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Growth and
Human Development in
North-East India

edited by **P. NAYAK**



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Preface

It took centuries to realize that people are the real wealth of a nation. They produce goods and services for their own welfare. The development and growth of a nation depends upon the proper utilization of natural and cultural endowments available to it. To utilize these endowments, human participation is required. Human participation, on a sustained and autonomous basis, cannot be expected without enhancement in the capability of the population. Thus, self-sustained growth cannot be ensured without human development. Further, since the basic objective of development of a nation is to improve the well-being of the people, every nation strives hard, not only to increase her wealth and productive resources, but also to ensure a better standard of living for its citizens by providing them with adequate food, clothing, housing, medical facilities, education, etc. In fact, governments of various nations, at different levels, take the initiative to create an enabling environment for their people to enjoy healthy, long, and creative lives. However, technical considerations of the means to achieve human development and the use of statistical aggregates to measure national income and its growth have, at times, obscured the fact that the primary objective of development is to benefit the people. Of course, people want higher incomes as one of their options, but income is not the aggregate of human life and, hence, not an end in itself.

The human development approach of looking at development differs from conventional approaches to economic growth, human capital formation, human resource development, human welfare, and basic human needs. Gross National Product (GNP) growth is treated as being necessary but not sufficient for human development. Human

progress may be lacking in some societies despite rapid GNP growth unless some additional steps are undertaken to improve the same. Human welfare approaches look at human beings more as beneficiaries of development processes than as participants in it. They emphasize only the distributive policies rather than production structures. Recent development experience has once again underlined the need for paying close attention to the link between economic growth and human development for a variety of reasons. Many fast-growing developing countries are discovering that their high GNP growth rates have failed to reduce the socio-economic deprivation of substantial sections of their population. Even industrial nations are realizing that high income is no protection against the rapid spread of such problems as drugs, alcoholism, AIDS, homelessness, violence, and the breakdown of family relations. At the same time, some low-income countries have demonstrated that it is possible to achieve high levels of human development if they skillfully use available means to expand basic human capabilities.

Human development also encompasses elements that constitute the critical issues of gender and development. There are four major elements in the concept of human development—productivity, equity, sustainability, and empowerment. People must be enabled to increase their productivity and to participate fully in the process of income generation and remunerative employment to achieve higher economic growth, which is a subset of human development models. Productivity is not the only means to achieve welfare in a society. People must have access to equal opportunities. All barriers to economic and political opportunities must be eliminated so that people can participate in and benefit from these opportunities. These benefits also need to be distributed over generations. Access to opportunities must be ensured, not only for the present generation but for future generations as well. All forms of capital such as physical, human, and environmental should be replenished. Besides, empowerment is a necessity. People must participate fully in the decision-making process that can shape their lives. Human development is impossible without gender equality. As long as women are excluded from the development process, development will remain weak and lopsided (UNDP 1995).

Development should increase peoples' choices. While enhancing the choices of one individual or a section of a society, it should not restrict the choices of another. It calls for equity in human relationships. It should not mortgage the choices of future generations while

improving the lives of the present generation (UNDP 1991). In other words, the development process must be sustainable.

Literature in this regard is vast and varied. It reveals that a large number of studies have been undertaken in India and abroad on various aspects of human development. While some literature dealt with concepts of human development, some have dealt with methods of measurement, construction of Human Development Index (HDI) for various states and sub-states, and for different sections of society. There have been numerous efforts over time to remedy the defects of traditional measures of development, and to create composite indicators that could serve either as complements or alternatives to this. There are studies relating to debates on the selection of variables to be included in HDI and weights to be assigned to different variables under consideration. While some studies dealt with disparities in human development between rural and urban areas and between males and females, some others concentrated on trends of human development. There are some studies that concentrated on finding the two-way relation between human development and economic growth of nations. Available evidence reveals interesting insights relating to the impact of economic growth on human development, and vice versa, with different time lags. Some scholars have also tried to examine the link between poverty and human development. The factors responsible for low levels of human development are also identified in some studies. While some authors prescribed increased allocation of resources on social sectors for improving human development, some others put emphasis on the aspects of implementation of programmes relating to social sector development. There are some authors who believe that high growth could lead to high human development, while some others opine for achieving high growth through the achievement of high human development. There are also some studies that argue in favour of a balanced path of development that combines the strategies of growth and human development with appropriate weights.

Since 1990, United Nations Development Programme (UNDP) has been publishing *Human Development Reports (HDRs)* at the global level for various nations and every year a report is published to this effect with emphasis on a different theme. The Planning Commission of India has also undertaken a similar exercise and has published the *National Human Development Report (NHDR)* for the years 1981, 1991, and 2001. The reports for the years 1981 and 1991 include data on HDI for all the states and union territories of India. But in the 2001

report, the index has been constructed only for fifteen major states due to non-availability of required data for smaller states, including the states in the North-East.

If we take a look at the *NHDR 2002*, we get some idea on the status of human development in the North-East, though data is somewhat dated. The report reveals that the region comprising the eight states of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland, Sikkim (the last to be included in the region), and Tripura constitutes a land surface of 262,230 square kilometers with a population of 38.9 million belonging to different ethnic and cultural groups. Topographically, the region is a mixture of hills and plains. While Arunachal Pradesh, Meghalaya, Mizoram, Nagaland, and Sikkim are almost entirely hilly, about four-fifths of Assam is plains. Manipur and Tripura have both plains and hilly tracts. The hills account for about 70 per cent of the area and accommodate about 30 per cent of the population of the region while the plains, constituting the remaining 30 per cent area, hold about 70 per cent of its population. A wide variation in altitude coupled with abundance of rainfall has given rise to a wide variation in climatic conditions within the region, which in turn has endowed the region with rich biodiversity. The richness of biodiversity of the region is almost matched by its ethnic diversity. The region is a meeting place of large number of races, creeds, cultures, and languages. The impingement of the diversity of physical and cultural environment is naturally found in the organization of economic life of the people of the region.

Keeping all this in view, it was thought to bring out a volume on growth and human development for the region by inviting papers from academicians from within and outside the region. The present book is an outcome towards achieving that end. While every effort has been made to bring analysis and discussion on the issues of human development, touching upon various states in the region, the study is constrained due to non-inclusion of the newly included state, Sikkim. It must be borne in mind that although Sikkim has been included in the north-eastern region for administrative and developmental considerations, it is geographically non-contiguous to the rest of the states in the region. Its cultural background is much different from the other states. This sociological, cultural, and geographical difference gives a different character to Sikkim.

The book has been broadly divided into three sections on three different themes:

1. Concept and measurement issues;
2. The national scenario; and
3. The issues at the level of the north-eastern region.

The first section deals with the concept and measurement, and has three chapters. The first chapter titled 'Human Development: Concept and Measurement' contributed by the editor discusses in detail not only the evolution of the concept of human development but also its measurement. The author provides an account of change in the methods of measurement of human development proposed by UNDP, the Government of India, and individual academics.

The second chapter 'Concept of Human Development: A Critique' contributed by P.K. Chaubey, critically examines the literature on the concept of human development and its measurement. He points out that the motivation for UNDP, under the advice of Mahbub-ul-Haq, to bring out a report on human outcomes of economic, social, development, and welfare activities in the public, private, and other spheres in different countries emanated from the fact that wide failures were noticed in terms of reduction in poverty and infant mortality, enhancement in longevity, education, improvement in health, and the like. Contributions from economists like Amartya Sen, on capability approach as against the commodity approach, provided the right kind of theoretical support to define 'human development' in terms of enlarging people's choice through enhancement of capabilities. However, everything is not hunky dory with the idea of human development as it is too individualistic in approach, and shorn of communitarian ethos. Again, when it comes to measuring human development, it is not in terms of capabilities but in terms of attainment and performance, which is possible only when capability space interacts with commodity space. The author, in this connection, tries to delineate the history of evolution of the idea of human development and its contribution in shifting the focus of the development debate, and the weakness it inheres.

The third chapter 'Construction of an Index: A New Method' has been contributed by Sudhanshu K. Mishra. In this paper the author argues that composite indices are often constructed by a linear combination or weighted sum of indicator variables. While constructing indices, weights are either subjectively determined on the basis of expert opinion, or mathematically determined by the Principal

Components Analysis (PCA). By its very logic, such composite indices are elitist—assigning large weights to highly correlated variables and negligible weights to poorly correlated variables. The author proposes to construct a composite index by maximizing the sum of absolute correlation between the composite index and the indicator variables. In the first part of this chapter, the author shows that such a composite index is inclusive—duly weighting the poorly correlated variables. Thus, composite index does not undermine the importance of an indicator variable merely because it is not well correlated with others. In the later part of the paper, the author, by adopting the proposed method, has constructed HDI with equality in income distribution for 125 countries. The study reveals that while the traditional PCA assigns poor weight to the measure of income inequality, the proposed method ameliorates its position by assigning reasonable weight to it.

The second section of the book which deals with growth, human development, and other related issues at the all India level, has seven chapters. In this section, Saundarjya Borbora in the chapter titled 'Economic Growth and Human Development: Chain Relationship' discusses the relationship between economic growth and human development, and opines that they reinforce each other. He argues that development of social sectors, such as education, health, and good governance, is a major precondition for achieving economic growth with the help of effective government policy and appropriate public expenditure. This in turn would help the states to move above the threshold level in human development. He also admits that it is necessary to identify the weak links between growth and human development, and that appropriate policies are required to be formulated and implemented to strengthen the links; and that such policies must be dynamic in nature with changes in the development process. He suggests that in the early stages, priorities might be given to education and health, and at a later stage higher education, technology, and better health facilities might assume a greater role. He concludes by reiterating that the view of *grow first and worry about human development later* is not supported by evidence and, hence, focus on human development must be targeted at the beginning of the growth process.

Santanu Ray, in his chapter 'Transformation of Economic Growth to Human Development: A Long-Run Study of Indian States' states that the role of income growth in determining the level of human

well-being has become a topical issue in recent literature. Indian performance in this regard has been far from satisfactory. Using disaggregated data for the country over a long period of time, Ray examines the relationship between growth and human development. He also addresses the question whether the economic growth achieved by Indian states in the last three decades has any significant influence in determining the level of human development. Using the latest formulation of UNDP, he not only computes HDI for each of the major states of India, but also makes an analysis of HDI over time and across states. His study reveals that per capita income levels of Indian states play a positive role in determining the non-income component of human development in the long-run. He expresses his concern over huge regional variation in income levels and disparity in human development indicators across states.

The chapter titled 'Effect of Structural and Conditional Rigidities: A Case Study of a Poverty Reduction Programme' has been contributed jointly by Arindam Banik and Pradip K. Bhaumik. In their paper, the authors are very critical about the previous studies conducted on poverty reduction programmes, most of which concentrated on evaluation of the effectiveness of government interventions in meeting the stated programme objectives and targets, gaps between desired and actual targeting of beneficiaries, and adherence to programme guidelines. In their paper the authors have made an attempt to analyse the effect of structural and conditional rigidities, on moving a beneficiary of poverty reduction programme from passive to active state, with the help of micro-level field data comprising a fairly large sample of poor beneficiary artisans collected under SITRA programme. Using ordered logistic analysis, they have provided an analytical characterization of the beneficiaries in a situation of structural and conditional rigidity, where all beneficiaries do not move from a passive state to an active state and are able to take advantage of the government intervention despite their having access to the benefit. The authors view that identification of ageing artisans as beneficiaries of the programme might not bear much fruit as they are unlikely to become economically active due to their conditional rigidities. Therefore, they opine that a thorough understanding of the conditional and structural rigidities and their impact on economic behaviour of beneficiary artisans is required, which perhaps would go a long way in helping to design and implement poverty reduction programmes.

The chapter titled 'Public Distribution System: An Instrument for Improving Human Development' has been contributed by R. Gopinath. The author states that the PDS is a major component of public delivery system in India that started functioning during the 1930s and, subsequently, was replaced by the Targeted Public Distribution System (TPDS) in the 1990s. The programmes were mainly designed to play an important role in improving human development, particularly among the rural masses and the poor people. The paper revolves around the discussion on the loopholes in operational mechanism of both PDS and TPDS, and strongly argues for addressing the problems associated with their implementation.

Taking a careful look at the HDI estimates for the various districts in Orissa, P.K. Tripathy and Bhabagrahi Mishra, in the chapter 'Status of Human Development in Orissa', make a few intriguing observations. They point out that the districts of Kalahandi and Deogarh, two of the least developed districts by conventional yardsticks, turn out to be ranked as high HDI districts in the *HDR* of Orissa. Keeping this paradoxical result in mind, they raise some important questions on the suitability of the concept of HDI while assessing the economic status of a region. They observe that the implication of high literacy in developed economies is not the same as that in backward economies. In backward economies, mere literacy without employment opportunities neither turns out meaningful educational attainment nor estimated higher life expectancy, and that lower infant mortality reflects sound health conditions of the majority of the population in general, and agricultural labourers, marginal and small farmers, and poor artisans, in particular. In the light of the above observations, they argue that there is a need for inclusion of alternative variables for health, education, and standard of living in the index that can lead to a more realistic ranking of a region based on such indices. For example, a composite index of property ownership (land and other resources), per capita income obtained on the basis of income accrual method, and the average man days employed for the working population shall capture the standard of living index more accurately than mere per capita income. Similarly, education index could be a composite index of literacy as well as its linkage with employment opportunities and the health index as a composite index of anthropometric measurements and pattern of mortality.

The chapter 'Good Governance: The Force behind Human Development', contributed jointly by Ashutosh Dash and Paohulen

Kipgen, reveals that human development cannot just automatically happen without economic development. The authors argue that growth oriented economic progress alone cannot bring progressive human development without good governance which demands greater transparency. That is why social activists are increasingly paying attention to governance, both at the macro and micro level. The authors conclude by laying stress on the importance of governance in the process of human development.

The last chapter in the section, titled 'Politics of Human Development', has been contributed by Apurba K. Baruah. The author brings out the politics involved in the issues concerning human development. Citing the example of poverty, he explains that in Contemporary Development Theory, poverty has been basically reduced to an issue of measurement, and the important issue of the mechanism of its generation is often overlooked. He also pleads that the economic efficiency is in its top gear only when the state takes control. Whether the state controls or leaves the market in private hands is a matter of politics to which the nature of human development is inalienably connected.

The third section deals with the issues of human development in the context of North-East India and has fifteen chapters. M.P. Bezbaruah, in his chapter 'Socio-political Transition, Growth Trends, and Development Attainment in the North-East in the Post-Independence Period', reviews the development experience of the region in the context of its political-administrative transformation in the post-Independence period. He points out that development experience in the region has been mixed and uneven. While there are periods of high growth for individual states, the region as a whole has been increasingly lagging behind the country in terms of per capita income. He believes that the rapid post-liberalization growth of the country is a far cry for the region. While the recent service sector led growth of the country is propelled by expansion of frontier areas like information technology, public administration and other services are the faster growing services in the region. He argues for enhancement of the rate of economic growth in the region based on its inherent strength and endowed resource base. Though funds required for building up the necessary infrastructure to activate the inherent growth potential of the region are no longer a constraint, disruptions caused by insurgency and the *bundh* culture make deployment of such investments difficult and add to the cost of any business venture, reducing the competi-

tiveness and economic viability. However, he is optimistic about the future of the region in the globalized era.

The editor of the book, in the chapter titled 'Human Development in North-East India' highlights that India, in spite of pursuing the policy of liberalization and globalization since the early eighties and witnessing higher growth rates, has not been able to achieve much on account of human development and welfare in comparison to many countries at the global level. Human Development Index in the country was as low as 0.56 in 2001. While some states in the region have performed better than the national level, some others have lagged behind. Rural-urban disparity, gender disparity, and uneven human development across the states in the region are quite significant. The disturbing trend of increasing gender disparity in Nagaland and the escalating rural-urban gap, particularly in the states of Assam and Meghalaya, is a matter of concern. The author, while highlighting some of these issues, stresses on the urgent need for taking appropriate action in this regard.

Nirankar Srivastav analyses the poverty status in the region using three conventional measures of poverty in the chapter titled 'Severity of Poverty and Status of Public Services in North-Eastern States'. His study reveals that poverty, in most of the states in the region, has declined. It has declined more in the hill states and in urban areas. The access to public services is observed to be very poor in the poverty-stricken states. The author states that there is a positive and strong relationship between poverty levels and access to public services in the region and recommends a target-oriented and region-specific poverty reduction programme.

Bhagirathi Panda, in the chapter 'Economic Growth, Exclusion, and Human Development', studies the mismatch between economic growth and human development in the region using empirical data. He observes and apprehends that the region, which is witnessing continuous low economic growth accompanied by relatively high human development, is susceptible to social tension. This has to be overcome by promoting a policy of high economic growth by taking some concrete measures. He prescribes accelerating industrialization and putting emphasis on greater value addition. The author also identifies some of the obstacles to industrialization, such as poor physical infrastructure, lack of culture of genuine entrepreneurship, security deficit, and poor governance. He suggests that in order to overcome these hurdles the governments in the region should play a proactive

role along with developmental Non-Governmental Organizations (NGOs) and promote Self Help Groups (SHGs), their movement, and effective participation in development programmes. He also emphasizes the role of civil society, academia, and peer groups towards reorientation in the value-systems for inculcating a culture of entrepreneurship.

Biswambara Panda, in the chapter 'Non-Governmental Organizations and Participatory Development' analyses the approaches of the grassroot NGOs and their role in contributing towards participatory development in addressing issues relating to human development, with special reference to the North-East. The author argues that participatory development can ensure integrated development, where all sections of society would be involved and benefited. This would not only bring about economic growth but would also dissipate social inequality. The micro approaches along with people-centred development objectives can bring considerable dividend by resolving conflicts, avoiding programme uncertainties, and evolving synergy among the key actors of society. He further argues that though participatory development may not ensure development for all the people but it certainly creates confidence among them, and most importantly provides them opportunities to share their ideas and knowledge. He believes that a development plan, armed with indigenous practices and native wisdom, can accelerate the developmental process at the grassroots level. Though NGOs are not the only force within the civil society to work towards inclusive growth, they are certainly a force to reckon with in the development domain. They can inch towards this objective through (various) people-centred approaches and strategies despite so much of apprehensions on their accountability and sustainability.

The chapter 'Inter-District Disparities in Meghalaya: A Human Development Approach' contributed jointly by Purusottam Nayak and Santanu Ray highlights widespread variations in the magnitude of human development across all the seven districts and three hills regions representing three different ethnic tribal groups in the state, between rural and urban areas, and between male and female groups of population. The authors also show that there exists a significant level of disparity, both in income consumption and in non-income attainments, among these districts. The inequality in economic attainment (income, as well as consumption expenditure) happens to be very high. However, both measures of variation and inequality indices suggest that few non-

income indicators, namely intensity of formal education and infant mortality rates, have disparities over economic indicators, which, according to the authors, are indeed a cause of considerable concern. In addition, they observe that economic inequality is much higher than inequality in overall HDI. Keeping in view a huge shortfall in HDI, accompanied by the existing level of variation and disabilities, the authors feel the need for a redesign of public policies that directly affect the welfare of the people. The study also reveals that the improvement of human development in Meghalaya, on account of better performance in respect of some socio-economic indicators, has been neutralized because of its laggardness in respect of some other indicators over time.

The next chapter titled 'Does Micro Finance Bring Human Development?' contributed by A.P. Pati, explains the success stories of micro-finance through SHGs in different parts of the country and abroad. The author suggests ways for economic empowerment of women through micro finance in the region. However, he concludes by stating that micro finance endeavour in Meghalaya is still at the nascent stage to make any visible impact at the macro level, so as to measure its contribution in attaining higher human development.

P.S. Suresh and Biswambhara Mishra, in their chapter 'Public Expenditure and Human Development in North-East India: A Case Study of Meghalaya', point out that Meghalaya, in the last few decades, has been witnessing a paradoxical and explosive economic growth because of the mismatch between growth rates of state domestic product and public expenditure. Disproportionate growth of the social sector over the years has not only eaten up most of the public investment in the state, but also given rise to a weaker linkage among different sectors. The study explores the nature, extent, and the degree of interdependence between the level of public expenditure and human development with the aim of understanding the cause and effect relationship and the extent to which the public expenditure on social services gets transformed to the end result of a better level of human development. The study reveals that at the regional level there is a positive functional relationship between public expenditure on social sectors and human development. The authors conclude that per capita spending on education and health has a relatively stronger impact on human development than per capita income growth.

Kishor Singh Rajput in the chapter 'Antenatal Care, Institutional Delivery, and Human Development in Meghalaya' highlights some

of the facts and figures on mothers' health with special reference to institutional deliveries of the child. Further, using logistic regression, he examines the role of certain background variables of women like her education and the spouse, work status, place of residence, etc., along with the role of antenatal care on institutional delivery.

E. Bijoykumar Singh in 'Human Development in Manipur' states that in spite of having a low per capita income, the HDI of Manipur for 1981 and 1991 has been higher than most of the major Indian states. In his chapter, he makes an attempt to examine the change in HDI for the state in the post (economic) reform period with available indicators of development like Infant Mortality Rate (IMR), sex ratio, life expectancy at birth, and literacy rate. He also examines the quality of development through an analysis of data on structural change, occupational distribution of work force, employment, and productivity of workers. He argues that though performance of Manipur in terms of IMR, sex ratio, literacy rate, and life expectancy at birth has been positive, low per capita income and continued dominance of low productivity activities in the occupational structure has weakened the link between employment creation and poverty reduction.

A.K. Agarwal in the chapter 'Human Development in Mizoram: An Overview' not only analyses the status of human development in Mizoram, its strengths and weaknesses, but also suggests a strategy for improvement. Through empirical analysis he claims that Mizoram has shown excellent performance not only in the field of education and health but also on Gross State Domestic Product (GSDP) in which the tertiary sector has been playing a dominant role. He also states that one might not notice the relative inadequacy of the state in terms of HDI, Human Poverty Index (HPI), and gender disparity as compared to other states in the region and the country as a whole, but in-depth analysis points towards the need for better services and for evolving an appropriate delivery mechanism with close interaction of various components of human development in the state.

The chapter 'Facets and Factors of Human Development in Tripura', contributed jointly by Sudhanshu K. Mishra and Purusottam Nayak, synoptically presents an account of different facets and factors relating to human development in Tripura which suffered a brutal blow during partition of the country in the form of maimed infrastructure, severed connectivity, and a debilitating burden of immigrants, with all the needs and no resources. They have also systematically presented the geographical and historical forces that have shaped the resource

base, infrastructure, connectivity, socio-economic milieu, and, consequently, the economy of the state, determining the level of human development. Their study reveals that in spite of a great population burden on her fragile economy, the state has secured an appreciable score in matters of education and health. The authors opine that human development of the state needs to be harnessed to promote economic growth in terms of increased productivity and higher per capita income.

The next chapter, 'Human Development in Assam: An Analysis', is jointly contributed by Hiranmoy Roy and Kingshuk Adhikari. The authors report that the state is lagging far behind other major Indian states in terms of various socio-economic indicators, including the measures of HDI, HPI, and poverty. Their findings also reveal an inverse relationship between human development and poverty on the one hand, and widespread variation of human development across districts, on the other.

Debasis Neogi, in 'Development and Deprivations in Arunachal Pradesh', highlights the extent of development and deprivations in the state of Arunachal Pradesh. While presenting his findings, he states that while some parts of the state are well ahead in terms of socio-economic development, the other parts are lagging behind. He opines that uneven development, across districts and among tribal groups, has given rise to inter-tribe disputes. The large chunk of Net State Domestic Product (NSDP) in the state is observed to be contributed by the tertiary sector, of which public administration constitutes the major component. This type of development trend, as observed by the author, seems to be untenable in the long run. The author also analyses the role of basic education in bringing empowerment to the society and explains how such capacity building can lead to redressal of deprivation of human beings. Besides, he investigates the aspect of gender discrimination and prescribes mass education in order to remove such discrimination from the society.

The last chapter of the book, 'Human Development and its Correlates in Nagaland', has been contributed by Sudhanshu K. Mishra and Purusottam Nayak. The authors have presented a large amount of data relating to human development in Nagaland, and made an attempt to observe regularities in the same that may be meaningful for devising development policies. Their findings indicate that PCI, HDI, and gender-related development index are poorly correlated with health indicators, but appreciably correlate with educational

attainment. The authors conclude that the reliability of data reported by a socio-economic system is dependent on the level of development of the system. Underdeveloped socio-economic systems report highly unreliable data. This is not only regarding the figures of income but also the measures of attainment in matters of health and education. Official data on these variables is thrown up by a system that is administratively motivated and unsupervised with regard to their economic and developmental meaning. Use of such data, whether it pertains to income or any other measure of development, is not dependable for policy decisions meaningful to fostering development.

An overall analysis of various issues discussed in the present volume reveal the following:

1. There is a need to rethink, not only the choice of variables but also the method of construction of HDI. The proposed alternative method, by maximizing the sum of absolute correlation between the composite index and the indicator variables, might be of some use while overcoming the problems associated with construction of composite indices by PCA.
2. In the recent past, the entire region has been experiencing good human development but poor economic growth. There exist widespread variations in the levels of human development across states, regions (rural-urban), among ethnic and other social groups, and between genders. This mismatch probably has given rise to increased disputes among various social groups and tribal populations leading to social tensions reflected in the form of extortions and other secessionist activities. To overcome this, a determined effort is required to harness human development towards achievement of higher economic growth through increased productivity. There is also a need for specific intervention strategies on the basis of sector/group/class/gender/region/state.
3. Human development is positively associated with the quality of governance. Governance, from the human development perspective, demands greater transparency, accountability, participation, and stringent rules and laws. Judged on these parameters, the quality of governance in the region is not satisfactory and, hence, requires improvement. Besides, local democratic institutions like Autonomous District Councils need to be strengthened and their functioning be made more effective.

4. Revolution of SHGs has not made much headway in the region. SHG as a movement and institution ensures, at the micro level, both economic growth and human development. Further, both these objectives are realized through the method of participation, especially of the poor and the marginalized. There is a need to make this movement more widespread in the region.
5. Besides increased inequality, the quality of public services on the basis of access, use, reliability, and satisfaction are worst in the poverty stricken states in the region. To overcome this, the extremely poor households need up-front intervention through measures such as TPDS.
6. Reproductive health care happens to be an important component of human development. The goal to attain satisfactory human development will remain unfulfilled if the reproductive health needs of married women and children are not properly attended. The situation of reproductive health care in some states of the region is worse than many other in the country. Therefore, immediate efforts are to be made to improve this situation.
7. Higher level of human development is a product of the accumulated benefits that accrue to the society from public investments on social service. Per capita spending on education and health has a relatively stronger impact on human development than growth in per capita income. Hence, public expenditure on social services needs to be continued till the time economic growth itself takes care of it substantially.
8. The country, in general, and the north-eastern region in particular, suffer from the politics of human development. The approach of development theory and practice to poverty has been mechanical. It never goes into the question of the mechanism of generation of poverty. Hence, it is suggested that institutions engaged in development practice should analyse the mechanism of generation of poverty, and based on such analysis should come up with programmes to overcome it.

PURUSOTTAM NAYAK

I

Concept and Measurement Issues

15

Non-Governmental Organizations and Participatory Development

BISWAMBARA PANDA

INTRODUCTION

The economic growth India witnessed during the last decade has been stupendous. There has been steady rise of the Indian economy due to its liberal economic policy, rapidly expanding consumer market, and changing consumer behaviour. The tertiary as well as secondary sectors of the country have witnessed an upward swing. The growth in Gross Domestic Product (GDP), decline of poverty, creation and availability of job opportunities, and rise in the purchasing capacity of the people suggest that Indian economy is on track and it is booming. However, despite this growth, apprehensions still loom large that the fruits of growth and development have been confined to some sections of society.

The complex Indian society comprising diverse castes, communities, ethnic groups, minority groups, and disadvantaged groups make the development process more challenging. The existing social hierarchy affects the equal distribution of its resources and the deprived sections (lower castes, women, disabled, poor, etc.) struggle to get their due because of the social stigma ascribed to them. Besides, the elite sections within the disadvantaged groups have benefited the most, thereby creating 'inequality within inequality'. There has been regional disparity in development in the form of urban and rural, hills and plains, and west and the east. The prevalence of illiteracy, poverty, and widespread endemic diseases have made scholars and planners to think hard on development issues.

Though the responsibility lies with the nation state for the overall development of its citizens, due to the complex and heterogeneous structure of Indian society, it warrants contributions from various quarters towards integrated development. Efforts are required from all three domains, such as state, corporate, and civil society to achieve the desired objective of integrated and sustained development. India has a democratic polity not averse to social activism. The corporate sector in India is becoming socially responsible and there has been a spurt of civil society organizations, that is, Non-Government Organizations (NGOs), in recent times. These three vibrant sectors need to work in tandem to mitigate the existing socio-economic problems in the country. Therefore, one can expect the convergence of strategies to meet the common objective, for example, social and integrated development in India where all these three actors are required to make concerted efforts to ensure that all the sections of the society have been involved and benefit from the ensuing growth. The state with its machinery, corporate sector with its agencies, and the civil society with its constituents have respective roles to play. One sector's limitation could be another sector's opportunity to encash its strength and, thus, a complimentary approach to yield better results. For example, government may seek support from NGOs in the implementation of their programmes and also getting feedback for programme innovation and renovation at the grassroots level. Similarly, corporate sector, to stand up to their social responsibility role, may wish to collaborate with both the government and NGOs to reach out to the needy. But all these actors, in order to achieve their objective, need to promote people's involvement and participation in their developmental programmes and schemes which are meant for the welfare of the people. Put differently, while working for the people is important, working 'with the people' is more important. Micro-developmental plans and people's active participation therein seem to be crucial in promoting social development, where the marginalized sections also enjoy the benefits of development.

In the above context, this chapter, following the people-centred development approach, highlights the role of NGOs as an active actor of the civil society in evolving peoples' participation in the process of development. Drawing evidence from literature, a modest attempt has been made to demonstrate the strategies and methods adopted by some of the successful NGOs operating in India in empowering the

masses, specially the disadvantaged groups to take active participation in the developmental process and, further, to advocate the adoption of the similar strategies for the North East.

PEOPLE-CENTRED DEVELOPMENT

In the words of Korten (1990: 225), 'The conventional vision that has driven development policy and action equates progress with short-term increases in economic activity. It gives little regard to considerations of justice, sustainability or inclusiveness'. Hence, there is a need for an alternative development vision that emphasizes on the local ownership, and use of local resources to meet local needs. It calls for economic and political democratization which are important for economic and political justice (ibid). People-centred development, which 'put the people first' in the developmental process, strive for inclusive and sustained development. Nerfin (1986, cited in Finger 1994) argued that during the crises of the nature namely economic, financial, ecological, social, cultural, ideological, and political, there is a need for the people to join hands together to get rid of these. There exists an immediate and autonomous power, that is, people's power, contrary to state power, asserts Nerfin. The citizens' associations or movements that do not exercise governmental or economic power constitute the third system. Therefore, the third system can be seen as an expression of people's autonomous power. According to Korten (1990, cited in Finger 1994: 56) citizens' movements play four critical roles:

1. Advocacy—which includes redefining policies, transforming institutions, and helping people to define, internalize, and also actualize a people-centred development vision ;
2. System monitoring;
3. protesting—that facilitates reconciliation with justice; and
4. Implementing development programmes.

Commenting on third system politics, Finger (1994) asserts that third system politics leads to people-centred development. He formulated the following characteristics/principles of people-centred development. First, sovereignty resides with the people, who are the real social actors of positive change; second, to exercise their sovereignty and assume responsibility for their development and their communities, the people must control their own resources, have access to relevant information,

and have the means to make the government officials accountable; and third, those who assist the people with their development must recognize that it is they who are participating in support of the people's agenda and not the reverse (ibid: 57–8). Hence, third system politics focuses on increasing people's participation in decision making at different levels of society. Finger advocates further on collective learning and teaching, wherein villages, communities, and cities could be more appropriate learning units considered to be appropriate bodies who can promote traditional problem-solving strategies. 'Teaching and preaching ready-made solutions to individuals must be replaced by collective, vertical, horizontal, and cross disciplinary learning' (ibid: p.64). From the above formulations, it is clear that emphasis has been given to development which is people-centred.

CIVIL SOCIETY, NGOS, AND DEVELOPMENT

Baviskar (2005: 141) asserts that a vibrant and lively civil society is the foundation of modern-open-democratic polity and NGOs are the life-force for the civil society. Civil society, in general, may be referred to that segment of society that interacts with the state, influences the state, and yet is distinct from the state. Civil Society, which remains outside the other two domains, that is, government and business sectors, gets strengthened by intermediary institutions and by the voluntary spirit of the people. According to Beteille (2005: 285), 'the interest in voluntary action, voluntary movements, and voluntary associations has been given a new lease of life by the concern for the creation or revival of civil society, particularly in the countries of Asia, Africa, and Latin America'. According to some modern theories of associationalism, voluntary associations:

1. provide local opportunities for representation;
2. offer opportunities for active citizenship by encouraging participation and, thus, contribute to civil culture;
3. contain the spread of bureaucracy in political organizations; and
4. foster pluralism and diversity (Abercrombie, *et al.* 2000, cited in Jayaram 2005: 22).

The NGOs along with other civil society actors may be seen as the third important force after the state and the business sector. The constituents of civil society, that is, its organizations and associations, can perform various educative and advocacy roles. And NGOs, through

their empowerment programmes at the community level, creation of institutions, and organizations at the grassroots level, can contribute significantly to the development process. They can also provide important feedback to policy debates and planning. NGOs are believed to be endowed with the voluntary and altruistic spirit; and their non-profit (not-for-profit) nature makes them distinct from other sectors. These provide added advantage for them to carry out developmental programmes and projects in a more cost-effective way.

There are different kinds of NGOs namely, process-oriented and product-oriented, national and international, and grassroots, who continue to carry out development programmes at different levels and contribute towards development and change. Owing to its complex nature, the scholars have provided different definitions and classifications for NGOs. The acronyms such as Voluntary Organizations (VOs), Voluntary Development Organizations (VDOs), Action Groups (AG), etc. are used for NGOs in literature. Shah and Chaturvedi (1983) categorize them into three, such as, techno-managerial, reformist, and radical (cited in Baviskar 2005: 139). NGOs, as they claim, make efforts to ensure quality, cost-effectiveness, and accountability due to their people-friendly and people-centred approaches. Over the last couple of decades, there has been a phenomenal rise of NGOs in India. The rise and growth of NGOs in India may be attributed to various factors, such as:

- (i) shrinking role of the state (aftermath of globalization);
- (ii) growing involvement of enlightened and enthusiastic middle class in the NGO sector;
- (iii) professionalism displayed by NGOs towards reaching out to masses and delivering goods;
- (iv) recognition from the state, due to pressure from international declarations, summits/protocols;
- (v) increasing faith of donor agencies in the NGOs (because of ineffective governance by the state); and
- (vi) liberal democratic regime, permissive of activism in the civil society (Panda and Pattnaik, 2005: 42).

There are over 14,000 NGOs registered under the Foreign Contributions Regulation Act and there may be over 30,000 NGOs in India (Baviskar 2005: 139). The United Nations Development Programme (UNDP) *Human Development Report 1993* estimates that NGOs manage

to reach 250 million of the poorest people. According to the World Bank, NGOs in India spend to the tune of US\$ 520 million a year (Dharmarajan 2001). Owing to their rise, growth, and increasing involvement in development activities, and due to their emergence as one of the significant intermediary institutions between state and the people, NGOs have created a niche for themselves. Even though many of them will fade and disappear, but as a social phenomenon, NGOs are here to stay (Beteille 2005: 290).

PARTICIPATORY DEVELOPMENT AND NGOS

The participation of people refers to people's involvement in various spheres, that is, economic, social, cultural, and political processes. It becomes more significant in the context of human development that advocates development 'for the people'. And it can be fulfilled by the people themselves. When people participate in large numbers in developmental activities, it results in greater utilization of human resources and capacities. This, in turn, enhances socio-economic development. Participation of the people can promote self-confidence and they become aware of their rights and responsibilities. Hence, participation of the people may be seen as an instrument of empowerment. Poor and disadvantaged sections should be given opportunities to participate actively in social development. Basic health care, income-generating activities for the poor, and strengthening of social organizations are considered as the basis of social development policy (Dharmarajan 2001). The decentralization of development can ensure the proper distribution of development where local level institutions have greater roles to play. The NGOs, through their advocacy and awareness programmes, tend to motivate people to participate in these spheres.

Participatory development is a process through which people become more aware of their creative potentials and start taking initiatives to realize these. Development occurs when human beings recognize and realize their potential and responsibilities. In participatory mode of development, people are able to identify their own needs. This increases the efficiency of development activities and programmes and, in turn, it helps mobilizing local resources and hidden skills. For instance, if the people who participate in decision making are the poor, the contributions they make would better reflect their problems and eventually induce positive attitude among them. This can have a spiral effect on others, who are disadvantaged groups in the society. The initiative of a farmer in a village to promote kitchen gar-

den or herbal garden to earn his/her livelihood could act as stimulus for other villagers. Bêteille (1969) asserted that while economic growth helps reducing social inequality, social values and norms are significant towards understanding of the existence of social inequality. The large scale participation of people in a development programme may create solidarity cutting across caste, ethnic boundaries, and motivate them further to work collectively. This is important, because it will not only bring economic benefits but also may create social responsibility and arouse collectivism among the people. Public participation is, therefore, a key component of human development. It is through participation people can be aware of their rights and responsibilities. This, in the process enhances collective action, which can be transformed into effective mobilization of the people and end up with social movements to yield social transformation and change.

It is worthwhile to cite some of the glaring examples of people's initiatives endowed with voluntarism which have been able to bring transformative changes in the society. This has been possible due to sheer committed participation of the people in developmental process, irrespective of the social strata they belong to. Ralegan Siddhi, a village in Maharashtra was transformed into a model village due to the people's initiatives. The village has successfully achieved 'growth with equality'. The efforts were made to unite the village by dispensing with differences based on caste and class. The people contributed free labour (*Shramdan*) where one adult from every household contributed his/her labour without wages. The village has successfully campaigned against alcoholism, dowry, and superstition (Awasthi 1998: 74-91). The persistence work of National Institute for Rural Integrated Development (NIRID), a voluntary agency, has successfully motivated the *adivasi* community of Thane, Maharashtra. Through participation of people and massive plantation and watershed programmes, it has successfully arrested environmental degradation (Patel 1998).

NGOs AND PARTICIPATORY METHODS

In the 1970s, the trends in NGO activism in India were centred on agrarian issues. In the 1980s, the focus was shifted towards empowerment, while in the 1990s the focus was on gender and environment. Issues such as social forestry, soil conservation and watershed development, consumer protection, etc., also gained prominence during this phase (Pandey 1991). And today, much emphasis is given to participatory and social development. The participatory modes of intervention

deployed by NGOs help bringing people together and chalk out strategies based on indigenous knowledge and experience. The participatory methods such as Participatory Rural Appraisal (PRA), Rapid Rural Appraisal (RRA) are in vogue in development programmes and practices (Chambers 1995). 'PRA is an approach and method for learning about rural life and conditions from, with, and by rural people'. (ibid: 1) Participation generates diversity and provides opportunities to villagers to interpret, apply, and also invent methods for themselves (ibid: 15). PRA has been in vogue in diverse areas of development such as community management of common property resources, child labour, hunger and food, security, poverty assessment, health issues, farmers' attitude and cropping pattern, forest issues such as joint forestry management (JFM), social forestry (SF), etc. Some of the NGOs who have pioneered PRA are MYRADA and Action Aid based in Bangalore, SPEECH at Madurai, and Youth for Action in Hyderabad, etc., and among the international NGOs, Intercooperation in Berne, and Action Aid in London were prominent (ibid: 8). Through participatory approaches, NGOs have started implementing various rural development schemes.

WORKING TOWARDS EMPOWERMENT PROCESS

The process of empowerment may be referred to as power that controls one's own life. According to Mohanty (1995: 1434), 'Empowerment as an objective of economic development should be a welcome addition to the democratic discourse'. The process of empowerment transforms the poor in several ways. It can instill self-confidence among the disadvantaged groups. It enables them to raise questions about the reasons of their poverty and sufferings. The awareness created enthuses them to raise their voice and grievances that takes the form of a collective force. The collective awareness and confidence place them in an advantageous position to bargain, and push for their development and uplift. Once people are empowered, they take more initiatives and engage themselves in mobilizing resources. The empowerment process becomes sustainable only through the creation of sustainable community-based organizations. Like other civil society constituents, the NGOs/voluntary organizations can contribute in this process of empowerment, particularly by raising awareness among the people on various social problems and the opportunities and schemes available to them. Youth for Action, based in south India, has worked in some villages with *hariesans* to enhance their confidence and capability (ibid:

42). Micro-finance schemes have been propagated by some NGOs to finance the poor. SEWA, through its micro finance scheme, has been able to muster support and interest from poor women towards capital formation. This has proved the myth that 'poor as a burden on the economy, needing endless subsidies' as wrong (Bhatt 1998: 159). Gram Vikas, an NGO based in Berhampur, Orissa, is promoting community participation through rural health and environment programmes. It is also working towards creating alternative sources of employment and income-generating programmes and constantly encouraging people to save money, which they can use at the time of crisis. It also organizes training programmes for the youth so that they can acquire basic skills on masonry, carpentry, maintenance of electrical appliances, etc., and eke out their livelihood (Gram Vikas Annual Report 1998-99).

NGOs IN NORTH-EAST INDIA

NGOs in the north-eastern region, as intermediary organizations, have significant roles to play. As catalysts, they can instill self-confidence among the people; as a facilitator, they can play advocacy roles and as an agent of development, they can promote people's participation in their development projects. In the process they can form different people's institutions and organizations such as youth clubs, women groups, old age homes, etc. They can also initiate various awareness building mechanisms like village meetings, poster campaigns, organizing rallies, etc., against social problems such as domestic violence against women, drug addiction and alcoholism, in particular. Grass-roots NGOs can potentially play significant roles in crucial areas of development such as health, micro finance, and agricultural sector, particularly in floriculture and horticulture at the grassroots level. Awareness programmes need to be carried out vigorously, which in turn help people to understand their problems better and also come up with innovative ideas to solve these problems. For instance, despite receiving abundant rainfall, some areas of the North-East linger with shortage of water for domestic use during winter months. This area of concern can very well be controlled with people's innovative methods of rainwater harvesting. Pisciculture and poultry farming could be viable sources of income for poor villagers. Cottage industries can generate income opportunities at local levels, and local skill and expertise could be utilized and people can engage themselves to make various products from available materials such as wood, bamboo, grass,

etc. Vocational training needs to be conducted for village youth and women, which may provide opportunities to improve their financial condition. Formation of Self-Help Groups (SHGs) can help to a great extent to address rural poverty, health issues, and the issues relating to environmental protection.

However, due to lack of empirical studies and documentation, the role of the grassroots NGOs in the North-East could not be outlined in the present chapter. Whether these NGOs apply participatory approaches at the local level needs to be empirically investigated and analysed. Nevertheless, greater responsibility lies on these NGOs to address people's issues and employ participatory strategies. These NGOs can be instrumental in creating SHGs to address socio-economic problems that the people encounter in this region.

CONCLUSION

Participatory development can ensure integrated development where all sections of society would be involved and benefit. This not only brings about economic growth but also dissipates the social inequality in the areas of operation. The micro approaches along with people-centred development objectives can bring considerable dividends by resolving conflicts, avoiding programme uncertainties, and evolving synergy among the key actors of the society. Participatory development may not ensure the development for all people but it certainly creates confidence among people and, most importantly, it provides opportunities to people to share their ideas and knowledge. A development plan armed with indigenous practices and native wisdom can accelerate the developmental process at the grassroots level.

Though NGOs are not the only force within civil society to work towards inclusive growth, they are certainly a force to reckon with in the development domain. Through the application of different people-centred approaches and strategies, the NGOs can inch towards this objective despite the apprehensions raised on their accountability and sustainability.

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