



## Rural Development in India and China : A Comparative Perspective

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As India lives in villages so the importance of rural development assumes principal focus from the very beginning. In the process the structure and the functions inherent in rural development have undergone both quantitative and qualitative changes so much so that both the terms 'Rural' and 'Development' need redefinition. What was 'rural' traditionally is not 'rural' today nor also the concept of development which has undergone a qualitative change from State-Centric to People-Centric (civil society perspective). Besides, the new waves of liberalization, privatization and globalization have effected changes in the dynamics of rural development. Thus, it requires a holistic approach. The paper attempts to present comparative analyses of rural development in India and China.

Viewed theoretically, rural development is elastic and a dynamic concept. The bottom line refers to a broad consensus putting more emphasis on those rural development activities which mainly concern the rural areas. Rural Development thus encompasses both the spatial and functional integration of all relevant programmes bearing on increased agricultural production and also the reduction of unemployment, underemployment and provisions of gainful employment among the rural people.<sup>1</sup> The term 'rural' means an area which is

characterized by non-urban style of life, occupational structure, social organization, and settlement pattern. The Ashridge Conference on 'Social Development' defined rural development as a movement designed to promote better living for all in the whole community, with the active participation and initiative of the community.<sup>2</sup> Further, more comprehensively, 'rural development connotes the process by which the efforts of the people themselves are united to those of governmental authorities to improve the economic, social and cultural conditions in the life of the nation and to relate them to contribute fully to national programme.<sup>3</sup>

Thus the rural development is a multi-dimensional process which includes the development of socio-economic conditions of the people living in the rural areas, and ensures their participation in the process of development for maximum utilization of physical and human resources for better living condition with an ultimate objective of improving quality of life in the rural areas.

Broadly the strategy and approaches can be grouped under following categories as:

- (i) The Multipurpose approach – For example The Community Development Programme, 1952;



- (ii) The Minimum Package Approach – For example Intensive Agricultural district Programme 1960-61;
- (iii) Target Group Approach – For example Small farmers/marginal farmers and landless labourers/SFDA/MFLA etc. and Antyodaya Scheme etc.
- (iv) Area Development Approach – For example DPAP, TDP, CAD, Hill Area Development etc.
- (v) The Spatial Planning Approach – For example Multi-level planning.
- (vi) Integrated Rural Development Approach. It is otherwise a combination of the four types of activities i.e. increased production in agriculture and allied sectors, the tertiary sector, village and cottage handicrafts and tiny industries and labour mobilization; and
- (vii) National Rural Employment Guarantee Approach – It aims at combating unemployment and poverty with legal guarantee. It is a demand driven approach.

At present the prime concern of any policy, scheme/programme for a just social order sought to be to generate employment that is to absorb at least the new additions to the adult population, and where there is a substantial backlog of unemployment and underemployment, to absorb that as well.

The major source of injustice today is to be found not so much in a condition of general scarcity as in the fact of the diminishing marginal utility of men and women, in the fact that millions of people find themselves idle and useless, often in their prime. This is the greatest challenge which needs to be addressed urgently.<sup>4</sup>

### **Distinct features of the National Rural Employment Guarantee Scheme -**

With a view to combating rural unemployment and poverty the Union Finance Minister P. Chidambaram announced Rs.14,300 crore for rural employment.<sup>5</sup> Of this Rs.11,300 crore (including the North Eastern Region component) will be utilized under the National Rural Employment Guarantee (NREG) Scheme which is redesignated as Mahatma Gandhi NREG Act in 2009 (MGNREGA) and Rs.3,000 crore is to be spent on the Sampoorna Grameen Rozgar Yojana (SGRY).

A massive allocation of the funds – to the tune of Rs.3825.73 crore – is proposed for the Panchayati Raj Ministry. The Rs.3750 crore- fund has been initiated for putting in place programmes and policies with the joint efforts of the centre and the states that would remove barriers to growth and accelerate the development process. Presenting the budget estimates for 2006-07 in Parliament, Mr. Chidambaram said since there was a legal guarantee of employment under the MGNREG Act, more funds would be provided as required.

There has been no allocation for National Food for Work Programme as the scheme has been merged with the MGNREGA scheme. From February 2, 2006, Government of Odisha has been implementing the scheme covering 19 districts and at present, almost all districts are covered under the scheme.

### **Features**

The National Rural Employment Guarantee Act, 2005 of Parliament received the assent of the President on 5<sup>th</sup> September, 2005. The Act provides for the enhancement of livelihood security of the households in the rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose



adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto.

If an applicant for employment under the scheme is not provided such employment within 15 days of receipt of his application seeking employment or from the date on which the employment has been sought in case of an advance application whichever is latter, he shall be entitled to a daily unemployment allowance subject to such terms and conditions of eligibility as may be prescribed by the State Government and subject to the provisions of this Act and the schemes and the economic capacity of the State Government, the unemployment allowance payable under sub section (1) shall be paid to the applicants of a household subject to the entitlement of the household as such rate as may be specified by the State Government, by notification, in consultation with the State Council.

Provided that no such rate shall be less than one fourth of the wage rate for the first 30 days during the financial year and not less than one half of the wage rate for the remaining period of the financial year.

Regarding implementing and monitoring authorities, it provides that not less than one third of the non-official members nominated under this clause shall be women. It also provides that not less than one-third of the non-official members shall be belonging to the SCs, the STs, the other Backward Classes and Minorities.

For the purpose of regular monitoring and reviewing the implementation of the Act at the State level, every State Government shall constitute a State Council to be known as the State Employment Guarantee Council with a Chairperson and such number of official members as may be determined by the State Government from Panchayati Raj institutions, organizations of workers and disadvantaged groups.

The Panchayats at district, intermediate and village levels shall be the principal authorities for planning and implementation of the schemes. It has to finalize and approve block-wise projects to be taken up under a programme under a scheme and to supervise and monitor the projects taken up at the Block level and district level.

The functions of the panchayat at intermediate level shall be –

- (a) to approve the Block level plan for forwarding it to the district panchayat at the district level for final approval;
- (b) to supervise and monitor the projects taken up at the Gram Panchayat and Block level; and
- (c) to carry out such other functions as may be assigned to it by the State Council, from time to time.

#### **16(1) Responsibility of the Gram Panchayats**

The G.P. shall be responsible for identification of the projects in the G.P. area to be taken up under a scheme as per the recommendations of the Gram Sabha and the Ward Sabhas and for executing and supervising such works.

- (2) A Gram Panchayat may take up any project under a scheme within the area of the Gram Panchayat as may be sanctioned by the Programme Officer.
- (3) Every Gram Panchayat shall, after considering the recommendations of the Gram Sabha and the Ward Sabhas, prepare a development plan and maintain a shelf of possible works to be taken up under the scheme as and when demand for work arises.
- (4) The Gram Panchayat shall forward its proposals for the development projects including the order of priority between different works to the Programme Officer for scrutiny and preliminary approval prior



to the commencement of the year in which it is proposed to be executed.

- (5) The Programme Officer shall allot at least 50% of the works in terms of its cost under scheme to be implemented through the Gram Panchayats.
- (6) The Programme Officer shall supply each Gram Panchayat with –
  - (a) the muster rolls for the works sanctioned to be executed by it; and
  - (b) a list of employment opportunities available elsewhere to the residents of the Gram Panchayat.
- (7) The Gram Panchayat shall allocate employment opportunities among the applicants and ask them to report for work.
- (8) The works taken up by a Gram Panchayat under a scheme shall meet the required technical standards and measurements.

#### **Social Audit of work by Gram Sabha**

- 17(1) The Gram Sabha shall monitor the execution of works within the Gram Panchayat.
- (2) The Gram Sabha shall conduct regular social audits of all projects under the scheme taken up within the Gram Panchayat.
- (3) The Gram Panchayat shall make available all relevant documents including muster rolls, bills, vouchers, measurement books, copies of sanction orders and other connected books of accounts and papers to the Gram Sabha for the purpose of conducting the social audit.

There is also a grievance redressal mechanism.

#### **Comparison with the China's New Rural Policy**

It would be noteworthy to make a comparison between the two as our Hon'ble

Prime Minister Dr. Manmohan Singh suggested to emulate the Chinese system.

The Chinese Government in February, 2006 announced an ambitious new rural policy that focuses less on indiscriminate growth and more on redistribution of resources and balancing of incomes. The message is "back to the villages".<sup>6</sup>

The inequalities that have resulted from this economic metamorphosis are increasing. Following mass protests in the countryside in the face of corruption and poverty in recent years, the New Rural Policy attempts to give fresh direction to China's economic policies. The creation of the "New Socialist Countryside" is beefed up government spending on basic education and medical care, additional subsidies for farmers, and large injections of funding in rural infrastructure projects. This rural initiative is to be the centre-piece of the new five-year plan for 2006-2010. China's president Hu Jintao and Premier Wen Jiabao have repeatedly stated that their administration's top priority is to tackle the rich-poor gap, symbolized by the rural-urban divide.

China's 800 million odd peasants comprise 70 per cent of the country's total population but with an average annual income of \$400 (a third of average urban incomes) they make up only around 40 per cent of domestic consumption.

The gap is exacerbated when factoring in health care and other social benefits provided to many urban residents but lacking in the countryside.

There were escalations in the number of peasant protests. According to the Ministry of Public Security, in 2005 there were a total of 87,000 mass protests across the country, expressing public anger against official corruption, illegal land seizures and unpaid wages and pensions.



Many of the efforts outlined in the new rural plan have in fact already been experimented within pilot projects. Notable among the various schemes aimed at improving the lot of farmers is the abolishing of the hundreds of years old agricultural tax from January, 2006. In December 2005, the National People's Congress (NPC) provisionally approved an additional budget of 100 billion Yuan (\$ 12.5 billion) a year to rural areas.

In China, the Govt.'s share in national health spending has plunged from close to 100 per cent in the heyday of the communist revolution to about 15 per cent today. Big cities in China consume 80 per cent of the country's medical resources although only a third of the Chinese population lives there. In 2000, the World Health Organisation ranked China 144<sup>th</sup> amongst 191 countries on the basis of fairness of access to health care. Even India ranked ahead.

China's new policy also promises that by 2007 rural students will no longer have to pay for textbooks. Students from poorer families will receive boarding and transport subsidies. Proposals to hike the remuneration for teachers in rural areas are in the process of being considered, as is a plan to make it compulsory for teachers from cities to work for part of the year in the countryside.

### **Critical Lacuna**

- (1) The New Economic Policy leaves unresolved the fundamental issue of where farmers will be allowed to buy and sell land.
- (2) Under the Chinese Constitution, farm land is held collectively by the villages, so that individual farmers who have leases are easily exploited by local officials who claim the land for development projects. Farmers are usually given woefully inadequate compensation in return.

- (3) Moreover, the internal migration for rural residents to China's bigger cities remains restricted, narrowing their options and ability to climb out of poverty.
- (4) China's gini index – a commonly used statistical measure of inequality talks – of 44.7 is worse even than that of India's 32.5, (As per to the UNDP's 2005 Human Development Report).

In this connection our Prime Minister Dr. Manmohan Singh has suggested creation of rural business hubs of the lines on the Chinese model.

### **Lessons for India from China<sup>7</sup>**

Indeed it is natural to judge Indian successes and failures in comparative terms with China. Some of these comparisons have been academic and scholarly, even distant. Others have been used to precipitate particular political debates in India, with considerable practical impact – in some cases linked to specific revolutionary causes (particularly in giving shape to Maoist Political Parties). Even non-revolutionary parties of the 'left', which are well integrated in India's parliamentary system of governance, have paid sustained attention to the perceived economic and social achievements of China-looking for lessons and guidance on how to make things more faster in India. It is possible to admire China's various achievements and to learn from them, without emulating its non-democratic features.

First- There is the important demonstration of the possibility of bringing market forces to bear on the pursuit of economic development and the elimination of mass deprivation. People moved by the intensity of poverty in India often remain sceptical of what the market mechanism can do. The reason being that market mechanism on its own may not take us very far in eliminating deprivation in India, if



liberalization goes hand in hand with a continued neglect of other conditions of social progress.

Second, China's experience also brings out the complementarities between two essential bases of expansion of social opportunity, namely (1) Supportive public intervention, especially in fields such as education, health care, social security and land reforms, and (2) the market mechanism-an essential part of effective trade and production arrangement.

Third, China's liberalization programme has certain pragmatic features. The market mechanism has been used in China to create additional channels of social and economic opportunities, without attempting to rely on the market itself as a surrogate social system on its own. There has been no breathless attempt at privatization of state enterprises, and no abdication of governance; instead the focus has been on opening up new possibilities for the private sector together with reforming management practices in collectively owned enterprises.

Similarly, in carrying out the rural reforms (based on a new stress on household responsibility), land has been kept under collective ownership with each adult person in a village – male or female being entitled to cultivate a given amount of land. It is worth mentioning that this land tenure system also has the positive feature of being gender-symmetric, in the sense that adult women and men have similar entitlements. This contrasts sharply with land rights in India, which are overwhelmingly patrilineal. This is a major source of gender inequality and female disadvantage in India. This has largely prevented the emergence of a class of dispossessed landless households, and has provided some protection against destitution to the rural population. This combination of collective ownership and individual use rights has been a special feature of Chinese economic reform from which India has to learn a great deal.<sup>8</sup>

Fourth, India has much to learn from China in the fields of economic and social policy. Like China, India should have a strong political commitment of its leadership (irrespective of regime change) to eliminate poverty and deprivation. There should be no ad hocism in economic and social policy on partisan line.

A critical examination of MGNREGA reveals some deficiencies which need to be addressed.

1. While the Act guarantees jobs to a family, actually, it should have addressed the individual as the beneficiary. In rural India, where large joint families continue to be the norm, confining jobs to just one member was unfair and would lead to misunderstanding and conflict within the household.
2. Perhaps some of the poor states are not in a position to provide 10 per cent at the cost envisaged in the Act.
3. Again job guarantee for some days may not be adequate to eradicate poverty.

However, the MGNREG Act is a step in the right direction. This is a historic step not only providing legal guarantee for employment in the rural areas having both educated and illiterate unemployed but also can effectively prevent exodus from the villages to the cities. The poor states among the Indian Union will surely benefit more from the present scheme in avoiding hunger deaths. As a result the implementation of the scheme may not bring uniform acceptance and result in all states. But certainly it will help improve the poor states. Regional disparities constitute a crucial and visible-dimension of social injustice. Most of the favoured regions are those with large urban centres. The details of the Act should be informed to the people of rural areas and to this effect an awareness campaign is undertaken both by Governmental and NGOs.



Due care is to be taken in the identification of beneficiaries without any bias and partisan spirit. The people who need help should only be served. It is equally fallacious to classify the people on racial and ethnic groups to classify them as forward and backward. There are backwards within forwards and forwards within backwards.

The works/projects to be undertaken should be identified with due consideration having community interest in mind. The implementation of the scheme has already shown wide acceptance among the underdeveloped regions of rural India willing to do manual work to overcome poverty and hunger deaths in the face of massive unemployment and underemployment. In case of Odisha, almost all districts have been covered under the scheme. As Odisha is a rich land but poor people, there exists abject poverty leading to hunger deaths. The causes of poverty are partly natural disaster, partly geographic and partly man-made.

Further the successful implementation of the scheme will surely bring a change in the normative cultural mindset of the people that is, manual work is not a degraded profession. It will help restoring dignity and love for manual work. The unemployed rural people must shed their inhibition for manual work as more and more unemployed youth in the rural areas are educated.

Is it not a paradox to praise and respect Kisan (farmers) saying "Jai Kisan" without giving due dignity to manual work? Marx was right when he said: what produces objects? The answer he gave was "labour produces objects/commodities. Mao Tse Tung's famous slogan". Three years of hard work and Ten thousand years of happiness" have given many dividends to the Chinese society and it still constitutes the backbone of Chinese society. The old Marxian dictum still holds true for underdeveloped states of India i.e. 'man must eat to live'.

The mindset that rural development has merely been a routine based bureaucratic exercise and it has not become a people's movement needs to be changed with an approach that people are no longer the objects of development rather agents of development. People, through grass root democracy are to lead more than they are to be led. State should not be viewed as an enemy of civil society. Rather State and Civil society mutually reinforce each other. State is to play the role of a 'facilitator' and both will be the partners of development.

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