

: C H A P T E R - III :

3. Y. B. Chavan's Ideas On The Establishment Of The Agro - Industrial Society In Maharashtra.
 1. Social and economic conditions of Maharashtra in 1960.
 2. Y. B. Chavan on problems of development in Maharashtra.
 3. Y. B. Chavan's strategy in the establishment of new order in the society.
 - i) State Sector.
 - ii) Co-operative Sector.
 - iii) Panchayati Raj.

3.1 SOCIAL AND ECONOMIC CONDITIONS OF MAHARASHTRA IN 1960 :

On 1st May 1960 Maharashtra state was formed out of the erstwhile bi-lingual Bombay state. Thus the newly constituted Maharashtra state included the most of the Western Maharashtra, Marathwada and Vidharbha which was sliced off from the central province. This significant event has fulfilled the long cherished demand of the Marathi people, who fought tooth and nail for the formation of the state.

Maharashtra state at the time of its formation in 1960 was one of the progressive states as its capital Bombay was the richest city in India. The total territory of the state is 1,19,000 s.q. miles and population according to 1961 census was more than 3 crores and 96 lacks. It must be noted that 43% of its population and 54% of its area was backward and land yield was poor. Hence, 1/3 part of the state was regarded as the drought-prone area. On the Western side of the state, the rainfall was very heavy and it was not that heavy in the eastern part. Due to these unfavourable geographical conditions, the state had 192 backward Talukas out of its 301 Talukas. The people in the state had been facing the adverse natural conditions and it could be said that the Maharashtra people had been hard working and rustic.

Since the Deccan riots commission's report, the developmental activities under the auspices of the government for

the welfare of people were carried out in its humble way as the British government constructed the dams at Khadakwasala near Poona city on the Mutha river and Bhataghar dam on Nira river for irrigation of land. These developmental activities brought about economic and social change in the life of Maratha people for the first time. Due to perennial source of water and chemical fertilisers the farmers began to cultivate their lands throughout the year, and over the years agricultural activity in this part of the state had become profitable.

But this development was one sided because it could not absorb the labour force in rural areas, consequently, a large number of workers from the rural areas began to migrate to the urban centres to seek their livelihood. Annasaheb Shinde, the former Union minister of Agriculture once observed, " backward method of cultivation, heavy production cost, maldistribution of water, high ^{dependence} ~~in~~ of the population on agriculture, poverty indebtendness are the some of the contributory factors for this one sided development in rural area. However, its progress in sugar cane production is on the par with that of the forward states in India." ¹

Agriculture in the state could not develop as there were 3435465 village^s and the total land of 75900000 acres and the land under the cultivation was 41400000 acres and the land under the forest was 14400000 acres only 12% percent of the total land was irrigated and this percentage was one of the lowest in India.

It is observed that in Maharashtra there is uneven distribution of its wealth and economic resources. According to the survey taken by the Gokhale institute of politics and economics, Poona, the per capita income of Maharashtraian people was Rs. 278. However, this figure is very low in rural areas. Relatively Maharashtraians are poor as Maharashtra is beset with adverse economic conditions. Its 80% population's income was below the average, because majority of people lived in villages. The rural population of Maharashtra was 71% in 1960. In its total production the share of agricultural production was 31.1% industrial 25.8 %, commerce 22.2% and services 18.9% in 1960. From this it follows that though Maharashtra was predominantly agricultural state, its large income came from trade and industries. The percentage of people dependent on agriculture was 64%. The corresponding figures for industry commerce and others were 13.9, 14 percents respectively. ²

Maharashtra was faced with problem of increasing production and removing the internal economic inequality. To increase the agricultural production the Maharashtra government had to provide liberal facilities to the farmers so as to enable them to cultivate land by employing modern methods and techniques. The mobilisation of large amount of capital and organized management were the two requirements to attain this objective.

Thus, when Maharashtra state was carved out, it faced many problems as its development was lopsided and not enough attention was paid to the rural areas of the state.

3.2 Y.B. CHAVAN ON PROBLEMS OF DEVELOPMENT IN MAHARASHTRA :

Y. B. Chavan knew that as the Chief Minister of Maharashtra, he had to evolve new development strategy to improve the lot of the peasants and for that purpose, he devised the strategy to develop the rural areas of Maharashtra. While delivering an important speech at Sangli on 5th Jan. 1960, Y.B. Chavan depicted the future picture of Maharashtra in the light of problems the state faced. He made it clear that the problems were three-fold, social, economic and political. As far as political problems were concerned he pointed out that the major problem was that of emotional integration of three different regions - Vidarbha, Marathwada and Western Maharashtra of the state. He was of the view that in the social field the broken minds of different communities should be given healing touch because the caste and communal prejudices should be eschewed in order to realise the unity of Maharashtra. He made it clear that Maharashtra would worship merit and energies of most of the people would be harnessed. The problem of Neo-Buddhists was equally important and every attempt should be made to integrate them in the rural societies. In Maharashtraian society there was variety in social life and this variety should be understood and properly developed.

According to Y. B. Chavan there were economic problems in agriculture, industries and employment. Along with economic

development of Bombay, other areas of the state should be developed and a wide network of agriculture based industries should be established. He was of the view that education should be to the most of the people and it should not be education in humanites only but it should be education in the technical fields as well.

Y. B. Chavan was of the view that through democratic politics and mobilisation of the politically conscious people the face of rural areas could be changed. Hence, he said that for three crores people of Maharashtra hence forth the politics of development should be the only politics because we had miles to go.³

Thus, Y. B. Chavan knew that there were many problems of development and the new government had to undertake them to remove the regional imbalances to bridge gap between urban and rural areas, to increase on priority basis the number of industries for processing agricultural production to establish a wide network of varied industries on the basis of co-operation to create infrastructural amenities such as a water, roads and electricity to generate employment opportunities to all at local level and establish to very cordial relationship with non-Maharashtraian businessmen residing in Maharashtra. He supported the cause of land reforms and tenancy act, land ceiling act, and measures like soil conservation, establishment of agro linked industries,



re-distribution of surplus land and modernization in methods of agriculture and canal, irrigation. He propagated the spirit of co-operation and the policy of decentralization in both agricultural and industrial fields, to create new-work of co-operative societies all over Maharashtra for the welfare of common man. He sincerely regarded these co-operative institutions as the means to develop the leadership at grass-root level. He stressed the need of ending vestiges of feudalism from the state for attaining all round development and social justice without any hindrances. He held a firm conviction that state power was not meant for self enjoyment but was the means to serve the people.

3.3 Y.B. CHAVAN'S STRATEGY IN THE ESTABLISHMENT OF NEW ORDER IN THE SOCIETY :

Y. B. Chavan wanted to bring about the economic development of the rural areas and he wanted to develop the agro-industrial society in the rural Maharashtra. He sought to do this by using three important sectors, 1) State sector.(2) Panchayati Raj institutions (3) Co-operative sector. He was of the view that through these sectors the allround development of the state could be brought about and equality of opportunity and employment to most of the people could be provided. He was of the opinion that development and social justice were the complementary things and it was the duty of the state government to see that development was coupled with social justice.

The State Sector : The role of the state government was important because the state government had larger allocation of funds. The state government in the third five year plan wanted to bring about the change in rural areas hence, Chavan made it clear that a new department of co-operation and rural ~~work~~ development was created and the public works department was separated from irrigation and power department. He pointed out that in the third five year plan the government sought to generate new awakening in the rural areas by modernising the production system in agriculture through supply of power to the farmers and the small scale industries.⁴

For the emergence of agro-industrial society in the state the role of the state in the fields of agriculture, education, power and industries was very important. Chavan sought the regeneration of the rural areas through these departments. The state government in Indian union was a powerful agency because it had huge resources at its disposal and adequate and trained man power. It could utilise the central assistance for the development activities. He used his power to plan and carryout the big projects, such as the Koyana hydro-electric power project, different irrigation projects, roads, industrial centres, and educational institutions etc. These plans and projects strengthened the development process in the state.

Agriculture : The uneven distribution of land among the people in the state was big hinderance in establishing equality and equity among the people of the state e.g. A few people owned a large amount of land under their control while majority of the people remained either landless or small holders. This has created great hiatus between the rich and the poor. In order to bridge this gap, Y.B. Chavan implemented progressive land reform acts, Land ceiling Acts, Land Tenancy Acts, by passing legislation and implementing it. Though these acts could not fulfil the objectives of equality, never the less, it helped to mitigate the distance between the rich and poor in rural areas. Y.B. Chavan's opinion on this point was clear as he pointed out on 7th Oct. 1960 at Mahabaleshwar that the land should be belong to the tiller and toiling agriculturist should be helped by opening service co-operatives in the state.⁵ Thus the implementation of the agrarian reforms helped accelerate the process of social change and political development.

Problem of dry farming : Mr. Y. B. Chavan knew the problems of agriculture especially the problems of dry farming hence he laid stress on the development of irrigation facilities because if the peasant was happy the country would be happy. Hence, agriculture occupied the central position in our planned economy.⁶

In Maharashtra the proportion of irrigated land is very small due to many reasons. So the majority of the land in the state is dry which did not produce adequate food grain. The govt. in past did not pay enough attention towards its development as its cost was very high. Consequently the dry farming had to depend upon whim and vagaries of monsoon which was uncertain and inadequate in this area. Generally small part of land was irrigated by wells. The Chavan government had paid special attention towards the different projects of irrigation by carrying out systematic development under five year plans. It is interesting to note the statement of V.P. Naik then revenue minister, " The government gives an amount of Rs. 2500/- to the eligible farmer an account of tagai for sinking well in his farm." In his explanatory speech in Bombay Assembly on 20th March 1958, he further clarified "in some parts of the state there are no rivers and nalas. The nalabunding is also difficult in such a part. Due to unevenness of land the government was unable to implement the schemes of canal irrigation on large scale. Hence, it is the government policy to help farmers sink wells for irrigation purposes in dry land areas." 7

New Development programme in agriculture :

During the last couple of years Maharashtra made a many efforts to attain self-sufficiency in food and the main thrust of these efforts was to increase food production by using hybrid and

high-yielding seeds for jawar, bajara, paddy and maize crops. A three pronged drive was launched in the state to increase crop production by lining^k the electrification programme to irrigation, use of hybrid seeds use of intensive cultivation in selected areas and offer of more and more incentive prices to the farmer for his produce and guarantee for its marketing round the year. Financial assistance by way of grant-in-aid and loans at moderate rate of interest to cultivators were further extended to enable them to take to improved farming. One of the most ambitious programs launched by the Chavan government was the programme of soil conservation, though bunding was undertaken primarily as scarcity work. But in view of its importance and utility, it was made a permanent feature of the agricultural development programme. In the context of the drive for increasing food production a special emphasis was laid on the soil conservation programme through bunding. There were barren but cultivable waste lands scattered all over the state. Unless soil conservation measures were undertaken in this area there could not be appreciable increase in agricultural production. Statistical evaluation of yields of contour banded areas had shown that the bunding led to a permanent increase in yield by 8 to 10% of food grains per hectare. Bunding also increased the sub soil water level and the quantity of water in the existing wells situated in the banded areas, as well as immediately down stream of them. This offered further scope for construction of many more wells in such areas thus giving increase in the area under irrigation.

Y. B. Chavan was of the view that without irrigation agricultural development could not be brought about. He made it clear that almost 3.50 crore acre land in the state was without any soil conservation hence neither soil nor water was properly conserved. He linked it to the earthen pot of milk maid of Mathura whose leaking pot could not maintain anything. The water that overflows the area in the rainy season should be properly conserved and stored so that it could be used throughout the year.⁸

In due course of time, Nalla plugging and trenching were added to the programme of soil conservation. In the order to enable the cultivators to realise full potentialities of agricultural production, it was felt necessary to provide them with technical knowledge in respect of improved methods of cultivation and timely and adequate supply of fertilisers seeds, agricultural credit facilities. For that purpose, special staff units were created under each intensive cultivation block covering about 8 thousand hectares. This was propagated also in the arid areas. Under the agricultural development programme, the government have taken the programmes of distribution of government waste lands to the landless people and the government had further decided to allot 20,000 hectares of land and provided financial assistance to the land-less cultivators.⁹

The integrated area development scheme had been specially launched by the government for the benefit of small-holders, who constituted a large number (47% nearly) of cultivators in the state. The small land holders were not in a position to avail of the different financial concessions available for cultivation and allied agricultural activities from the various sources due to their non-credit worthiness. Their own resources were meagre because of their small holdings. The small holders under this scheme were given additional financial concessions by way of subsidy for undertaking various measures of land development.¹⁰

The govt. carried out the campaign of dairy programme in the nooks and corners of Maharashtra and brought about white revolution within short period. For this the state government gave liberal loans to the farmers for purchasing hybrid cattle breed and fodder.

The spread of educational facilities :

Maharashtra had always been termed as one of the progressive states in the field of education. During pre-independence period a large number of selfless social workers had set up schools and colleges and inspite of odds they built up institutions of very high quality. In post - independence period, the government gave patronage to education. In order to offer educational facilities, special concessions and Scholarships were provided to the deserving and the under privileged

sectors of the society. Vigorous propaganda was carried out for bringing about educational awakening in the rural areas. The expenditure on education was gradually raised from plan to plan. Total expenditure on education at the end of the first five year plan was about Rs. 24 Crores, it rose to Rs. 49 Crores at the end of the second five year plan and to about Rs. 69 Crores were spent in the third five year plan.¹¹

Most remarkable feature of the educational growth in the post-independence period was the progressively rising demand for education in the rural areas. The public response to the state's emphasis on free and compulsory primary education during the first two plans were reflected in the rapid increase in the number of schools and enrolment of students in them. This rise progressively led to an increase in the number of institutions at the secondary and collegiate stages. This was evident in the field of law, engineering, technical, medical, nursing pharmacy, home science, library science, social welfare work and management education etc.

The Maharashtra state did a pioneering work in the field of adult education. The state government launched a massive campaign in the year 1961 for complete eradication of adult illiteracy in the state. This movement called the " Gram Shikshan Mohim, " was a movement by the people for the people and of the people aiming at making the adults within the

age-group 14-15 years able to read and write. The government also introduced, " Kisan Shikashan Yojana " in Kolhapur, Parabhani and Akola districts with the help of government of India.¹²

The government of Maharashtra had awarded scholarships to talented and deserving students especially from the rural areas. The student topping the list in the competitive examinations held from middle school scholarship were awarded these scholarships. In addition to the above scholarships the Maharashtra government sanctioned Daxina fellowships every year in govt. colleges and universities for the post-graduate students.

One of the most important contributions of Y.B. Chavan^A to higher education was establishment of Marathwada University at Aurangabad in 1958 and Shivaji University at Kolhapur in 1962. Both the universities were established in the rural areas of the state and due to establishment of these universities there was manifold increase in the number of students and colleges. In the fields of research and teaching, these universities played a very important role. While delivering convocation address at Marathawada University on 15th Oct. 1961, Y. B. Chavan said, " The students of this university should study the local problems of the region because the university can not remain aloof from the problems of the region. At the same time the students should study the problems of development through broader perspective of state and nation." ¹³

Also, the Maharashtra govt. implemented the govt. open merit freestudentships. Economically the backward class scheme was launched under which the pupils whose parents last year's income from all sources did not exceed Rs. 1200/- were eligible for freestudentship at all stages of education. The concessions to the children of freedom fighters and children of primary teachers were given, National loan scholarship scheme was introduced to help students taking up higher education on the basis of merit in the qualifying examinations. These loan scholarships were interest free and those taking up teaching profession were exempted from its repayment. The neo-Buddhists were held eligible for all concessions and facilities available to the scheduled castes. Thus by granting different scholarships and concessions the govt. of Maharashtra, accelerated the process of spread of education in the state. These reforms in the field of education had long term effects on the development of man power in the state and it was to the credit of Y.B. Chavan that he hastened the process of change in the field of education.

The Community Development :

The community development programme which was aimed at transformation of social and economic life of the rural population was launched on 2nd Oct. 1952. By 1963 the entire state was covered under the extensive phase of the community development programme with the introduction of Panchayati Raj at district,

block and village levels. The people were made partners both in the planning and implementation of the community development programme.

Maharashtra state had been allotted 425½ community development blocks at the beginning of the third plan, including four multipurpose development blocks. Govt of India sanctioned an additional 40 tribal development blocks for the state.

During the period of 15 years, the community development programme had made a definite impact on the economy of the rural areas. The community development programme was re-oriented in 1962-63 in the context of national emergency with full emphasis on increased agricultural production and funds provided were utilised for agricultural production to the extent possible.¹⁴

Water Supply Schemes :

The rural water supply programme in the Maharashtra was under-taken with the aim of providing adequate drinking water facilities to most of the villages which did not have such facilities or they were inadequate by adopting simple measures like construction of wells and tanks or deepening of existing wells etc. or by special measures viz piped water supply schemes. The well construction programme and piped water supply schemes were implemented by the Zilla Parishads. The piped water supply schemes costing more than Rs. 1 lacs were classified as state sector schemes and were to be executed by " the state public Health Engineering Organization" and on their completion they

were handed over to Zilla Parishad / Village panchayat for operation and maintenance.¹⁵

The village housing project scheme was started in the second five year plan to develop selected villages into model villages. The scheme was continued during the Third plan period.

A brief review of the working of the different developmental activities lent support to the fact that Yashwantrao Chavan was an enlightened leader who worked out many programmes with a view to attaining general welfare of common people. Through state sector, Y.B. Chavan tried to bring about the change in the basic approach of administration and he termed it as politics of development. He knew that the agriculture was the main concern and once agriculture and rural areas picked up, the different agro-based industries processing factories and small industrial units could be developed.

The major problem in the industrial development was the regional imbalances and Chavan held a view that Maharashtra without Bombay was a backward state and there were imbalances in different regions. Chavan was of the opinion that these imbalances could be rectified by developing agro-based industries in the rural areas.

3.3:2 ROLE OF CO-OPERATIVE MOVEMENT :

It is the opinion of the Gorwala committee that the co-operative movement in India was the hope of common man, if it failed it would disappoint common man. Hence for general welfare of common man this movement must succeed.¹⁶ Therefore some economists like Dr. D.R. Gadgil were the supporters of this movement and Chavan also realised the importance of co-operative movement.

Food, Clothing, Housing, Health and Education were now a days considered as the basic needs of an individual. India was predominately agrarian country and the co-operative movement had entered in agriculture as early as 1904. It was first used to provide funds on loan basic to the needy farmers for the development of their lands. The co-operative movement tried to ameliorate the living conditions of poor farmers, who were formerly exploited by money lenders.

The co-operative movement was not only confined to agricultural field but it has eventually spread and touched every field of life. Of late the co-operative movement had helped to raise the agricultural production by providing adequate funds to create infrastructure of modern agro based industry.

While inaugurating the conference of Maharashtra chamber of trade and industries Chavan argued that though the co-operative movement was based upon the efforts of the people, the govt. also wanted to help it because through this we could ask the peasants to invest their money in industries, it could utilise the local resources and capital and avoid the bad effects of outside capital. The difference between values of urban and rural people can be bridged when they come on the same level. He was of the view that through co-operative movement, we can distribute increased production among the large number of the people. Hence, co-operation was a means to attain the goal of socialism.¹⁷

Chavan held a view that the farmer who follows the path of co-operation in agriculture and industry by producing the agricultural products encourages industrial development. This will create job opportunities in the state.¹⁸

The co-operative sector was helped by the govt. and the govt. wanted the sector to bring about the basic changes in the rural areas. Chavan visualised the role of co-operative movement in two important areas. 1) rural credit societies and sugar co-operatives and other agriculture based processing industries. He also wanted that the co-operative dairies should be developed and agro-linked processing units should be opened in order to supplement the income of farmers in rural area.

Y. B. Chavan knew that milk co-operatives would play an important role in agricultural development, therefore he said, " The state govt, did not want to run unproductive dairies but it seeks to involve a large number of people, including poorest of the poor in milk production. It is the responsibility of the govt. to provide them with the latest technology.¹⁹

Rural credit societies :

The problem of farmers was that of lack of credit and there was no adequate provision for the rural credit as banks were catering to the needs of industries and the people living in urban areas. Y.B. Chavan laid stress upon the co-operative rural credit societies as he was of the view that these societies and the district central co-operative bank would largely solve the problem of rural credit.

Co-operative banks :

The co-operative banks as in case of other co-operative institutions, got significant place in rural economy and social life. These banks provided finance to the co-operative institutions for their smooth and successful working. The fate of all these co-operative institutions lies on the policies of D.C.C. banks.

In the 2nd decade of twentieth century the co-operative banks were started with a view to providing finance to the farmers and weaker sections of society. In those days the co-operative banks had to pay special attention to these sections as the number of commercial banks in rural areas was very small. The co-operative banks extended loan facilities on the liberal and moderate rates, thus the farmers were saved from ruthless exploitation by money-lenders.

The working structure of co-operative banks was like pyramid or hierarchy. At the base were the chains of co-operative societies, above them was structure of district central co-operative banks and at the top of this chain was the state co-operative bank.

The primary co-operative institutions - at village level co-operative credit societies formed by the villagers provide finance at short term loans to their members. Besides this it has various functions such as to arrange for sale of agricultural produce, to supply them the products needed by them and to lend or sell machinery at a moderate rate.

D C C banks In co-operative movement the D C C banks played a vital role. It also serves as the link between the co-operative societies spread over vast rural areas and the state co-operative bank. This bank played a role in bridging the gap between urban and rural areas. Thus, it sought to

rectify the regional imbalances by extending credit facilities at moderate rate of interest to the co-operative societies in the areas. It also received deposits from the co-operative societies and individuals. It gave loan on lien to non-members. It guided the co-operative institutions. The D C C bank takes loan from the State Co-operative banks if and when required.

The state co-operative bank - This bank is the apex in the hierarchy of co-operative institutions. This bank provides finances to D C C bank. This bank is emerged out of the practical needs of the co-operative institutions and the D C C banks. The state co-operative bank raised loans either from the Reserve Bank of India or issuing debentures in open market. It serves as the leader of the co-operative movement. Indeed, it is a custodian, guide and controller of all the D C C banks in the state.

The land development bank was also formed with a view to providing loans on long term basis to the needy farmers for the development of agricultural activities such as irrigation, sinking of wells, bunding, purchasing modern agricultural equipments etc. At every district place, there is a district land development bank and its branches are established at Tehasil level. This facilitates the distant farmers to save time and money in hours of need. At the state level, there is

the State Land Development Bank which is a guide, custodian, and controller of all the Land Development Banks at the district and Taluka level banks.

Besides these there are also commercial banks, employes co-operative banks etc. which provide loan facilities to the vocations other than agriculture. These banking institutions have also very significant place in the co-operative movement.

These various banks helped to encourage the co-operative movement in the state. A well organized co-operative movement improved the general economic conditions of common people in the rural areas and developed new leadership.

By extending the facility of co-operative banks at different levels of the state and by giving it encouragement, Y. B. Chavan sought to solve the problem of rural credit that was responsible for the under development and poverty of agriculture in Maharashtra. Chavan was of the view that through the co-operative sector, many more enterprises like the establishment of a wide network of service co-operative should be established because co-operation was the mainstay of development.²⁰

Sugar Co-operative Industries In Maharashtra :

Y. B. Chavan was of the view that the agro-industries were a key to solve the problem of backwardness of rural areas. While inaugurating a Sugar co-operative factory



at Sangli, Chavan put forward the basic principles of his policy and maintained that the sugar co-operatives would play a very important role in rural development. He said, "Establishment of industries in the rural areas and linking these village industries with agriculture is the main principle of Agro-industrial society. If the processing industries are established in the rural areas the raw material need not go to the urban areas. The rural industries must be established in the co-operative sector so that its benefits would be given to the farmers. Our experience in the field of sugar co-operatives is encouraging." 21

Maharashtra is the most progressive industrial state in India. It has maintained its supremacy in this field since pre-independence period. Here land, climate and water supply are conducive for growing of sugar cane crops. During pre-independence period, most of the sugarcane production was utilized for processing gur. So the Maharashtra state was wellknown for gur production. The gur of Kolhapur was wellknown all over India. But the production of gur could be fetch adequate income to the farmers very few industrialists entered in sugar industries and they found it very profitable. As early as 1920, the first sugar industry was founded at Belapur in A'nagar distric by private venture. Sugar industry is considered the most progressive business in the field of agriculture. The sugar industry has played vital role in the development of agro-industry in Maharashtra.

The first co-operative sugar factory was started at the initiative of D.R. Gadgil and Vikhe Patil in 1950 at (Loni) Pravaranagar in A'nagar district. Due to favourable infrastructural factors, such as land, water supply, finance, transport technicians etc. a net-work of large number of co-operative sugar factories came into being in various district namely Kolhapur, Ahemednagar, Sholapur, Sangli, Satara of Western Maharashtra and Aurangabad, Usmanabad district of Marathwada and Yavatmal district of Vidarbha. Now the total number of co-operative sugar factories are as large as 67 and 12 are run by private individuals. These sugar factories have brought about very significant change in social and economic lives of Maharashtra. The ancillary industries such as poultry, dairy, distillery and paper industries have sprung in the locality of the sugar factories.

The novel experiment of co-operative factories of Maharashtra has been copied out else where in other Indian states. The production of sugar in these factories in Maharashtra was 5 lakh tonnes in 1960.

In 1964 the Shetakari Sahakari Sakhar Kharakhana of Sangli has earned name as the first sugar factory which has started distillery for production of wine and spirit as the by-product out of its molace, Eventually this experiment was

copied out in various co-operative sugar factories as it is very profitable. The total number of distilleries run by various sugar factories is now 26 .

The sugar factories have played a vital role in transforming rural society by under-taking various projects and welfare activities such as establishment of agro-industrial projects, distillery, chemical acids acetic acid unhydrait, and acetone paper industries. They constructed minor irrigation, roads, houses and started hospitals, rural health centres, schools and colleges, technical and medical institutions etc. It has also given impetus to other industries such as bird and animal fodder, piggery and poultry.

This allround development in rural areas in the vicinity of the sugar factories have brought about very significant change in all fields of life. It can be said that the sugar factories in Maharashtra are socially committed and have a little eye on their profit motive. It is interesting to know that this work of sugar factories has been appreciated and noted with praise in the report of Maharashtra 1985 in the following words, " the huge turn over of sugar large employment opportunities and rise of ancillary industries under the auspices of co-operative sugar factories have brought about vital change in social and economic life of people." 22

Y. B. Chavan laid great stress upon development of sugar co-operatives in the backward areas of the rural Maharashtra. The state could be developed with the help of allied agro-based industries in the rural areas. The sugar co-operatives were encouraged by the state govt. because through it the urban rural gap could be bridged.

The processing industries such as rice mill, gleaning factories, fruit processing industries are run on co-operative basis by a number of farmers. The total number of co-operative milk dairies in Maharashtra is 10,000 , which collect 21,00,000 liters milk every day.²³

It is gratifying to note that these dairies supply milk to the neighbouring states. It has now become definite source of income to common man. Besides, the industries like poultry silk industries, piggery etc. are also run on the co-operative basis. Recently, the co-operative movement has also entered in the field of textile industry.

3.3:3 PANCHAYATI RAJ INSTITUTIONS :

The directive principles of the state policy in our constitution ask the govt. to establish village - Panchayats in rural areas. The govt. of India asked the different state govts to enact Panchayati raj bill. The Chavan govt. in

Maharashtra decided to establish the powerful Panchayati Raj bodies in the state because Y. B. Chavan sought to establish Agro-industrial society in Maharashtra through rural local self governing bodies that brought about development through democracy and popular participation in development activities.

The govt. of India appointed Balwantrai Committee in 1957 to look into the problem of establishment of Panchayati Raj institutions.

The Balwantrai Mehta committee studied all these facts and submitted its report to the govt. of India. On 24th November 1957. This report was popularly known as, ' Balwantrai Mehta Committee Report. '

The main recommendations of the committee are given below :-

1) The collective development plans or National extension plans have failed to motivate the local leadership in welfare activities, hence the principle of Decentralization of power at the grass root level should be accepted. The govt. should be held responsible for guiding, planning, financing, controlling and supervising the development activities. The scope of the local institutions should be viable.²⁴

2) The committee recommended that a new local committee known as Panchayat Samiti should be created at each Block level. The members of the samiti should indirectly be

elected by the members of the grampanchayat. The committee should co-opt. some members from Municipalities and co-operative societies. It should be assigned definite functions. Besides this, at each district level there should be an institution known as, " Zilla Parishad ". It should co-ordinate developmental activities and work as the guide to different Panchayat Samitis in the district.²⁵

The committee also recommended that at each village the ' grampanchayat ' should be formed on the basis of universal adult franchise by direct election. Every grampanchayat should have two lady-members and one member from each Scheduled castes and Scheduled tribe communities either elected or co-opted.

The commission laid down the items of revenue to be assigned to the grampanchayat. Every grampanchayat should receive 70% of its revenue collection. The Panchayat Samiti shall inspect and sanction the budget of grampanchayats. Grampanchayat shall have the certain right to do some welfare activities in the interest of the people. Besides it should act as an agent in carrying out developmental activities in the grampanchayat areas as assigned by the panchayat samiti.²⁶

From these recommendations it follows that keeping in view the principle of decentralization of power, the Balwantrai Mehta committee had suggested three-tier system of administration

at every district level. At the base was the grampanchayat and at the top was Zilla Parishad and in between the two was Panchayat Samiti. However the said committee alluded that the state may be given freedom to make the changes in the pattern as per its traditions and convenience. ²⁷

The Naik Committee :

The Meheta committee recommended the three tier system of rural local government for realising the principle of decentralization. The committee laid special stress on Panchayat Samiti which would be competent to execute all the developmental plans efficiently. This recommendation was consistent with the discussion held in the meeting of National development committee. The most of the recommendations of the Meheta committee were accepted by the central govt., and it further instructed every state to execute the recommendations of the Meheta committee. Accordingly, the most of the states in India have accepted the recommendations of the Mehta committee and implemented the new policy with certain changes as per their traditions and conventions. ²⁸

The central govt. was planning to reorganise the Bombay state when the report of Balwantraji Mehta committee was accepted by the National Development Committee. In May 1960 the new Maharashtra state came into existence. On 27th June the govt. of Maharashtra appointed a committee under the

Chairmanship of Vasant Rao Naik, the then Revenue minister, to study the policy of decentralization and to make certain recommendations for its implementation. The two ministers, three secretaries and a commissioner were the members of the Naik committee. Shri. P. G. Salvi the then deputy development commissioner was the secretary of the Naik committee. The Naik committee toured the whole of Maharashtra and studied the working of the local self govt. The committee discussed this matter with the representatives and officials of the local self govt. Besides, the committee visited the states in which the policy of decentralization was adopted so as to understand the method and the problems of new policy. Then the committee had prepared its report and submitted to the state govt. on 15th April 1961. The state govt. had carefully studied the recommendations of the Naik Committee and the most of them along with its suggested pattern of administration was accepted. On 5th December 1961 the state govt. moved Zilla Parishad Act in the legislative Assembly and the legislature passed it. The president of India gave assent to the bill on 5th March 1962. In pursuance of this law the Zilla parishad and Panchayat Samitis were formed at each district and taluka levels; respectively in place of the old District Local Boards. The people in the state had to elect their representatives to Zilla parishad and Panchayat samiti. In the month of August,

each Zilla parishad and Panchayat Samiti was legally constituted and they started their functioning according to the power and duties entrusted upon them.²⁹

Speaking on the bill, Y. B. Chavan made it clear that for the institutionalisation of democracy rural local bodies were important. The new forces were emerging at local level through co-operative movement and energy these forces need to be harnessed and organised in a democratic system at rural level. The Panchayati Raj institutions were going to perform this function. Y.B. Chavan wanted these bodies to perform development functions and made it clear that democratic decentralisation was the need of the hour because democracy and development demanded that there should be gradual devolution of power.

Decrying the critics of Panchayati Raj, Y.B. Chavan made it clear that these bodies at village level were necessary for development of democracy. It was wrong to say that villages were dominated by communalism, godism and feudalism, therefore devolution of power would not serve the purpose. He made it clear that the govt. sought to decentralise power and it did not want to abolish it; because his govt. wanted to run the state.³⁰ Thus for growth of democracy and development, decentralization of power was necessary. Naik committee sought to do this.

In the report of the Naik committee the Panchayat samiti was considered as the subsidiary body of the Z. P. Its nature, power, duties, area and scope were determined. The Panchayat Raj institutions were empowered to implement all the duties and functions included in the schedule no. 2 of the Z. P. Act. 1962. They have been provided with block development grants to carry out the above functions. Besides, the said law makes provisions that Z.P. shall implement and carryout all the functions through its Panchayat samitis. Consequently, Panchayat samiti got adequate powers. In this way the Panchayat Samiti had to execute its developmental plans which were included in the budget of Z. P. Besides the Panchayat samiti was empowered to amend to change or to extend its scope while implementing its plan with the consent of Z.P. The servants of the Panchayat Samiti would work under the direct control of the Panchayat samiti. The Z. P. could not farme any plan without the consultation and recommendation of its Panchayat samiti. This provision made the panchayat samiti as the real executive body in this system, and hence regarded as the soul of the decentralization policy.³¹

One of the salient features was that the Z.P. Act of Maharashtra , gave power to its people to elect their representatives to Z.P. and Panchayat samiti by direct election though the Mehta committee recommended indirect election, system for

selection of their members. This was sought to fulfil the principle of true democracy and to make the Z.P. a powerful and efficient body of popular representatives down from all levels of district. This system gave birth to the competent leadership to carry out the responsibility efficiently. It was interesting to note that this view was put forth the seminar of 1963 on " Maharashtra Z. P. and Panchayat samitya ", held under the auspices of Gokhale institute of Politics and Economics, Pune. ³²

The Z. P. Act article No. 9 made a provision that every Z. P. shall have 40 to 60 members duly elected by the people. There shall be one representative for a population of about 25 to 35 thousand people. The state govt. will not send their representative to Z. P.; as in case of some other states in India, e.g. in Maharashtra M.Ps, M.L.As or Collector are not members of Z. P. by virtue of their status. The Z. P. Act gave special permission to co-opt a suitable lady member in case no lady member was directly elected. The article 9 (1) (c) made provision that the chairman of all the Panchayat samiti, were the ex-officio members of Z. P. They had power to vote in Z. P. but they could not hold authoratative post. This provision was essential to bring about co-ordination between the Z. P. and Panchayat samiti. The article 9 (1) (D)

of Maharashtra Zilla Parishad Act gave power of co-opting 5 members from co-operative societies and district co-operative board. These co-opted members can attend the meetings, discuss the issues but do not have right to vote. But in its co-operative committee they had right to vote.³³

Article 12(2) of Maharashtra Zilla Parishad Act empowers the state govt. to reserve the number of localities as a reserved constituencies for the scheduled castes, scheduled tribes in proportion of their population in rural areas.

The day today working of the Z. P. is carried out by standing committee and six subject committees viz. finance committee, Building Committee, Agriculture Committee, Education committee, co-operation and public health committee.

The elected members to the Z. P. shall have power to elect their president and vice-president from amongst them, Besides they can elect two more members as chairman for the subject committees.

The co-operative committee shall consist 11 members including chairman of them. Five will be co-optated members from co-operative institutions of the district, the remaining five will be elected from the members of the Zilla Parishad. The rest of the committees will have only seven members excluding chairman. The Zilla Parishad has power to co-opt experts as members to its various committees. The co-opted members shall have no power to vote.

The standing committee of Z. P. is considered as the highest body of Z. P. and it has been given very wide powers. The president of the Z. P. will be the ex-officio chairman of the standing committee. The total number of members of the standing committee will be limited to 10 excluding the chairman of the committee. Of these will be the vice-president, two chairman of the subject committee and seven members elected by the members of Z. P. from themselves. Out of 10 membership of scheduled caste and scheduled tribe was limited to two. Beside these Z. P. had power to co-opt two experts as members.³⁴

Though the Panchayat samiti was not created by special legislation, it is legal entity. The state govt. has power under article 5 of the Zilla Parishad Act to determine the area of any panchayat samiti. In pursuance of this article the state govt. co-terminated with area of Panchayat samiti to the area of Tahasil in Western Maharashtra and Maharashtra and Marathwada part. In Vidarbha region the area of the Panchayat samiti was co-terminated with the Block development areas. The Panchayat samiti was regarded as the subsidiary body of Z. P.

The authorities of Z. P. viz. the President, the Vice-President, the chairman of the sub-committees and the chairman and deputy chairman of Panchayat samiti had been given hono^{ra}rium and some perquisite with a view to enabling them to devote their whole time in carrying out the smooth administration of the Zilla parishad and Panchayat samities.

The grampanchayat was the lowest rung of the ladder. The village people in the grampanchayat area elected their representative by direct election under adult franchise system. The number of the members of grampanchayat ranged from 7 to 15 as per the size of its population. The chief election officer of all the grampanchayats in Z. P. area was the collector of the same district. The period of the office of the grampanchayat was of five years, however the state govt. could extend the period of office for one year by special notification.

Functions of the Zilla Parishad :

Generally, the following are the main functions of Zilla parishad.

- 1) To establish primary and secondary schools and to recognise existing schools.
- 2) To inspect periodically the working of the schools, and to extend financial help by the way of liberal grants.
- 3) To maintain good public health and to establish and run hospitals and rural health centres, maternity homes, nursery schools such as balak mandirs and angan wadies.
- 4) To under take construction of public building, bridges and roads etc.

- 5) To make arrangements for adequate water supply and electricity for rural areas.
- 6) To make good sanitary arrangement to maintain the public health.
- 7) To encourage the local industries and the cottage industries.
- 8) To run co-operative institutions.
- 9) To establish public entertainment centres in rural areas.
- 10) To supervise the functions of common festival, fairs and bazars etc.
- 11) To establish and run veterinary hospitals and animal husbandry.
- 12) To look after the general welfare of the weaker sections of the society, by extending help.
- 13) To supervise, control, inspect and guide the Panchayat samiti and grampanchayat.

Thus, Zilla Parishad can be regarded as a welfare body for the rural part of district.

In short, ' Panchayat Raj ' gave impetus to the development of rural area. It had created the social awareness in the minds of the people and brought about the transformation and regeneration of the rural areas.

In this way, it seems that Y. B. Chavan's dream of political development had been partially realised by these institutions. Once Y.B. Chavan observed, " the institutions of big or small size must be established on the basis of the principles of democracy because we shall not be able to carry out the democratic leadership without the network of the democratic institutions at various levels. The democratic institutions working in the small fields will bring up the new competent and efficient leadership." 35

The 'Panchayat Raj ' had successfully created the new leadership in rural areas. This is the contribution of Y. B. Chavan. The leadership which is bred and brought up by these institutions has been playing very vital role at the state and national level.

Thus, Y. B. Chavan through state sector, co-operative sector and Panchayati Raj sector sought to bring about the basic change in the rural Maharashtra. Establishment of agro-industrial society in the state was his dream and he sought to fulfill it through these institutions.

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