not, as a general rule, give as much milk as cows (buffalo milk has a higher fat content than cow milk and should receive a higher price, but the societies we visited with both cows and buffalos either paid the same rate or only 10 paise more for buffalo milk). Third, in addition to dependence on feeds to maintain milk production, water buffalos need to soak themselves in water everyday to stay healthy (many areas have water supplies too inadequate for buffalos). Fourth, buffalo conception rates are much worse than for cows. (This is because estrus for a buffalo is shorter and less noticeable to humans than a cow’s. Therefore, artificial insemination, which is being resorted to with greater frequency, is not very successful with buffalos. The male buffalo is more successful, but he is not a common creature in the villages—there may be only one in a number of villages, meaning that he cannot reach every female at the appropriate time.) The immediate consequence of the fourth point is that buffalos in the hands of inexperienced owners will likely have exceptionally long dry periods (ten months), if they conceive at all.

Long dry periods for both cows and buffalos are a great hindrance to the owners, and probably the single largest reason for sales. This is where lack of education and mistaken beliefs play a large role, thus belying the view of a Deputy Secretary for IRDP in New Delhi who assured me that "anyone" could satisfactorily keep a milch animal. A veterinary assured me that a milch animal should conceive in the third month of its lactation (confirmed by Leaver and Fraser (1987) who discuss intercalving periods of 375 days), but that people commonly believed, without foundation, that if this occurs its milk production will decrease rapidly. Therefore, they delay conception, but this only serves to lengthen the animal’s dry period, which also has a deleterious effect on subsequent pregnancies (the animal’s conception rate decreases). He further added that at a bank-sponsored vet camp for an IRDP milk society, he and other vets checked all the animals to see if they were pregnant. Very few of the buffalos were, although eight months of milking had already gone past. This meant the beneficiaries would have to maintain those animals through dry periods of at least eight months. A follow-up visit to this Lalgudi village in 1986 revealed that many of the beneficiaries had, as would be expected, sold their buffalos despite their president’s opposition to this course of action.

Animals which are dry require less purchased feeds to maintain their body weights than when they are in milk, but they do still require some purchased feeds (for the higher protein content) to stay healthy. I suspect, although am not certain, that many beneficiaries, especially agricultural labourers, only send their animals out to forage for themselves while they are dry rather than purchasing feeds. This may keep the beneficiaries’ short term costs down, but leads to the animal’s poor health, lower conception rates, and lower milk production. Table 5-12 includes data on lactation but not on dry periods as I have little systematic data on lengths of dry periods (because of my initial ignorance about milch animals). I was

36 Beneficiaries at different milk societies resented that milk society officials sold the dung collected from the milking yard, and some even suggested that the society milkers were instructed to work slowly so that more dung would accumulate at the yard.

37 A long term study conducted in Scotland by Leaver and Fraser (1987 and 1988) on the effects of protein-enhanced feeds on milk production showed that the single most common reason for even these healthy, high-producing (upto 20 litres/day) cows to be culled from two test herds was failure to conceive within a specified period of time.
provided general information by local vets, and by Copestake (personal communications) who did collect
data on cow and buffalo dry periods.

**Sales**

I argue that it is generally by selling their animals that beneficiaries make profits. As Tables 5-13
to 15 show, however, the timing of sales is very important. Rs 600 represents an AL beneficiary’s
animal’s average ’dry’ value, while Rs 1500 represents it ’wet’ value. Unfortunately, beneficiaries often
sell their cattle, especially buffalos, because they cannot get them pregnant again, meaning sale of the
animal when it is worth the least. If the beneficiary can keep the animal until it reaches advanced
pregnancy, s/he can make a tidy profit (and will make more money by selling than keeping it for another
lactation when the price for milk is low.) As Table 5-15 demonstrates, the beneficiary stands to make
the most money when s/he keeps each animal for two lactations. In Table 5-15 compare, for example,
AL.A’s net income derived from two end of first lactation sales (1B + 1C=Rs 259, and Rs 1408
outstanding debt), with two end of second lactation sales (1A + 2C + 2B=Rs 551, no debt). Generally
speaking, it is not a good strategy for the beneficiary to sell the first animal at the end of its first lactation
and then take another loan. If s/he does this, s/he will be forced to absorb the initial overhead costs and
the high loan repayments without being able to offset these somewhat in the second year when the first
animal’s remaining loan repayments will not be so high and when its acquisition overheads have been
paid for. As Table 5-15 shows, the beneficiary who takes a loan in the first place should take a second
one to minimise his first year losses (keeping the first animal until the end of the second year).
Additionally, the beneficiaries’ firm belief in the value of receiving a saleable asset explains their
willingness to take second loans, despite their losing money from having had the first milch animal loan.
The lumpsum of Rs 500 or 600 the beneficiary can make from selling a dry cow is extremely valuable,
especially if s/he gets that money during a lean work period. At all of the milk societies we visited, the
presidents were very insistent that the beneficiaries take second loans which would also have an effect on
the beneficiaries’ decision-making.

It must be asked, then, if the president is able to influence a beneficiary to take a second loan, why
s/he is unable to prevent the beneficiary from early sales of milch animals. In this instance, the
beneficiary’s need to sell the animal because of his/her inability to maintain it through long dry periods,
or his/her immediate cash requirements, outweighs the president’s influence and the beneficiary’s desire
not to fall out of favour with the president (more important where the latter is an employer or potential
employer). If the beneficiary believes his/her animal will not have another lactation period, that belief
would overrule any argument from any quarter to keep the animal. In a similar case from Bihar, Bell and
Zusman (1976) document relations between landlords and tenants who also own small parcels of land.
They show (1976: 581) that while the landlords wanted their tenants to devote the same level of care and
input intensities to the leased land as the tenant’s own land, “the task was apparently beyond them in
practice.”

Table 5-15 also shows that when the program rules are followed, the AL beneficiary makes little
income and must go through two years of heavy losses with no offsetting compensation of a lumpsum
from cattle sales. Moreover, the chances of a beneficiary, even one who wants to, following the program
rules and keeping each animal for a period of at least three years are extremely unlikely what with long
dry periods and low milk production, not to mention the likelihood of the beneficiary having
immediate/emergency cash needs, and selling an animal to help meet them, or the society itself

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38Prices offered at the societies in Lalgudi and Thuraiyur remained low through 1985 and 1986. One of the reasons for this is that
the price offered to the societies by the district milk producers’ union dropped from 1985 to 1986.
succumbing to quarrels among those in charge of accounts. One more point to bear in mind regarding animals' resale value is that, just as with capital goods or automobiles, their value (after their very first two lactations) decreases over time. The longer a beneficiary has his/her animal, the more it loses of its original value.

**Generation of Added Yearly Income**

Unfortunately, I do not have before and after incomes for beneficiaries, not the least because there were few beneficiaries in our sample who had achieved an appropriate "after" stage (Lalgudi's largest milk societies only started in 1983-84, and many beneficiaries did not receive their first animals until 1984.) Nonetheless, Table 5-15 indicates that the maximum possible net income for AL.A, the average agricultural labourer beneficiary, after three years is Rs 1546, an average of Rs 515 per year. With the Sixth Plan poverty line of Rs 3500, this means that only a family with an income of around Rs 3000 could hope (optimally with two cattle sales of Rs 1500) to be across the poverty line at the end of three years. The catch, of course, is that it is unlikely for the landless AL family 1) to be living so near the poverty line; and 2) to accrue as much as Rs 1546 over three years. When the AL beneficiaries' animals have long dry periods and conception difficulties, and when there are malpractices in the milk societies, the most likely "income outcome" from the range offered in Table 5-15 is either 1B + 1B resulting in Rs -456, or 1A + 2B + 2B resulting in Rs -84—both losses, although they would be offset somewhat by the beneficiaries' two time gain of Rs 600 as cash in hand. (Note the data on sale income provided in Table 5-12: 64% of 67 animals sold by ALs resulted in a sale income of less than Rs 1000.)

According to my research data from Lalgudi and Thuraiyur, modest yearly incomes from IRDP cattle ownership are possible, but it would be very rare for an Agricultural Labourer family to earn enough money to win more than a brief respite from an existence below the poverty line. The family with land—the Small Farmer near to, or already above, the poverty line—is most likely to profit, and unlikely to lose money, from a subsidised IRDP loan for a milch animal.

**5.3. Non-Milch Animal Loans**

As the preceding discussion on the milch animal component of IRDP indicates, the program has been dominated by the disbursal of loans for cows and buffalos in Tiruchi District and, indeed, in many other parts of Tamil Nadu and India as a whole. The role of resource exchanging loan brokers is much reduced in IRDP's non-milch animal component, which largely explains its lack of importance during the Sixth Plan. In the Seventh Five Year Plan, however, the predominance of the milch animal is being brought to an end, and in addition to the new restrictions on numbers of milch animals disbursed, there is a rule which states that half of all beneficiaries must be aided under the ISB sector of IRDP.

In the last year or two of the Sixth Plan the "industries, service, business" sector of IRDP was heavily emphasised by senior officials (there were training seminars and manuals on promoting ISB), but to little avail in most blocks. Block officials cannot use broker-resource traders to implement ISB. In Lalgudi Block, however, the Block Development Officer did make some concerted attempts to do well under ISB because he was keen on pleasing his administrative superiors, and hoped to gain favours from them (I am using his terms). This resulted in quite a number of loans for existing, rather than new, small village shops (either "petty shops" or cycle hire shops). Frequently, however, people who had received loans for shops had used the loans for other purposes; no doubt in collusion with the RWOs who were sent out with the BDO's orders to fulfill their ISB targets.

Although the non-milch animal and more particularly, the non-animal component of IRDP was
relatively small during the Sixth Plan, it presents, nonetheless, an important contrast in style of implementation to the milch animal component. An initial major difference in the two components of the program, aside from the quantum of benefits distributed, is that the concentration of IRDP benefits in a few villages noted earlier in this chapter relates mostly to the milch animal component of the program. If one were to remove the subsidies for milch animals from the villages, there would be a much less marked concentration of benefits.

The main divergence in implementation between the two sides of the program is that the non-milch animal loans, aside from some for sheep and handlooms, are not implemented in groups through loan brokers. Instead, there is a one-to-one relationship between the beneficiary and the block officials, most often in the person of the RWO. Despite this one-to-one relationship, however, most of these beneficiaries did not get their initial information about the program from the RWO. Many of them mentioned bank officials, relatives or friends employed in the development administration, or said they had found out about IRDP when they had made a visit to the block or taluk office on some other business.

Another important dissimilarity lies in the amount of "beneficiary cheating" that goes on in the non-milch animal component of IRDP. Most of the bankers I spoke with said that aside from the milch animal component, there is a significant amount of beneficiary cheating. This commonly included painting and otherwise refurbishing bullock carts, and then presenting them as the assets to be bought, "borrowing" neighbours' or relations' sheep or goats so that not so many animals would have to be bought by the beneficiary, getting a loan for an existing shop and then not doing anything to effect improvements to it, getting false receipts from retailers, and the like. There was no evidence to suggest that political people were intervening in the block office on the behalf of individuals to enable them to get non-milch animal loans. In one village (which is home of an influential ex-Cabinet Minister) in Lalgudi Block, however, there were a large number of individual loans for such things as tyre carts (the most expensive item purchasable under IRDP in Tamil Nadu and the most useful for a landowner). Not a single beneficiary of the eight we interviewed (at random) from this village (which is not actually in the survey group—it is a close neighbour of two survey villages) was below the poverty line.

The value of loans for the non-milch animals is generally higher than for the milch animals. There was, then, a correspondingly higher bribe the beneficiary had to pay to the RWO (upto Rs 250). A number of the non-milch animal beneficiaries complained that the RWO had threatened that if they did not pay the requisite bribe to him, their loan-subsidy would not get sanctioned. People felt angry about this, but helpless to do anything against it. The number of people we interviewed who were "below the poverty line" in the non-milch animal sector of IRDP was much less than for milch animals, and the representation of Scheduled Castes is also much less. Loans for non-milch animals tended to be more profitable and more easily misused, but the poorest of the poor were seldom able to take advantage of them, being less well-informed, and in possession of fewer assets that could be used as "new" ones.

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39Program rules stipulate "unit sizes." A sheep unit, for example, is 19 ewes and 1 ram.
5.4. A Note on the Non-Beneficiary

I was curious about what non-beneficiaries in the villages knew about IRDP, and discovered that the non-beneficiaries' knowledge of the program was rudimentary. In the two blocks 112 non-recipient, eligible people were interviewed, and we discovered that only five of them knew of the program in any detail. My research assistant found that few of the respondents (from eleven villages in the two blocks) knew anything about the program if he just mentioned it by name, whether in English or Tamil. He tried giving a brief explanation of IRDP, saying that it was a government-sponsored loan-subsidy program, but found that there were still forty people (36%) who did not know what he was talking about. Of the remaining 72 respondents, only 15 (13% of 112) said their information had come from an RW0, with the majority mentioning fellow villagers (ones who had received loans) as their sources of information. In Lalgudi Block of thirty-nine people who said they knew about IRDP, thirty-two (82%) only knew of the milch animal component (Table 5-19).

Table 5-19: Non-Beneficiaries' Knowledge about IRDP (N=112)

<table>
<thead>
<tr>
<th>KNEW IRDP W/O EXPLANATION</th>
<th>KNEW IRDP AFTER EXPLANATION</th>
<th>TOTAL NON-RECOGNITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>67</td>
<td>40</td>
</tr>
</tbody>
</table>

**Sources of Information**

<table>
<thead>
<tr>
<th>RWO OR OTHER BLOCK OFFICIAL</th>
<th>2</th>
<th>13</th>
</tr>
</thead>
<tbody>
<tr>
<td>NEWS MEDIA</td>
<td>0</td>
<td>3</td>
</tr>
<tr>
<td>BANKERS</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>OTHER VILLAGERS</td>
<td>2</td>
<td>46</td>
</tr>
</tbody>
</table>

Sixty-nine people gave us their reasons for having not taken an IRDP loan-subsidy (Table 5-20). The responses were varied, with no one response dominating the others. There were 13 people (19%) who did not want the loans because they thought that repayment of the loan would be difficult, and/or that maintaining an animal would be difficult (2 people said they were afraid to take a "government loan"). Seven people (10%) cited official corruption as the main reason for not participating in IRDP and another four (6%) said they did not have enough money to cover the initial expenses required to get the subsidy, loan, and asset. Five (7%) people said they were not interested in the program, another five said they did not know how to go about getting the loan-subsidy, four who tried to get loans but were unsuccessful for reasons unknown to them, and another four who did not try because they thought there would be excessive delays in receiving the loan-subsidy.

5.5. Conclusion

IRDP's impact in the villages is determined in an important but nonetheless indirect way by the officials' use of resource exchange to implement rural development policy. The resource exchange strategy, necessary for the block administrator if he is to meet the maximum number of urgent political and administrative demands made of him in the block has led to the preponderance of the milch animal in IRDP. The result of IRDP's implementation has been to allow a significant number of people, few of whom are beneficiaries, to make money. All those people who stand between the beneficiaries and their
Table 5-20: Non-Beneficiaries' Reasons for not Taking IRDP Loans

<table>
<thead>
<tr>
<th>REASONS OFFERED</th>
<th>NO.</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loan repayment too difficult</td>
<td>13</td>
<td>18.8</td>
</tr>
<tr>
<td>2. Officials too corrupt</td>
<td>7</td>
<td>10.1</td>
</tr>
<tr>
<td>3. Uninterested</td>
<td>5</td>
<td>7.2</td>
</tr>
<tr>
<td>4. Don't know procedure</td>
<td>5</td>
<td>7.2</td>
</tr>
<tr>
<td>5. Delays too long</td>
<td>4</td>
<td>5.8</td>
</tr>
<tr>
<td>6. Initial costs too high</td>
<td>4</td>
<td>5.8</td>
</tr>
<tr>
<td>7. Tried and failed</td>
<td>4</td>
<td>5.8</td>
</tr>
<tr>
<td>8. No loans available for landless</td>
<td>4</td>
<td>5.8</td>
</tr>
<tr>
<td>9. No loans available for non-SCs</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>10. No loans avail. for asset desired</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>11. Told missed loan deadline</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>12. Loans only for ruling party people</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>13. Told no loans avail. for this village</td>
<td>3</td>
<td>4.3</td>
</tr>
<tr>
<td>14. Afraid to take government loan</td>
<td>2</td>
<td>2.9</td>
</tr>
<tr>
<td>15. Reason comprises no. of points above</td>
<td>6</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>69</td>
<td>99.6</td>
</tr>
</tbody>
</table>

assets—the RWO, the AHO, the VAO, the cattle broker, the milk society president, the BDO—may easily benefit through the allocation of IRDP's resources. Those who are the "real" beneficiaries, the "target group," lose much of their subsidies, and then only make a little money for a lot of effort through ownership of the assets. During the beneficiaries' ownership of the assets, the milk society president benefits as a middleman between the beneficiary and the district milk co-operative and between the beneficiary and the bank; it is unreasonable to expect the loan broking milk society president not to collect a "fee," even if it is illegitimate for him to do so, from the beneficiaries for his "services." Clearly, IRDP's elaborate implementation guidelines and supporting structures (i.e., local, district, and state committees) have done little to help the beneficiaries.

This chapter also shows that the results of IRDP on one plane are insidious. That is, to a large extent in Tamil Nadu the poor do form the vast majority of program beneficiaries, even in the appropriate numbers of Scheduled Castes and women. However, although modest incremental incomes are possible, the beneficiaries cannot acquire, or use, the assets in such a way as to benefit substantially, and they (beneficiaries) certainly are no more "entrepreneurial" for having participated in IRDP. It would have been more in keeping with the actual conditions in the rural areas, had the program designers developed a policy wherein the beneficiaries could receive the subsidy as cash, purchase a dry animal and some feeds with it (thereby obviating the need for a loan), keep the animal until, or shortly before, it calves and then sell it when it is worth the most amount of money. Even if it were sold while still dry, the beneficiary would make a net profit.

An irony of IRDP, and an indication of senior development administrators' lack of understanding of the block "environment," is that the beneficiary most likely to profit from having an IRDP milch animal is the one who counters the program rules, and sells his/her animal, preferably in an advanced
stage of pregnancy (after its second lactation). This beneficiary, however, is disallowed from receiving additional assistance in the Seventh Plan. Perhaps the greatest irony of the program is that the people whose entrepreneurial skills have been sharpened as a result of IRDP are those who are already relatively well-off. The contractors, the milk society presidents, the milk vendors, the parish priests, and others who have exchange relations with the local administrators through IRDP, have increased their volume of contacts with the block officials, thereby increasing their chances to receive development policy resources in the future. The poor, on the other hand, have not become entrepreneurs, and because they have been largely excluded from contact with the officials, have not developed useful skills in approaching local administrators and bankers.

The local administrators have little to do with the program after they have met its targets, and thus the loan broker has more direct influence on the impact of the program in the villages than do the local officials. One must understand local people’s motivations in becoming involved in the program as they play a key role in determining whether milch animal beneficiaries make a profit or not. With few exceptions, the rich peasant-contractor wants to use IRDP’s resources for his own ends, often resulting in the exploitation of the poor beneficiaries. This results, however, in short term windfall profits rather than continuous long term profits for the president, as the beneficiaries who are only losing money are more apt to sell their animals.

An important difference between the resource traders in IRDP and those in contracting programs is the presence of “intermediaries” in the former. It is largely a reflection of the lower value of IRDP’s resources to local elites, that people such as educated Scheduled Caste youths, who would not gain access to contract program money, are able to take charge on an albeit limited basis of IRDP milch animal loans. The existence of intermediaries in IRDP’s implementation is an indication that local officials are not the greedy, profit-maximisers they are sometimes depicted to be. When the block official has an IRDP milk society established through a poor, Scheduled Caste youth or woman, he forfeits his potential to make much money out of the transaction, but does not forfeit the chance to receive help from the intermediary on other policies. Moreover, the local administrator increases his chances to win commendations from superiors for having a "Scheduled Caste" milk society in his block (a ladies’ Scheduled Caste society is even better). The intermediaries’ greatest value, however, lies in their tendency to help their society members rather than to exploit them, as many of the brokers do. Tables 5-13 and 5-14 highlight the important difference a higher price for milk and lower rate of loan repayment makes to the beneficiaries’ income-making capabilities, even when they do not have good milch animals. The intermediary cannot improve the poor quality of cattle available for IRDP beneficiaries’ purchase, but s/he can help reduce the beneficiaries’ initial costs by challenging an official’s "right" to collect bribes, by refusing to participate in purchase committee corruption, and by not charging the beneficiary more than necessary to join the milk society. The intermediary-style president helps the beneficiary immeasurably by running the society in an honest, beneficiary-oriented way.

In the next chapter I discuss resource exchange theory in detail, explaining its advantages and disadvantages in providing explanations for administrative behaviour at the local level. I show how resource exchange as I use it to analyse development policy implementation diverges from its earlier uses primarily in the sociology, anthropology, and psychology literatures. Additionally, I take up the argument presented in the introduction that the prevalent linear/management style of development policy/administration analysis, employed by senior administrators in India, is of less utility in explaining policy implementation and impact than resource exchange when enough is known about the local officials’ environment.
Chapter 6
Resource Exchange--Theoretical Applications

Hindu and in general Indian, South Asian society has developed transactional thinking perhaps further than has any other. It exhibits an elaborate transactional culture, characterized by explicit, institutionalized concern for givings and receivings of many kinds in kinship, work, and worship.—McKim Marriott (1976: 109).

Exchange is an important part of life in India, and the logic of using a resource exchange approach suggests itself in India’s long history of unequal socio-economic exchange, rationalised and concretised through the Hindu caste system. As the Marriott quotation above implies, Hindu society may be one of the most appropriate places in the world to apply social exchange analysis. In kinship relations, brides along with dowries are exchanged, as child-producing resources, between families. While the caste system is based on a ritual hierarchy governed by Hindu concepts of pollution and purity, it is operationalised in the village in an important, although not exclusive, way through rules governing the exchange of cooked and uncooked food (Marriott, 1976). (See among others Neale, 1957 and Orans, 1968 on the economic aspects of caste relations.) Many areas of India have had longstanding and complex systems of patron-client relationships. Within the Hindu social order, these unequal relationships are part of the jajmani system (largely no longer in existence), with the privileged person (jajman) in respect of resources, receiving services from non-cultivators (including agricultural labourers) in return for resource bestowals, generally in the form of grain (see Kolenda, 1963; Gould, 1977 and Breman, 1979).

The primary purpose of this chapter is to elaborate a resource exchange approach to help explain poverty alleviation (that is, targeted, distributive) policy implementation. While resource exchange is a useful analytical tool for the study of administrative behaviour it has limitations, which are also discussed in this chapter. One of the strengths of resource exchange as I use it here is that unlike the "management approach" to development administration discussed in Chapter One, it forces the analyst to look at the local administrator as an integral part of his socio-economic and political environment. As anthropologist Harumi Befu (1977: 259) argued: "No exchange approach can operate in a cultural vacuum. Specification of the cultural context is what brings life to an exchange approach." I have tried to specify the socio-economic and political context in this study.

Many of the styles of development policy analysis discussed in the first chapter are both ahistorical and acontextual; they do not take cognisance of the important "extra-administrative" elements of an administrator’s environment which impinge on his behaviour, nor have they, with their focus on the

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1In Tamil Nadu, for example, agricultural labourers used to work as pannaiyals for large landholders meaning they would be employed on a yearly basis and receive wages and minor emoluments in cash and kind (mostly kind). This system has virtually died out, and most agricultural labourers are employed on a daily wage basis (excepting during the harvest of certain crops).

2Resource exchange, as developed here, is also relevant as an explanatory tool for the implementation of agency-funded development projects, especially when their funding comes under the control of a local bureaucracy.
single policy's "cycle," recognised the continuities from one policy's implementation to the next. One of the most striking differences between development management and western administration studies is that the more sophisticated sociological theorising which has characterised some, by no means all, western administrative studies has not filtered into development management studies. The dominance of the management approach in the Third World reflects, perhaps, an ethnocentricity in Western academic research. The Western sociologist concerned with formal organisations seldom turns his/her interest to the Third World--the purview of anthropologists in the sociologist's view--thus leaving Third World administration studies to "managers" who are preferred by the Third World governments and development agencies which hire them. Insofar as the self-avowed raison d'etre of the managerial approach is to improve the "management of development," its actual capacity to improve management is hindered by ignoring the political context of the "managers." As Moris (1981: 8) argues, "most authors simply chronicle the "irrational" deficiencies of third world administration in contrast to the "rational" and "efficient" nature of Western management."

The Integrated Rural Development Program opens important avenues for policy implementation analyses in that both its process of implementation and its impact in the village are different from those expected (publicly) by senior administrators. If a management analyst were to discuss IRDP, s/he would certainly criticise its implementation, as have I, but his/her criticisms would be focused on the structural deficiencies of the development administration, especially at the local level. S/he also would discuss the preponderance of the milch animal, but is likely to assume it is a result of a lack of administrative training, a lack of consultation between officials and the poor, a lack of proper local planning, and inadequate staffing. The management analyst may also discuss IRDP's design as problematic.3 In fact, this analysis of IRDP's implementation is not incorrect, but it misses out additional explanatory variables which would come under the aegis of resource exchange. IRDP is a policy of complex design which resulted in low block spending for it in the first couple of years of the Sixth Plan. But the local administrators solved IRDP's complexity problem in their own way by ignoring its difficult, time-consuming aspects and concentrating on spending the program's money through dealings with a limited number of brokers and/or intermediaries. It is difficult to think of this strategy as part of an "irrational" deficiency in local administration.

There is a widely held belief among development managers and senior administrators in the efficacy of the "target approach"--an underpinning of IRDP--which arises from downplaying the importance of the block official's environment. The main assumption policy designers have made is that if the appropriate group is targeted to receive policy resources, then its economic condition will be ameliorated when it receives those resources. As I have demonstrated, however, just because a group, for IRDP a broadly defined "group" including the "poorest of the rural poor" (especially the "entrepreneurial" poor), has been targeted to receive policy resources and further, even if it actually receives them, it may not result in the group's gaining adequate control over the resources to change its economic status for the better.

Many management analysts (including Leonard, 1977) are concerned with organisational productivity and point to the structural drawbacks mentioned above as a cause for this "productivity

3There is also much concern expressed in the literature over "policy goal" confusion (Pyle, 1980: 141). IRDP may be analysed in these terms, as "integrated rural development" is not the same as "poverty alleviation." I found, however, that the Government of India's orders and guidelines for IRDP's implementation were so detailed that even state-level administrators were immediately caught up with those details rather than in worrying about whether it was a development policy or a poverty alleviation policy they were supervising the implementation of.
problem" (ie., chronic shortfalls in even reasonable policy targets). This again, is not exactly wrong, but omits too much of the policy environment to be a good explanation. The block administration in Tamil Nadu exhibits much variability in "productivity" from policy to policy (NREP is usually high, small savings and bio-gas are low), and leads the observer to search for explanations outside the structural for this variation. In the final analysis, if IRDP's local implementers were more in number, better trained, and better planners there would undoubtedly have been a faster quantitative improvement in its implementation during the Sixth Plan. I would not, however, expect that much qualitative change would have occurred. As I have argued throughout, the context of IRDP is not confined to the development administration alone, and one has to examine the administrator's environment carefully to understand why he has ignored most of IRDP's rules, and disbursed the program's resources to rich peasants willing to act as loan brokers. A development policy like IRDP provides a new set of resources in the rural areas, but these resources are exchanged by the administrators in a context of pre-existing relations. The new policy's implementation rarely triggers new sets of relations in the rural areas or changes existing ones. These relations are unlikely to be altered by attempting to change administrative structures and improving policy design.

6.1. The Resource Exchange Approach: Summary and Limitations

Social exchange is an approach with proponents in sociology (Homans, Blau, Gouldner, Meeker), psychology (Adams, Emerson, Gergen), anthropology (Befu, Kapferer, Lebra, Levi-Strauss, Mauss, Sahlin), political science (Ichelman and Uphoff, L. L. Wade, Curry, Waldman) and even economics (Boulding, Heath). It thus has the potential which few theories have in the social sciences to draw on the strengths of a number of disciplines in explaining both individual behaviour and persistence and change in societal institutions. A problem, however, for theory building in social exchange is that with the multi-disciplinary backgrounds of its authors, there has been more "intra-exchange" sniping at each other's choices of focus than attempts to build up the theory from the richness of a wide range of empirical material. Befu (1977: 276) argues that "a good deal of ink has been spilled over the conceptual status and theoretical nature of social exchange without sufficient empirical checking of the usefulness of concepts and models." Befu himself (1980) has attempted to draw together "motivational" and "structural-functional" approaches; Singelman (1972) brings together economic-oriented exchange and symbolic interactionism; while Weinstein and Tanur (1978) discuss the strengths of an approach that combines structural-functionalism, symbolic interactionism and choice-based exchange theory. These four theorists, however, are exceptions.

Theories incorporating social exchange to explain human behaviour are many, and have a fairly long history in both anthropology and sociology. Exchange has been successfully used by anthropologists in a large number of societies and is not culture-bound. Leonard (1977: 241) argues that exchange "is a process that occurs in all social settings." In sociology, exchange theory owes its propagation to George C. Homans (especially 1958 and 1961) and Peter M. Blau (1964a), both of whom, especially Blau, drew extensively from simple economic concepts. Exchange theory building, however, has occurred largely within sociology and psychology. The exchange work of Homans also relies on psychology and "operant conditioning" (from Skinner's experiments with animals, notably the pigeon which Homans seems particularly fond of). Their works have inspired many further studies incorporating

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4 There is some debate over whether social exchange is a theory or an approach. Emerson (1972a: 38-39) argues that social exchange is better termed an "approach" (although he himself consistently refers to it as theory), "characterized by the use of certain central concepts... which place observations into a frame of reference called exchange" [his emphasis].
social exchange, although few of them with an explicitly formal organisational focus (formal organisational exchange studies have tended toward the inter-organisational; see Levine and White, 1969; Galaskiewicz, 1979 and Nord, 1980). Moreover, I am unaware of any exchange theorist who has used exchange theory with as specific an organisational actor focus as I have used in this study with the block development official as the primary frame of reference for exchanges. Leonard (1977) does apply Blau's exchange theory, but only to explain the relations between senior and junior staff in Kenya's Ministry of Agriculture. He concludes (pg. 242) that "theories of social exchange coupled with the concept of relative expectations will prove powerful in analyzing organizational behavior in non-Western settings. Even when applied to problems that have no counterpart in the West, the theories are remarkably useful."

The "force of history" is recognised as an important factor in exchange by theorists such as Homans (1961: 52-54). In sum, Homans looks at past stimuli, responses, and rewards to extrapolate future behaviour from them. He may be rightly accused of "postdiction," but is correct to argue that people's pasts do shape their current behaviour. As explained in Chapter Two, when the development administration in Tamil Nadu was in charge of doing agricultural extension work, the primary contact the administrator had with the public was the rich peasant, and block officials have long met their targets through fairly exclusive relations with the village "big men."5 This relationship, too valuable to the local administrator for him to change it, continues to the present day despite the development administration's current focus on poverty alleviation policy. While exchange theory is helpful in explaining the continuation of relationships, such as that between the rich peasantry and the development administration, over even long periods of time, it cannot tell us how those relationships were initiated. An exchange theorist can only assume, when a relationship's initiation is not structurally determined, that two or more people initiate exchange in their general search for rewards which are greater than when they act independently. The initiation of the exchange relationship is, perhaps, the exchange theorist's "black box."

A number of criticisms have been made of the use of social exchange theory to explain human behaviour.6 Bierstedt (1965: 789), for example, criticised Blau (1964a) for trying to use social exchange in an organisational milieu because exchanges "are carried on" in accordance with "norms to which all the participants conform"(a position I do not agree with, although many tasks in a bureaucracy are routinised and completed without the officials giving thought to exchange). He concludes (pg. 790) that "The economic model of exchange, in short, applies only to a limited range of social phenomena." Heath (1976a), on the other hand, severely criticises Blau's economics, and argues that he has not even constructed his supply and demand curves correctly. Heath (1976a) does not, however, reject social exchange itself. Blau (1964a) has, perhaps, relied too heavily on economic concepts to explain social exchanges at both the micro and macro levels of society, thus overstretched economic concepts in his search for an elusive quantification of human exchange relations. A main goal of Blau's (1964a) work, however, is to explain how the "emergent properties" of micro-level exchanges result in macro structures, thus avoiding the criticism of "psychological reductionism" which has been leveled at Homans (1961) and other exchange theorists (Waldman, 1972) who use psychology and learning theory as their starting points. Easton (1972) criticises Waldman's (1972) essay on exchange in political processes, arguing (pg. 137) that the latter's approach to exchange "assumes we can explain the numerous aspects of political

5This is a direct translation of a Tamil word which connotes rich, powerful man. Interestingly, the term is also used in the same way in, among others, Melanesian cultures.

6Homans (1961) has been criticised on a number of fronts, but primarily for tautology (Davis, 1962; Abrahamsen, 1971; Deutsch, 1971).
relationships by reference exclusively to the subjective sentiments and cost-benefit assessments by the individual participants in the aggregate."

I also use economic terms to explain exchange processes, but much more loosely than Blau or Heath, and the resource exchange approach I favour should not be equated with approaches to human behaviour which assume that people are ever rational, profit-maximisers. Resource exchange should also not be confused with economic pluralism in society—it makes no assumption of equality of opportunity, nor of equal access to resources within society. Exchange should not be equated with a benign view of unequal relations in society, Homans' (1961) and Blau's (1964a) views of transactors exchanging rewards notwithstanding. Homans in particular makes explicit the notion that people seldom engage in a series of exchanges unless they are mutually rewarding (1961: 51-78). In other words, people do not as a rule exchange punishments. I argue, however, that one-way flows of punishments in exchanges are quite common in the development block; something Homans' and Blau's theories would not predict given their focus on rewards. Befu (1977: 259) observed that "[c]onceptualization of negative exchange . . . lags far behind that of positive exchange and is a task left for the future."

As with any approach or theory, "resource exchange" offers an explanation for "the way things are" which must be simplified for the sake of clarity and explanatory power. Neither every actor nor every actor's motives for behaviour can be speculated on. In the process of choosing which actors and what behaviour to focus on other variables which also have some powers of explanation will be missed. Resource exchange cannot fully explain every aspect of a poverty alleviation policy's implementation and impact. I also do not assume, as some exchange theorists seem to, that all human behaviour can or should be explained in exchange terms. There are limits to the explanatory powers of "resource exchange," but the more one defines and understands of the local administrator's environment the more these limits may be overcome in explaining development policy implementation.

Resource exchange is a decidedly non-institutional, non-technocratic approach to policy implementation which does not emphasise "structural" features of the implementing bureaucracy, as the primary determinants of administrative behaviour. I have argued, however, that the block officials scramble to meet the policy targets imposed on them by senior administrators. The phenomenon of targeting is not explainable or predictable by use of resource exchange at the block level, but at the same time it is a cause of resource exchange between the local administrator and the dominant peasantry. Targeting leads to resource exchange because first, senior administrators seldom check administrative performance beyond the narrow area of target achievement. Second, aside from falsifying data as a way of achieving targets, the local administrators use resource exchange to minimise the time they spend with each policy and maximise the number of policies for which they can show that an acceptable percentage of the targets has been achieved. The practice of rapid administrative transfers is also a direct cause of administrative resource exchange, and is important as an instrument of either reward or punishment in organisations such as the development administration which do not offer much scope for promotion. This underscores the importance of embedding "resource exchange" in an appropriately defined environment for the main actor(s) whose behaviour is to be explained.

One of the main reasons I employ a resource exchange approach is to present (rather more

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7Senior administrators have their own imperatives for not checking on the "how" of target achievement. Part of the explanation for this lies in inter-departmental competition, and senior bureaucrats' attempts to maintain their department's budget. If a department as a whole does not spend the money allocated to it through central and state budgets, the administrators risk losing that money to other departments, hence jeopardising their own career prospects. It is ultimately, then, in senior administrators' interests not to question how their "underlings" meet targets.
metaphorically than literally) a corrective to the structural-managerial approach to administration for the IAS officer in Madras or New Delhi. In order to be viable, this alternative approach should have some practical application for the senior administrator. The senior administrator tends to see the local official as acting in an *ad hoc* manner or irrationally; often as someone who is lazy and corrupt. Resource exchange would make the senior administrator more aware of the local administrator's environment, hopefully leading in the long term to more "environmentally sound" poverty alleviation policies. However, the more carefully one works to gain an accurate picture of the administrator's environment, the longer it takes, and the more one is drawn to "political" explanations for policy implementation. An approach which is time-consuming to operationalise and demands that idiosyncracies of the individual's environment be taken into account will have rather limited appeal for the harried IAS officer under pressure to design policies which carry the answers--quickly and apolitically—to the nation's poverty woes.

There are certain aspects of the distributive policy implementation process which resource exchange cannot explain adequately. Occasionally, policy resources do not fall into anyone's hands, not necessarily because no one wants them, but because of exceptionally faulty or complicated policy design. Resource exchange also cannot explain the existence of "inadequate infrastructural facilities" as a major reason for a poor program beneficiary's inability to make enough income to profit from an IRDP loan. While other policies, such as NREP, do not require much by way of infrastructural support, IRDP does require a basic infrastructural minimum to ensure its success for genuinely poor beneficiaries (who have not been exploited by various brokers and middlemen). If an intermediary has managed to get milch animal loans for beneficiaries so that they paid lower "overhead costs" and are receiving the maximum possible price for their milk, resource exchange would not help one to predict that the poor beneficiaries, just as in a milk society where beneficiaries are cheated, would lose money from keeping a cow (or cows) and generally sell their animals well before the program guidelines allow.

The resource exchange approach also does not, without stretching it, explain administrative behaviour that arises out of a moral imperative of "need to do one's duty." I do not assume that local administrators do not have a sense of duty, but I do assume that it is fairly narrowly defined in terms of meeting targets. Again, this does not imply that the local administrator in Tamil Nadu is necessarily, or even wishes to be, corrupt. As a former Collector said (privately) of Tamil Nadu's BDOs, "They are often forced to do things against their consciences." While some local administrators may, for the most part, not be corrupt, it does not imply that they would avoid implementing policy through resource exchange.

The most important things to keep in mind with regard to the exchange approach I use are: 1) Resource exchange is not just a polite way of discussing corruption; all corruption is exchange, but not all exchange is corruption. I do not subscribe to the view that the local administrator's behaviour is determined by cupidity; 2) This approach is applied specifically with local administrators in mind. While Collectors have told me about their exchange relations with politicians, I do not attempt to explain the IAS officer's behaviour in any detail--s/he works in an environment about which I do not know enough to embed a resource exchange approach; and 3) I use resource exchange primarily to explain the block officials' current implementation of distributive policy, whether for subsidised credit or building contracts.

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8See Heginbotham (1975) who has interpreted administrative behaviour in rural Tamil Nadu more "dutifully" than I have. I assume that the local administrator will experience some dissonance between policy goals as set out by senior administrators, and his personal goals of either career advancement or good transfers (both of which help his family), but I would predict that in the vast majority of decisions, he will favour personal over policy.
6.2. The Elements of Exchange

Exchange is generally thought of involving individual choice, and as such it has a close association with the principles of micro-economic theory, and especially the economists' assumption of economically rational behaviour in individuals. I also have focused on the pursuit of individual goals at the expense of class, caste and organisational determinants of behaviour, but I would not argue that individual goals are always individually determined; that is, people's decisions to try to attain certain socio-economic goals are tempered by their place in society (to use an example from IRDP: the agricultural labourer interests himself in a cow, while the rich peasant wants to run a milk society). Weinstein and Tanur (1978: 142-43) argue that the explanatory power of social exchange theory--focused as it is on the individual--increases when it is used in combination with structural-functional approaches which view the individual in the context of his social location (anthropologist Levi-Strauss (1969) exemplifies the latter approach, and provides an elegant example of how exchange theory need not be associated with individual choice theory.)

The approach to resource exchange I use holds "rationality" as a corrective to explanations of local administrative behaviour in terms of "cupidity or stupidity," rather than as its central explanatory concept. Exchange theory, in its closest relation to economics, involves the individual's ordering of interests without reference to societally imposed "normative scripts." Anthony Heath (1976a: 104) argues that "one of the great merits of the rational approach is that it forces us to abandon the notion of man as a 'cultural dope' blindly following the norms and prescriptions of his culture." I have used the adjective "rational" to avoid the view of the local administrator as a "dope" if he does not follow the principles of "management" and rules of policy implementation, and have argued throughout, that given his political and socio-economic environment, the local official's behaviour is far more rational and considered than irrational and ad hoc.

I do not, however, agree with Heath (1976a + b), when he argues that "rationality" must be the focal point for exchange theorists. Moreover, his definition of rationality is so broad that it could include with it many kinds of objectively irrational and even deviant behaviour. He argues first (1976a: 76) that "rational choice" should be discussed in terms of "people's beliefs and knowledge" and further (1976a: 79) that "rationality has nothing to do with the goals which men pursue but only with the means they use to achieve them" [his emphasis]. Heath asks whether people are efficient about achieving the goals they set for themselves, and argues that tautology in assessing rationality may be avoided if "we can independently discover what their actual goals are . . ." The "independent" discovery is, of course, problematic, and most economists take rational behaviour as a given.

It should not be extrapolated from this "rational" approach to administrative behaviour that all actors in the administrator's environment are relentless profit-maximisers. In fact, much behaviour I observed or was told about in Lalgudi and Thuraiyur--ie., severe alcohol abuse and wife beating are primary examples--is economically irrational, and better explained in socio-psychological terms. As both Scott (1976) and Popkin (1979 and 1981) have argued, peasant behaviour is not best explained in terms of profit maximisation. The uncertainty in the "average" peasant's environment is high enough to warrant his/her greater credence in social and economic institutions which yield the greatest amount of "life insurance" rather than the highest profit margins. "Uncertainty" also explains why people are more

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*Rational choice should not be confused with public choice. The latter is a more narrowly defined version of the former, as it deals with individual decisions relating to "public goods" or institutions. For a critique of "public goods" theory, especially the definition of "public goods," see Goldin (1977).*
interested in short term rather than long term gains. Even when the long term might bring foreseeably higher gains, the likelihood is too great that the long term goal will be derailed by intervening disaster.

Having argued thus, however, it is possible to apply the profit-maximising behavioral assumption to the rich peasant in terms of his acquiring policy resources of interest to him. (Unfortunately, I did not question development officials on this point.) One may observe the rich peasant’s profit maximisation in his diversification of resource investments (although he does not necessarily follow maximisation strategies in all areas—especially agricultural production. See Nair, 1979). The rich peasant invests in a number of areas which yield higher returns than agricultural concerns (including urban businesses, causing a blurring in the urban-rural distinction favoured by Lipton, 1977), thus reducing his dependence in any one area (including agriculture), and maximising overall profit. I agree with Cancian’s (1966: 467-69) position that "maximization is found as a norm only in some exchanges of material objects." He points out that this holds true in both Western and non-Western societies, and that the same person may be a maximiser in one exchange, but not in others. There is no reason, then, to believe that the rich peasant unconcerned with profit-maximisation in agricultural production could not be interested in maximisation of profit in other ventures.

The local administrator wishes to minimise the use of his time for most tasks (I assume that the BDOs and RWOs always have more tasks than time to do them in), and if possible to maximise the gain of other commodities, especially the achievement of policy targets. The administrator often, however, searches for and accepts, exchange outcomes which he knows are not "maximised" and is, perhaps, one of Simon’s (1958: 140-41) "satisficers." It is safest for the administrator to assume that each of his influential trading partners is, in fact, a profit maximiser. That way, he tries to assign the maximum possible quantity of demanded resources to each, hopefully to satisfy the maximum number of his partners. The local administrator who has survived for twenty years in the development administration to become a BDO, would only attempt to maximise target achievement for policies which have high demand from senior administrators and/or leading actors within the block. Because the administrator is most interested in the selective maximisation of targets, there is some room for non-profit intermediaries to operate. If administrators were only interested in financial gain, there would not be any place for intermediaries in the administrators’ exchange relations.

The Block Development Officer also lives with uncertainty. It should be speculated on, then, what forms of insurance the block official attempts to use to minimise his environmental uncertainty. His best insurance undoubtedly lies in keeping the population of his most powerful traders satisfied. If we assume that the block official seeks insurance in his environment by satisfying the demands of those who are able to cause him the most trouble if he does not, he is not by definition, a profit-maximiser. Rather, he is minimising potential losses (such as transfers to backward blocks). It would be too risky for a BDO, for example, to attempt to maximise his gains through exchanges with the MLA and supporters, when the Block Chairman or other political figure could mobilise opposition support and go to the Collector to have the BDO transferred. One way for the block official to have an effective "career insurance policy" is to build up a reserve of money and/or unpaid debts from influential people which can be called quickly in a time of extreme need.

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10 The administrator prefers to exchange policy resources for his own profit and with "future considerations" (a surplus trade). When he has to go to the unwanted extreme of paying out resources to meet his targets or to gain other help, it is a deficit trade.

11 Hence, the undesirability of debts which are discharged too quickly—they cannot be recalled at a time of need. This underscores the utility of accumulating "unspecified obligations" or future considerations from people. See Section 6.4.1.
Resource exchange is normally seen as a means that people use to achieve certain goals and outcomes. I have argued, for example, that the rich peasant uses IRDP's resources in an effort to achieve both economic and political goals. However, exchange is not necessarily always a strategy per se. There are times when exchange may be seen as either a means to achieve long term, as opposed to short term, goals or as an end in itself. To analyse exchange as a valued outcome, it helps to turn to the anthropological literature, from Malinowski's (1922) Kula ring to Marriott's (1976) discussions of Hindu jatis' exchanges of cooked and uncooked food in the village. Marriott (1976) argues that certain castes in villages may be seen as exchange maximisers; that is, they attempt to maximise the number of exchanges. There is, in fact, a continuum which may be constructed in terms of jati strategies which range from those who engage in no exchanges of food (minimisers) to the maximising strategy mentioned above. Marriott's (1976) discussion underscores Cancian's (1966) argument that maximisation should not be rejected outright in analysing non-Western societies, and adds a refinement to Cancian's position; Marriott shows that maximisation as a norm may be applied selectively within the same institution (in this case, intercaste food exchange).

Exchange as an end and exchange as a means to a long term end may be analytically indistinguishable (until we arrive at the long term). A rich peasant may provide block or political officials with a meal in his home, not because he wants immediate rewards from them, but rather to establish connections with them (providing food to guests in one's home carries greater significance in India than the West), and to show others in the village that he has such connections (other people in the village will be impressed with the sight of a car or government vehicle parked outside his home). In this instance, the visit of people who are acknowledged to have more influence in the block is desired in and of itself and well worth the expenditure on a good meal for them. The rich peasant would, however, hope to be able to "cash in" more specifically at a future date on what he sees as the establishment of a connection. This behaviour is also true of the local officials when, without prompting, they put on a lavish meal for a visiting official.

Blau's (1964a) development of social exchange includes with it the concept of "rate of exchange." He argues (1964: 151) that

In the course of social exchange, a going rate of exchange between two social benefits becomes established. This going rate is governed by supply and demand, though only in rough fashion, since considerations other than the two benefits in question influence exchange transactions, notably other benefits that simultaneously enter into exchange relations.

If one discusses a rate of exchange, then logically one should also be able to discuss a "currency" for the exchange. Because I focus on resource exchange, the currency should be expressed in units of resources exchanged. This is a straightforward calculation in the goods-for-money exchange involving payment of bribes for policy resources, such as IRDP subsidies, but is more difficult to calculate where future considerations enter the exchange as well. Blau discusses (1964a: 151-53) the going rate of exchange in terms of compliance for advice in an administrative office (he uses this situation repeatedly to provide at times thin proofs for his hypotheses) which is fairly simple to calculate as the transactors are all in the same "opportunity structure," have a large number of observable transactions with each other, and use the same basic "currency."

The block officials' exchanges are very different from Blau's advice-seekers' and givers' because the resources given and received are not expressed in the same currency. The policy resource exchange is

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12I discuss this concept (from Emerson, 1972b) in relation to environment in the next section, but briefly it is the main source of a person's rewards or opportunities.
a transforming medium which turns development policy funds into achieved targets (and likely help on other policies from his trading partners) for the BDO and the potential for increased social status and economic influence for the rich peasant. Homans (1961) and Blau (1964a) both discuss people's seeking of rewards in the same currency because their transactors are in the same opportunity or reward structure. (Homans' (1961) main concern is with "elementary" social behaviour, meaning behaviour within social structures no larger than the small, face-to-face, group.) The exchanges I focus on bring together transactors from different opportunity structures, making calculations of rates of exchange difficult;\(^{13}\) ie., how does one compare the value to a BDO of achieving 20% of his annual IRDP target (and probable help on the bio-gas scheme) through a single exchange, with the value to the rich peasant of being able to run a milk society with 120 members of his choosing and from each of whom he has been able to collect Rs 100? To make a valid comparison one would have to construct a fairly complete hierarchy of goal preferences for both transactors, and express the resources received as a percentage of each person's total goals. This is a calculation beyond my powers to perform, and requires so much data (or assumptions) that it is hardly worth doing.

Power is a concept central to social exchange. Blau's (1964a) definition of power from social exchange borrows from Emerson (1962), who discussed "power-dependence" in terms of alternatives open to the transactors. While Blau's "social" power is a useful concept,\(^{14}\) it would have been strengthened had he discussed it in relation to something akin to the opportunity structure. He defines power (1964a: 117) as

the ability of persons or groups to impose their will on others despite resistance through deterrence either in the forms of withholding regularly supplied rewards or in the form of punishment, inasmuch as the former as well as the latter constitute, in effect, a negative sanction.

When the transactors are in the same opportunity structure, (as Blau's advice-givers and receivers), those who are in a resource-superordinate position are more likely, \(ceteris paribus\), to be able to establish power over resource-subordinates. If, for example, someone from Department X gives advice on a regular basis to someone from Department Y, this advice-giver's source of power lies only in his/her ability to withdraw the advice. If they are in the same department, however, not only can "advice-giver" withdraw the advice, s/he may also be able to block "advice-receiver's" promotion attempts or, conversely, help "advice-receiver" get a raise or promotion. In discussing power that arises from exchange, then, it is crucial to know whether Transactor A has control over resources with which s/he can reward or punish Transactor B, within B's opportunity structure. Power based on both Person's ability to withhold rewards and to punish by additional means important to Other, is greater than withholding rewards taken alone.

The exchange transactions in the block involving local administrators and the rich peasantry downplay power considerations because the two sets of actors are loosely interdependent. The traders on both sides of the exchange usually have adequate alternate sources of desired/needed resources--neither is dependent on the other for their main sources of rewards.\(^{15}\) The same can be said of transactions which occur between the rich peasants and politicians. Politicians and local administrators also do not belong to

\(^{13}\)This is not to argue, however, that "going rates" are not established, nor that the local administrator makes a conscious cost-benefit analysis for every exchange. For building contracts, for example, there are fairly well-established rates of exchange depending on, among other things, the contractor's political affiliation.

\(^{14}\)Blau defines (1964a: 116) the coercive aspects of power, including threats of violence, as being separate from power that arises from social exchange.

\(^{15}\)Rich peasants may forego transactions with development officials entirely if they have better, more reliable, sources of investment in, for example, a nearby market town.
the same opportunity structure, and yet politicians clearly have power over the local administrators. The politicians have power over the local administrators which arises from their control over a crucial instrument of reward/punishment within the administrator's opportunity structure: the transfer. If politicians were to have the power of transfer removed from them (much easier said than done), their dominance over the local administrators would be reduced.

An aspect of social power discussed by Blau (1964a: 133-35) is that it diminishes with use, especially when Person has only a small margin of power over Other. One of the more interesting, and puzzling, aspects of resource exchange I encountered in the blocks, was the RWOs (and AHOs) giving excuses to IRDP beneficiaries to legitimise their illicit requests for money. These officials have adequate power vis-a-vis the poor to withhold the resource if it is not paid for. Why, then, do they use excuses they do not really need? The answer is related to the officials' desire to maintain their power in a "positive balance" in their exchange relations with villagers. In Blau's terms, the RWOs would expend some of their power every time they make unsubstantiated claims for bribe money. There is strength in this argument, in that the villager who has had to pay bold-faced bribes to the RWO (as opposed to paying him money because the policy rules require it), is less likely to do the RWO the favour of putting money into a small savings scheme. Gouldner (1960: 176) adds another perspective to this argument with his discussion of "status duties:" "the norm of reciprocity requires that if others have been fulfilling their status duties to you, you in turn have an additional second-order obligation (repayment) to fulfill your status duties to them." Every time an official asks for a bribe which is obviously a bribe, he is acting against his "status duty" (which is still perceived as providing policy resources free of charge), thereby absolving the bribe-payer from any further obligations to him.

Another important element of exchange is "distributive justice." This concept was introduced by Homans in 1958, developed further by him in 1961 and added to by Blau (1964b) and Alexander and Simpson (1971). When transactors to an exchange are in different opportunity structures, however, they may well have few expectations regarding distributive justice because there is little base on which to compare the resources each has gained. It is in this instance, perhaps, more useful to think in terms of cost-benefit analysis for the individual transactor. Salisbury (1976: 56-57), in a discussion about Indian trappers and the Hudson's Bay Company, argues that prices (and trapping strategies) are arrived at which are best understood in terms of individual calculations of opportunity-costs. "Relativity" and relative deprivation would also have a role to play in the villager's calculation of the exchange outcome. He may compare his expenditure for a quantum of resources with another person's costs and benefits from a similar exchange in the neighbourhood (this is similar to Homans' conceptualisation (1958: 604) of distributive justice), or with his own most recent exchange with development officials.

Insofar as a person's social environment is subjectively defined, so too are his/her perceptions of his/her status in that environment, and what s/he is entitled to from exchanges. Working in hand with a notion of distributive justice is that of entitlement. The impression I carried from the blocks was that the politicians (MLAs in particular) had highly developed senses of entitlement, meaning that their view of what they are entitled to from others, including block development officials, is disproportionate to what they should be entitled to. The implications of this for the local administrator are serious. It means that he may find himself performing tasks for the politician without being able to look forward to any recompense--his favour has been reduced by the MLA's perceptions to a duty, with a consequent reduced obligation on the MLA's part to reciprocate with a favour. Therefore, when the local administrator wants a favour from the MLA, he must pay for it.
In this section I have introduced some attempted refinements to the social exchange approach, especially Blau’s, based on my analysis of the development administration’s implementation in the block and with the aid of Emerson’s (1972b) opportunity structure. The block officials’ exchange relations occur both within and across their inter-opportunity structure. This discussion is a departure from the works of Homans and Blau which are focused on exchanges within a single opportunity structure. When one can make comparisons in exchanges which occur within and across opportunity structures one may also add refinements, for example, to the concept of social power. Exchange theorists cannot avoid economics entirely, but as I have argued, it is possible to avoid using the major assumptions of economics (such as rationality and profit-maximisation) in the way that economists do. That is, largely without reference to the ways in which the transactors’ behaviour is bounded by their political and socio-cultural environment.

6.3. The Local Administrator in a 'Perilous' Environment

Resource exchange analysis becomes effective when one defines the socio-economic and political “working” environment of the block development official who is directly in charge of allocating resources to the rural population of the block (this is opposed to officials who are in charge of allocating policy resources to other officials). It is analytically most useful to see the local administrator working in an “environment of demands”; in essence, a monetised political and administrative environment, the boundaries of which are not coterminous with the block boundaries. While I focus on exchange activities as they occur within the block, I recognise that they are impinged upon by actors and institutions outside this level. The conflict inherent in many of the demands on the BDO gives rise to the “peril” in his environment. The senior administrator, for example, may demand that more time be spent with Policy A in Village X, while the Block Chairman demands more contracts through Policy B, and the MLA’s supporters demand that Policy A’s resources go to Village Y which is ineligible to receive Policy A’s resources. On the other hand, Village Y could receive Policy B’s resources which would make the MLA happy, but anger the Block Chairman. And so forth.

Important environmental features include administrative organisation (where many development management analysts end their analyses), the dynamics of the political system at the local level of the state, and the type of economic infrastructure and socio-economic relations in the block. The local official’s environment must also include the total number and type of policies he is in charge of implementing at any given time, and the other tasks he is required to do, such as report writing and “hosting” politicians and senior administrators. Other organisational features of the environment which have a structuring effect on transactions include the elected panchayat union council, nationalised banks, and other administrative departments (I have, however, very little data on interdepartmental co-operation and competition.)

The term ‘perilous environment’ is from the title of Herbert Kaufman’s (1985) book: Time, Chance, and Organizations: Natural Selection in a Perilous Environment. His discussion, as the title suggests, is about organisations rather than officials, but the term is apt from the BDO’s perspective as well. Other authors, including Blau and Scott (1962) and Downs (1966), have also used the concept “organisational environment” without focusing on the individual administrator’s environment.

In the development administrator’s policy repertoire, a policy which is anomalous in terms of resource exchange is family planning. Considering that administrators spend much time with it, and lose money in the process, resource exchange would predict that administrators would avoid implementing this policy. The opposite is true in Tamil Nadu and, as explained in Chapter Two, the District Collectors place tremendous urgency on the need for BDOs to achieve their family planning targets. They, in turn, are under equally tremendous pressure from the state’s seniormost officials to reach district targets. Senior administrators, of course, have control over resources with which they can take punitive action against their juniors, thus explaining why the latter do work hard—albeit with numerous complaints—to meet family planning targets.
An official's working environment or "environment of demands" will vary markedly with shifts from block office to division office, and especially from district to state-level offices. Because of this, the focus of this study has been squarely on the block. Resource exchange analysis could be carried effectively into senior administrative offices but painstaking care would have to be taken to identify the important elements of the IAS officer's environment. From recruitment, through career patterns, to places of work, to political and administrative demands, the IAS officer, even if in the development administration, is in a very different "eco-niche" from the Block Development Officer who may never be posted outside of the blocks within a single district.

It is useful to see the Block Development Officer's environment in two ways, as the block official is not usually firmly bounded by the block in terms of the actors with whom he interacts. The local official's environment has rather loose boundaries, which relate to the outer limits from which demands reach him. On occasion, it could be argued that the limits of the environment stretch all the way to Madras or even to New Delhi, but I am primarily concerned with the BDO's immediate environment--his epicentre of demands. Demands from more than a relatively short distance (the Collectorate) outside of the block will not reach the administrator, or only so indirectly, or weakly, as to be hardly felt. When an administrator in New Delhi says that 600 beneficiaries per block must receive IRDP loans, it means little to the BDO until it has been translated into an order from the Collectorate or DRDA.

The second way to see the local administrator's environment is as a Venn Diagram (see Figure 6.1). This graphically portrays the complexity of the local administrator's working environment, although the overlapping circles still do not emphasise enough the complexity and "peril" inherent in the local official's environment. The Venn Diagram shows, however, that the block officials will be impinged upon by numerous actors, including the rich peasantry, the mass of villagers, local politicians, and more senior administrators. The areas on the local administrator's circle which are overlapped by two other circles at the same juncture are critical, as they represent areas of especially strong demand, resulting from co-operation between actors with different resource sets (including the rich peasants and local politicians; local politicians and district administrators; rich peasants and district administrators). It should be noted that the intermediaries' activities are strengthened immeasurably if they can get the support of an official like the Collector.

The Venn Diagram also represents two other important concepts for the resource exchange approach: the opportunity structure and the exchange network. As Figure 6.1 depicts, the block official's environment is made up of actors who also have interactions with other actors in the official's environment. One consequence of this is that the notion of dyadic exchange, commonly favoured by exchange theorists (see Lande's (1977b), "The Dyadic Basis of Clientelism"), is inadequate to describe the official's transactions, as each actor is involved in other transactions which may have bearing on the exchange under scrutiny.\(^{18}\) This also leads to the concept of opportunity structure introduced, although not developed, by Emerson (1972b: 70). The local official's opportunity structure is not the same as his environment--it is rather a subset of his environment. As the name implies, it is the "structure" (a structure which varies in abstractness) which is someone's main source of rewards (or punishments). For the block official, this may be equated with the district development administration from which he gets a salary, his transfer orders, promotions and suspensions, (he is also part of a social opportunity structure which involves kinship ties and obligations). Various actors' opportunity structures overlap where they attempt to gain resources from each other which will help them in the opportunity structure which is their primary point of reference.

\(^{18}\)Further discussion of dyadic versus network exchange is developed in Section 6.5.
Figure 6-1: The Block Development Official's Environment

Figure Notes: The circles do not represent population size. Rich peasants are shown in two half circles to represent better their diverse strategies in gaining policy resources.
In an organisational milieu such as the development administration, the local officials rely heavily on transactors thrown up by their environment. An important hypothesis of the resource exchange approach is that the block officials require local traders to implement distributive policy (if they are going to meet an acceptable percentage of their targets). Because exchange theorists for obvious reasons focus on exchange, they tend to overlook situations where an actor cannot find adequate traders to take his resources (because they are already focused on exchange they don't look for its preconditions). Without the aid of his trading partners the administrator would be unable to implement policy at all in some cases. If there had been no "big men" interested in forming milk societies during the Sixth Plan, the block development officials would have had much more difficulty in implementing IRDP.

I do not assume that there is always an adequate number of potential traders for the block officials. This corresponds to the "economically backward" block where BDOs chronically fall short of their targets. While this is highly speculative, it seems the backward block does not have a large enough population of rich peasants to sustain an exchange network extensive enough to enable a BDO, especially an unskilled one, to meet his program targets. The BDO with an inadequate population of traders in his own block may want to search for traders in a neighbouring block, but for all intents and purposes he is prevented from doing so by the neighbouring block officials. Moreover, the "backward" block is successfully avoided by the skilled BDO, thus meaning that it becomes a repository of the worst BDOs in the district. The "backward" block, then, would be a good place to encourage the activities of intermediaries. With a greater need for traders, the block officials would be more willing to exchange resources with genuine representatives of the poor. The intermediaries will have less competition from the smaller population of rich peasantry in the villages, and may even (eventually) be able to take control of block contracts. This strategy would, of course, take time. Skilled intermediaries do not spring up over night, and there is always the possibility that the policy itself may not provide appropriate resources, especially in an area which has little economic infrastructure to support the program.

The exchange approach I employ relies on the environment to set the context of policy resource exchanges which occur in the block. While I do not wish to go to the extreme of "environmental determinism," it is important to see the individual's actions as being impinged upon by his/her environment. The local administrator's environment is fraught with uncertainty, making much of his decision-making a stressful process. Returning to the "evolution-selection" metaphor of the introduction, the BDO is a "survival" rather than "change" agent, responding as best he can to survive in a perilous environment rather than acting effectively to change it. His lack of security within his environment has a number of implications, perhaps the most important being the manner in which he seeks "survival insurance" while implementing rural development policy.

6.3.1. Other Actors in the Block Environment

The other main actors involved in policy resource exchange are the rich peasantry (including Panchayat Presidents), and the local politicians (MLA, Block Chairman, party bureaucrats). Each of these actors controls resources which the others need or want. When someone gains control of resources

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19Chambers (1983) laments the high correlation between "backwardness" and low-skilled administrators. In other words, the best avoid the worst.

20Some Presidents are not rich peasants but in Lalgudi and Thuraiyur, these are few, and many of these few owe their positions to the rich peasantry of their villages. The rich peasant-Panchayat President's access to additional resources as a result of his elected position is little greater than if he did not have the position.
from another actor, especially one who has resources from another opportunity structure, he may be able to increase his control over still more resources, thus enabling himself to come nearer to certain socio-economic or political goals.\(^{21}\) The poor, on the other hand, have few resources which the politically and economically powerful actors of the rural areas need (their labour is in oversupply and their votes are only needed at elections; for IRDP, of course, their willingness to take milch animals is needed by loan brokers), and are left out of the local administrator's exchange network almost entirely, excepting limited, market-type exchanges involving direct payments (bribes) for policy resources.

One must be careful in assigning absolute values of power to the main traders in their exchange relations with each other. At the local level, however, the elected politician—the MLA—is undoubtedly the most advantaged (although not necessarily the most long-lived), especially because s/he wields considerable power over the local administrator. Furthermore, if a junior administrator has good connections with politicians, he is more likely to escape a variety of administrative punishments from his seniors (provided he has enough funds to buy the politician's help). Since India's Independence an increasing number of politicians at both the state and federal levels have come from the rich peasantry, and the two blocks I studied "boasted" four ex-MLAs, of whom only one was an "urbanite" (this also tends to dispel Lipton's idea of "urban bias"). However, for the purposes of the discussion the politician should be considered in a different category from the rich peasant because of his/her control and influence over far superior resources. Politicians, despite their obvious strengths, do need support in the block, and they also need extra sources of income, as their election spending is enormous.

The rich peasant is the most long-lived transactor in the local administrator's working environment. There is little a local administrator or politician can do to harm the rich peasants' basic interests, although they may prevent him from achieving certain socio-economic and political goals. The rich peasant, as a major employer of rural labour, has wide-ranging, if exploitative, contacts with the agricultural labourers of his village which is a valuable resource for the administrator—through those contacts, for example, the rich peasant selects IRDP beneficiaries. Therefore, the rich peasants' abilities as brokers between the development administration and the mass of villagers are highly valued by the administrator.\(^{22}\) The rich peasants' desire for policy resources under the development administrator's charge is largely based on intra-village competition for the same circumscribed set of resources. These include loyal workers and supporters, political party representation in the village, panchayat presidency, village construction contracts, and increased status. External resources are particularly valuable as a means for someone to gain or maintain an upper hand in village disputes. The factional dispute is at once, then, a divisive and dynamic force in the village, although far from every village is faction-ridden. Some policy resources (especially for building contracts) are inherently desirable in that they lead directly to large profit margins.

The exchange relations the administrators have with the rich peasants, then, are mutually profitable—the local officials divest themselves of policy resources, thereby meeting targets as demanded by senior administrators, and often keeping a percentage of the policy resources (especially contract resources) for themselves, while the latter gain control of them to make additional profits and ensure that

\(^{21}\) Simon (1969: 158) posits, "In general, it is thought not to be problematical to postulate that individuals have goals."

\(^{22}\) In implementing NREP if block administrators had not, in contravention of one of the program's most important rules, given over NREP projects to rich peasant-contractors (who hire the required labourers) it would have been impossible for them to complete even a fraction of the targeted projects. In implementing NREP through contractors, administrators in the two blocks I studied were able to meet the majority of their targets (which does not imply, however, that the projects themselves were completed).
they go to the appropriate supporters. Homans (1961) and Blau (1964a) both argue that the mutual profitability of social exchange is a truism—people would not be involved in them otherwise. Alfred Kuhn (cited in Emerson, 1972b: 62) argues that exchanges by definition are mutually profitable and that it is irrelevant to ask who came out "worse" until one imposes an external, normative standard on them. While the exchange relations between the local officials and rich peasantry may be characterized as "mutually profitable," the same cannot be said of the relations between senior and junior officials, Kuhn notwithstanding. While there are some mutually profitable aspects to their relations, for the most part they are characterized by a one-way flow of threats and exhortations from the senior officials to get various tasks completed, especially targets of "high-profile" policies.

Non-traders are largely omitted from gaining development policy resources on their own terms. The majority of non-traders are, in short, the poor—the landless agricultural labourers, the small and marginal peasants, the sharecroppers, and the small tenants. The resource exchange approach explains that these people are non-traders by virtue of their not having resources that those in control of tradable resources are interested in obtaining.23 (On the organisational side of the equation, non-traders are difficult to find in the block. The bankers involved in IRDP are, perhaps, the closest to non-traders, but that is largely in relation to borrowers rather than to actors from other organisations. Insofar as bankers are non-traders, it is out of choice rather than exclusion by other actors.) Gouldner (1960: 178), writing on the "norm of reciprocity," underscores this with the argument that "the norm may lead individuals to establish relations only or primarily with those who can reciprocate, thus inducing neglect of the needs of those unable to do so." The poor have numbers, but they form a highly diverse and farflung group which, partly for reasons of caste, does not often recognize its class interests. As Beteille (1974: 111) argued, "sharecroppers and agricultural labourers continue to be divided even within the village by a variety of distinctions based on both caste and economic opportunity and their extra-village links are limited, sporadic and have little political significance."

The resource exchange approach I employ does not assume that trading actors necessarily cooperate with one another. Moreover, the patterns of resource co-operation and competition among the leading actors has a determining role to play in the spatial distribution of IRDP benefits. The same transactors who co-operate one day may compete the next, but this has not had the effect of skewing the terms of trade in favour of the poor, nor has it increased the number of transactions with them. The exchanging local official, unlike the administrative "gatekeeper," becomes closely involved with the leading actors in his environment, resulting in his partial allocation of resources (Thoden van Velzen, 1977). germane to this argument is S. N. Eisenstadt's (1969: 307) notion of "debureaucratization" in which "there is subversion of the goals and activities of the bureaucracy in the interests of different groups with which it is in close interaction (clients, patrons, interested parties)." Unfortunately, the poor are seldom able to "subvert" the local development administration.

23It is, for example, more difficult for a poor person than a rich one to see any administrator in the block office, and most would find that numerous trips to the block office are necessary before they can see the right person and get the appropriate information or help from him. With the paucity of bus services, and the type of office hours kept by the administrators, it would be all too easy for someone to spend an entire working day, with no guarantee of success, trying to see an official.
6.3.2. Brokers and Intermediaries

Not a single act here below appears ever to be done by a man free from self-love; whatever he performed, it is wrought from his desire of a reward. The Laws of Manu quoted in Orans (1968: 887).

For the purposes of the resource exchange approach a distinction should be drawn between brokers and intermediaries. Brokers are those people in a village who act as contacts between villagers and the outside world, but are motivated by self-interest in providing this service for their fellow villagers. I am not, however, using the term "broker" in an entirely conventional sense, as the broker for IRDP does not stop at getting the loans for other villagers, but continues to have some control over the assets by virtue of his role as president of a milk society. This broker, then, is also a "patron." In interviews brokers did not mention their own interests in profiting from the brokerage role, claiming instead that they were performing an important and beneficent function for their village. One milk society president (one of the most exploitative as far as I could determine) claimed in 1985 that through his efforts to get the largest number of IRDP loans in Lalgudi, he was using "Gandhian methods of upliftment" to remove the plight of his village's agricultural labourers and "change their lives forever."

While one normally thinks of a broker as a go-between for villagers in their dealings with "inscrutable" external institutions, the development administration is, as argued in Chapter Three, an important broker for the politician in its role as his/her rural public relations vehicle. The block administration is, however, to use Paine's (1976: 83) argument, "the creature of that particular client (the politician)." Therefore, rather than performing a brokerage function in its own interests, as the broker normally does, it must perform it in the way dictated by the politician. The local development administration does not gain power over the politician by virtue of its brokerage function.

An intermediary on the other hand performs a function similar to a broker's, but without thought of making profits for him or herself beyond, perhaps, an increase in status in the community. Voluntary agencies could be put in the intermediary category, along with the "educated unemployed youth" of the village. The "educated unemployed youth" is interested in promoting the welfare of his community, rather than in exploiting it. This is not to say that all "educated unemployed youth" are social workers, and all rich peasants are exploiters, but the trend is in that direction. An important difference between intermediaries and brokers is that the latter are skilled at spending other people's resources in gaining resources for themselves, thus keeping their own expenditures to a minimum.

The intermediary, on the other hand, because s/he is not interested in trying to make a financial gain from the transaction, avoids giving any money to the administrator. While the intermediary would not collect anything beyond legitimate fees from the beneficiary, this does not mean that the latter would escape paying bribes, as the officials may still demand them personally. The intermediary has few

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24 Bailey (1963: 100-03) uses the term "broker" in this sense, although he further argues that "they are agents of social change" and identifies them with the "middle class."

25 Cohen and Comaroff (1976: 90-95) argue in very similar terms about political brokers in the province of Newfoundland (Canada). They (1976: 93) say that the successful broker "must employ a rhetoric of legitimation which condemns any reward for himself."

26 This is just one example of "double-talk" which is depressingly common when one enters poverty alleviation waters. Administrators and rural elites alike realise fully well that the development policy resources which they appropriate should go to the poor. They maintain a facade of concern for the poor's welfare while at the same time taking control of all or part of the resources which should flow to the poor.

27 In the two blocks in which I did research there was no activity by voluntary agencies (except for one church group which set up some childcare centres in a few villages in Lalgudi block).
resources of monetary value to exchange, although s/he may be successful in bringing "moral pressure" to bear on more senior officials (such as the Divisional Development Officer and/or Collector). The intermediary's tactic could be termed an appeal to a hoped-for altruism in the senior officials. (This issue is discussed by Katz and Danet, 1973, with reference to new immigrants to Israel and their dealings with customs officials.) It should be reiterated that the people whom I was able to identify as "intermediaries" in Lalgudi and Thuraiyur Blocks are all from Scheduled Castes.28

As the quotation from the Laws of Manu at the beginning of this subsection indicates, the search for "pure" altruists is likely to prove fruitless. Certainly, a resource exchange approach predicated on the notion of some sort of profit or reward from an exchange with another person or group would not predict the existence of altruists, or be able to explain their behaviour. The altruist only gives, not taking anything in return but commendations.29 Nonetheless, while the educated Scheduled Caste youth is unlikely to be a saint with no motives based on self-interest whatsoever, s/he is essentially altruistic, and should be accepted as such by the exchange theorist. The altruist's motivation for helping his/her community may well be born of a sense of personal injustice (ie., if educated but unemployed) which grows to a feeling of community injustice including, perhaps, elements of relative deprivation (on relative deprivation and social exchange, see Adams, 1965). While social exchange theory is inadequate to explain altruistic behaviour, it can help to explain the feelings which engender it. That is, the unemployed youth has not received adequate recompense from society for his/her investment in education, s/he still has low social status in the village and, being a Scheduled Caste person, s/he is unlikely to have wealthier kin from whom help could be received in finding employment.

The administrator, because he is interested in making some financial gain from policy resource transactions, prefers to interact with brokers than intermediaries, and intermediaries may find it difficult to obtain the resources their community (or clients, in the case of voluntary agencies) is actually entitled to. Intermediaries have been far less actively involved in IRDP than brokers which implies, correctly, that the majority of poor beneficiaries have received program resources not because they or a helping intermediary have demanded them, but rather as a result of the self-interested aspirations of brokers and administrators.

Self-interest is a theme which runs strongly through the exchange literature. It does provide a fairly compelling explanation of strategies in social exchange, but as the discussion on intermediaries demonstrates, one must be cautious in applying the "self-interested, profit-maximiser" model of human behaviour unreservedly. Nonetheless, in the resource exchange subset of social exchange, altruistic behaviour is rare, and intermediaries active in policy resource exchange are few and far between. In essence, policy resource exchange takes place in a resource scarce, monetised political-administrative environment which encourages self-interested behaviour. I do not argue for the self-interested maximiser as a given in social exchange generally, (there are too many cultural or other constraints against this behaviour), but it does hold true in a preponderance of exchanges involving the local officials, rich peasants, and politicians.

28The predominance of Scheduled Castes among intermediaries who are able to garner policy resources for their communities reflects in part the impact of targeting on local administrative behaviour. Senior administrators place much emphasis on BDOs' meeting their "SC targets," particularly for IRDP.

29This in itself may be a source of "psychic profit" for the giver, but essentially the altruist is not involved in exchange per se. See Befu (1977: 259-60) for a discussion, including a critique of Meeker (1971), who argues that even altruism should be included under the banner of social exchange, as an exchange in which Person assigns Other maximum pay-off (Meeker, 1971: 490).
Resources

Resources are what exchange is usually about. I define resources here to mean anything which may be used to achieve an individual's political or socio-economic (including career advancement) goals. These resources include: money and credit, supporters, ascriptive ties, "connections," control over jobs and contracts, land, information, and agricultural inputs such as water, fertilisers and seeds. In terms of distributive policy, resources are what the policy has to offer, whether goods (including money and subsidies) or services. In the rural areas, with their largely subsistence, cash-scarce economies, resource production is limited. (Unfortunately, a significant percentage of state-provided distributive policy resources are either extracted from the rural areas or wasted in village projects which are never completed.) Therefore, resources which are brought in from outside, including administratively-controlled resources, are generally in demand, especially among people who have a high enough income-level—primarily the rich peasantry—to enable them to consider investment opportunities outside of agriculture.

Because policy resources coming into a village are curtailed, sometimes severely, people do not expect there to be an assured supply. This leads to an intra-village zero-sum view of resource acquisition among competitors for the same resources. If a rich peasant takes control of a certain policy's resources, other rich peasants within the village are unlikely to acquire the same policy's resources. This represents a gain to the first person if the policy resources are generally valued. First person's competitors realise that his gain of policy resources may be used to achieve political and socio-economic goals, including goals harmful to their political and socio-economic interests. If, however, one person takes control of one policy's resources, someone else may try harder to gain resources available through other sources.

Transactors seldom want policy resources merely for the sake of having them; their value lies in what they can do with them once possession has been gained. Rich peasants do as much as possible with policy resources in order to further their political and/or economic aspirations, and are versatile in utilising the resources they take control of. They accumulate, trade, process and retrade, extract, hoard, and distribute resources. One of the most productive uses of resources for the rich peasant lies in "processing" them. As argued in Chapter Five, the real IRDP beneficiary is the milk society president who "processes" IRDP subsidies (through commission arrangements, exorbitant membership fees, participation on purchase committees, and lucrative private milk sales). This is a "multiplier" effect, which sees the loan brokers increase income in a number of ways from the same, limited policy resources.

An important conclusion I draw about resources, especially policy resources, is that their value is relative. Therefore, it is of little utility to analyse a policy separately from others which are being

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30 The "symbolic interactionists" led originally by George H. Mead (writing in the 1930s) and then by Blumer (1969 for a collection of his previously published articles) argue that people's interactions should be analysed in terms of the meanings they transact. Needless to say, I do not use that approach here, although it clearly has a place in transactional views of society.

31 Anthropologists, notably Malinowski (1922, and cited in the works of Blau, Sahlins, Befu, and others), have discovered that certain "primitive" groups do, in fact, exchange resources of no intrinsic value. This describes the "Kula ring" of Trobriand Islanders observed by Malinowski. For them, the shell necklaces and armbands they exchange with other islanders have no value except as a symbol of the exchange itself. The act of exchange, rather than the item exchanged, is valued.

32 In the implementation of NREP, policy resources are literally "processed." Although the development administration must directly supervise NREP projects, they are illicitly handed over to contractors. Wages for NREP are supposed to be paid to workers partly in cash and partly in kind (rice or wheat grain), but the sub-contractors frequently pay the workers entirely in cash (sometimes because the workers do not want the low-quality grain). They then take the unused grain to a local mill, have it repolished, and sell it for a higher price on the open market. (Herring and Edwards, 1983: 580-81, 590, also discuss similar instances of wage misappropriation in NREP's precursor in Maharashtra, the Employment Guarantee Scheme.)
implemented concurrently. The development administration (and others) always implements a number of policies at once, which creates a stock of policy resources. The current stock of available policy resources in the area helps to determine the demand for any given policy. People's perceptions of resources and their productive (not only in economic terms) value has an important effect in determining the level of demand for them; that is, it should should not be assumed that demand relates only to supply and price (the concept of "price" is, at any rate, difficult to use as policy resources do not have production costs 
se for the local administrator--see Section 6.4.1).

The block official's perceptions of policy resources are quite different from the rich peasant's or the politician's. There are occasions when there is very little demand for policy resources, no matter what the available "stock," because they have no intrinsic value to the people of the block. These resources become a burden to the administrators. Quite simply, resources they cannot disburse are targets they cannot meet. Therefore, the most valuable policy resources to the administrator are the ones he can disburse to the satisfaction of his distant supervisors and (in the case of valued policy resources) his most influential "trading partners." The implication of this is that the "fulfilled target" is also a resource (its importance varying with the demand) for the local administrator which he can use to earn rewards from either district officials or the MLA. The block development official who does not meet his targets under a program, notably family planning can expect admonishments from his administrative superiors (not to mention suspensions and removal of block facilities).

There are some programs in the development administrators' repertoire which do not provide any tradable resources at all, thus not involving any resources except the administrator's time. These include taking a village water supply census, other information-gathering programs, maintenance programs, and even distributive policies have non-distributive aspects (ie., monitoring IRDP beneficiaries' progress). As would be predicted with the resource exchange approach, unless senior administrators strongly emphasise the necessity of completing these "resource-less" tasks, they are seldom done. Village repair works are similarly "resource-less." While rich peasants scramble to get construction contracts in and around their villages, once the works are completed (if they are completed), there is no monetary incentive provided to keep them in good repair (there is, in fact, more incentive to have them disintegrate quickly, so that new contracts are tendered to do them over again). Not surprisingly, my visits to villages revealed that the state of repair of village roads, paths, latrines, and street lights was very poor.

The rich peasants' most important, "basic" resource is land, the ownership and/or control of which has a structuring effect on the exchange of other resources in the rural areas. The amount of land which leads to a family's relatively assured control of other resources and to greater investment opportunities outside of agriculture varies depending on the land's natural productivity, the types of crops grown, access to assured water supplies, and the structure of landholdings in the area (landprices per acre quoted in Lalgudi and Thuraiyur varied from Rs 1000 and less, to Rs 40,000). Generally if a person has enough

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33Family planning is far from the only "low demand" policy in the rural areas. Fortunately for the block officials, other "zero to low demand" policies such as the smallsavings scheme (under which villagers are to put money into postal and other institutional savings accounts every month) and the bio-gas scheme (whereby women would be able to cook over gas rather than with traditional, less efficient smoky fuels such as wood and/or dung/straw cakes) are not so heavily emphasised by senior administrators. Despite the government's offer of major subsidies (just over 50%) for the purchase and installation of bio-gas plants, there has been to date little demand for them in Tamil Nadu. Interestingly, people who had bio-gas plants said they did not have to bribe the RWOs or other government officials (although unlike family planning, they did not receive any money from the local officials) in order to receive the necessary equipment.

34A distinction should be drawn between controlling resources and appearing to control them (or between gaining resources and appearing to gain them), as poverty alleviation policy resources often only appear to go to the right people. This is usually put into effect through the "benami name" (as it is termed in Tamil Nadu) or transaction. The benami transaction is so commonly used, it may be appropriately considered an important resource available to the rich peasant.
land (or enough access to land) to put him in the class of rich peasant, he will be involved in an exchange network which includes not only other similarly placed persons and a large population of employees, but also local administrators, bankers and politically important people in the block, (if not at a higher level).35

In some instances ascriptive ties can help make up for a lack of land. In Lalgudi and Thuraiyur Blocks I met two wealthy building contractors who had been agricultural/construction labourers (one of them had even worked as a coolie for the block office). Both men are caste mates and distant relatives of former MLAs, and managed to ingratiate themselves with their more powerful relatives to their advantage. These two men represent undoubtedly extremely good fortune in using "connections" to make it from "rags to riches," but the main point to be gleaned here is that the block official will have to pay close attention to the exercise of people's asserted connections. That is, the more politically shrewd the BDO is, the better he will be able to judge the difference between effective and claimed connections. Based on that judgement the BDO can construct a rough hierarchy of "demanders" in the block, deciding who he can afford to ignore and who he cannot.

While vertical connections are of undeniable importance, contacts and connections among rich peasants of different villages in the block or neighbouring blocks are also a resource. Whether through political affiliation, membership in growers' associations, leadership in credit co-operatives, contract sharing, or through panchayat union council meetings, the rich peasants forge horizontal connections which allow them to co-operate to share the resources available from the state.36 As observed in Chapter Three, local contractors in the two blocks share contracts across lines of political affiliation, which thus limits competition among themselves and enables them to share in greater profits.37 Moreover, a number of rich peasant-contractors working together can more effectively lobby a politician or a more senior administrator to put pressure on the local official, if that official does not oblige them with their desired contract allocations. Vertical political and economic connections in India have been so stressed (to wit, the enormous literature on factions and patron-client relations) that the importance of horizontal connections has been downplayed. Beteille (1974: 109) observed, however: "The progressive farmers, like entrepreneurs of every kind, have shown considerable dynamism in cutting across the bonds of kinship, caste and community in order to develop networks of effective economic and political relations."

Social status and prestige, kinship ties and level of education are resources whose values are relative and vary with time and place. They are, moreover, in a group of "social" resources which cannot be exchanged, although they have a structuring effect on transactions which do occur. In terms of "tradability," resources like information, knowledge and skills (especially brokerage skills) may be offered for exchange without being lost to the possessor of the resource. Blau's (1964a: 169-71) use of the economic concept, "diminishing marginal utility," is relevant to some of the resources under discussion here. A person's information about a policy, for example, is important to another person once—the same piece of information would have little value a second time, unless something new were added. On the other hand, a person's brokerage skills are likely to maintain their importance unless there

35 As always, there are exceptions to general rules in India. If, for example, a family with little land has been able to send a son to work in the Gulf, their income, with the foreign remittances, would rise above that of most rich peasants. In other instances, a rich peasant and his family may suffer from illnesses which prevent them from making much profit from their land, or poor investment choices (or too many daughters) may force them into excessive debt, thus drastically curtailing their economic power.

36 There are also horizontal connections among the BDOs in a district through which information may be shared. Unfortunately, I was able to gain little data on this issue, and do not have a clear idea as to how widespread or how useful BDOs' contacts with each other are.

37 In this instance the economically rational actor view of man holds well. The contractors' goal of attaining a larger number of contracts overrides political enmity.
is a sudden growth in brokers with similar skills. However, given Gouldner's norm of reciprocity and a degree of trust built up between exchange partners over a number of exchanges, the successful entrance of new brokers in the administrator's exchange network may be militated against.

One of the most important non-policy resources for the local administrator is red tape. Red tape is for the administrator what education and status are to his non-administrative trading partners—a non-tradable resource which has a structuring effect on exchanges. It is a resource which helps him, if not dictate, then influence the terms of exchange, not the least because the administrator's superior knowledge of the internal workings of the office, and of various rules and laws affecting the block allows him to pretend there is more red tape than in reality. The administrator can claim the existence of paperwork which may well increase with his judgement of how valuable the resource is to his trading partner, and how much the latter is willing to pay for reductions in delay. Red tape's value, then, is closely related to time, and its short supply. Money or, perhaps, the promise of a service from a client unlocks policy resources more quickly from the local administrator's keep. Hence, red tape (whether real or conjured by the official), is a lock and "speed money" a key to acquiring policy resources. Red tape affects rich and poor in procuring policy resources from local officials. The major difference is that the rich more often have resources which they can use to bargain with the administrator. Administrators also use program rules as a means to "channelise" demands. While they often flaunt program rules and regulations, they can also invoke them as a way to control demands for resource allocations. Red tape thus gives the local administrator a chance: 1) to control the timing of a policy resource exchange; and 2) demand more resources from his trading partner to complete the transaction.

Advantages over information give traders advantages in exchange. Policy information is particularly valuable in the block context because its dissemination is so limited. If there is a potentially high demand for program resources, it is in the administrators' interests to restrict information flows to a limited number of people. Occasionally, however, the local administrator must use his information to create a demand, preferably among the "right" people from his perspective, for policy resources people might not otherwise be interested in. The RWOs are, of course, supposed to do "general advertising" about development policies in the villages, but their contacts with villagers are highly selective. Administrators do not, however, monopolise control over policy information. People in the upper economic strata have alternative and equally (or more) reliable sources of information, (revenue and bank officials, other government officials, local political party officials, newspapers, radio, and even television) which enables them to make demands for policy resources well in advance of poorer people in the block.

Agricultural labourers, especially Scheduled Caste agricultural labourers, are the least likely to receive accurate information about programs that are supposed to benefit them and, with their limited pool of resources, are also the least able to take action even if they do have accurate information. The

38 After Ilchman and Uphoff (1969: 90), time is considered not a resource per se, although it is an extremely important factor of production. As they argue (pg. 90), "Whereas time itself is infinite, the length of time in which a certain action may or must be accomplished is not."

39 In late 1984 the Government of Tamil Nadu began to install television sets, another job for the development administration, at a rate of one per panchayat village. During the India vs. England cricket test match in autumn 1986 it was difficult to find informants at some villages as they were watching the match in the village TV room.

In early February 1985 the Government of Tamil Nadu placed a full page ad in the Madras edition of the Indian Express on the occasion of a regional conference of rural development secretaries. Near the bottom of the page there is a large arrow pointing upwards, and which has written above it: "Progressive Programmes of Government of Tamilnadu Lead to Rural Uplift." The base of the arrow depicts a family of six standing near a thatched roof hut, while in the arrow tip a lone television set is proudly displayed minus the family of six.
development administration personnel do not pass on the required information to them, and they have few other sources of accurate information, meaning that in most cases there is little chance for them to lobby the local administrators—they may not even know the policies exist. Unfortunately, those with information deliberately mislead those without (as with information about IRDP subsidies, loan repayment schedules, and wages for NREP) in order to increase their gain from the policy resources.\(^41\)

"Numbers" in the sense of people with similar even if limited aims acting collectively, is another resource with temporal and spatial variations, but which remains by and large underutilised in the rural areas.\(^42\) Unfortunately, it is one of the only major resources which the poor have. The poor are, however, differentiated among various castes, in competition for a limited amount of employment, and are not a cohesive, tightly-knit group usually able to make political or economic demands effectively. The "rich" are also not a cohesive group, but they have so much more access to so many more resources that collective action is not as important a resource for them. There are instances in post-independence India of agricultural labourers acting in concert against exploitative employers, but these movements have been limited and sporadic. (Scott, 1985: 288, discusses rural rebellion in terms of "rare moments of historical crisis."\(^43\)

The poor have other resources which they use vis-a-vis the resource-rich on a daily basis, but they are "passive" rather than "active" resources.\(^44\) By these I mean subservience and compliance. The former is a "resource" one is constantly aware of in a block office. I have never seen a poor man enter a block office without acting (and often it is an act) in a submissive, humble and respectful manner (this, incidentally, is equally true of block officials in front of administrative superiors). By automatically offering one's subservience, one acknowledges another's superiority hopefully to engender the superior's noblesse oblige.\(^45\) Katz and Danet (1973: 180) argue that subservience and compliance can be two sides of the same coin: "Subservience is . . . offered [by the client] in return for the official's hoped-for compliance." Blau (1964a: 21-22, 170-81) discusses compliance somewhat differently as an important resource for the "resource-inferior" person to encourage the continued supply of resources from the "resource-superior." This largely represents the compliance of the poor in Tamil Nadu, and emphasises again the importance of intermediaries who are willing to take action on the poor's behalf.

The resources of a single policy are just that, limited resources in the rural areas which may or may not be in high demand, and which may be used in a number of ways, (some of the uses having little to do with the resources' original form and envisioned function). The discussion in this section shows that an

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\(^{40}\)We interviewed some construction labourers who realised they were being underpaid. They said the contractor told them that if anyone came and asked what their wages were, they were to say Rs 12 per day rather than the Rs 8 they were really getting.

\(^{41}\)Rich peasants have long been cast as "opinion leaders" and "information disseminators" of new methods of cultivation, and are the lynchpins—of debatable effectiveness, see Moore (1984)—in agricultural extension programs (especially the Training and Visit system), but they tend to pass on the information they have about development policy selectively, favouring those who work for them, or members of the same faction or caste.

\(^{42}\)This corresponds to Olson's (1965) "logic of collective action." He and his followers would predict the difficulty agricultural labourers, and people in general, have in acting for their collective, as opposed to self, interest even when it is more "rational" for them to act collectively. Olson argues that this is related to the "free rider" problem, whereby people do not act to gain "public goods" because they cannot be excluded from gaining them.

\(^{43}\)Their geographic limits are exemplified by Lalgudi Block which, although a neighbour of Tanjavur District, and with a roughly similar socio-economic structure to the areas of Tanjavur which experienced unrest (although it is not adjacent to them), has not had the agricultural labourer "uprisings" that Tanjavur did in the late 1960s and early 1970s. Politically, while Tanjavur has had representatives of the Communist Party, Lalgudi has been DMK and Congress (I). On the limits of, and reasons for, the confined nature of "agrarian radicalism" in Tanjavur, see Bouton (1985).

\(^{44}\)Scott (1985) in Weapons of the Weak discusses the poor's "hidden transcript" whereby subservience toward "superiors" is displayed, but which hides true feelings of anger and resentment.
analytical distinction should be drawn between the resources a potential trader already has which s/he can use to structure an exchange, the resources s/he offers in an exchange, and the ones s/he wishes to receive (the latter are Homans' and Blau's "rewards"). Lastly our understanding of resources is enhanced if we assume that resources received from an exchange may be processed to increase their value in the resource-recipient's opportunity structure. Generally, resources made available from outside sources (originating outside the village and block) are in high demand, particularly as it may be possible to reap "multiplier effects" from them.

6.4.1. The Resource Bazaar

The words "trade," "exchange" and "transaction" do not represent smooth, market-like processes. Rather, in terms of poverty alleviation policy implementation it is preferable to think of them as located in a bazaar. The "bazaar" implies that its transactions will have a certain degree of disorder and uncertain outcomes, particularly for those unfamiliar with it (such as agricultural labourers). Nonetheless, even for active participants (rich peasants) the element of disorder and uncertainty, though reduced, will remain--the bazaar is not a formal, institutionalised economic venue. Resource exchange is a bazaar-like transaction in that payment for some transactions may be made in cash and/or future considerations and importantly, different prices may be offered to different customers. The customers are all equipped with different resources and bargaining skills, with a positive correlation between a greater control of resources and a higher level of bargaining skills.

Another important difference between bazaar and market exchange is the attitude of the transactors toward the exchange itself. There is nothing inherently valued by the transactors in the economists' market exchange, except for the tangible products that may be gotten out of it. When one is in a bazaar, however, haggling over the price is a desired norm. The exchange process is drawn out, and the transactors may spend much time haggling over an item neither is particularly interested in. They may want to find out more about each other's (non-exchangeable) resources, and decide whether it is worth bringing a larger, more valuable, resource into the fray. A protracted exchange process may increase the level of trust between the transactors, thus allowing them to include a larger proportion of future considerations in the settlement for the resource.

We cannot assume that everyone wants to be a customer in the resource exchange bazaar. Some people refrain from exchanges altogether because they fear that their own lack of resources would handicap them; the population of traders in the bazaar is always limited by the numbers who are actually aware of the resources available. Moreover, there are also those who might easily gain the resources, but are involved in other, more lucrative activities, thus declining to participate in this bazaar. Some people may not like the idea of open competition for the same policy's resources (they may feel it is damaging to their status), and either refrain from entering the bazaar altogether or try to get the resources through a third party (through indirect transactions).

The bazaar has shifting parameters, with the number of customers and sellers constantly changing,

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45This corresponds to Blau's (1964a: 93-97) "unspecified obligations". Four examples of future considerations I observed are when milk society presidents later helped block officials with bio-gas loans, with the "second dose of assistance" for previously assisted beneficiaries, in selecting Scheduled Caste people for new houses (to be constructed under NREP or RLEGI), and in co-hosting special functions in the village attended by either the Collector or an MLA.
and the two types of actor even switching roles. Prices are determined partly by supply and demand, but the final price depends upon the bargaining skills of the actors involved in the transaction, their perceptions of the resources, and their view of the alternatives available to them (there may be a better bazaar in the next town). The bazaar also has transactions occurring on a personal level, with price varying with the closeness of the traders in terms of friendship or kinship. The price would also vary with one participant’s perceptions of the other’s connections; that is, a low price may be offered to a customer, not so much as a favour to the customer but to the customer’s more powerful “patron.” As the bazaar metaphor indicates, exchanges should not be analysed in limited economic or technocratic terms of analysis, as there are intervening variables which may skew the results of the exchange in ways that economic theories alone would be unable to predict.

Even though a bazaar may be thought of as a buying and selling market, I prefer to think of it as a trading venue. While administrators do “sell” policy resources on occasion, the term trading is preferable to selling because it carries with it both a connotation of continuity and the idea that the transactions are unlikely to be conducted only in goods-for-money terms. A sale is usually final with no further expectations from either party. This does not describe the transactions of the development policy bazaar. In social exchange, as opposed to market exchange, Blau’s (1964a: 93-97) “unspecified obligations” is the primary way by which debt is conceptualised; specifying social debts in monetary terms, as with repaying them too quickly, appears unseemly (Blau, 1964a: 99). The debt itself is part of the sustaining fabric of the relationship. Many of the transactions carried out in the policy resource bazaar resemble social rather than market exchanges (although “social” should not be thought of as necessarily friendly or equal).

The administrator is often a price-setter able to decide on a "price" for resources based on his estimate of the demand for the policy resources (notice that the administrator does not have "production costs" which help determine his asking price. His 'costs' mount with his inability to divest the block office of the policy resources). The price decided upon is not necessarily "what the market will bear," and is open to negotiation. Because of the local administrator's interest in accumulating "unspecified obligations" in policy bazaar transactions he may be more willing than would otherwise be expected to come down with his prices. The bargaining process is, however, at a minimum in the market-like exchanges involving officials (especially RWOs) on the one hand and poor peasants and agricultural labourers on the other. The price-setting official has an obvious advantage over the other transactor in this exchange, and seldom provides the desired resource at less than the asking price. Because the poor have little to offer the administrator aside from demonstrations of subservience, they are almost always in the highly disadvantaged price-taker position. Bazaar transactions vary, then, with both policies and actors. The economists’ market transaction does not vary with the actors involved in it; ie., if one of the parties to the exchange is substituted, the price would not change as long as there has not been a change in demand and supply.

In the administrator-rich peasant trading relationship, however, the rich peasant is not a price-taker. Because the rich peasant has resources which are essential to the administrator, the peasant is a bargainer, and does not necessarily accept the prices set by the administrator. He has enough resources under his control to make the administrator feel a loss should the exchange not be completed (if the administrator

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46This characterises informal exchange: the resources of the exchange seldom change hands at once. Debts are allowed to accumulate, and a person may repay with more than necessary in order to engender a debt in the other party, thus ensuring the continuation of the exchange relationship. Moreover, as Gouldner (1960: 175) argues, "it is morally improper under the norms of reciprocity, to break off relations or to launch hostilities against those to whom you are still indebted [his emphasis]."
does not have an adequate number of trading partners). The rich peasant may, however, have more at
stake in the exchange—much depends on the number of alternatives open to the transactors. If the trade is
not completed, the peasant may lose by virtue of being unable to gain valuable resources that would
further his political and/or socio-economic interests. If the rich peasant does not have ready access to
other more profitable resources, his perception of potential loss would increase should he not acquire the
policy resources.

The policy resource bazaar is a metaphor, but is important for the resource exchange approach I
employ. Much social exchange theory draws heavily from economics (this is especially true of Blau,
1964a); the very concepts of exchange and resources come directly from economics. However, social
exchange and its subset, resource exchange, have an uneasy relationship with economics. Hence, the
utility of the resource bazaar as the abstract locus of policy resource exchange—it makes explicit, and is a
constant reminder of, the differences between resource exchange and market exchange. Bazaar
transactors are motivated by, and take into account, different variables than their counterparts, "economic
men," in the market place.

6.5. A Typology of Exchange Transactions

In this section I discuss the main types of exchanges in the block administrator's environment, and
present them in opposite, "ideal-type" pairs. The pairs of exchange types considered here are market and
generalised, dyadic and network, direct and indirect, positive and negative. These pairs are not exclusive
in that a single exchange may exhibit a number of characteristics. Exchanges between local officials and
the rich peasantry are usually direct, positive and generalised, while between local official and district
official an exchange is more likely to be direct and negative, between local official and MLA, it is likely
indirect, partly generalised and with a possibility of it being either positive or negative.

Generalised-Market

Marshall Sahlins (1965) was one of the first exchange theorists (he is an anthropologist) to develop
a typology of exchange transactions. His continuum of exchange in the context of "primitive" society
(which would not include rural India) has generalised and negative exchange at its extreme ends with
balanced exchange in the middle. Sahlins' (1965: 147) generalised exchange at its extreme includes
altruism as a completely one-way flow of resources, but less extremely (p. 147), "Receiving goods lays
on a diffuse obligation to reciprocate when necessary to the donor and/or possibly for the recipient. The
requital thus may be very soon, but then again it may be never." Much of the exchange involving local
administrators and the rich peasantry has a significant generalised component, with emphasis on
unspecified obligations or future considerations.

This is contrary to expectation for exchange theorists like Sahlins because he posited (1965: 149)
that "generalised" exchange would be most commonly found among close kin, or at least within the
boundaries of a "community" where kin and community are not coterminous. The most common
exchanges involving the local administrators and rich peasants are a mix between generalised and market
exchange. The generalised and market component vary primarily with the combination of block and
senior official demand that the policy's resources be distributed. The greater the demand within the

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47Sahlins' (1965: 141) definition of "primitive" is "cultures lacking a political state, and it applies insofar as economy and social
relations have not been modified by the historic penetration of states."
block, the more inclined the administrator is to increase the market aspect of the exchange. The greater the demand from senior officials, the lower the market aspect (when block demand is low), until the family planning extreme is reached, with local officials paying acceptors. An important assumption I make is that as long as there is some minimum threshold\textsuperscript{48} of demand in the block for a policy's resources, the local administrators will make every attempt to engage in at least a generalised exchange. As the local demand increases, the administrator increases the market component.

Market exchange--Sahlins' (1965: 147-48) "balanced" exchange--as I have mentioned, is the simple goods-for-money transaction which is also temporally limited. This describes policy resources for bribes exchanges and politicians' promises--sometimes including promises of money to individuals--for votes at election time. A classic example of a market exchange for political purposes is when the politician ensures that the administration does some work in the villages in the hopes that the majority of villagers will vote for him. Some of the constituents may later seek assistance from the MLA in securing government employment, although the chances of actually gaining his help are limited.\textsuperscript{49}

\textit{Direct-Indirect}

The directness of an exchange is a simple dichotomy--either the transactors of the exchange are face-to-face (direct) or they are not. Direct exchanges occur in both the context of generalised and market exchange and do not require further explanation. There are, however, direct exchanges in the block which have third parties behind them, transforming them into indirect exchanges. Indirect exchange occurs in IRDP's implementation, for example, when loan brokers are involved. Indirect exchanges also occur in contract programs where the contractor is a close supporter of the local MLA. Superficially, the exchange is between block officials and contractor, but the politician's interest in part of the proceeds from the contract causes him/her to have some interest in the exchange's outcome. (His/her involvement is most likely felt if something goes wrong with the contract payments.) Much market (corrupt) exchange, especially for larger amounts, is also likely to be indirect, as the Block Development Officer himself would very rarely take money illicitly from any person in the block--the danger of being caught is too great.

Regarding policy resources, virtually all exchange is indirect in the sense that the administrator does not exchange resources which belong to him. Policy resources are the state's, and on the other side of the exchange, the rich peasant as broker does not risk his own resources in exchange, but rather those of the poorer villagers. The result of this is that insofar as trading partners want to profit financially from their exchanges, it is a simple matter with policy resource exchange, as they do not risk their own finances.

\textit{Negative-Positive}

Sahlins (1965: 149) characterised negative reciprocity as a one-way flow of resources put into effect at its extreme by "cunning, guile, stealth, and violence" and including "the finesse of a well-conducted horse raid." Less extremely, Sahlins (p. 148) portrays "negative reciprocity" as "the most

\textsuperscript{48}Calculating this threshold would involve a rough approximation of whether demand in the block would match the percentage of total target which should be reached.

\textsuperscript{49}My enquiries about party support and voting in the villages revealed that people often voted in favour of a party leader (especially MGR, the former Chief Minister of Tamil Nadu) rather than because of any belief in the efficacy of their local representative. In fact, none of the IRDP beneficiaries mentioned the good work of their local MLA as a reason for voting the way they did.
impersonal sort of exchange," in which "the participants confront each other as opposed interests, each looking to maximize utility at the other’s expense." In other words, it is the direct opposite of his altruistic, generalised exchange, and corresponds more to my "market exchange." I use the term negative exchange, however, to characterise exchange which is occasioned by negative sanctions or inducements which may also involve coercion or force. "Positive" exchange has been the major concern of exchange theorists, and the resultant focus of the exchange literature has been virtually entirely on exchanges involving rewards or positive inducements.

I found that in the block official’s environment negative exchange forms a much larger percentage of the administrator’s exchanges than would be predicted from the writings of Homans and Blau. The BDO is both on the “giving” and “receiving” end of negative exchange. Just as his administrative superiors threaten him with punishments if he does not produce X target or Y report, he also threatens his juniors with punishments if they do not produce the data for his report or the beneficiaries’ names for his target. My observations in block offices and at meetings leads to the conclusion that the majority of intra-administrative exchanges are negative. An important question for a "negative exchange theorist," and one which I cannot answer, is how refined the block officials’ sense is of the "enforceability" of threatened punishments. With the equally rapid transfer of district officials, and the high variability in Collectors’ styles of administration, it would be difficult for the local official to develop a perception of a "going rate of punishment," although in keeping with his "survival instincts" he may assume a worst-case scenario.

The block officials also have to cope with negative inducements from politicians. If the block official were under threat of transfer from the MLA alone, he would have a difficult time, but many more people than the MLA attempt to threaten him with transfer. It is not unusual for rich peasant-contractors from different villages to co-operate, sometimes with an MLA, to try to remove any official they feel is instrumental in not giving them enough contracts.50 It should not be assumed, however, that the rich peasant and politician would be able to join forces effectively enough to remove an obstreperous administrator. The administrator himself may have other, better, political connections, or the Collector (for his/her own reasons) may refuse the transfer request.

Blau (1964a: 224) borrowing from Homans (1961), says "punishment is a poor reinforcer." Homans (1961) argued (using a pigeon in a 'Skinner Box' as his example) that negative reinforcements are not as effective as positive reinforcements in eliciting new behaviour and/or modifying existing patterns. Nonetheless, my data show that this is not the case when the punishment is as severe as an unwanted transfer is to the local administrator. He may not want to respond to negative inducements, but essentially his desire to avoid the punishment(s), which he knows are enforceable, is greater than his desire to avoid the performance of an unpleasant and/or illegal task.

Importantly, the plethora of negative exchanges involving the local administrator has spawned the defensive exchange, a type of exchange not mentioned by any exchange theorists, but which is in keeping with the view of the local administrator in a perilous environment (taking action to help protect himself from its "dangers"). The defensive exchange involves the official’s use of substitute resources to assuage demands for policy resources, and the better he is at it, the better chance he has to avoid unwanted transfers. Another type of defensive exchange occurs when the administrator tries to promise the desired

50 Besides the transfer, another negative inducement which can be brought to bear against the administrator is the threat of making disclosures, whether true or not, to the Central Bureau of Investigation (CBI), so that it carries out an investigation into the administrator’s sources of income.
resources in the "near" future (a favoured time is at the beginning of the forthcoming financial year). As argued earlier, red tape may also be used defensively (to "buy time"). The defensive exchange is not confined to the block office, but is used in the Collectorate and by bankers as well. The defensive exchange gives the person with adequate resources but in a less powerful position than another, the chance to deflect the others' negative inducement before s/he employs it. (An agricultural labourer would be unable to engage in defensive exchange with an official or rich peasant. S/he does not have enough alternate resources to offer, should s/he be unable to provide the resource originally demanded.)

Dyadic-Network

One of the most crucial analytical distinctions to be made in exchange theory is between dyadic and network exchange. (Salisbury (1976), an economic anthropologist, argues that the most important distinction is between the individual and dyad.) As the name implies, dyadic exchange is between two parties (persons, groups, or organisations) while network exchange assumes that one person is part of many exchanges simultaneously (or nearly simultaneously) which are more or less interrelated and have an effect on any given exchange the person is involved in. (For an extensive treatment of dyads, see the articles, especially the introduction, by Lande in Schmidt et al., 1977.) Some theorists (Befu), working from dyadic exchange, have conceptualised groups as "chains of dyads" rather than as a network. Blau's (1964a: 31-32) basic exchange type at the micro-level of society is the dyad within the same opportunity structure, although he argues somewhat obliquely that the network approach to exchange is more useful than the dyadic, but then remains curiously focused on dyads). From an analysis of observations in Lalgudi and Thuraiyur, I conclude that while dyadic exchanges are much easier to observe and analyse, the concept of network exchanges gives a much better approximation of reality in the block.

Blau's discussion (1964a: 169-71) of advice-givers and recipients and diminishing marginal utility gives an indication of the drawback of the dyadic, single opportunity structure approach to exchange. Blau assumes there is diminishing marginal utility in a person always asking another for advice because he only looks at the two people in the one opportunity structure (he does say that change would occur with the addition of either more advice-givers of equal competence or more advice-receivers of equal incompetence). However, the advice-receiver is able to use the information in another situation in which he can display how much he knows—in a conversation with an official not in the group or with family and friends—and the additional status he perceives himself to have by appearing knowledgeable in another exchange may outweigh the cost to him of continually seeking advice from the same person(s) in the office.

The block administrator must, for practical reasons related to his own "survival," see his exchanges in network terms. When the BDO allots a building contract to contractor X, he cannot calculate the costs and benefits of this exchange in dyadic terms unless he wants to risk the dissatisfaction of those not involved in the exchange but who have an interest in the flow of resources resulting from it. The local official automatically thinks in network terms when he calculates whether X's pleasure will outweigh Y's displeasure, and whether Y's displeasure will be great enough for him to contact Z and A who are likely to be able to have the administrator transferred. Clearly, the block official must not end his network at the people with whom he directly exchanges resources, but rather extend it to include the most important (influential) people with whom they have contact. The skilled local official will have a keen sense of anticipation of the differences in levels of satisfaction caused from one exchange. To a large degree his

51 Some theorists, notably T. S. Lebra (1975), have employed a framework incorporating "triadic" exchange.
career security and advancement is based on his ability to anticipate the most likely levels of satisfaction of the most influential people in his environment.

The network exchange framework also helps to explain how exchanges with block officials and the same set of brokers are maintained over a long period of time. If one were to conceptualise block official-rich peasant exchange in dyadic terms, it would be difficult to see how, in the light of rapid administrative transfers, the exchanges could be maintained. However, transferable block officials are not all transferred at the same time, and clerical staff are seldom transferred. This means that as long as the rich peasant has established connections with two or three block officials, even low-placed ones, his chances are good that he will be able to maintain long-lasting and profitable exchange relations with the development administration.

Resource exchange should not be thought of as "comparative statics" (Heath, 1976a). I have presented a typology to show that the dynamics of exchanges which involve the local development administrators vary with both the policies and the traders. Moreover, the data in Chapters Four and Five show that the implementation process of a single policy, IRDP, may encompass a number of exchange types—direct and indirect, positive and negative, market-generalised; each of which have important implications for policy impact. Each type of exchange is a product of the dynamics of the relations between the policy resource exchange partners. When one can explain what type of exchange has occurred and why, the process of distributive policy implementation is also explained. Therefore, when we collate the types of exchanges which occur, with the independent variables of the local economic infrastructure, a picture of how policy resources reach which people emerges which is more complete than when conventional, management approaches are used.

6.6. Conclusion

Resource exchange, part of the social exchange approach, has long been associated with economic choice theory involving the individual's rational assessments of the costs and benefits available through his/her exchange relations. This starting point has led the majority of exchange theorists to focus on positive, dyadic exchange wherein people choose to exchange rewards, however unequally. This, however, provides at best an incomplete picture of human exchange. The local development administrator is involved in a network which includes almost as many negative exchanges as positive. He works in an opportunity structure which simply does not guarantee him adequate rewards. It is important to see the local administrator's actions (including his implementation of IRDP) not as freely chosen, nor as unpatterned or irrational but as responses to the pressures and demands which arise from his environment. Resource exchange's major advantage over conventional manager-oriented development policy and administration studies is that it does force the analyst to look at the local administrator within his political and socio-economic environment, and as a participant in it rather than an unbiased onlooker. When the official's close relation to his environment is clearly defined, it prevents us from analysing his exchange behaviour as an economist would; that is, as comprising the results of his internally-structured goal preferences.

The block official's insecurity is one of the root causes of his need to exchange policy resources—resource exchange, especially including defensive exchange, provides him with far greater insurance than if he were simply to follow the carefully laid out rules of policy implementation. Moreover, because of monetary requirements which spring from his work and familial opportunity structures, the administrator is undeniably interested in the pecuniary aspects of trades. While one can feel some sympathy for the
harried block development official, the repercussions of his policy resource exchange strategies for the poor are severe. It matters little that the policy he is implementing is named a "development program," a "poverty alleviation program," or a "landless employment guarantee program;" what does matter is that it makes a quantum of more or less valued resources available, and that the predominant pattern of resource exchange in the policy bazaar keeps resources effectively out of the hands of the poor. However, as also highlighted by the resource exchange approach, there is some room for intermediaries who refuse to trade beneficiaries' resources. At issue, then, is how to make this room larger.

The rich see the state's poverty alleviation policy resources as another set of resources which they can control for their own profit, and the local officials see the policy as another set of targets they must meet. New Delhi's or Madras' poverty alleviation policy rhetoric which claims that the poor are being provided with productive, income-generating assets and additional employment, ignores the process and outcomes of implementation at the grassroots of the state. It ignores the dominance of distributive policy implementation by resource exchange.
Chapter 7

Conclusion: Room for the Poor?

This study has demonstrated that local administrators allocate the resources of poverty alleviation policies through resource exchange strategies. I have discussed the Integrated Rural Development Program in terms of the block development administrators and their socio-economic and political environment, thus analysing the nexus between administrators, policy resources, and environment. The picture of local officials presented in the development management literature comprising the administrator, the formal organisation, the policy rules and the "target group" has less explanatory power (of policy implementation) than the view of the local administrator responding to a large number of conflicting demands (relating to the resources under his control) which arise from his environment. His attempts to meet those demands ultimately have a greater determining effect on the flow of policy resources than its design. The state cannot be an effective agent of rural poverty alleviation when local administrators are so closely linked with wealthy and influential socio-economic and political actors to whom they trade policy resources.

I have used IRDP as a tool to explore larger issues of development policy implementation in India, and will address some of those issues in this chapter. I summarise my observations and analyses of the Integrated Rural Development Program’s implementation and impact in Lalgudi and Thuraiyur Blocks, discuss the "development" administration, and examine the possibilities for the poor to improve their position in the policy resource benefits equation. When analysing development policy in terms of resource exchange, we must ask: how and when can we skew the terms of trade so that the appropriate people really benefit from the policies that are apparently designed for them?

7.1. IRDP: Summary and Future

The Integrated Rural Development Program in the villages of Tiruchi District bears little resemblance to the Integrated Rural Development Program in New Delhi’s administrative guidelines. The block development officials of necessity virtually ignore IRDP’s intricate policy design, and have moulded IRDP’s rules to fit their political and socio-economic environment. This has, in effect, benefited the rich peasantry. My findings showed that the majority of poor beneficiaries were losing money as a result of taking IRDP loans for milch animals. (Small farmer milch animal beneficiaries and beneficiaries in other areas of the program tend to do better.)

A significant feature of IRDP and, I would argue, of other rural poverty alleviation policies (excepting those with a substantial contracting component) is that the demands for their implementation largely arise within the block, primarily at the village-level. MLAs and other political people with effective connections and/or economic interests outside of the block, for example, do not generally try to exert influence over IRDP’s implementation directly, and the administrator’s disbursal of IRDP’s resources represents the outcome of demands and/or competition for them within the villages and the block.
The concentration of IRDP benefits (especially milch animals) in a few villages is the result of a limited number of rich peasants' (the block administrators' main trading partners) efforts to take control of them rather than the administrators disbursing the most benefits on a one-to-one basis to the poorest people of the block's poorest villages. In some cases the administrators themselves sought out contractors (especially from the ruling party) to take charge of a number of IRDP loans. The selection of beneficiaries within the village depends largely on the rich peasant-contractor who acts as a loan broker, and completes administrative tasks for the development officials. Those people who wanted assets besides milch animals tended to approach the Rural Welfare Officer individually, and had to pay fairly substantial bribes in the process of getting the subsidy.

The "one-to-one" requirement of IRDP's implementation is almost completely lost in the milch animal component, as block officials have allocated IRDP's resources predominantly through brokers—whether private milk vendors, parish priests, or milk society presidents—and to a lesser extent, intermediaries. The actual beneficiaries have had little to do with the local administration, except for paying bribes to the Rural Welfare and Animal Husbandry Officers. Nonetheless, senior administrators continue to make recommendations for changes to IRDP which are predicated on the "one-to-one" relationship between local officials and beneficiaries. This is, perhaps, of more questionable rationality than the grassroots official's refusal to adopt this time-consuming method of implementation.

Those who gain the most from IRDP do so through an accretion of policy resources, rather than through the use of a single policy resource (the subsidy). What this means, in effect, is that the milk society president is able to profit in various ways—from animal purchase to milk sales—at least until the beneficiaries have sold most of their animals (the one area where the milk society president has little control over the beneficiaries' assets). The beneficiaries do get money for milk sold, but we did not interview any genuinely poor beneficiaries who made enough money from milk sales both to repay the loan and pay for required feeds during their animals' first lactations. (This, along with long intercalving periods, encouraged the beneficiaries to sell the animals as soon as possible.) The cattle broker is able to make profits through sales and resales of IRDP milch animals. Rural Welfare and Animal Husbandry Officers make money through collecting bribes from beneficiaries. In short, IRDP offers far more opportunities to "middle men" than to poor beneficiaries to profit from the program's resources.

In the Seventh Plan document the authors write that IRDP is flawed and that it would be better to focus on the food for work programs, NREP and RLEGP. The chances of IRDP continuing with the same scale of funding beyond the Seventh Plan are limited. It has been heavily criticised in many quarters in India with, as mentioned, even the central planners finding fault with it. Because administrators are loath to cut existing policies, IRDP is likely to be incorporated with a new policy, perhaps following along the lines of the SFDA which was essentially incorporated with IRDP. Moreover, even were IRDP to be continued, the demands for its resources in the rural areas are likely to decrease as well.

Insofar as Tamil Nadu's block officials have successfully spent IRDP funds to date, it is because of the milch animal component. There are two important limitations, however, to the continued disbursal of large numbers of subsidised loans for milch animals and there is no other component, or combination of components, which can replace it. First, the much lower ceiling on the number of milch animals per block per annum means that no new large IRDP societies can be established, thus drastically reducing the number of "big men" (the administrators' most frequent trading partner) interested in gaining IRDP's resources beyond loans for their individual use. Second, most milk societies have a short lifespan. Many
deteriorate by the end of their second year of operation because of cattle sales, and if not because of cattle sales then because of internal disputes over the handling of society funds. When potential milk society presidents realise this, they will be less likely to want milch animal loans in the village because they see their potential for profit-making in both political and socio-economic terms as too limited for the effort required to operate a milk society.

Despite its severe limitations and likely demise, I would not recommend the abolition of IRDP. Not every IRDP resource comes under the control of the dominant peasantry. The poor have gained some access to IRDP's resources and occasionally made profits (although more often by selling the asset than by keeping it for the income it generates), especially when there is an intermediary in the village who does not try to exploit them. There are times when the poor do not gain control of policy resources and realise they are being denied their rights by the rich peasantry and/or the administrators. Importantly, one or two among their number may decide to take action, such as lodging protests with more senior officials. This may not necessarily result in senior administrators punishing the local officials, but the protest itself, however, is significant and may lead in future to a poor community's refusal to pay bribes to officials for the resources they are entitled to. This was already happening in a few, scattered villages I visited, through the same poor intermediaries who were responsible for bringing IRDP and other resources into the village.

7.2. Local Officials and 'Development' Administration

Development management analysts and senior administrators have generally conceived of development policy implementation as the local administrator's attempts to put a policy into effect as originally designed, and further that the differences from the design which inevitably occur during his implementation of it are the result of various failings in the local administrative office. Senior officials in India have tended to view "successful" implementation as the administrators' achievement of quantitative program targets, and local administrators end their involvement with the policy where effective implementation should really begin. That is, when the targets have been met and the resources have finally reached the villagers. Therefore, just as the policy reaches its point of impact, those who have taken control of the policy resources in the villages determine what that impact will be. In other words, the state's administrative machinery does not determine the shape of the program in the village, and the block officials have little interest in the beneficiaries' fates once the policy resources have been disbursed.

I chose to analyse the block officials' behaviour in terms of their political and socio-economic environment, and found that their actions are much more rational than ad hoc or irrational. In terms of IRDP, for example, the local administrators' implementation of it (and other policies) would be difficult to understand without knowing about the politicians' behaviour towards the block officials. Most of the politicians' demands do not relate directly to IRDP, but their demands on the administrator's time and resources cause him to exchange as many policy resources as possible in order to gain resources valuable to him (especially in his dealings with the politicians). The political configurations of the local administrator's environment will vary from block to block, but this is not problematic in using resource exchange, as it encourages the observer to take into account the particularities of the environment in his/her analyses.

Policy designers have not recognised (perhaps they do not wish to recognise) that if the implementing administrator is confronted with a policy such as IRDP, which has rules of implementation which "fit" poorly with his environment, he is most likely to adjust the rules to make them fit better. He is
especially likely to do this—in the context of the current development administrative structure in Tamil Nadu—in a way which helps him meet the program’s most important, most easily checked, targets. My observations, which agree with many others’, reveal an overemphasis on targeting in the state. The issue of targeting is outside the purview of resource exchange at the block level, but it is clear that the senior administrators’ adherence to quantitative target achievement places no hindrance on the local administrators’ exchange activities with the resource-wealthy in the block.

It is equally clear that suggestions to change administrative practices, whether at lower or higher levels of the organisation, are easier to make than to put into practice. Nonetheless, the reliance on quantitative targets should be curtailed in Tamil Nadu. This calls for reliable qualitative checking on what the administrators are doing with policy resources in the block. The current administration of poverty alleviation programs specifically includes monitoring of "performance," but seems to have been largely ineffective to date. For some programs (IRDP among them) targets should be limited (although not abolished), as should the local officials’ ability to meet targets in large groups (as the latter encourages the entrance of "middle men" in the policy bazaar). More stringent verification should be made in the villages themselves as to the destination and use of resources. The problematic aspect of this is the actual checking in the villages, as it would have to be done by a non-partisan group independent of the development administration (perhaps non-governmental organisations or National Survey Volunteers could report to a special officer in the Collectorate). My research in Lalgudi and Thuraiyur Blocks showed that, even with the "full co-operation" of block officials in providing program records, it was difficult and time-consuming to attain and go through the appropriate records and then follow this up with visits to villages and enough interviews to make an accurate assessment of the actual state of the program. In other words, effective qualitative checking is labour-intensive and requires that the person/group doing the verifying not be "co-optable" by either local politicians or officials.

Two other aspects of the development administration require changing in order to encourage the emergence (including the poor as transactors) of alternative forms of resource exchange. The first of these is obvious, but probably next to impossible to effect—removal of the politicians’ influence over the transfer. As long as an MLA can have BDOs and RWOs transferred for any perceived transgression, the latter will have to respond to particularistic demands from MLAs and their supporters; the officials currently have little reason to respond to the poor. A second change would be to remove family planning from the block administration, giving it instead to a Health and/or Social Welfare Ministry which could provide some sort of counseling and follow-up for women (as opposed to the RWO desperately offering increasing amounts of money at the end of the financial year to reluctant takers). This would give the RWO more time to spend with the poverty alleviation programs. I would suggest additionally that with this extra time, the RWOs be forced to establish small "offices" (a centrally-located hut would suffice) in each panchayat village of their group (the "offices" could be constructed under NREP or RLEG, and that they have regular (weekly), well-publicised, office hours during which any person of the village may see the RWO.

The concept of "implementation" has commonly been used in a way that conjures up images of normative administrative behaviour which neither do nor can hold true. In order to "implement" a distributive development policy so that its resources reach the "target group," an administrator should be somewhat removed or "protected" from his political and socio-economic environment so that he can be an impartial adherent to policy rules. The local official should not be receptive to requests and demands

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1This is, of course, an ideal, and even in Western bureaucracies, one finds officials who do not try to obey the rules of policy implementation. See Lipsky (1980) on "street-level bureaucracy."
from political people and vested interests in the rural areas, although the official in charge of rural poverty alleviation policy should be receptive to demands made on him by "the poor." However, the opposite holds truer; while senior administrators discuss "political interference" in policy implementation, the local administrator is closely involved with rural elites, from whose perspective, perhaps, the local administrator has too much "administrative interference."

"Development" administration, then, is a misnomer. The local "development" official, the Block Development Officer or the Rural Welfare Officer, is little more concerned with "development" than the revenue official who is directly concerned with "extraction" (in fact RWOs help in the collection of overdue land taxes). It is no surprise that rural people see the development bureaucracy as an extractive arm of the state as well, especially as RWOs try to raise money in the villages for items or events which are of little or no interest to the villagers, such as "smallsavings" and life insurance schemes, special ceremonies, etcetera. Many observers in Tamil Nadu also see the development administration as a "building and maintenance" administration and, according to most of my rural informants, a highly indifferent one at that.

There is an irony in the state's efforts to make the block development administration the centre of poverty alleviation. With the greater funds now available in the block, especially those for construction projects, the BDO is more the subject of political demands than when his office was primarily concerned with agricultural extension. In effect, he is even more inclined to exchange resources with rural elites to cope with the increased demands for the resources under his control, and the rural elites are more likely to make efforts to gain control of those resources. The irony, then, is that even those policy resources which are directly "targeted" at the poor, reach them primarily by "trickling through" the rural wealthy. Moreover, local political and economic institutions (panchayats and credit co-operatives, for example) which have the potential to give the poor a greater voice, are also dominated by the rich peasantry. The Panchayat President who, as a contractor, is able to take charge of projects, such as the construction of houses for Scheduled Castes or the digging of a well in a Scheduled Caste part of the village, is able to benefit both himself and some of the poor in his village. This, unfortunately, is about the best one can reasonably expect for the poor from the panchayats.

As long as the state relies on an administration whose local officials have close, mutually profitable relations with the landed elite, the state cannot, even if its leaders want to, be an effective agent of either rural poverty alleviation or equitable economic growth. The overt policy goals of the state are subverted by its own implementing arm, (although this is not to say a la Griffin that state leaders' possible covert goals are not achieved.) Over time the monetisation of the administrative and political system has occurred in the rural areas, such that resources, most often money, are required by those interested in acquiring administratively-controlled resources. In a system where resources are needed to gain policy resources to which one is actually entitled, the poor are grossly disadvantaged.

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2Rural banks are more effective than the development administration in ignoring politically based demands (overall, the bankers' task is easier than the block officials', as the former's main clientele is rural vested interests). Moreover, the bankers' job of increasing deposits and disbursing loans does not attract politicians' attention and the latter seldom have enough interest in the former to try to transfer bank officials, even if they ignore a supporter's special loan request. Additionally, bankers have better promotion chances which are not tied to political whim. All of these factors allow bank officials to adhere fairly closely to their narrowly defined banking norms (although banking corruption is considered a problem as well in India).
7.3. Room for the Poor?

Edward Clay and the late Bernard Schaffer (1984) entitled their edited volume on development policy, *Room for Manoeuvre*, and in it they make a plea for a style of policy analysis which does not leave policy makers and analysts with "escape hatches" which allow them to avoid recognising the implications of their own "prescriptions and diagnoses." In other words, they ask that we turn away from "mainstream policy analysis." I have tried to do that by using "resource exchange" to explain local officials' distribution of poverty alleviation policy resources.

It is clearly the responsibility of policy makers to design development policies which make it much more difficult than it is now for policy resources to be traded into the hands of the rich. However, with aggregate statistics which present rosy pictures of targets achieved, and the administrative policy makers' ignorance or misunderstanding of the local officials' political and socio-economic environment, policy designers are unlikely to make major changes to policies in such a way as to improve the poor's chances of gaining from them. If the policy makers will not make room for the poor, who will? The community participation literature of the late 1970s and early 1980s suggested that the poor would "create room" for themselves by assisting the local administrator to plan policies which help satisfy their "felt needs" (the assumption being that the administration would be both sympathetic and specially trained to respond to the "community," and that the state would provide resources adequate for the task). The community participation scenario is as unlikely as policy makers devising massive changes to existing development policies.

The block political and socio-economic environment examined in this study leads to the conclusion that state-led attempts to make room for the poor are unlikely to be successful. We are confronted with a bleak scenario which suggests few possibilities for positive change in distributive policy implementation. If we return to resource exchange, however, and the brokers and intermediaries it uncovers, there is, perhaps, a narrow opening for change in the form of the intermediaries. The suggestion to promote intermediaries to help the poor takes more cues from the local administrator's socio-economic and political environment than does community participation, and the poor intermediary is more likely to help his/her community than the panchayat council.

One cannot expect successful mass participation when that so directly opposes the very structure of administrator-dominant peasant relations. It poses a threat to the "well-adapted" administrator. Enhancing the role of the educated poor youth as an intermediary between his community (his own caste in the village) and the administration is a change which is more subtle and less likely to run into opposition than an attempt to organise community participation. Furthermore, if community participation is to be effective, it requires much more than an illiterate, almost wholly unorganised population differentiated by caste, and spatially farflung.

Development administrators could not be relied upon to seek out "potential intermediaries," and I would suggest that perhaps either existing voluntary action groups (keeping in mind that they are not ubiquitous in the rural areas) or a special ombudsman's office at block level could encourage educated youth to lobby the development officials in the district for policy resources. A voluntary action group, for example, could itself be an intermediary at first for a village's Scheduled Caste population, but in so doing should encourage a successor (or successors) in the form of an educated or committed poor youth (or woman) in the village. Moreover, the educated youth of one village may be able to contact, or even mobilise like-minded, similarly positioned people from neighbouring villages. As a group they could try
to lobby the Block Development Officer for resources for the poor of their villages (just as contractors co-operate to share contracts), and perhaps like their broker counterparts, offer to help the block official with other policies, the resources of which are more difficult for him to disburse. The Block Development Officer is not averse to disbursing resources to genuine representatives of the poor as that helps him meet his targets and, at times, win commendations from his superior officers (which also helps his career prospects).

I do not, however, hold out "intermediaries" as a panacea to cure development policy woes. The good that they can do will be severely limited by a number of factors. One of these, besides their own credibility in their community and the opposition which might arise from the economically dominant castes in the village, is how valuable the policy resources are. If intermediaries have been successful in gaining IRDP's resources, it is partly because the local administrators have had more demands from senior administrators to meet IRDP's targets than from rural influencers for IRDP's resources. In Lalgudi and Thuraiyur Blocks, I did not learn of any poor intermediaries, for example, who had taken charge of constructing National Rural Employment Program (NREP) projects because construction projects represent an important area of profit-making for the rich peasantry. Overall, the extent to which active intermediaries can become involved in resource exchange with administrators in a monetised political-administrative system is severely limited by their lack of monetary resources.

As the discussion in Chapter Six emphasised, two important resources the poor lack are education and information, especially about policies of which they are supposed to be the primary beneficiaries. While my impression was that greater education leads more people to seek employment in semi-urban and urban areas, and that they then have less interest in village affairs, there is still a "residue" of educated youth who do remain, perhaps forced to remain by unemployment, in the villages. The youth who has studied as far as the Secondary School Leaving Certificate (SSLC) has accomplished much, especially in light of the still widespread illiteracy in the villages of Tamil Nadu. As mentioned, 40% of Tiruchi District's rural population is literate, while less than one-third of the Scheduled Caste population is literate. This means that a far lower percentage of people would have completed high school, especially as high schools are generally located only in the blocks' largest towns. The educated Scheduled Caste youth will feel, quite rightly, that he has accomplished something of value, and will also feel capable of making demands of the development administration. Perhaps rather than further investments in subsidised credit, the government should make available more scholarships, especially for women, for the children of landless agricultural labourers (preferably for Scheduled Castes).

An important first step for the poor to gain policy resources on favourable terms is for them to have the appropriate policy information; one cannot even enter the policy bazaar if one does not know of its existence. As the development administration tends not to be a reliable source of information for the poor, I would suggest that policy information be provided in panchayat villages on posters (with details on policy eligibility criteria, availability, etcetera) to be placed at the very least in a public place frequented by Scheduled Caste people (perhaps near a well or temple they use). There are always enough people who can read who would be able to relate the information to others. When people have accurate information the less easy it is to cheat them, and the easier for an intermediary to take effective action on their behalf. The posters should be put up at the beginning of the financial year (as soon as funding availability is known in the block). If these posters were combined with RWO office hours in the village, the poor would have a greater chance to make demands of him for poverty alleviation policy resources. Perhaps college or high school students could be made to volunteer their services to put up the posters every year.
One of the findings highlighted by the resource exchange approach is the prominence of negative exchange in the local administrator’s set of exchanges, and its effectiveness in eliciting desired actions from him (when the negative inducement is an unwanted transfer). Another suggestion I have, then, to increase the poor’s access to policy resources is to vest in them some say in transfers, if not of BDOs, then RWOs. This is something that would have to be done by a group of intermediaries (organised on an RWO panchayat group basis) acting to advise the Collector or an ombudsperson. It is, perhaps, a drastic measure, but in light of the current exchange network in the block it may be one of the few ways to encourage block officials to be more responsive to the poor. Unfortunately, it would have the effect of increasing the officials’ insecurity/vulnerability in the block, but insofar as the block officer has been a victim of negative exchanges, he too, has victimised those with fewer resources than himself. If the poor cannot use money to equalise the terms of trade, they must gain access to other resources.

The force of history is against the poor benefiting substantially from state-led attempts to effect rural development. Since the 1950s development administrators have traded policy resources into the hands of the rich peasantry in return for cash and/or future considerations. Over thirty years of administrative and political profit-making through policy resource exchange will not be easily changed. The central government’s shifting of policy directions from community development to Green Revolution strategies to integrated rural development does not alter the fact that additional resources which the rich can easily capture, indeed are often asked to take, are made available in the resource-scarce rural areas, nor does it alter the other aspects of the local administrator’s environment which lead him to disburse the resources to whomever can reciprocate with valuable resources.

I have argued that even if the poor do gain access to and control of policy resources, it does not necessarily mean that they will be able to profit by them. But if they can gain the resources it affords them the opportunity, even if small, to do something with them. If IRDP has given an agricultural labourer a chance to have Rs 1000 from selling his/her cow, it does not represent a profit, but at least s/he has gained access to cash s/he would not have otherwise had. Realistically, the odds are stacked against the poor making many socio-economic gains in India, but I have used a contextual analysis of the Integrated Rural Development Program to suggest how the poor, through intermediaries, might convince resource exchanging administrators to exchange more resources with them, thus giving them a larger share of available policy resources.
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Much of the material gathered from interviews, especially with officials, is of a sensitive or controversial nature. Many people asked that their complete anonymity be guaranteed, and I therefore do not provide a list of respondents here.

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Appendix A

Two Development Officials’ Job Charts

The Rural Welfare Officer

The Rural Welfare Officers are the grassroot level workers in rural development. They constitute the cutting edge of the Rural Development Department. They have been provided with sufficient pre-service training to work in rural areas. Hitherto the Rural Welfare Officers were being [sic] attending to work connected with Development of Agriculture and allied activities. Recently Government have reorganised the Agricultural Extension set up under a new system known as "Training and Visit System" and agriculture extension work has been taken away from the purview of Block Administration and therefore Rural Welfare Officers are not attending to Agricultural Extension work now. In G.O.Ms. No. 825, RD & LA Dept., dt. 7-6-82, Government have appointed the Rural Welfare Officers as Group Executive Officers of Village panchayats [in the absence of of elected village panchayat councils]. With this the Rural Welfare Officers become responsible for the proper maintenance of all assets in the villages like buildings, hand pumps, power pumps, etc. Many new schemes have been taken up by the Government recently and the Rural Welfare Officers are associated with the implementation of these new schemes such as IRDP, NREP, Massive Programme, Rural Landless Employment Guarantee Programme, one job for one family, Low-cost Sanitation, Bio-gas, Chulah [wood stove] Programme, etc. Hence there is a need to revise the job chart so as to cover all the duties now entrusted to the Rural Welfare Officers. In terms of priorities the first and foremost item entrusted to the Rural Welfare Officer is IRDP and his maximum effort should be on this programme.

1. The Rural Welfare Officers will be responsible for maintaining village-wise and habitation-wise basic statistics in the prescribed registers . . .

2i. Under IRDP he will be responsible for gathering baseline data required for implementation of the programme. He will be personally responsible for selecting the beneficiaries by undertaking household surveys. He will be personally accountable for any wrong selection. He will be responsible for taking follow-up action for a continuous period of at least three years so that the selected family crosses the poverty line.

   ii. He will be responsible for collection of loan applications from the selected applicants under IRDP approved by the Block Development Officer. He is responsible for ensuring that these applications are sent to the Block Development Officer and forwarded by the Block Development Officer to banks.

   iii. He will be responsible for 100% physical verification of the assets created under IRDP every month.

   iv. He will also report death or loss of IRDP animals to the Block Development Officer and arrange for claiming of Insurance coverage and purchase of substitute animal with insurance amount.

   v. He will assist the Bankers to realise the loan amount from the beneficiaries.

   vi. He will intimate immediately any case of misutilisation to the Block Development Officer in writing. He will also assist the Block Development Officer in setting right such cases.

1From a circular issued by the Director of Rural Development, no date but probably 1983.
3. Under Massive Programme he will be responsible to collect the loan applications under Minor Irrigation and Land Development Programme, forward them through the Panchayat Union Commissioner (BDO) to the bank and follow up till the sanction and utilisation of the loan amount. His role will be similar to that under IRDP.

4. He will be responsible for preparing the details of works to be taken up at village level and send the same to the Block Development Officer for inclusion. He will monitor the programme of these works and also their maintenance. Wherever he is entrusted with execution of works he should maintain rice stock account and cash registers.

5. The Rural Welfare Officers will be responsible for the construction of Group Housing Scheme under Rural Landless Employment Guarantee Programme as in the case of NREP when directed by the Block Development Officer.

6. He will be responsible for promoting Small Savings in his jurisdiction.

7. He will be responsible for promoting Family Welfare Programme and motivate the cases as specified by the Block Development Officer.

8. The Rural Welfare Officers will be responsible for the implementation of the programme relating to prevention of starvation deaths.

9i. He will be responsible for the development of alternative source of energy under the National Bio-gas Programme. The Rural Welfare Officers will be responsible for canvassing applications from prospective beneficiaries and arranging for their [bio-gas plants'] construction and payment of subsidy loan. He will also be in charge of proper functioning of Bio-gas plants.

ii. He shall be in charge of implementation of Chulah programme.

10. He will be responsible for village conservancy and sanitation. He will be responsible for the implementation of the low-cost sanitation programme.

11. [Section 11-15 were in force until the panchayat elections were conducted at the end of February, 1986.] The Rural Welfare Officers will work as Group Executive Officers in the Village Panchayats coming under his jurisdiction and attend to the following items of work enumerated in G.O.Ms. No. 825, RD & LA., dt. 7-6-82.

a. The Group Executive Officer shall have authority to supervise the work of village panchayat staff such as panchayat clerks, etc.

b. He will be responsible for proper assessment of taxes and other dues to the panchayats in his jurisdiction.

c. To attend to the works of augmenting the financial resources of panchayats with regard to various items of receipts as enumerated in Section 137 of the Tamil Nadu Panchayats Act, 1958.

d. To assist the Presidents of Panchayats (now Special Officers) in maintaining proper accounts.

e. To have a quarterly verification of accounts and to submit reports to Extension Officer (Panchayats) who is the inspecting and supervising officer of village panchayats.

f. Assisting the President (now Special Officer) in conducting the panchayat meetings.

12. He will arrange to prepare and submit the panchayat budget on the due date.

13. He will ensure street lights of village are in good condition.

14. He will ensure drinking water facilities including maintenance of hand pumps as well as power pumps in his jurisdiction.

15. He will see that the sanitary conditions are kept satisfactorily.

16. He will attend to all items of work which are entrusted to him by his superior officers from time to time.

17. The Rural Welfare Officers will provide assistance to the Extension Officer (Adi Dravidar Welfare)
in the implementation of Special Component Plan for Adi Dravidars and also attend to schemes relating to Adi Dravidar welfare.

18. He will be responsible for organising and strengthening co-operative institutions in his jurisdiction.

19. He will be assisting the Block Development Officer in running of the Chief Minister's Nutritious Noon Meal Programme.

20. The Rural Welfare Officers will be responsible for proper maintenance of ponds in the Village panchayats. He will also be responsible for the proper upkeep of panchayat vested lands and also the trees in such lands.

21. He will maintain all registers as prescribed below and put up for check to Block Development Officer once in a month.

22. He will remain in his group headquarters on the mornings of Mondays, Wednesdays and Fridays and be available for the public, to hear their representations.

The Block Development Officer/Panchayat Union Commissioner

1. The BDO is primarily a development officer for the Block. At the same time functioning as an Executive Authority of the Panchayat Union Council.

2. He shall be the head of the Panchayat Union Office and in charge of the entire office administration.

3. He shall supervise the work of clerical as well as executive staff.

4. He shall be responsible for execution of all works programmes undertaken under different development schemes in the block, viz., Village Works Programme, NREP, RLEG, TAR, DANIDA Assisted Programmes etc.

5. He shall be responsible for proper maintenance of Panchayat Union roads, school buildings and all Panchayat Union assets.

6. He shall be responsible for proper maintenance of Minor Irrigation Tanks entrusted to the Panchayat Unions under five-year cycle system.

7. He shall motivate people to undertake Kudimaramath [co-operative maintenance work of irrigation channels feeding village lands] work in irrigation schemes.

8. He is the pivotal officer in propagating and publicising all of the state's and centrally sponsored schemes.

9. He is primarily responsible for ensuring adequate drinking water supply in the block area.

10. He shall be responsible for maintenance of hand-pumps and power pumps.

11. He shall take suitable immediate remedial measures at times of natural calamities like drought, cyclone and floods.

12. He shall be responsible for proper burning of street lights in Panchayat areas.

13. He shall successfully implement the Chief Minister's Nutritious Noon Meal Programme in the block.

14. Anti-poverty programmes, viz., IRDP and Massive Programmes will receive his personal attention.

15. He shall prepare annual plans, select beneficiaries, obtain and process loan applications for providing adequate package of schemes to the poorest among the poor for lifting them above the poverty line.

16. He shall be personally responsible for successful implementation of TRYSEM.

17. He shall select suitable candidates, arrange for their training and loan assistance and take adequate follow-up actions. [Uncertain as to which program this is.]

18. He shall be responsible for educating rural folk in Bio-gas and Chulahs and arrange for successful installation of plants in rural areas.
19. All Social Welfare Programmes for the benefit of Adi Dravidas and Tribals will receive his personal attention.

20. He will work in liaison with THADCO for implementing various schemes undertaken by them.

21. Construction of public latrines, latrines under Low Cost Sanitation Scheme and all Public Health matters involving sanitary conditions will be one of his duties.

22. He shall be the officer in charge of giving assistance for funeral rights for Adi Dravidas.

23. He shall be in charge of prevention of starvation deaths.

24. Tree-planting and Social Forestry will be implemented by the BDO under his direct supervision.

25. He shall be in charge of prevention and control of epidemics.

26. He shall be the Chief Officer implementing Rural Housing Scheme benefiting the poor, especially the SCs and STs.

27. He shall motivate people to undertake family welfare measures and make them to undergo sterilisations and IUDs.

28. He shall take steps to make people small savings minded and take active steps to enroll them under various small savings schemes.

29. He shall be in charge of Social Education Schemes and shall be responsible in utilising social education grants.

30. He shall arrange for proper maintenance of Community Radio Sets and TV sets.

31. He shall be in charge of Fisheries Development in the block.

32. He shall help in organising cooperative Societies for the welfare of rural people.

33. He shall activise voluntary organisations in undertaking social and welfare activities.

34. He shall assist in propagation of Khadi and Village Industries.

35. He shall organise free medical camps, viz., Eye Camps, assistance for deaf and dumb people and mass immunisation, etc.

36. He shall assist in Bhoodan work.

37. He shall take active part in social welfare activities of Government like distribution of free books to widows' children, orphans, re-marriage of widows, distribution of dhoties and saris to orphans and destitutes.

38. He shall help in starting of new small scale industries in his area.

39. He shall be responsible for provision of all basic amenities in villages.

40. As a Panchayat Union Commissioner he shall be the executive authority of the Panchayat Union Council.

41. He shall regulate Dangerous and Offensive Trades and be in charge of issue of licences in village panchayats.

42. He shall be responsible for the maintenance of all local fund accounts.

43. He shall start Remunerative Enterprises in villages so as to augment the resources of panchayats and panchayat unions.

44. In the absence of elected bodies in Village Panchayat he shall be the Special Officer for the Village Panchayats in his block area.
45. He is primarily responsible for regulation of buildings with reference to acts and rules issued from time to time.

46. He shall function as a member of all the committees of the panchayat union council.

47. He shall be responsible for implementing the resolutions of the Panchayat Union Councils.

48. He shall be responsible for proper monitoring of all schemes implemented in the block at frequent intervals.

49. He will act as Panchayat electoral registration officer in respect of the panchayat union area.

50. He shall arrange to celebrate National Days in his jurisdiction.

51. He shall be in liaison with all departments or district officers of various departments for the systematic development of his block.
Appendix B

The Integrated Rural Development Program and the National Rural Employment Program:
A Concise List of Malpractices

**IRDP**

*By the Administration*

1. Bribes to Rural Welfare Officers for IRDP application forms (Rs 5; only Rs 2 if forms procured from private press).

2. Bribe to RWO for his acceptance of completed application (at least Rs 25; much higher when loan is for expensive item such as tyre cart).

3. Bribe to Animal Husbandry Officer (Rs 25-50) for putting requisite tag on animal’s ear.

4. Bribe to Village Administrative Officer (village revenue official) for landholding certificates.

5. Village household economic surveys not done (supposed to be done to determine actual numbers below poverty line).

6. Lists of potential beneficiaries made up by potential milk society president and others in village rather than by RWO. Frequently, people whose names don’t appear on this list at all get loans.

7. Economic status of beneficiaries knowingly falsified for records.

8. Administrators’ relatives getting loans.

9. Administrators pay no attention to “Antyodaya” approach, so loans go to any village where there are brokers, rather than to poorest villages in block.

10. "Deals" made with bankers to have subsidies credited by end of financial year, but beneficiaries do not get assets until well into new financial year.

*By the Milk Society President*

1. No open society accounts kept. Beneficiaries remain ignorant of progress of loan repayment.

2. Low price for milk given to beneficiaries.

3. Cheating of beneficiaries in milk measurement (ie., recording milk in beneficiaries’ account of 1 litre, but actual amount milked 1.1 litres).

4. Delays in loan repayments to banks (meaning beneficiaries have to pay higher interest).

5. At inception of society demands made for large amounts of money from beneficiaries. Some may be for bribes for officials. Some is a bribe to the milk society president for the "privilege" of being a member of his society.

6. President purchases cattle feeds/medicines at low prices. Sells at high price to beneficiaries.

7. President keeps some milk for lucrative private sales. Pockets money from these.

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1Sins of Omission, Sins of Commission
8. Watering of milk for both private sales and for co-operative sales, so get paid more money for milk than actually procured from members. (Co-operative milk federation tests fat content of milk, so there is a limit as to how much water may be added to milk which is going to the federation. However, buffalo milk has a much higher fat content than cow milk, thus allowing more water to be added.)

9. President does not pay money back to banks (outright fraud and theft).

10. President forces beneficiaries to purchase animals through certain cattle brokers or at certain markets (president may get commission for this).

11. President gets profits through sale of dung which has accumulated at milking yard.

12. President does not give beneficiaries adequate income from monthly milk sales (ie., he should give them at least two-thirds of the money from the sales of milk, but seldom does).

13. Uses society money to give loans to members. May keep interest payments for own profit.

14. Scheduled Caste people’s animals always milked last.

By Beneficiaries
1. Non-repayment of loan, especially if there has been sale of milch animal before loan is repaid.

2. Person gets subsidised loan, but either does not purchase asset at all, or gets one very much less than value of loan (but pretends otherwise, and/or gets receipts which state otherwise). Especially common for non-milch animal part of program.

3. *Benami* name loans. A.) A family gets a loan through using wife’s name (because little or no land in her name).

4. *Benami* name loans. B.) A landowner gets a loan by using an agricultural labourer’s name, and having that labourer go to the bank in his stead.

Collusive Corruption
1. Beneficiary pays full loan amount for milch animal, but the animal is worth significantly less than this. The difference between the animal’s actual value and the amount paid is shared among the cattle seller and broker, the Animal Husbandry Officer, and probably the milk society president. The beneficiary is told that his "share" is the subsidy.

**NREP: Common Wrongdoings**

1. Administration gives projects to contractors to do.

2. Administration gives contractor less than required grain, less than required cement--these items sold on open market.

3. Sub-contractors pay women less than men.

4. Sub-contractors falsify employee records, so it looks like far more people worked on project.

5. Sub-contractors use regular construction gang coolies, rather than hiring needy, unemployed agricultural labourers.

6. Projects constructed at time to suit sub-contractor, rather than during agricultural lean season, when supposed to be constructed (to be of maximum help to unemployed agricultural labourers).

7. Administrators use inflated estimates of project worth, then share excess amount with sub-contractors.

8. Sub-contractors use inadequate amounts of low quality materials, meaning that construction will not last long.

9. Sub-contractors hire skilled labour for some jobs, meaning that one person would get equivalent of three "man-days" worth of wages per day.

10. Sub-contractors pay people entirely in cash, sending inferior quality grain to mills for repolishing, then selling grain on open market.

11. Sub-contractors, in turn, sub-contract.
12. Panchayat Presidents are allowed, under NREP rules, to do projects, but do sub-contracting.

13. Works do not get completed.