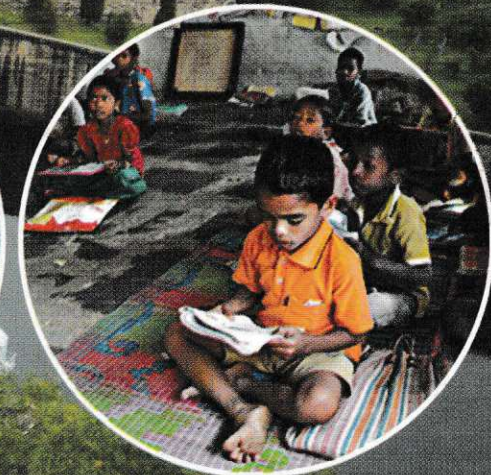




Rural Development

2

Indira Gandhi
National Open University
School of Extension and
Development Studies

Block

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RURAL DEVELOPMENT

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COURSE MAEE - 001 SUSTAINABLE DEVELOPMENT

Block 1 Introduction to Sustainable Development

- Unit 1 Sustainable Development: Concept and Scope
- Unit 2 Sustainable Development: Approaches and Strategies
- Unit 3 Challenges to Sustainable Development

Block 2 Rural Development

- Unit 4 Rural Development: Indian Context
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Block 4 Urban Development

- Unit 11 Introduction to Urban Development
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- Unit 13 Urban Development Policies and Programmes
- Unit 14 Urban Planning, Governance and Management

BLOCK 2 RURAL DEVELOPMENT

Introduction to the Block

This Block deals with rural development. It presents the Indian context of rural development touching upon the approaches, strategy and policy of rural development along with relevant issues and challenges. It draws out the distinction between 'development administration' and 'rural development administration'. It explains the significance of rural credit and decentralized rural development administration. It presents wide range of rural development programmes meant for development of rural individuals, families as well as a range of infrastructure and other facilities for holistic and sustainable development of rural areas. It contains the following four units.

Unit 4 “Rural Development: Indian Context” explains the concept and significance of rural development. It focuses on strategic perspective of approaches to rural development policy in India. It presents an overview of rural development programmes along with specific issues and challenges of rural development in India.

Unit 5 deals with “*Rural Development Administration*”. It touches upon the concept, meaning, scope, purpose and approaches to rural development administration in India. It explains the difference between development administration and rural development administration. It profiles the history of rural development in India and focuses on decentralized rural development administration. It highlights the significance of development banking and microfinance in rural credit for sustainable rural development.

Units 6 and 7 touch upon wide range of programmes aimed at the development of the rural people (individuals), the rural families and the rural area(s) as a whole — in terms of economic development, social welfare and security, and the infrastructure development including diverse essential facilities for better quality of life. **Unit 6** titled “*Rural Development Programmes - I*”, highlights the roles and functions of the Government in rural development and presents an overview of strategies and programmes for rural development. It focuses basically on the programmes aimed at the economic development and welfare of the individuals and the families in rural areas. It presents important programmes of rural development meant for poverty alleviation, economic development and social security/welfare with an emphasis on people's participation.

Unit 7 “Rural Development Programmes - II” highlights the shift of focus in strategies of rural development programmes from independent programmes meant for development of individuals and families to integration of different programmes for overall development of rural areas and people. Hence, this unit presents only those programmes meant for social transformation, infrastructure development, and provision of different basic services, facilities or amenities, among other things, in all rural areas which together have bearing on not only economic development but also on the holistic development of the rural areas for improved standard of living and quality of life.

UNIT 4 RURAL DEVELOPMENT: INDIAN CONTEXT

Structure

- 4.0 Introduction
- 4.1 Objectives
- 4.2 Rural Development: Concept and Significance
 - 4.2.1 Understanding the term 'Rural Area'
 - 4.2.2 Why and What of Rural Development in India?
 - 4.2.2.1 Why Rural Development?
 - 4.2.2.2 What is Rural Development?
- 4.3 Strategy Perspective of Rural Development in India
 - 4.3.1 Policy of Rural Development
 - 4.3.1.1 Efforts Prior to 1970s
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- 4.4 Rural Development Programmes: An Overview
 - 4.4.1 Programmes for Self-Employment
 - 4.4.2 Programmes for Wage-Employment
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 - 4.4.2.2 Wage-Employment Programmes
 - 4.4.3 Programmes for Rural Infrastructure Development and Social Welfare
- 4.5 Challenges of Rural Development
- 4.6 Let Us Sum Up
- 4.7 Answers to 'Check Your Progress' Questions
- 4.8 References

4.0 INTRODUCTION

In Block-1 of this course, we have introduced you to the concept, scope, approaches and strategies of sustainable development in general. Promoting sustainable development without sustainable rural development is just not possible either in India or in any rural or agriculture-based economy in any part of the world. In other words, 'Rural Development' is the key to India's economic development and transformation as the majority of its population still lives in the rural areas. Mahatma Gandhi said that India lives in its villages and destruction of these villages will lead to India's destruction. Hence, the focus in all the planned/planning efforts has been more on development of rural areas.

In view of the above, in this unit, we attempt to cover the concept, significance, approaches, strategies, programmes and challenges of rural development in India.

4.1 OBJECTIVES

After studying this unit, you should be able to:

- Explain the concept and meaning of rural development;

- Describe the various approaches and strategies that have been followed and are being followed in India for rural development; and
- Appreciate the achievements and current challenges of rural development in India.

4.2 RURAL DEVELOPMENT: CONCEPT AND SIGNIFICANCE

In broad terms, India's (economic) development is inextricably linked to that of India's rural (economic) development. A large majority of Indians live in relatively small localities and are engaged in farming or some activity related to farming. In 2001, the average Indian lived in a village of about 4,200 people; 72 percent of India's total population was classified as rural, and 58 percent of workers were engaged in agriculture. Just 11 per-cent of Indians lived in large cities of 1 million or more residents (Haub and Sharma, 2006).

The core problems of India such as wide-spread poverty, growing inequalities, rapid population growth, growing and rising unemployment, among others, find their origins in the stagnation and often retrogression of economic life and development in rural areas. Most social and economic indicators consistently show that rural areas compare unfavourably with urban areas. It is at the rural level that the problems of hunger, ignorance, ill-health and high mortality are most acute. Therefore, if development is to take place and become self-sustaining, it will have to be rooted and concentrated in the rural areas.

4.2.1 Understanding the term 'Rural Area'

There are two main characteristics of rural areas. *First*, rural people usually live in a farmstead or in groups of houses containing perhaps 5000 – 10,000 persons, separated by farmland, pasture, trees or scrubland. *Second*, the rural people spend most of their working time on farms. Rural areas are sparsely, settled places away from the influence of large cities and towns. Such areas are distinct from more intensively, settled urban and suburban areas, and also from unsettled lands such as outback or wilderness.

Unfortunately there does not exist a single methodology, much less a single definition of what constitutes rural. The problem is that, patterns of spatial occupation are, *inter alia*, culturally and historically determined and vary among regions of the world. A natural definition of 'rural' is to define it by exclusion, as that which is not urban, where urban is defined on the basis of population agglomerations.

In practice, there are *two main methodologies* to define 'rural'. The *first* methodology is to use a geopolitical definition. In this, urban is defined first, by law as all of the state, region, and district capitals (centers), and by exclusion all the rest is defined as rural. Countries like Colombia, El Salvador, Dominican Republic, and Paraguay follow this methodology. In all of these countries urban population is defined as that living within the "*cabecera municipal*" the municipality's head or center. The drawbacks of this methodology are obvious: populations that live outside the geopolitical limit of a city (specially in a growing city) are miscounted as rural; while population living in tiny municipalities in sparsely-populated regions is miscounted as urban.

The other popular methodology is to use observed population agglomeration to define 'urban'. In this case, populations that live within an area where contiguous households form populations larger than, say 2,000 inhabitants are considered urban, while by exclusion the rest is defined as rural. This methodology seems more attractive because

it establishes a clear threshold; unfortunately this threshold varies widely around the world. (Anríquez and Stamoulis, 2007).

Many Indians who live in relatively less populated areas are classified as rural because their communities are highly dependent on agriculture and lack the population density required for the official urban designation. In general, India classifies communities as urban if they have at least 5,000 people; a population density of at least 400 people per square kilometer (1,000 per square mile); and less than 25 percent of the male labor force engaged in agriculture. Accordingly, many of the 16 percent of Indians living in places with 5,000 to 19,999 people are classified as rural (Haub and Sharma 2006).

The rural-urban borderline in a country is seldom changed. It is more reliable to compare rural and urban shares of the population and of the poor, and disparities among them (mean income, dollar-poverty incidence, doctor-patient ratios, illiteracy, etc) in the same country over time than to compare countries.

4.2.2 Why and What of Rural Development in India?

Rural development is one of the most important factors for the growth of the Indian economy. Let us understand why it is so important.

4.2.2.1 Why Rural Development?

India is primarily an agriculture-based country. Agriculture contributes nearly one-fifth of the gross domestic product in India. With about 70% of India's population, i.e. approximately 700 million people, 'Rural India' can well be termed as the 'Real India'. To make India's growth story a truly inclusive one, it becomes imperative that the development challenges facing rural India are overcome with utmost priority.

Main feature of population living in rural areas are:

- Pre-dominance of agriculture – agriculture main occupation;
- Old methods of agriculture;
- Low standard of living;
- Low per capita income;
- Vicious circle of poverty;
- Market imperfection, etc.

"Growth with social justice" has been the basic objective of the development planning in India since independence. Social justice is a concept relating to the perceived fairness or justice of a society in its divisions of rewards and burdens. The concept is distinct from those of justice in law, which may or may not be considered moral in practice. Opposition to social injustice is increasingly a platform of emerging political parties. Social injustice arises when equals are treated unequally and unequals are treated as equals.

At the beginning of the first Five-Year Plan, almost half of the Indian population was living below the poverty line, 80% of which lived in the rural areas. The incidence of poverty in villages was widespread. In general, poverty can be defined as a situation when people are unable to satisfy the basic needs of life. The definition and methods of measuring poverty differ from country to country. According to the definition by Planning Commission of India, poverty line is drawn with an intake of 2400 calories in rural areas and 2100 calories in urban areas. If a person is unable to get that much minimum

level of calories, then he/she is considered as being below poverty line. This problem was further aggravated by disparities that existed among the States, between men and women and among different social groups. The magnitude of poverty and disparities that existed between various social groups necessitated planned State- intervention to provide succor and relief to millions reeling under poverty, particularly the disadvantaged and marginalised social groups such as the Scheduled Castes, Scheduled Tribes, other backward castes, women, children, the physically handicapped and the disabled.

At the beginning of the new millennium, 260 million people in the country did not have incomes to access a consumption-basket which defines the poverty line. Of these, 75 per cent were in the rural areas. India is a home to 22 per cent of the world's poor. Such a high incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process. Indeed, poverty is a global issue. Its eradication is considered integral to humanity's quest for sustainable development. Reduction of poverty in India is, therefore, vital for the attainment of international goals.

People in rural areas should have the same quality of life as is enjoyed by people living in sub-urban and urban areas. Further, there are cascading effects of poverty, unemployment, poor and inadequate infrastructure in rural areas as well as of urban centres causing slums and consequential social and economic tensions manifesting in economic deprivation and urban poverty. Hence, 'rural development' is concerned with economic growth and social justice; improvement in the living standard of the rural people by providing adequate and quality social services and minimum basic needs becomes essential.

4.2.2.2 What is Rural Development?

Rural development is a comprehensive and multi-dimensional concept. It encompasses the development of agriculture and allied activities, village and cottage industries, crafts, socio-economic infrastructure, community services and facilities and human resources, among others, in rural areas. As a *phenomenon*, rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional factors. As a *strategy*, it is designed to improve the economic and social well-being of a specific group of people – the rural poor. As a *discipline*, it is multi-disciplinary in nature, representing an intersection of agriculture, social, behavioural, engineering and management sciences.

Rural development also means a course of action aimed at making the rural areas self-sustainable. Rural development is an all-inclusive model encompassing the development of agriculture, industry and socio-economic infrastructure in rural areas. In short, the process of rural development represents the entire gamut of change by which a social system moves away from a state of life perceived as 'unsatisfactory' towards a materially and spiritually better condition of life.

Rural development aims at improving rural people's livelihoods in an equitable and sustainable manner, both socially and environmentally, through better access to assets (natural, physical, human, technological and social capital) and services, and control over productive capital (in its financial or economic and political forms). The basic objectives of Rural Development Programmes have been: alleviation of poverty and unemployment through creation of basic social and economic infrastructure, provision of training to rural unemployed youth and providing employment to marginal farmers and labourers to discourage seasonal and permanent migration to urban areas.

Rural development implies both the economic betterment of people as well as greater

social transformation. In order to provide the rural people with better prospects for economic development, increased participation of people in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit are envisaged.

Promoting development in rural areas is a slow and complex process. It requires simultaneous action in various sectors, in an environment undergoing rapid, sometimes volatile, change; the change comes from internal as well as external processes such as privatization and globalization, by forces appearing scattered and disparate.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

1) Explain the concept and scope of rural development.

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4.3 STRATEGY PERSPECTIVE OF RURAL DEVELOPMENT IN INDIA

In this section, we will examine the strategy perspective of rural development in India. As a part of this exercise, let us first understand some specific or essential characteristics of India that have relevance for policy planning in general and for policy of rural development in particular. India has been a welfare state ever since her Independence and the primary objective of all governmental endeavors has been the welfare of its millions. Planning has been one of the pillars of the Indian policy since independence and the country's strength is derived from the achievements of planning. The policies and programmes have been designed with the aim of alleviation of rural poverty which has been one of the primary objectives of planned development in India. It was realized that a sustainable strategy of poverty alleviation has to be based on increasing the productive employment opportunities in the process of growth itself. Elimination of poverty, ignorance, diseases and inequality of opportunities and providing a better and higher quality of life were the basic premises upon which all the plans and blue-prints of development were built.

India has the largest number of poor and under-nourished children, women and men in the world, a majority of whom live in rural areas. Given that, the development of rural areas has always assumed profound significance among the policy makers in India since independence. India embarked upon an outstanding programme of rural development, the replica of which is very hard to find anywhere with its uniqueness in terms of magnitude, variety and dynamism. Rural development was equated with agricultural development in the past. Shriram Maheshari (1995, p.20) states that the concept of rural development in India was born in the context of agriculture and it remained, for a long time, coterminous with agricultural development in India. However, gradually such conception witnessed a remarkable change and accordingly, rural development has come to be considered synonymous with poverty alleviation. The

concerns, approaches and strategies of rural development in India have changed over the years, making amendments for the past mistakes and taking cognizance of the new recommendations.

The concept of rural development has been envisioned and construed in different ways. Generally speaking, rural development is an intricate phenomenon embracing a wide range of activities destined to perk up the condition of people living in rural areas. In order to provide the rural people with better prospects for economic development, increased participation of people in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit are envisaged. The World Bank (1992) visualized rural development as analogous to economic and social upliftment of the rural poor. Therefore, the rural development programmes initiated in India have always destined to ensure a sustained increase in per capita output and income, expansion of productive employment and greater equity in the distribution of the benefits of growth, apart from ensuring minimum acceptable levels of food, clothing, shelter, education and health to the rural poor. Rural development, therefore, implies development of social and economic infrastructure. Further, rural development also involves changing rural life-styles and improving spatial and social relationships, reenergizing the institutional and organisational frameworks, introduction of appropriate technology with the basic objective of employment generation, and also devising programmes intended to promote self-sufficiency and self-sustenance, environmental sustainability, and gender equality.

4.3.1 Policy of Rural Development

The purpose of rural development in India is to build a sound value-system that is in tune with the high cultural heritage of the country. "Growth with social justice" has been the basic objective of the development planning in India since independence. While there have been sincere efforts on the part of the Government of India, the achievements were not up to the expectation. Let us examine the efforts related to policy of rural development in this sub-section.

To have better understanding of the rural development policy perspective it is appropriate to divide the efforts and experience related to rural development into two periods: i) Efforts till 1970s, and ii) Efforts after 1970s.

4.3.1.1 Efforts Prior to 1970s

At the beginning of the first Five-Year Plan, almost half of the Indian population was living below the poverty line, 80% of which lived in the rural areas. The incidence of poverty in villages was widespread. This problem was further aggravated by disparities that existed among the States, between men and women and among different social groups. The magnitude of poverty, and the disparities such as those mentioned above, among others necessitated planned State-intervention to provide succour and relief to millions reeling under poverty, particularly the disadvantaged and marginalised social groups, such as the Scheduled Castes, the Scheduled Tribes, other backward castes, women, children, the physically handicapped and various other categories of disabled or differently-able people.

There has been sustained effort through Government intervention to deal with the problem of poverty in India. *The first* such initiative was the **Community Development Programme** started in 1952. The programme aimed basically at integrated development at the local level through co-operation of people and convergence of technical knowledge in various fields. The Community Development Blocks which were created as local level units for this purpose across the country at that time exist even today and function

as field level administrative units for many rural development programmes at present as well.

The second initiative was taken in the country by introducing the measures for abolition of intermediary institutions and systems of land-holdings such as Zamindari, Jagirdars, etc. The systems were highly exploitative and were responsible for a caste and land-based nexus perpetuating poverty. This was followed by a comprehensive **Policy of Land Reforms**. The measures undertaken were based on the consideration that land was the only productive asset in rural areas. Extension of the ownership of the land to the poor was, therefore, felt to be an obvious factor to alleviate rural poverty.

The third measure adopted was the **plan-specific strategies of Five Year Plans** for economic development. The first Five Year Plan focused on ways and means to immediately tackle the food requirement. The second Five Year Plan emphasized on the **Heavy Industries**. In this context, it was felt that the public sector would be the leader of the industrialization process in the country through acquiring the much perceived “commanding height”. It was also expected that there would be a trickle-down effect from the growth based on industrialization. During Third Five Year Plan the emphasis was again on food grain production through introduction of new technology in agriculture. The result was a very successful **Green Revolution**.

While the achievements through many of the efforts were significant, the overall impact of the efforts was far from satisfactory to tackle the problem of poverty. Abolition of intermediary system of land-tenure was completed with success, but land-reform which is still an on-going process has not yielded desired results in terms of either growth or social justice. The success of the Green Revolution was limited to specific areas and the crops. Green Revolution resulted in inter-crop, inter-personal and inter-regional disparities across the country.

The economy of the country grew over the years showing significant increase in agricultural and industrial production. The growth, however, did not contribute meaningfully to the betterment of the life of the rural poor. *The trickle down effect of the development did not work in India's context*. Thus, despite growth, a significantly high percentage of the rural population continued to live Below the Poverty Line. The poor, including those in the rural areas, got marginalized in the development process. Poor economic condition, subsistence living and low bargaining power, unstable and non-durable employment opportunities, distress-migration to urban areas, etc. continued to be the characteristic features of the poor in India.

The Community Development Programme, which aimed at community-participation in development, also gradually got replaced by more and more of piece-meal programmes with bureaucratic bias.

4.3.1.2 Efforts After 1970s: Revised Conception – Direct Attack on Poverty

There was, therefore, a re-thinking on the need for re-conceptualization of the programmes and policies of rural development. The need for direct attack on poverty was finally felt, particularly during the Fourth Plan period. The 1970s was a significant decade in this context. Many new programmes including the Rural Works Programmes (RWP), the Drought Prone Areas Programme (DPAP), the Desert Development Programme (DDP), the Food for Work Programme (FWP), Programmes for Small & Marginal Farmers (Small Farmers Development Agency - FDA; Marginal Farmers & Agricultural Labourers Agency - MFALA) were all tried in rural areas. The programmes basically had the objectives to provide three-pronged attack on the poverty in terms of: i) creating an income-generating asset-base for self-employment of the rural poor, ii)

creating opportunities for wage-employment for the poor, and iii) promoting area(land) development activities (programmes) in backward regions like dry-land, rain-fed, drought-prone, tribal, hill and desert areas. Subsequently, there were also programmes for providing basic infrastructures for better quality of life in rural areas and also programmes for social security of the poor and the destitute. In addition, policy prescriptions were also made and statutory provisions introduced for empowerment of the people and their participation in the development process.

4.4 RURAL DEVELOPMENT PROGRAMMES: AN OVERVIEW

We will now present you an overview of rural development programmes with an emphasis on *three types of programmes*: Programmes for Self-Employment, Programmes for Wage-Employment, and Programmes for Rural Infrastructure Development which are also linked with wage-employment.

4.4.1 Programmes for Self-Employment

The *Integrated Rural Development Programme (IRDP)* was the first major self-employment programme started in 1978 and was under implementation up to 31st March, 1999. The concept of *Integrated Programme for Rural Development* based on local needs, resources and potentials was first mentioned in the Budget Speech of the Finance Minister in 1976. The programme was initially started in 20 selected districts on Pilot Project basis, but *extended as the Integrated Rural Development Programme (IRDP)* in 1978-79 to 2300 Blocks of the country. From 2nd October, 1980, it was extended to all Blocks of the country. This programme aimed at providing assistance to the beneficiaries in the form of Bank credit and Government subsidy so as to help them by providing with sustainable income-generating assets. The target group of the programme consisted of families Below the Poverty Line (BPL) in rural areas comprising those landless and small and marginal farmers, agricultural labourers, rural artisans, etc.

With the objective of further strengthening the IRDP, there were few allied / sub-Programmes as well. The scheme for *Training of Rural Youth for Self-Employment (TRYSEM)*, started in August 1979, was intended to take care of the training requirement of the people who were selected and assisted under the IRDP. There was a programme to focus particularly on the rural poor women namely, *Development of Women & Children in Rural Areas (DWCRA)*, which was started in 1982-83. Another sub-scheme namely, *Supply of Improved Tool-kits to Rural Artisans (SITRA)* started in July 1992, was there to look after the modernization and improving the efficiency and productivity of the poor rural artisans. In order to focus on the land-based activities, particularly the irrigation requirement of the small and marginal farmers, another *sub-scheme of the IRDP* known as *Ganga Kalyan Yojana (GKY)* was introduced in 1996-97. The GKY, however, had some operational problems in its implementation and was discontinued from 1998-99.

The overall impact of the self-employment programmes mentioned above, however, was much less than what was expected of them. The programmes were conceived as complementary to each other in achieving the larger objective of alleviation of rural poverty. But, over the years each programme started operating as a separate individual programme which led to many weakness in their implementation such as the following.

- The desired linkages among the programmes were missing. Integration of different agencies in the implementation of anti-poverty programmes was essential but never available.

- There was no effort for project appraisal of any kind. Loans were sanctioned without any attention to the viability of the project.
- There was no follow-up either by the banks or governmental agencies.
- Because of missing guidance there was temptation among the beneficiaries to misutilize the assistance as well.
- The efforts made for the self-employment of the rural poor gradually proved to be self-defeating.

Despite criticism and difference of opinion on the efficiency in its implementation, there are no two opinions on the IRDP's success, albeit limited, in reducing poverty in India. The recovery performance under the programme, however, was relatively poor (41% as on March 1996). The programme also led to debilitating effect on the health of the financial institutions due to increasing proportion of non-performing assets which has resulted in defaults in loan payments.

Therefore, the programmes, along with the wage-employment programmes were reviewed by a Committee constituted by the Planning Commission in February 1997 under the Chairmanship of Prof. H. R. Hashim, Member, Planning Commission. The Committee in its report submitted in April 1997, recommended for a single self-employment programme for the rural poor. It also suggested that efforts should be made to move away from *individual beneficiaries-approach* to *group-approach* in implementation of the programme. The Committee had also recommended for preference to group activities and *cluster approach*. Regarding the wage-employment programmes, the Committee had recommended for a similar single wage-employment programme namely, the **Employment Assurance Scheme (EAS)**, which was under implementation since October, 1993. The other wage-employment programme, the **Jawahar Rozgar Yojana (JRY)**, was recommended by the Committee to be devoted exclusively for creation of village level infrastructures.

The **Swarnjayanti Gram Swarozgar Yojana (SGSY)** was accordingly launched as a single self-employment programme in place of the earlier programmes with effect from 1st April 1999. The important features of the Programme are as mentioned below:

- SGSY was conceived as a holistic programme of micro-enterprise development in rural areas;
- Social mobilization of poor in rural area is an important feature of the SGSY. The SGSY believed in social mobilization of the poor before providing them assistance to take up economic activities.

The programme covered all aspects of self-employment, viz. organization of the rural poor into self-help groups (SHGs) and their capacity-building, planning of activity clusters, infrastructure build-up, technology, credit and marketing. SGSY has an in-built strategy to get rid of the deficiencies of the earlier self-employment programmes through integration of various agencies – DRDAs, banks, line departments, PRIs, NGOs and other semi-governmental organizations – which are required to work together.

The focus of the SGSY was on Key Activities, Activity Clusters and Self-Help Groups of the poor, which made it significantly different from the earlier programmes. Such focus was expected to produce the desired results in a time-bound manner. The programme provided special safeguards for the weaker sections. 50% of the groups formed should be exclusively of women. 40% of the Swarozgaris assisted should also be women. Similarly, SC/ST are to constitute 50% and the disabled 3% of the Swarozgaris assisted.

The subsidy allowed under the programme is uniform at the rate of 30% of the project cost subject to a maximum of Rs.7500/- per individual Swarozgari; 50% of the project cost subject to a maximum of Rs.10,000/- in case of ST & SC Swarozgaris; and 50% of the cost of the scheme subject to a ceiling of Rs.1.25 lakhs for group project. Monetary ceiling on subsidy was not applicable to irrigation projects. The funds for the SGSY are shared on 75:25 ratio between Central and State Governments.

4.4.2 Programmes for Wage-Employment

As has been mentioned earlier, the incidence of poverty in villages has been widespread. The magnitude of poverty and disparities that exist between various social groups necessitated planned State-intervention to provide succour and relief to millions reeling under poverty, particularly the disadvantaged and marginalised social groups such as the Scheduled Castes, the Scheduled Tribes, other backward castes, women, children, and the different categories of disabled groups. This was mainly due to lack of opportunities for their employment. So, the Government of India focused on enhancing the employment opportunities to the unemployed.

4.4.2.1 Approaches to Classification of the Employed and the Unemployed

National Sample Survey's (NSS) estimates of unemployment are based on *three concepts*, namely, usual status, weekly status and daily status. In *usual status approach*, the reference period is 365 days preceding the date of survey. In *weekly status approach*, the reference period is 7 days preceding the date of survey and in *daily status approach*, the reference period is each day of the 7 days preceding the date of survey.

According to the *usual status approach*, a person is classified as unemployed if he/she was not working but was either seeking or was available for work for a relatively longer time during the reference period of 365 days. A person is classified as employed if he/she was engaged for a relatively longer period during the reference period, and all others are classified as 'not in labour force'. This approach identifies those who are chronically unemployed and their proportion in total labour force is taken as the *rate of usual status (chronic) unemployment*.

The *weekly status approach* classifies a person as unemployed if he/she has not worked for at least one hour on any one day of the week but had been seeking work or had been available for work at any time during the week. All those who have worked at least for one hour on any day during the week (even if they were idle for rest of entire period), are classified as employed. Thus, this approach seeks to *capture only the week-long full (open) unemployment*.

According to the *daily status approach*, each person is assigned one or at the most two activity status on each day of the week. A person is considered employed for the entire day if he/she worked four hours or more on the day. However, if he/she worked for an hour or more but less than four hours, he/she is considered employed for the half day, and unemployed or 'not in labour force' for the other half of the day depending on whether he/she was seeking/available for work or not on the day. On the other hand,

- if a person was not engaged in any gainful work even for one hour on the day but was seeking/available for work for four hours or more, he/she was considered unemployed for the entire day;
- if he/she was available for work for less than four hours, he/she was considered unemployed for half day and 'not in labour force' for the other half of the day; and

- a person, who had neither any gainful work to do nor was available for work even for half of the day, was considered 'not in labour force' for the entire day.

As per the 55th round of National Sample Survey on Employment and Unemployment in India 1999-2000 showed that in the rural areas, self-employed males and females accounted for 55% and 57% of the employed males and employed females respectively. About 36% of employed males and 40% of employed females were employed as casual labourers. Only 9% of employed males and 3% of employed females were regular employees. It could be seen that about 36% to 40% rural population still required casual/wage employment.

The Planning Commission has projected that at the beginning of the financial year 1990-91, there was a backlog of unemployment of:

- 13 million persons by the usual status criteria;
- 16 million on the basis of weekly status criteria, and about 20 million on the basis of daily status criteria.

The Planning Commission, in its Working Paper titled *Employment-Past Trends and Prospects for 1990*, has projected all increase in labour force by about 37 million during 1995 and 41 million during 1995-2000 A.D. Thus, the total number of persons requiring employment was projected to be 106 million over the decade 1990-2000 A.D. and the employment has to grow by about 3% compound per annum to achieve the full employment by 2000 A.D.

4.4.2.2 Wage-Employment Programmes

For quite sometime, it was thought that economic growth will result in increased employment opportunities and that accelerated rate of economic growth will be able to meet substantially the employment requirements of the growing labour force. This, however, did not happen, as *trickle-down effects remained limited*. Government, therefore, placed increasing emphasis on taking up schemes for providing additional employment opportunities and various special schemes of employment generation right from 1960.

The **Rural Manpower Programme (RMP)** was taken up towards the end of 1960-61 in 32 Community Development Blocks on a pilot basis for utilising rural labour force. The coverage was extended to thousand blocks by the end of 1964-65 and continued till the end of 1968-69. The programme aimed at providing employment for 100 days to at least 2.5 million persons by the last year of the Third Five Year Plan, especially those in areas exposed to pronounced seasonal unemployment. The resource constraints limited the scope of the scheme and only little over 20% of the originally envisaged outlay of Rs. 150.00 crores could be provided. The programmes ended in 1968-69 resulting in generating 137 million man-days of employment (Planning Commission, 2001).

During the Fourth Five Year Plan, the **Crash Scheme for Rural Employment (CSRE)** was launched for a period of three years from April 1971 with an annual outlay of Rs. 50 crores. The *two-fold objectives* of the scheme were to provide employment to at least 1000 persons in each of 350 districts of the country every year through labour-intensive works and creation of durable assets. Although the scheme achieved its immediate objective of providing employment opportunities (actual employment generation was 315.9 million man-days against a requirement of 315 million man-days) the benefits both in terms of direct employment and assets creation were found to be

too widely scattered. There was considerable lack of planning with preponderance of road. Most of the assets were of non-durable nature (Planning Commission, 2001).

Implementation of RMP and CSRE led to the realisation that more concerted efforts are needed to be made, at least in some selected areas, to bring about clearly the impact of a scheme providing for full-employment which in turn would give useful lessons for future programmes. Thus, along with CSRE, a ***Pilot Intensive Rural Employment Programme (PIREP)*** was started in November 1972 in 15 selected CD blocks for a three-year period. The basic objectives of PIREP were: providing additional employment opportunities for unskilled labour, and creation of assets which have a multiplier effect on new job opportunities on a continuing basis. The project completed its full term of three years and generated 18.16 million man-days of employment. The project was reviewed by a committee which expressed the view that the entire development strategies should be based on labour-intensive technologies so that the maximum labour absorption takes place through the regular development process (Planning Commission, 2001).

The ***Drought Prone Area Programme (DPAP)*** was initially started as ***Rural Works Programme (RWP)*** in 1970-71 in 54 DPAP units (now so called), spread over 13 States in the country. It was initially aimed at mitigating the severity of scarcity conditions by organizing labour-intensive and production-oriented works so as to generate considerable employment in rural sectors. Towards the end of the Fourth Five Year Plan, the programme changed to ***Area Development Scheme***. The task force on Integrated Rural Development Programme, 1973 suggested radical restructuring of the programme with an emphasis on the area development along with the development of the rural poor.

Other important schemes though not specially employment-oriented but directed to small and marginal farmers and agricultural labourers launched with a view to improving their economy, were **SFDA** and **MF&AL**. The emphasis in both the schemes was on self-employment through diversification of farm economy. In addition, there was a limited road works component of the schemes for marginal farmers and agricultural labour. The scheme operated in about 85 districts in the Fourth Five-Year Plan and the coverage expanded to 160 districts in the Fifth Plan (Planning Commission, 2001).

It was in April 1977, a definite step was taken by the Government in which ***Food for Work Programme (FWP)*** was started as a non-plan scheme to augment the funds of State Governments for maintenance of public works on which large investment had been made in the past by utilising available stocks of food grains. The programme did not make much headway in the beginning due to certain constraints inherent in the scheme itself. On review of this Programme and the difficulties experienced by the States, the scheme was liberalised to include all on-going plan and non-plan works and new items of public and community works. The *basic objectives* of FWP were:

- i) To generate additional gainful employment to large number of unemployed and under-employed persons, both men and women in the rural areas, which will improve their incomes and consequently their nutritional levels;
- ii) To create durable community-assets and strengthen the rural infrastructure which will result in high production and better living standard in rural areas;
- iii) Utilisation of surplus food grains for development of human resources.

A total employment of 979.32 million man-days was generated during the year 1977-98 to 1979-80 (September). The programme became very popular in the rural areas and was recognised as a major instrument of rural employment generation. However, a

number of deficiencies were noticed in implementation of this programme. These included erratic disbursement of food grains as wages, a delay in measurement of earth-work, non-durability of assets created under the programme, inadequate technical supervision of works and lack of supervision, which led to dilution of technical requirement of the projects. Besides the above deficiencies, there were three major counts on which the programme suffered a set back. *Firstly*, the programme continued on a year to year basis. In the context of uncertainty, the State Governments were not able to provide needed technical and administrative support for effective planning and monitoring of the programme. *Secondly*, there was no attempt by the States to formulate the shelf-of-projects, which could take into account the local needs and could also fit in with over-all priority for the blocks / districts where the programme was implemented. *Thirdly*, for want of financial provision in many States to finance the material component of works and also to give part of wages in cash, the tendency was to take up Kacha roads on a large scale, which were non-durable in nature. Hence, it was decided to revamp and restructure the programme and, accordingly, it was renamed as National Rural Employment Programme (Planning Commission, 2001).

The **National Rural Employment Programme (NREP)**, which was launched in October 1980 was the culmination of previous experience in this field. The programme became a part of 6th Five-Year Plan from April 1981 and was implemented as a Centrally Sponsored Scheme on 50:50 sharing basis between the Centre and the States. The Programme had three fold objectives of generation of additional gainful employment, creation of durable community assets and raising of nutritional standards of the rural poor. The programmes envisaged an outlay of Rs.1620.00 crores including State's matching share during the 6th Plan period to generate additional employment opportunities to the extent of 300 to 400 million man-days per year, simultaneously creating durable community assets.

During the 6th Plan period, the total expenditure on implementation of NREP was Rs.1873.00 crores against the outlay of Rs.1620 crores including the State share. The target of employment generation as envisaged under the Plan was also achieved. The total employment generation during the period was 1775.18 million man-days. The mid-term appraisal of the 6th Plan pointed out that hard core of rural poverty, particularly pertaining to employment opportunities for the landless during the lean agriculture periods, when work is scarce, had to be tackled in more direct and special manner. The aim was that, at least one member from each landless household should be provided employment up to 100 days in a year. With this end in view, the **Rural Landless Employment Guarantee Programme (RLEGP)** was launched in August 1983. This Programme was fully funded by the Central Government. The programme was also implemented in addition to National Rural Employment Programme and covered the entire country.

Under these two programmes about 2631.94 million man-days work was generated with the total expenditure of Rs.5351.85 crores. While these programmes have been able to exceed the financial and physical targets, it has not been possible to provide 100 days of employment to at least one member of each landless household in a year as was envisaged under RLEGP.

Wage-Employment Programmes: As a result of the above experience, wage-employment programmes have been formulated and incorporated as an important component in the overall strategy of poverty alleviation in India. Following are some specific programmes in this regard.

- **Jawahar Rozgar Yojana (JRY):** The JRY, as an independent scheme, came into operation from April 1989 (i.e. 1989-90, the last year of the 7th Plan) when

two wage-employment programmes, namely, the *National Rural Employment Programme* and the *Rural Landless Employment Guarantee Programme* were merged to form the *Jawahar Rozgar Yojana*. The primary objective of the JRY was to generate additional gainful employment for the unemployed and under-employed persons, both men and women in the rural areas through creation of rural economic infrastructure, community and social assets, particularly, in favour of rural poor. It aimed at improving quality of life in the rural areas. The scheme was implemented with a funding pattern of 80:20 between the Centre and State. In case of Union Territories, the entire resources under the scheme were provided by the Centre.

Initially the *Indira Awaas Yojana (IAY)* and the *Million Wells Scheme (MWS)* were part of the JRY. However, in January 1996, the IAY and the MWS were made independent schemes. The IAY aimed at providing a dwelling unit free of cost to the beneficiary. Similarly, MWS aimed at providing an open dug-well free of cost to the beneficiary for irrigation purposes.

People below the poverty line were the target group and preference was given to the Scheduled Castes and the Scheduled Tribes and freed bonded-labourers. Thirty percent of employment opportunities were reserved for women. JRY has since been restructured w.e.f. 1999 and renamed as *Jawahar Gram Samridhi Yojana (JGSY)*. The primary objective of the scheme is to provide demand-driven community and village infrastructure, and the secondary objective is creation of supplementary employment for the unemployed poor.

- **Employment Assurance Scheme (EAS):** The Employment Assurance Scheme (EAS) was introduced w.e.f. 2nd October 1993 in the rural areas covering 1778 Blocks of the country situated in drought-prone areas, desert, tribal and hill areas. Over the years, the Scheme was extended to all the Rural Blocks of the country. Prior to 1st April 1999 it was a demand-driven scheme, but since that date, it has been made an allocation-based Scheme.

The primary objective of the EAS was creation of additional employment opportunities during the period of acute shortage of wage-employment through manual work for the rural poor living below the poverty line. A secondary objective was the creation of durable community, social and economic assets for sustained employment and development. The Scheme was open to all the rural poor residing in the area covered by the Scheme. A maximum of two adults per family were to be provided wage-employment.

The Employment Assurance Scheme was in operation in all the Rural Districts of the country, except in Delhi and Chandigarh. The Scheme envisaged to provide assured wage-employment, along with other Central and State Programmes to the rural poor who were in need and seeking employment.

Resources under the Scheme were shared between the Centre and the States in the proportion of 75:25. The Central share was allocated on the basis of proportion of the rural poor in a State to the total rural poor in the country. Allocation of funds to the Districts was based on an index of backwardness namely the proportion of SC/ST population of the District and the inverse of agriculture production per agriculture worker. Equal weightage was given to both these indicators.

- **Food for Work Programme:** The Food for Work Programme (FFWP) was started in 2000-2001 as a part of the EAS in eight notified drought affected States, viz. Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra,

Orissa, Rajasthan and Uttaranchal. The programme aims at augmenting food security through wage employment in drought affected rural areas as notified by Department of Agriculture and Co-operation. Under this Scheme these States, were entitled to get an additional supply of food grains free of cost. The cost of the food grains was being borne by the Government of India with a view to enabling the State government to provide additional wage-employment opportunities to the needy rural poor in the affected areas. Cash component of the wage and material cost were to be met from the Scheme under which the programme was being implemented.

The allotment of food grains to the States under Food for Work Programme was made after obtaining district-wise proposal of requirement of food grains from the State Government concerned which was scrutinised by the Ministry of Rural Development and recommended to the Department of Food & Public Distribution for release of food grains district-wise. The eligibility criteria for employment had been relaxed so as to include both BPL and APL families.

- **Jawahar Gram Samridhi Yojana (JGSY):** Rural poverty is inextricably linked with low rural productivity and unemployment including under-employment. While the normal process of growth in itself has to generate increased productive employment opportunities, there is a continuous need for special employment programmes and creation of sustained employment opportunities for securing a certain minimum level of employment and income for the rural poor. With this philosophy, Jawahar Rozgar Yojana was launched in the year 1989. Since then the programme has been providing wage-employment at the village level on a sustained basis. Under JRY, over 73,750 lakh man-days were generated till 1998-99. During this period an amount of Rs.30155.65 crore was utilised under the programme (Planning Commission, 2001).

However, it was felt that though the programme was providing wage employment in a sustained manner the quality of life in the rural area has not made desired improvement. It was further felt that without strengthening the rural infrastructure at the village level and greater financial autonomy to the PRIs, the desired improvement in the quality of rural life cannot be achieved. Keeping this in view, the programme of erstwhile JRY has been restructured w.e.f. 01.4.1999 and renamed as *Jawahar Gram Samridhi Yojana (JGSY)*. The programme aimed at creating need-based rural infrastructure at the village level to boost rural economy in general and improvement in the quality of life in particular. Priority has been given to develop infrastructure for SC/ST habitations, education and public health. The programme not only develops rural infrastructure but also provides individual assets to the poorest of the poor SC/ST families, as 22.5% funds were earmarked for them.

The 100% of JGSY funds were provided to the Village Panchayats to devolve greater financial autonomy. The Panchayats were empowered to take up works up to Rs.50,000/- independently with the approval of Gram Sabha to ensure active people's participation at the grass-root level. 15% of the allocated funds have been earmarked for maintenance of assets created under the programme for greater durability.

- **The Mahatma Gandhi National Rural Employment Guarantee Act, 2005:** The Mahatma Gandhi National Rural Employment Guarantee Act aims at enhancing the livelihood security of people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose adult members

volunteer to do unskilled manual work. The Act guarantees 100 days of employment in a financial year to any rural household whose adult members are willing to do unskilled manual work. This Act is an important step towards the realization of the right to work. It is also expected to enhance people's livelihoods on a sustained basis by developing the economic and social infrastructure in rural areas. The choice of works seeks to address the causes of chronic poverty such as drought, deforestation and soil erosion. Effectively implemented, the employment generated under the Act has the potential of transforming the geography of poverty.

Now, let us have a brief look at some programmes launched for development of rural infrastructure and at the same time linked with wage employment, etc.

4.4.3 Programmes for Rural Infrastructure Development and Social Welfare

Under sub-section 4.4.2, we have touched upon the programmes aimed at mostly the individuals as the beneficiaries. The present section focuses on other programmes that aim at development of the rural infrastructure and facilities, which are simultaneously lined with upliftment of individuals, their groups and families through wage-employment, amongst other things.

- **Indira Awaas Yojana (IAY):** IAY is a flagship scheme of the Ministry of Rural Development which was launched during the year 1985-86, and aimed at providing houses to the poor in the rural areas. Objective of the Indira Awaas Yojana is primarily to help the Scheduled Castes/Scheduled Tribes, freed bonded-labourers, minorities in the below poverty line category and other below poverty line non-SC/ST rural households by providing them a lump-sum financial assistance.
- **Central Rural Sanitation Programme:** Individual health and hygiene is largely dependent on adequate availability of drinking water and proper sanitation. There is, therefore, a direct relationship between water, sanitation and health. Consumption of unsafe drinking water, improper disposal of human excreta, improper environmental sanitation and lack of personal and food hygiene have been the major causes of many diseases in developing countries. India is no exception to this. Prevailing high infant mortality rate is also largely attributed to poor sanitation. It was in this context that the Central Rural Sanitation Programme (CRSP) was launched in 1986 primarily with the objective of improving the quality of life of the rural people and also to provide privacy and dignity to women.
- **National Social Assistance Programme (NSAP):** The National Social Assistance Programme (NSAP) comprised of *National Old Age Pension Scheme (NOAPS)*, *National Family Benefit Scheme (NFBS)* and *National Maternity Benefit Scheme (NMBS)*. These programmes were meant for providing social assistance benefit to the aged, the BPL households in the case of death of the primary bread-winner and for maternity. These programmes were aimed at ensuring minimum national standards in addition to the benefits that the States were then providing or would provide in future.
- **Annapurna Scheme:** The Annapurna Scheme, which was launched with effect from 1st April 2000, aimed at providing food security to meet the requirement of those senior citizens who though eligible had remained uncovered under the National Old Age Pension Scheme (NOAPS). The scheme targeted to cover in the first instance, 20% of persons eligible to receive pension under NOAPS (i.e. 13.762 lakh). As per the guidelines of the programme, the beneficiaries should not be in

receipt of pension either under the NOAPS or any State Pension Scheme. The beneficiaries were given 10 Kg of food grains per month free of cost. The beneficiaries must be 65 years and above and is destitute i.e. having no regular means of subsistence from his/her own source of income or through financial support from family members or other sources.

- **Pradhan Mantri Gram Sadak Yojana (PMGSY):** The primary objective of the PMGSY is to provide connectivity by way of an all-weather road (with necessary culverts and cross-drainage structures) which is operable throughout the year to the eligible unconnected habitations in the rural areas, in such a way that all unconnected habitations with a population of 1000 persons and above are covered in three years (2000-2003) and all unconnected habitations with a population of 500 persons and above are covered by the end of the Tenth Plan Period (2007). In respect of the hill-States (North-East, Sikkim, Himachal Pradesh, Jammu and Kashmir, and Uttaranchal) and the Desert Areas (as identified in the Desert Development Programme) as well as the Tribal (Schedule V) areas, the objective would be to connect habitations with a population of 250 persons and above.

4.5 CHALLENGES OF RURAL DEVELOPMENT

India's challenges of rural development have many dimensions. The biggest challenge of the new century is how to reduce poverty. Virtually all countries and donors agree on the importance of reducing poverty and its attendant problems of inequity, lack of respect for basic human rights, ill-health, lack of knowledge and skills, and marginalization of large number of people. It is often forgotten that the problem of poverty in India is first of all a problem of rural poverty and food security.

Today, globalization is posing new challenges to the improvement of living conditions of rural dwellers, especially the poorest. This situation has a profound impact on agricultural income and, hence, on the living conditions of rural populations and on rural poverty. The current situation and trends connected with globalization and the changing rural environment call for new responses.

There is a belief that if poverty is to be reduced and if sustainable rural development is to be a reality, there has to be concern about all the people who live in what is termed the 'rural space'. In the past 'rural' was synonymous with agriculture, because it was the most important economic sector, that produced vital food supplies and was the largest employer. Despite its strength, agricultural sector could not absorb all surplus rural labour, nor could it influence other sectors such as health, education and infrastructure to invest at a level sufficient to transform rural areas. Today, the rural development approach recognizes that there are many different stakeholders in the rural space. Some continue to make a living from agriculture, while others have a wide range of jobs in non-farm occupations, which range from small villages to larger market towns to peri-urban settlements. The concept of rural development is not new but globalization places it in a different context and leads to the rethinking of rural development policies.

Within the rural space are to be found, in addition to agriculturalists and a large proportion of the population classified as poor, a wide variety of communities engaged in various trades and professions. Many of these live in villages, small towns and in peri-urban settings. Their needs for information, education and skills often differ from those who are engaged in farming and who may live in more isolated areas of the rural space. Rural development in the refined definition encompasses agriculture, food-security, education, infrastructure, health, capacity-building, other than on-farm employment, rural institutions and the needs of vulnerable groups.

The strategy of focusing policies of education for rural development on the expansion of agricultural education at the secondary and higher levels is now viewed as largely obsolete. To meet the challenges facing the rural world today, an integrated view of education is required, centred on access to quality basic education for all. The goals of food security, poverty reduction and meeting the needs of the rural labour market require that rural development policies give priority to basic education and strategies that fully recognize the special nature of the rural environment. Integrated rural development, thus, reflects a new understanding of the development policy framework – a solution that involves complex, multi-dimensional interaction of different actors for sustainable rural development.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

2) Explain the approaches followed in the strategy perspective of rural development in India.

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4.6 LET US SUM UP

The concept of rural development has changed significantly during the last 3 decades. Until the 1970s, rural development was synonymous with agricultural development and, hence, focused on increasing agricultural production. This focus seems to have been driven primarily by the interests of industrialization to extract surpluses from the agriculture sector to reinforce industrialization. With the focus on increasing agricultural production, the stated objective of most countries was to promote small-holder agriculture. Over time, this small-holder agriculture-centric concept of rural development underwent changes. By the early 1980s, the World Bank defined it as “... a strategy designed to improve the economic and social life of a specific group of people — the rural poor.” Four major factors appear to have influenced the change: increased concerns about the persistence and deepening of rural poverty; changing views on the meaning of the concept of development itself; emergence of a more diversified rural economy in which rural non-farm enterprises play an increasingly important role; and increased recognition of the importance of reducing the non-income dimensions of poverty to achieve sustainable improvements in the socioeconomic well-being of the poor.

The setting of the Millennium Development Goals (MDGs) has significantly reinforced the concerns about non-income poverty. With the paradigm shifts in economic

development from growth to broadly defined “development,” the concept of rural development has begun to be used in a broader sense. It is also more specific, as it focuses particularly on poverty and inequality. In more recent years, increased concerns on the environmental aspects of economic growth have also influenced the changes. Today’s concept of rural development is fundamentally different from that used about 3 or 4 decades ago. The concept now encompasses concerns that go well beyond improvements in growth, income, and output. The concerns include an assessment of changes in the quality of life, broadly defined to include improvement in health, nutrition, education, environmentally safe living conditions, and reduction in gender and income inequalities. Today, there seems to be a universal consensus that the ultimate objective of rural development is to improve the quality of life of rural people. This makes it essential to go beyond the income-related factors such as prices, production and productivity, and non-income factors that influence quality of life; and hence, inclusiveness of rural development.

We will discuss in greater detail the different programmes of rural development in Units 6 and 7 of this Block.

4.7 ANSWERS TO ‘CHECK YOUR PROGRESS’ QUESTIONS

- 1) *The concept and scope of rural development:* The concept of rural development has been envisioned and construed in different ways. Rural development is a comprehensive and multi-dimensional concept, and encompasses the development of agriculture and allied activities, village and cottage industries, crafts, socio-economic infrastructure, community services and facilities, and above all, human resources in rural areas. As a *phenomenon*, rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional factors. As a *strategy*, it is designed to improve the economic and social well-being of a specific group of people – the rural poor. As a *discipline*, it is multi-disciplinary in nature, representing an intersection of agriculture, social, economic, behavioural, engineering and management sciences.

Generally speaking, rural development is an intricate phenomenon embracing a wide range of activities destined to perk up the condition of people, living in rural areas. Rural development aims at improving rural people’s livelihoods in an equitable and sustainable manner, both socially and environmentally, through better access to assets (natural, physical, human, technological and social capital), and services, and control over productive capital (in its financial or economic and political forms) that enable them to improve their livelihoods on a sustainable and equitable basis. In order to provide the rural people with better prospects for economic development opportunities for their increased participation in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit are envisaged. The World Bank visualizes rural development as analogous to economic and social upliftment of the rural poor. Rural development also means as a course of action aimed at making the rural areas self-sustainable. Rural development is an all-inclusive model encompassing the development of agriculture, industry and socio-economic infrastructure in rural areas. In short, the process of rural development represents the entire gamut of change by which a social system moves away from a state of life perceived as ‘unsatisfactory’ towards a materially and spiritually better condition of life.

- 2) Approaches followed in strategy perspective of rural development in India: Rural development, in the Indian context, is a package of actions leading to the process of improving access to basic needs, enhancing productivity, augmenting employment opportunities, and boosting the development potential of rural resources in order to improve the socio-economic conditions of the underprivileged sections of the society, particularly those below the poverty line, through integration of spatial, functional and temporal aspects. Therefore, the approaches of rural development programmes initiated in India have aimed at ensuring a sustained increase in per capita output and income, expansion of productive employment and greater equity in the distribution of the benefits of growth apart from ensuring minimum acceptable levels of food, clothing, shelter, education and health to the rural poor.

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UNIT 5 RURAL DEVELOPMENT ADMINISTRATION

Structure

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5.0 INTRODUCTION

The general objective of the rural development is to liberate the energies of the rural people, especially the poor, so that the poor villagers can realise their potential and thus improve their capacity as well as commitment to develop, organize and govern themselves towards the attainment of a better standard of living not only for themselves but also for the entire community. Local Government institutions are necessary to serve as agencies for liberating the energies of these people living in rural India. Therefore, in this Unit, we attempt to present you the concept, meaning, scope, purpose, and approaches to rural development administration along with the profile of the history of rural development in India.

5.1 OBJECTIVES

After studying this unit, you should be able to:

- Explain and distinguish between the concepts of administrative development and development administration including rural development administration;

- Describe the history of rural development administration in India;
- Analyse various approaches to rural development administration; and
- Describe the decentralized administrative arrangements of rural development at the district level.

5.2 DEVELOPMENT ADMINISTRATION AND RURAL DEVELOPMENT ADMINISTRATION

Development administration has two concepts: administration of development and administrative development or development of administration. Let us look at these two concepts before we touch upon rural development administration.

5.2.1 Development Administration and Administrative Development

Development per se is oriented towards change in a desired direction. Thus, development administration is change-oriented and rejects status quo. Every development function has a goal to be achieved, i.e. economic development has the goal to improve the quality of life such as rise in per capita income, literacy rate, life expectancy and reduction in poverty rates. For the goals to be achieved, to relate the means to ends, planning and temporal dimension becomes a salient feature of development administration. Planning aids in deciding the resources required for achieving the goal, and the time in which it needs to be achieved.

Development ultimately aims at the people, hence, it should accord primacy to the public, i.e. the administration should be client-oriented. For the development functions to be effective and people-oriented, participation of people is emphasized in formulating and implementing plans, and sharing the benefits derived. Thus, development administration should focus on “planning with and for people” rather than “planning for people”. It should be people-centered rather than simply production-centered, i.e. not only for maximizing production of goods and services but also for addressing the needs of people and thus to empower them.

While *development administration* is concerned with plans, policies, programmes and projects which focus on nation-building and socio-economic development, *administrative development* is rather concerned with increasing and improving the capabilities of administrative system. The latter involves modernization of administrative structure, capabilities of personnel, attitudinal and behavioral changes among the administrators. But, all these are done as a part of the former.

Development administration has an innovative dimension; it is flexible-enough to design new methods, procedures, policies which would save time, increase effectiveness and quality. Administrators under this concept are required to be committed to the policies, plans and programmes. The commitment is not necessarily to the political parties, who enact the policies, but to the values that an administrator should uphold in his/her profession to promote administration of development as well as administrative development.

5.2.2 Rural Development Administration

Rural development implies both the economic betterment of people as well as greater social transformation. In order to provide the rural people with better prospects for economic development, the rural development administration framework must envisage

and facilitate increased participation of people in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit. Rural development is a part of general development but it does not simply follow general development in the sense that mere increase in general growth rate would necessarily or automatically generate rural development. It has to be distinctly understood and consciously promoted. Rural development has multi-purpose and multi-faceted agenda with diversified focus on overall and integrated development of rural people. It has to include agriculture, rural industry, rural engineering, health, education and promotion of rural institutions. Various aspects of rural life are inextricably interlinked with each other and, hence, all aspects have to be taken up together in a general process of rural development. *The rural community should be energized for aided self-help with the machinery of government administration acting as a catalytic agent.*

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

1) Distinguish between ‘development administration’ and ‘administrative development.’

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2) What do you understand by rural development administration?

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5.3 HISTORY OF RURAL DEVELOPMENT ADMINISTRATION IN INDIA

In India, rural development and local self-government have a long history. Kautilya's *Arthashastra* and Megasthenes' writings on the *Administration of Pataliputra* have mentioned about the functioning of a few then existing local bodies in the villages during 300 B.C. Again, two inscriptions found in Uttaranmerur describe the existence of several committees which governed the village along with Maha Sabha, the general body of the adult males. They also talk about selection process, qualification and disqualification of the members. These two inscriptions belong to the days of the Chola emperor, Parantaka-I, dated 919 A.D. and 921 A.D. Hence, almost every village in ancient India had a self-governing body to look after its own development. However, all these self-governing bodies underwent a change due to the collapse of the Moghul empire and the advent of British Administration.

The firm establishment of British administrative system gradually reduced the village communities, specially the institutions of Headman, the Accountant and other

functionaries at village. Once they were representatives of the village communities. The British made them mere salaried officials. It was only after 1858 that the British thought seriously about the desirability of creating institutions of local self-government to take care of the activities like public health, roads, education, irrigation, and so on.

The historical base of modern rural development may be traced to the later part of 19th century, which witnessed a series of recurrent famines and drought. During this period, the Imperial Government in India took a number of steps to acquire knowledge of agricultural statistics, to promote local self-government, to acquaint district officers with the needs of rural people and to protect tenancy rights. Soon after, the Famine Commission was instituted in 1880, a separate commission called Aitchison Commission (1886-87) even studied the technical aspects of development and suggested ways and means for the reorganization of technical services at State and district level to deal with the problems of rural development.

However, the history of the statutory Panchayat System in Bihar could in fact be traced to Regulation XXIX of 1802 which recognized the village panchayats and made provision for the continuation of the indigenous institution of Mukhiya (village headman). Subsequently, the regulation IV of 1816 declared him to be village Munsif and gave power to assemble the village Panchayat. But, the Panchayat later fell into disuse.

The new thrust towards rural development has found expression mainly in two ways: i) reorganization of the internal administrative arrangements, and ii) delegation of some responsibility to self-governing local bodies. As a result, rural development or local self-government in India became complementary to each other.

The Royal Commission which examined the functioning of local bodies suggested, in its report in 1909, the desirability of keeping the decentralized Panchayat system. It also emphasized the complete popular control in local bodies and possible financial independence for them.

5.3.1 Rural Reconstruction Experiments

Many attempts were made by individuals and institutions to alleviate rural poor from their miseries even before Independence. One such attempt was of Rural Reconstruction experiment. The experiment was started in 1921. The purpose of the experiment was to bring about a complete upward development – spiritual, physical, mental, social and economical – towards a more abundant life for rural people.

The great poet and social reformer, Rabindranath Tagore established the Sriniketan Institute of Rural Reconstruction in 1921 under Mr. Elmhirst. The institute aimed at bringing back life in its completeness into the villages making rural folks self-reliant, self-respectful and acquainted with the cultural traditions of their own country and competent to make an efficient use of modern resources for the improvement of their physical, intellectual and economic conditions.

Mr. Brayne, who was working as the then Collector of Gurgaon District, conceived the idea of rural development as early as 1927. Brayne (1938) elaborated his ideas and experience in a book, *"Better Villages"*. He spoke of rural reconstruction as nothing more or less than the revival of the old-fashioned virtues of hard work, self-respect, thrift, self-control, self-help, mutual help and mutual respect. *His four fundamental principles* were:

- i) Panchayats for spontaneous and permanent improvement.
- ii) Knowledge – mass education, particularly education of girls.

- iii) Example and leadership by the elite.
- iv) Spirit of service and a sense of duty to undergo sacrifices for fellow citizens.

Baroda was one of the few advanced princely States scattered over the map of pre-independent India. Under its enlightened Maharaja, a scheme of rural reconstruction was started in the year 1932. The programmes implemented under the Scheme included:

- Improvement of communication,
- Digging of drinking water wells,
- Anti-malarial measures,
- Pasture improvement,
- Distribution of improved seeds,
- Training in cottage crafts,
- Establishment of Panchayats and co-operatives covering every village,
- Development of village schools as centres for teaching agriculture and imparting a will to live better.

However, many attempts made by the pioneers for rural development were isolated. Except Baroda, which profited from Marthandam experiment, and Sriniketan which benefited by a short stay of Mahatma Gandhi, each worked independently without capitalizing much upon the knowledge and experience of others engaged in similar works.

The Government of India, after independence, realized the importance of economic and social planning for achieving better standards of living for the citizens. But, any scheme of economic planning cannot succeed if the community is not alive to the requirements of new changes. To create an awakening among the people regarding the new tasks and challenges of economic planning, the government-sponsored programme of Community Development was started in 1952. The underlying principle of Community Development was "Government Schemes and Programmes with people's Participation".

5.3.2 Rural Development Administration: Alternative Approaches

Two alternative approaches have clearly emerged during the last three decades and a half of our experimentation with rural development administration. The first is the *multi-purpose integrated approach* and the other is the *specialised subject-matter approach* (Dubhashi, 1970).

The *first approach*, i.e. multi-purpose integrated approach came in the wake of introduction of the programme of community development. The programme aimed at dealing with all aspects of rural life including agriculture, animal husbandry and allied occupations, rural industries, education, social education, rural engineering and development of Panchayats and cooperative institutions. Above all, it aimed at energising the entire community in the process of aided self-help. Underlying the approach was the assumption that all aspects of community life are inextricably linked with each other and, therefore, only an integrated approach can deliver the goods.

Initially, main thrust for development was laid on agriculture, industry, communication, education, health and allied sectors, but later on it was realized that accelerated

development can be provided only if governmental efforts are adequately supplemented by direct and indirect involvement of people at the grassroots level. Accordingly, on 31st March 1952, a unit known as Community Projects Administration was set up under the Planning Commission to administer the programmes relating to community development. The community development programme inaugurated on October 2, 1952 was an important landmark in the history of the rural development. This programme underwent many changes and was handled by different Ministries.

The *multi-purpose integrated approach* led to a thin spreading out of resources which did not yield dividends in terms of increased agricultural production of food grains and raw material which became an imperative necessity. Therefore, a strategy of “***selective concentration***” or ‘***specialised subject-matter approach***’ was conceived. And the community approach meant merely the perpetuation of the dominance of the elite groups in rural areas to the neglect of the poor. Hence, a strategy of “target-group orientation” was called for.

In the wake of a greater urgency for increasing agricultural production, particularly food production, it came to be believed that the generalised community development approach was not adequate and specialised approach concentrating on the task of increasing agricultural production was inescapable. The approach was strongly advocated by the Ford Foundation team in 1959 and as a result a specialised machinery for agricultural development was created in the districts selected for intensive agricultural development programmes.

A further change towards specialised approach came about following the recommendations of the Ram Subhag Singh Committee Report (1963). On the basis of the recommendations of the Report, the Development Commissioner was designated as the Agricultural Production Commissioner, the BDO was selected from the cadre of Agricultural Officers, and the village level workers required to spend 80% of their time on agricultural work. It was followed by the introduction of the T & V (Training & Visit) system of agricultural extension and consequently further concentration on agricultural extension. Many of the village level workers were removed from the block administration and assigned to the Department of Agriculture for working in the TV System. Thus, progressively the integrated structure of rural development administration created in the wake of the Community Development programme got eroded and the machinery of development administration was considerably weakened.

The strategy of “selective concentration” led to single-minded pursuit of agricultural modernization through:

- i) Agricultural extension to transfer high-yielding technology from lab to land;
- ii) Delivery system to supply agricultural inputs like hybrid, HYV seeds, chemical fertilizers, pesticides, insecticides and implements;
- iii) Agricultural credit for financing short-term, medium-term and long-term agricultural inputs as well as for long-term investment in the tube wells, pump sets or land development; and
- iv) Provision of incentives via land reforms, and arrangements for marketing and processing.

A variety of institutional arrangements had to be devised, designed and established for this purpose. The following chart is illustrative of such arrangements (Dubhashi, 1996).

Function	Institutional Arrangements
1) Agricultural Extension	i) Extension agency of the Department of Agriculture. ii) Agricultural University / Agricultural Research Institutions iii) Farmers' clubs; youth clubs
2) Delivery of inputs	i) Government depots/seed farms ii) Cooperatives iii) Private agencies
3) Agricultural Credit	i) Cooperatives ii) Agricultural banks iii) Commercial banks iv) Non-institutional credit
4) Incentive Land Reforms	i) Abolition of land-lordship ii) Abolition of intermediaries iii) Protection to tenants / share-croppers iv) Ceiling on land-holdings v) Distribution of land to the landless vi) Establishment of land tribunals
5) Incentive-Marketing	i) Marketing cooperatives ii) Commodity boards iii) Price-support operations iv) Warehousing arrangements v) Regulated markets vi) Agro-processing enterprises – cooperative and otherwise
6) General promotion	i) Local setup of development administration ii) Elected local government institutions iii) Autonomous/voluntary organizations

A new development took place in the 1970s when it was realised that the approach for intensification and modernisation of agriculture had led to the neglect of small and marginal farmers and landless labourers. It was decided to set up a special machinery to cater to or pay due attention to their needs in the form of new organisations like Small Farmer Development Agency (SFDA) and Marginal Farmers and Agricultural Labour Agencies (MFALA). These agencies were registered societies but they consisted of officers and some non-officials and the meetings were presided over by the Collector or the Commissioner. They had a limited nucleus staff which was only to serve as a catalytic

agent and get assistance of the staff of various departments like agriculture and cooperation for implementation of their programmes. With the introduction of the Integrated Rural Development Programme (IRDP) in which were merged SFDA and MFALA programmes, a new agency called District Rural Development Agency (DRDA) was set-up replacing the earlier agencies.

In October 1974, the Department of Rural Development came into existence as a part of Ministry of Food and Agriculture. On 18th August 1979, the Department of Rural Development was elevated to the status of a new Ministry of Rural Reconstruction. This Ministry was renamed as Ministry of Rural Development on 23rd January 1982. In January 1985, the Ministry of Rural Development was again converted into a Department under the Ministry of Agriculture and Rural Development which was later rechristened as Ministry of Agriculture in September 1985. On July 5, 1991 the Department was again upgraded as Ministry of Rural Development. Another Department viz. Department of Wasteland Development was created under this Ministry on 2nd July 1992. In March 1995, the Ministry was renamed as the Ministry of Rural Areas and Employment with three departments, namely, Departments of Rural Employment and Poverty Alleviation, Rural Development, and Wasteland Development.

Again, in 1999 Ministry of Rural Areas and Employment was renamed as Ministry of Rural Development. This Ministry has been acting as a catalyst effecting the change in rural areas through the implementation of wide spectrum of programmes which are aimed at poverty alleviation, employment generation, infrastructure development and social security. Over the years, with the experience gained in the implementation of the programmes and in response to the felt-needs of the poor, several programmes have been modified and new programmes have been introduced. This Ministry's main objective is to alleviate rural poverty and ensure improved quality of life for the rural population especially those below the poverty line. These objectives are to be achieved through formulation, development and implementation of programmes relating to various spheres of rural life and a range of activities, from income generation to environmental replenishment.

This Ministry of Rural Development is a nodal Ministry for two international organizations, viz. the Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP) and the Afro-Asian Rural Development Organization (AARDO). The Ministry consisted of the following three Departments:

- 1) Department of Rural Development.
- 2) Department of Land Resources.
- 3) Department of Drinking Water and Sanitation.

However, Department of Drinking Water and Sanitation has been separated from the Ministry of Rural Development from 13th July 2011 and renamed as Ministry of Drinking Water and Sanitation.

The Department of Rural Development implements schemes for generation of self-employment and wage-employment, provision of housing and minor irrigation assets to rural poor, social assistance to the destitute, and rural roads. Apart from this, the Department provides the support services and other quality inputs such as assistance for strengthening of DRDA Administration, Panchayati Raj institutions, training and research, human resource development, development of voluntary action, etc., for proper implementation of the programmes. The major programmes of the Department of Rural Development are Pradhan Mantri Gram Sadak Yojana, (PMGSY), Rural

Housing (RH) Sampoorna Gramin Rozgar Yojana (SGRY) and Swarnajayanti Gram Swarozgar Yojana (SGSY).

Department of Land Resources implements schemes to increase the bio-mass production by developing wastelands in the country. Department also provides the support services and other quality inputs such as land reforms, betterment of revenue system and land records. It also undertakes development of desert areas and drought prone areas in the country. The major programmes of the Department of Land Resources are Drought Prone Area Programme (DPAP), the Desert Development Programme (DDP), the Integrated Wasteland Development Programme (IWDP) and Land Reforms (LR). These aim at increasing the soil and moisture conservation and productivity of the wasteland of the degraded lands and thereby to increase the income of the people.

The provision of drinking water supply and extension of sanitation facilities to the rural poor are the main components of the activities of the Department of Drinking Water Supply. The major programmes of the Drinking Water Supply Department are the Swajaldhara, the Accelerated Rural Water Supply Programme (ARWSP) and the Total Sanitation Programme (TSP).

5.3.3 District Rural Development Agency (DRDA)

We have mentioned in the preceding sub-section that SFDA and MFALA programmes have been merged into the integrated rural development programme and a new agency called District Rural Development Agency (DRDA) was set up replacing both the earlier agencies. Here, we provide more details of DRDA.

DRDAs have been established for effective implementation of anti-poverty programmes in rural areas at the district level. It is an institution that acts as a delivery agency to support and facilitate the development process. The role of the DRDAs is to plan for effective implementation of anti-poverty programmes and to coordinate with all the agencies – Governmental, non-Governmental, technical and financial – for successful programme implementation. They enable the poor rural community to participate in the decision-making process.

DRDA was created originally to implement the Integrated Rural Development Programme (IRDP). Thus, since its inception the DRDA has been the principal organ at the District level to oversee the implementation of different anti-poverty programmes of the Central Government. Subsequently, the DRDAs have been entrusted with a number of programmes of State government as well.

From 1st April 1999, a new Centrally Sponsored Scheme for strengthening the DRDAs has been introduced. This scheme, which is funded on a 75:25 basis between Centre and States, aims at strengthening and professionalizing the DRDAs for effective functioning of the organization.

The main objectives of DRDA are to:

- Effectively manage the anti-poverty programmes; and
- Effectively co-ordinate with other agencies and line departments like Panchayati Raj Institutions, Banks and other financial institutions, the NGO's and the technical and other institutions to gather support and resources required for poverty elimination at the District level.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

3) Briefly describe the history of rural development administration in India.

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5.4 DECENTRALISED RURAL DEVELOPMENT ADMINISTRATION

There has been a constant debate on the methods and sequence of enabling people to participate in the development process. Decentralisation has been advocated by development agencies and policy planners as an important factor broadening citizen participation and improving local governance, thereby promoting poverty reduction from the bottom-up (Jütting, et al, 2004).

Local self-governments can make a contribution to the health of a nation’s democracy by offering opportunities for greater participation in the business of governance and by creating a democratic climate of opinion. Through a local electoral process, the political parties aggregate the demands of the dispersed population, represent political interests, ensure electoral competition and form governments, thereby facilitating the participation of people in governance.

Good governance is increasingly cited as a key component in any successful strategy to reduce poverty. Decentralization of authority and responsibility is a key factor in good governance. Good governance is concerned with institutionalizing democracy in such a way that the structure produces the expected functions, and thus the desired results. The persistence of poverty in most countries has its origins in problems of governance rather than in inadequacy of resources. The basic argument about the role of governance in development holds that weak governance is the result of failure of the State to do the following:

- Project a developmental vision.
- Demonstrate a commitment, through putting in place policies and programmes as well as calibrating priorities, to realize the vision.
- Develop the administrative, technical and political capacity to mobilize the necessary support within the civil society to translate the vision into a reality.

Decentralization of policy is generally regarded as critical for *efficiency, equity and participation*. With regard to efficiency, decentralization contributes to identifying local priorities, potentialities and resources for the appropriate preparation, implementation and sustainable management of projects. With regard to equity, local governments are often in a good position to administer services that have important redistributive implications, such as primary health care, education, childcare, housing and public transportation. With regard to participation, the identification and mobilization of all available resources and their deployment in accordance with popular needs requires direct participation.

Decentralisation has traditionally been motivated by the following *two arguments*:

- ***Decentralisation can lead to an increase in efficiency:*** Central and state authorities usually lack the “time and place knowledge” (Hayek, cited in Ostrom et al., 1993) to implement policies and programmes that reflect people’s ‘real’ needs and preferences. If properly managed, decentralisation is seen as a way to improve allocative efficiency (Musgrave, 1983; and Oates, 1972).
- ***Decentralisation can lead to improved governance:*** Decentralisation enhances accountability and monitoring of government officials and decision-makers. Unchecked authority and inadequate incentives encourage “rent-seeking behaviour” by government officials. Decentralisation undermines these opportunities by creating institutional arrangements that formalise the relationship between citizens and public servants. Political decentralisation, especially the election of local officials by citizens, when accompanied by a strong legal framework, can create local accountability and thereby foster officials’ legitimacy, bolstering citizen involvement and interest in politics, and deepening the democratic nature of institutions (Blair, 2000; Crook and Manor, 1998; and Manor, 1999).

Both arguments are highly relevant for poverty reduction. Increased possibilities for participation, improved access to services and a more efficient way of providing public goods at the local level are major components of most anti-poverty programmes.

Decentralisation aims at associating people with the government to the maximum extent possible. In India, the Panchayati Raj system enables people to participate in democracy in a more effective way and provides an opportunity for rural people to plan and administer their own affairs. The introduction of the Panchayati Raj Institutions (PRIs) in 1959 is considered to be an instrument of social revolution in India, the idea which is based on the philosophy of decentralisation. The 73rd and 74th Constitutional Amendments (for rural local bodies – the panchayats) and urban local bodies (the municipalities) in 1992 widened the democratic base of the Indian polity. Within a year, most of the states passed their own Acts in conformity with the amended constitutional provisions. As a result, India has moved towards what has been described as ‘multi-level federalism’. Under the decentralised planning process, rural development programmes have assumed greater significance, as their implementation has been transferred to Panchayat Raj institutions.

5.4.1 Panchayati Raj: The Local Self-Government

The system of local self-government known as Panchayati Raj (a set-up consisting of village, block and district level elected-bodies) is not a recent development in India. Traditionally, Panchayats have functioned in varying forms for centuries. During the last fifty years, and particularly in the 1960s, there have been several attempts to create a functioning system based on democratic processes. Inadequate flow of funds, postponement of elections, establishment of parallel bodies, and consolidation of the general

administration at state and district levels were some of the reasons for the decline and relative failure of the Panchayat system.

Interest in the Panchayats was revived in the mid-1980s as it became clear that the lack of democratically elected decentralized-structures was a major obstacle to the social, economic and political development of India. This eventually led to the passing of Constitutional Amendments in 1992, which made it mandatory for all the States and Union Territories to establish regular democratically elected-bodies for local self-government.

The 1992 Constitution (73rd Amendment) Act mandates the establishment of a three-tier system of strong, viable and responsive Panchayats or councils at the village, intermediate and district levels. Similarly, the 1992 Constitution (74th Amendment) Act envisages the establishment of Municipalities in urban areas. Panchayati Raj and municipal bodies are responsible for primary and secondary schools, technical training and vocational education, and adult and non-formal education. The State Government is in-charge of the overall supervision and retains residuary powers with regard to issues such as overall academic standards, formulation of syllabi and curricula, preparation and prescription of textbooks, and conduct of public examinations. States are expected to transfer adequate powers, responsibilities and finances to these bodies, according to a plan to be carried out in stages. The central government foresees the launching of a massive publicity-campaign, accompanied by a massive training and orientation programme to mobilize interest in the Panchayats and encourage effective participation.

Panchayati Raj Institutions – the grassroots level units of self-government – have been proclaimed as the vehicles of socio-economic transformation in rural India. Effective and meaningful functioning of these bodies would depend on active involvement, contribution and participation of its citizens, both male and female. The aim of every village being a republic and Panchayats having powers has been translated into reality with the introduction of the three-tier Panchayati Raj system to enlist people's participation in rural reconstruction.

The philosophy of Panchayat Raj is deeply steeped in tradition and culture of rural India and is by no means a new concept. Panchayati Raj provided a system of self-governance at the village level. However, it did not have a constitutional status. The Constitution (Seventy-third Amendment) Act, 1992 provided the needed status and a framework on which to build the third level of governance – the Panchayats.

April 23, 1993 is a landmark day in the history of Panchayati Raj in India as on this day, the institution of Panchayati Raj was accorded constitutional status through the Constitution (Seventy-third Amendment) Act, 1992, thereby seeking to transform Mahatma Gandhi's dream of Gram Swaraj into a reality. This Act mandates and provides for:

- Establishment of a three-tier structure (Village Panchayat, Panchayat Samiti or intermediate level Panchayat and Zilla Parishad or district level Panchayat).
- Establishment of Gram Sabhas at the village level.
- Regular elections to Panchayats every five years.
- Proportionate seat reservation for SCs/STs.
- Reservation of not less than 1/3 seats for women.
- Constitution of State Finance Commissions to recommend measures to improve the finances of Panchayats.

- Constitution of State Election Commission.

The Constitution (73rd Amendment) Act, 1992 vests power in the State Government to endow Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government which include:

- Preparation of plans and their execution for economic development and social justice in relation to 29 subjects listed in the XI Schedule of the Constitution.
- Authority to Panchayat to levy and collect and appropriate taxes, duties, tolls and fees.
- Transfer of taxes, duties, tolls and fees collected by the States to Panchayats.

5.4.2 Gram Sabha

Gram Sabha is a body consisting of persons registered in the electoral rolls of a village or a group of villages which elect a Panchayat. A vibrant and enlightened Gram Sabha is central to the success of the Panchayati Raj system. The year 1999-2000 has, thus, been declared as the "Year of the Gram Sabha". State Governments have been urged:

- To vest in the Gram Sabha the powers on the lines envisaged in the Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996.
- To make a mandatory provision in the Panchayati Raj Act for holding Gram Sabha meetings throughout the country on the occasion of the Republic Day, Labour Day, Independence Day and Gandhi Jayanti.
- To make a mandatory provision in the Panchayati Raj Act specifying separately, the quorum for Gram Sabha meetings, for ordinary meetings, meetings convened for special purposes and re-convened meetings due to cancellation of an earlier meeting for want of quorum.
- To make members of the Gram Sabha aware of their powers and responsibilities with a view to ensuring mass participation, particularly of the hitherto marginalised groups, such as women and SCs/STs.
- To lay down procedures for the Gram Sabha to effectively carry out social audit of beneficiary-oriented development programmes of the Ministry of Rural Development, particularly the legal powers of the Gram Sabha to order recovery or punishment for financial mismanagement.
- To evolve a plan of action for generating wide publicity for Gram Sabha meetings.
- To evolve guidelines/procedures for holding Gram Sabha meetings and a model list of business for such meetings.
- To generate awareness as to the rights of the Gram Sabha with respect to control over natural resources, land records and conflict resolution.

The Constitution (Seventy-third Amendment) Act, 1992 envisages that empowered Panchayats, as institutions of self-government at the village level, will be capable of:

- Planning and executing village level public works and their maintenance.
- Ensuring welfare of the people at the village level including health, education, communal harmony, social justice particularly gender and caste-based discrimination, dispute resolution, welfare of children especially of the girl-child.

The Constitution (Seventy-third Amendment) Act, 1992 also envisages empowered Gram Sabhas as the Parliament of the People at the grassroots level to whom the Gram Panchayats are solely accountable.

5.4.3 Panchayats Extension to the Scheduled Areas Act, 1996

In December 1996, the Parliament passed the Panchayats Extension to the Scheduled Areas (PESA) Act, 1996 providing panchayats for the scheduled areas with a difference. The Act states that a tribal village in a scheduled area will consist of a habitation or a group of habitations or a hamlet or a group of hamlets comprising a community and managing its affairs in accordance with traditions and customs. It further states that the tribal community of a scheduled area as a whole will be coherent and united working-organization in the form of a 'Gram Sabha'. In fact, while the Act has many outstanding features, the most striking one is of the role of Gram Sabha, which has been made the nucleus of all activities and endowed it with specific and wide-ranging powers and functions which do not figure in the main provisions of Part IX of the Constitution.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

4) Briefly describe the system of decentralised rural development administration in India.

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5.5 RURAL CREDIT

India is essentially Rural India virtually consisting of the cultivators, the village handicraftsmen and the agricultural labourers. Rural India, where 70% of all Indians live, still depends heavily on agriculture. However, it is increasingly becoming diversified-market with a strong demand for credit for agriculture and non-agricultural purposes, savings, insurance and money transfers.

In the development strategy adopted by independent India, the primary focus was growth with equity. Given an understanding of the seasonal credit requirements of farm operations, institutional credit was perceived fairly early in the development process as a powerful tool for enhancing production and productivity and for poverty alleviation. The debates surrounding these issues have also suggested policy directions which were clearly spelt-out in the report of the All India Credit Survey Committee, 1952.

5.5.1 Development Banking

To achieve the objectives of production and productivity, the stance of policy towards rural credit was to ensure provision of sufficient and timely credit at reasonable rates of interest to as large a segment of the rural population as possible. The strategy devised for the purpose rested on three pillars: expansion of the institutional structure, directed-lending to the disadvantaged borrowers and sectors, and lower interest rates. The chosen institutional vehicles for the task were cooperatives, commercial banks and Regional Rural Banks (RRBs). Between 1950 and 1969, the emphasis was on the promotion of cooperatives, followed by a concerted push by the commercial banks during the post-nationalisation period to establish branches in the rural areas and the creation of new institutional structures namely RRBs in 1970s, National Bank for Agriculture and Rural Development (NABARD) in the 1980s, and the Local Area Banks in the late 1990s.

During this period, policy intervention at the macro-level was considered necessary to overcome factors which were perceived as discouraging the flow of rural credit, namely, high cost of servicing, geographically dispersed customers, lack of trained and motivated rural bankers, etc. The Central Bank's policy response consisted of social control and nationalisation, expansion of branch-network into unbanked and under-banked areas, evolution of Lead Bank Scheme and area approach, enunciation of the concept of targets for priority sector and weaker section lending and special credit-cum-subsidy programmes for the poorer sections of rural and urban areas.

Reaching credit at concessional rates was one of the important elements of the strategy for deployment of rural credit. The justification for offering credit at concessional rates to certain categories of borrowers was based on the argument that farm-based investment activity in the short-run does not always yield a return which enables regular servicing of loans and at the same time meet the minimum consumption requirements. Since concessional lending impacted the profitability of rural financial institutions (RFIs), a policy of cross-subsidisation and refinance from the RBI and later National Bank for Agriculture and Rural Development (NABARD) was put in place simultaneously. NABARD is the apex institution which has been entrusted with a pivotal role in the sphere of policy planning and providing refinance facilities to rural financial institutions to augment their resource-base. Since its inception, the NABARD has played a central role in providing financial assistance, facilitating institutional development and encouraging promotional efforts in the area of rural credit. NABARD also administers the Rural Infrastructure Development Fund (RIDF), which was set up in 1995-96; the corpus of RIDF is contributed by scheduled commercial banks to the extent of their shortfall in agricultural lending under the priority sector targets. NABARD has been playing a catalytic role in micro-credit through the conduit of Self-Help Groups (SHGs). There is a general consensus that the strategies followed within this framework helped to build a broad-based institutional infrastructure for the delivery and deployment of credit and also ensured a wider access of financial services to the poor.

Notwithstanding the impressive geographical spread, functional reach and consequent decline in the influence of informal sources of credit, rural financial institutions were characterised by several weaknesses and the important among them being decline in productivity and efficiency, and erosion of repayment ethics and profitability. On the eve of the 1991 reforms, the rural credit delivery system was again found to be in a poor shape (R. V. Gupta Committee, 1998). The Report of the Committee on the Financial System (Chairman: Shri M. Narasimham, 1991) provided the blue-print for carrying out overall financial sector reforms during the 1990s. Furthermore, weaknesses in the performance of rural financial institutions since 1991 resulted in

setting up of various committees / working groups / task forces such as: “The High-level Committee on Agricultural Credit through Commercial Banks” (R. V. Gupta, 1998), “Task Force to Study the Functions of Cooperative Credit System and to Suggest Measures for its Strengthening” (Jagdish Capoor, 1999), “Expert Committee on Rural Credit” (V. S. Vyas, 2001), and “The Working Group to Suggest Amendments in the Regional Rural Banks Act, 1976” (M. V. S. Chalapathi Rao, 2002). These committees / working groups / task forces made far reaching recommendations having a bearing on agricultural credit. While the Capoor Task Force suggested adoption of a Model Co-operative Act, setting up of a Co-operative Rehabilitation and Development Fund at NABARD and Mutual Assistance Fund at the state level; the Vyas Committee (2001) recommended restoration of health of Primary Agricultural Credit Societies (PACS) by scrapping the cadre system, selective de-layering of cooperatives credit structure and integration of short- and long-term structures. The Chalapathi Rao Working Group (2002) had, in addition to suggesting diversification of the business of RRBs, recommended introduction of capital adequacy norms for RRBs in a phased manner, along with the RRB-specific amount of equity based on the risk-weighted assets ratio.

The financial sector reforms formed an integral part of the overall structural reforms initiated in 1991 and included various measures in the area of agricultural credit such as: deregulation of interest rates of co-operatives, and RRBs; deregulation of lending rates of commercial banks for loans above Rs.2 lakh; recapitalisation of select RRBs; introduction of prudential accounting norms and provisioning requirements for all rural credit agencies; increased refinance support from RBI and capital contribution to NABARD; constitution of the Rural Infrastructure Development Fund (RIDF) in NABARD for infrastructure projects; introduction of Kissan Credit Card (KCC); and stipulation of interest rate not exceeding 9 per cent for crop loans up to Rs.50,000 extended by the public sector banks.

5.5.2 Micro-finance

Micro-finance is a set of financial services, which mostly include savings and credit, and often encompass other services like insurance, directed to ultimately benefit the disadvantaged section of the population (*referred to as the poor or disadvantaged here, though it will mean more than just being economically poor*). This is often backed up with a variety of support services, which include motivating and organising the poor, extending financial training, and helping them build backward and forward linkages with other support institutions. These services are often referred to as Credit Plus.

Twentieth century witnessed large-scale conscious efforts of social change to improve the quality of life of the disadvantaged. The concept of micro-finance emerged from the experiences of these efforts. It was recognised that making financial services available to the poor is a necessary, though not a sufficient, condition for improving the quality of their life. However, it was also observed that, in spite of establishment of a large network of financial outlets, a large majority of the disadvantaged had no access to formal financial systems. Therefore, thinkers concerned with development in different parts of the world made efforts to make financial services, including savings and credit, available to the disadvantaged. Micro-finance is a result of the work of such social innovators.

5.5.2.1 Evolution of Micro-finance

In the mid-70's, Prof. Yunus, the founder of *Grameen Bank*, Bangladesh, proposed that it was possible to extend non-collateralised loans to the poor. He argued that the poor were also bankable, if banking is made easy for them. Peers in the village knew

better what was the purpose for which the loan is going to be and was used, than any external person. Social pressures were much more effective for ensuring repayment of loans than collateral in any form. It was much easier for the small borrowers to take out small sums of money at different times than to take out a large sum at a time to repay a loan. (Fuglesang, *et. al.* 1993; and Yunus, 1996). With these new premises, the *Grameen Bank* made credit available to a large number of poor borrowers.

Around the same time, senior managers of *Bank Rakyat Indonesia* (BRI), one of the largest state-owned banks of Indonesia, was also concerned about expanding its base in the face of the steep competition from private banks. It recognised that there existed a large segment of the population, which has been viewed as non-bankable by the formal financial institutions. Looking at it as a large untapped market, BRI made serious efforts to make financial services available to them. They held that if the poor cannot come to the bank, the bank needs to be taken to the poor. They modified their methods to suit the rural borrowers. They set up outposts, *Unit Desa*, in various parts of the country-side, from where 'bankers-on-wheels' approached the borrowers instead of waiting for the borrower to approach the Bank.

Institutions like K-Rep in Kenya, which were involved in promoting entrepreneurship among the poor, recognising the failure of the mainstream financial institutions to make credit available to the disadvantaged, made innovative efforts to make credit available to their client-group.

With a variety of these efforts it was understood that financial services could be made accessible to the disadvantaged, if:

- banking is made easy for them, with simplified procedures;
- the person is financed and not the project;
- peers in the community are involved in appraisal and follow-up;
- repayments are designed to fit the cash-flow of the borrower;
- small sums are paid at regular interval than paying a large sum at any one point in time, either for savings or for repayment of loans;
- collateral requirements are replaced with collateral-substitutes, recognising that intangible social assets may have a higher value for a poor than physical assets which s/he rarely has; and
- attention is paid to reducing transaction-cost for both the borrower and the lender.

With these realisations many institutions / agencies involved in development efforts got involved in micro-finance activities. Today, a large number of them are actively involved in micro-finance either by directly extending these services or by promoting / supporting other institutions who are involved in it.

Many of these newly emerging micro-finance institutions share some common characteristics, which have been summarised by Mahajan and Ramola (1996) as Seven I's of micro-finance.

Table 5.1: The Seven I's of New Generation Development Finance

Sl. No.	Attribute	New Generation Behaviour
1.	Image of the rural small borrowers	Not to see them as beneficiaries, but as entry-level customers.
2.	Independence	No political interference, such as loan-waivers, nor government ownership and bureaucratic control.
3.	Interest Rates	<i>For Deposits:</i> high enough to attract savings; <i>For Loans:</i> high enough to cover all costs.
4.	Incentives	<i>For Staff:</i> to ensure good customer service but prudent lending; <i>For Customers:</i> to ensure deposits come in and loans are repaid on time.
5.	Intermediation	Between local savers and borrowers; and Between local demand / surpluses and non-local financial markets.
6.	Increased Capacity	Larger scale of operations; Better systems for MIS and internal supervision; and Greater ability to comply with regulation.
7.	Integration	With social intermediation (e.g. by self-help groups) and technical assistance (e.g. by NGOs and government bodies in micro-enterprise promotion).

With these attributes the new-generation agencies often display the following characteristics.

Table 5.2: A Comparison of Existing FIs and New-Generation mFIs

Characteristic	Existing FIs	New Generation mFIs
Self-Concept	Credit delivery system, in which funds come from external sources	Financial intermediary, linking micro-savers with borrowers
Ownership and control	Mostly government owned. Even co-operatives which are nominally member-owned are government controlled in practice	Ownership will be with shareholders, largely micro individuals and institutions
Motivation	Saving the poor people from the clutches of money-lenders; using micro-savers as a source of funds; means of political patronage.	Making a reasonable profit, by providing competitive services to micro-customers
Products and services	Few products that suit poor people's special needs: illiteracy, seasonality-mixed credit needs, livelihood diversity	Savings and loan products will be designed to suit specific demand-segments and customer attributes
Main source of loanable funds	World Bank, RBI, NABARD, etc. funds at low interest rates, also govt. funds, e.g. RMK	Deposits raised by giving real positive interest rates; Also bulk borrowings

Interest rate on loans	Lower than sustainable levels: cannot cover capital, operating and bad debt cost	Interest rate must cover all three costs and service the equity of the mFI in addition
Repayment rates	On-time repayment rates are routinely 50 percent or less	On-time repayment rates of less than 95 percent will lead to uneconomic operations
Method of lending	Security-based lending. Insistence on collateral. Largely one-time basis.	Lending based on borrower's prior savings and credit-history. Repeat loans are a key feature.
Attitude towards the poor	Seen as "social obligation" and intrinsically unworthy of credit.	The poor seen as "entry-level" customers. If they prosper, the mFI prospers in leaps and bounds.
Operating Methods	High cost, poor service, due to manual operations, over-staffing, bureaucratic functioning and poor industrial relations	Lower level of cost, high level of service due to use of information technology, performance-linked wages, and professional orientation.

5.5.2.2 Various Methods of Micro-finance

In the process of evolution of micro-finance and in the efforts to make it context-specific, various methods of making financial services available to the poor have been developed.

A) Methods: Some of these methods commonly used in India are given below.

i) **Grameen Methodology:** Though *Grameen Bank* evolved this methodology in Bangladesh, with its well-recognised success, many agencies in India like SHARE have adopted this method. An association of all the Grameen affiliates in India has also been set up.

Grameen Bank adopted this method as follows.

- Homogenous affinity-groups of five members are formed at the village level.
- Eight such groups affiliate together to form a Centre.
- Leaders are appointed for each Group and for the Centre from amongst the members.
- Centre meets every week at a defined time. Centre Meeting is very structured one. Bank Assistant attends the Centre Meeting.
- Every member regularly saves Tk. 10 every week. This is deposited with the Bank.
- Loan proposals are discussed at the Centre Meeting. Group Leaders put up the proposal for the consideration of the Centre.
- Only proposals recommended by the Centre Leader are sanctioned and disbursed by the Branch Manager of Grameen Bank.
- Loan Disbursement is from the Bank funds and only from the savings of the group. This, till recently, was not linked to the savings of the individual borrower also, if the group assessed him/her to be credit-worthy.

- Loans are given to the individual borrowers and not to the Group or the Centre.
- All loans (including agricultural loans) are repayable in 50 installments spread over 52 weeks. This is paid along with the weekly savings in the Centre Meeting.

Three significant elements of this method include the following.

- The process of peer-appraisal and monitoring of loans helped reduce transaction cost, for both the borrower and the lender.
- The need for collateral security was replaced with the group processes, which act as the collateral substitute.
- The savers / borrowers paid small sums regularly, in short intervals, and did not have to part with any large sum at any point of time.

ii) **Joint-Liability Groups (JLGs):** This method uses the principle of mutual guarantee by a group of borrowers for each other's loans. Though, this method was tried way back in the 1950's by the State Bank of India, it did not give the desired results. However, the Bank for Agriculture and Co-operation (BAAC), Thailand used this method effectively. BASIX re-introduced this concept in India with a reasonable degree of success. Under this method:

- Five to six individual-borrowers are asked to form into a group. The group is formed by their mutual choice. The promoting institution does not participate in this process;
- All the members of the group mutually guarantee the loans given to the other members of the group and remain jointly and severally responsible for the repayment of all the loans;
- Loans are given to individual-borrowers. Loan amounts to different people vary.
- Usually this method of lending is not linked to savings. However, BASIX collects a Cash Security from all the individual borrowers, which is returned to the individual borrowers only when all of them have paid back the amounts due.

Unlike the *Grameen method*, where the groups meet regularly, with significant emphasis on the group processes, in the Joint-Liability Group method the group meets only when required. Apart from guaranteeing the loans to each other and thereby introducing peer-monitoring, there are no other significant group processes involved.

iii) **Self-Help Groups (SHG):** Self-Help Group is a method commonly adopted by many Non-Government Organisations (NGOs) in India. Organisations like PRADAN, MYRADA, Dhan Foundation promoted a very large number of SHGs. In the recent years, with the support from mainstream Financial Institutions like National Bank for Agriculture and Rural Development (NABARD) and Small Industries Development Bank of India (SIDBI), this method has also gained some acceptance among the commercial banks. This is an adaptation of the *Grameen Methodology* to suit the context. However, there are many variants of this method that have evolved in different parts of the country. Some of the common features under this method are as follows:

- Homogenous, affinity groups of fifteen to thirty members are formed at the village level;
- Groups meet at a regular frequency, which varies from weekly through monthly to seasonally;
- Group meetings are sometimes attended by the representatives of the NGO promoting and supporting the SHG;
- Members chose their own leaders: a President, a Secretary and a Treasurer;
- Groups open a bank account either in the name of the Group or in the joint names of the three office-bearers;
- Members save a definite amount regularly, with amount varying from Rs.5 to 50. This savings is collected in the Group Meeting;
- Members lend to each other from their own savings. Sometimes their saving is supplemented with funds from external sources, like funding agencies or the government. Some SHGs have also taken loans from commercial banks or from other financial intermediaries like BASIX, Rashtriya Mahila Kosh, Friends of Women's World Banking;
- Though loan to the Group has been extended by some institutions, in a large number of cases, banks have extended loans to the individual members of the groups, with a guarantee from the group;
- Usually the representative of the promoting NGO is not involved in the loan decision;
- In some cases, the SHGs of an area federate together to form their own Federation. These have been known variously: Cluster Federations, Village Organisations and so on. Though some federations perform a financial function by pooling in resources of their member-groups, in many cases, they restrict their services to provision of non-financial services like training. The federations also provide a forum for inter-group learning.

Unlike the Grameen or the JLG methodology, in this method the group is the borrower and not the individuals. The group extends credit to the individual members. Appraisal of these loans, sanction and monitoring thereof is done as per the norms evolved by the group. Unlike this method, in the Grameen Methodology the role of the group is restricted to influencing the borrower's behaviour and ensuring accountability; it does not get involved in the financial decision-making. In the SHG method saving is an essential element and usually precedes credit.

- iv) **On-lending Through Intermediaries:** This is one of the new methods introduced by the micro-finance Institution, BASIX. There are many commercial intermediaries in the rural areas that have regular economic transactions with the rural producers. These include: grain merchants, general merchants, commission agents, and local seeds and fertiliser retailers, among others. They often extend a variety of services to their customers, especially in remote areas, beyond their primary business. As they have very close association with the rural producers on a regular basis, they can also be used as retailers of loans to them which helps them retain their customer loyalty, amongst other things.

- This reduces the transaction cost for the borrowers, as
 - they interact with this intermediary for many purposes other than taking credit. They do not have to make any additional effort to take credit.
 - the procedure adopted by the intermediaries is very simple, involving little transaction cost.
- The risk of lending is reduced, as
 - the intermediary has access to better information about the customer.
 - multiple cash-flows are tapped for the repayment.
- It makes credit accessible to a large number of people who have regular dealings with these intermediaries.

Under this method:

- An intermediary who has close contact with the rural producers is identified with due care.
 - A bulk loan is made available to the intermediary (referred to as the on-lender).
 - The on-lender gives loans to her/his customers, based on her/his assessment of the creditworthiness of the borrower.
 - The on-lender recovers the amount from the ultimate borrower and repays the same to the micro-Finance Institution.
 - The terms in which the loans are made available to the ultimate borrower are monitored by the micro-Finance Institution.
- v) **Direct Loans:** In some cases, the micro-Finance Institution extends credit directly to the poor. Many institutions, primarily mainstream banks, involved in micro-Finance activities have extended these kinds of loans. There are very few micro-Finance Institutions such as BASIX, SEWA, which extend direct-loans to the poor. Under this method:
- Loan proposals are originated from individuals in an area where sufficient contact has been built.
 - Proposals are appraised with greater emphasis on assessing the counter-party risk and not necessarily the project.
 - Borrower's ability to service the loan is assessed looking at the cash-flow pattern of the household and not only the project. Multiple sources of cash-flow are recognised in this method.
 - Non-collateralised loans are extended to the individual borrowers.

However, as this method closely resembles the regular project-based collateralised loans, there are very high chances of degeneration of this method of lending.

It can be seen that the methods adopted by different Micro-Finance Institutions differ from each other primarily on four counts:

i) Who the loan is given to?	• An Individual • A Group
ii) How the loan is given to the ultimate user?	• Directly to the individual ultimate users • To an intermediary, a commercial agency or a group, for on-lending to ultimate users
iii) What is the arrangement of security for the loan?	• Collateral security • Group guarantee / collateral substitute
iv) How is the repayment scheduled?	• Regular periodic repayment • Bullet repayment • Repayment to match cash-flow of the ultimate users

B) Some Choices to be made: Since these methods have their respective merits and demerits, different combinations of these methods, among others, have been adopted by different agencies.

1) Choice of Appropriate Method: With the evolution of the micro-Finance field many methods of making financial services available to the disadvantaged sections of the society have also evolved. Reviewing many of these methods, Mahajan (1996) has argued that different segments in the rural areas need to be serviced using different methods of lending. The rural producer-community can be segmented into three categories on the basis of the nature of production-relationships and the nature of employment generated from the activities taken up by them.

- a) *Marginal Producers:* These include the landless, the small and the marginal farmers, rural artisans, who have to sell some labour to meet the total expenses of the household.
- b) *Middle Range Producers:* These include middle farmers, micro-entrepreneurs in villages or in small towns, who generate enough revenue to meet the requirements of the household and do not sell labour.
- c) *Commercial Producers:* These include large commercial farmers and small-entrepreneurs, who generally employ more than one labourer outside the family. They generate wage-employment for many people.

For supporting the livelihood of the poor, financial services need to be made available for all these three segments of the rural community. Different methods need to be used for servicing the needs of these segments of the market.

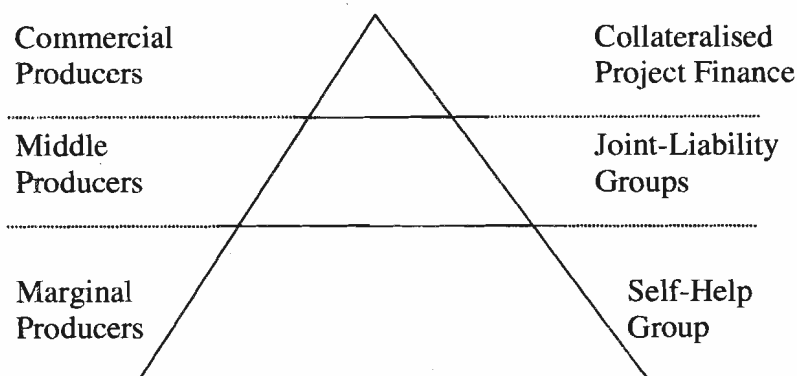


Figure 5.1: Three Segments in the Rural Market

Though self-help group methodology is one of the best methods to reach the marginal producers, which reduces transaction cost for both the borrower and the lender, it necessitates investment of time from all the group members on a regular basis. Though the poor manage to invest this time, the economically better-off, namely, the Middle Producers and the Commercial Producers find it extremely difficult to invest this time, as many of them have assets, which they can provide collateral security against the loans. Therefore, it becomes critical to choose appropriate methods of lending, for specific sets of rural producers for making financial services available to them.

2) **Choice of Appropriate Legal Form:** As most micro-Finance methods involve groups of ultimate users of the services, appropriate legal form of their organisation has also been an issue of concern for many micro-Finance practitioners. Choice of the form of an organisation revolves around some of the following considerations:

- **Nature of Organisation:** Every organisational form is conceived to perform a particular type of function. While 'Company' is a form of organisation to maximise the equity holder's worth, Trade Union is a form to manage the relation between the employee and the employer, Co-operative is a form to maximise mutual goods, and so on.
- **Capitalisation Requirements:** Different forms of organisations can be capitalised differently. Organisations like Company and Co-operatives have an equity capital base, while other organisation forms do not have it.
- **Control:** Every form of an organisation has a preconceived form of control. With capital of the savers augmented with other main-stream capital and grant-funds, control of an organisation becomes an important issue.
- **Deposit Mobilisation:** Micro-Finance activities often involve mobilisation of savings from the users of the services. Legal requirements for accepting deposits from the public vary from organisation to organisation.
- **Tax Considerations:** Extending financial services, including savings and credit, even if it is for the poor, is a commercial activity. Therefore, they are subject to the tax norms of different forms of organisations.

Considering variety of these issues different legal forms have been used by different promotional agencies for the groups of the poor. In a large number of cases, these groups are not registered. They continue to operate as informal organisations. While some organisations, such as Co-operative Development Foundation (CDF), Mahila

Vikas has organised the poor in the form of Co-operative. In some cases, though the primary groups continue to operate like informal organisations, federations thereof are registered as co-operative. In another form, the micro-Finance Institution itself is registered as a co-operative bank. Self-Employed Women's Association (SEWA) is registered as a Co-operative Bank operating to serve its borrowers.

Some NGOs like ASSEFA have also organised the members of the village community into *Nidhi* Foundations, which are akin to Mutual Fund Trust. The villagers appoint a group of trustees, who in turn hold the fund on behalf of the villagers. The Trustees of the people, appointed from amongst the members, govern these *Nidhi* Foundations. But, as the *Nidhi* itself is always not in a position to deploy the funds, it has appointed a Non-Banking Finance Company (NBFC), *Sarva Jana Seva Kosh*, to manage its funds.

The age-old problem of rural credit has been the excessive reliance of borrowers on money-lenders and other informal sources that have entailed usurious interest rates and exploitation. It is quite remarkable as to how long it has taken to really substitute institutional credit for informal money-lending channels and how tortuous the process of change has been: change of any significance took over 50 years from the beginning of serious attention in the 1930s to the 1980s. It was the nationalisation of banks in 1969 and subsequent spread of rural bank-branches that has really made a difference in reducing, finally, the share of money-lenders in agricultural credit.

The banking system in India is, at present, geared more to financing the traditional crops like cereals. However, it needs to reorient itself to meet the changing requirements of commercialising agriculture. Credit requirements would go up due to purchased-input, and intensive and heterogeneous production cycles of the new areas of agriculture. This would also call for designing innovative schemes and products which recognise the differing nature of agri-business and supply chains for different products. Newer forms of credit-assessment and risk-management systems may also have to be put in place, besides upgrading skills and changes in attitudes and mind-sets. The rural credit system has been bypassed by the revolution in information technology. The banking system may also have to address the problem of 'financial dualism', characterised by faster modernisation of urban financial markets compared with their rural counterparts and the 'digital divide' which separates those using modern computers and communication technologies from those who do not. Financial dualism could result in large farmers, agri-business and rural industries obtaining financial services from modern urban financial institutions, while the small and marginal farmers and the landless laborers may have to depend on micro-finance and personal savings. Information technology has to be used to facilitate transformation in various processes of rural credit.

5.5.2.3 The Mahila Samakhya Programme

The Mahila Samakhya programme, launched in 1988, is the direct outcome of the commitment to affirmative action in support of women's education mandated by the National Policy on Education (1986) and the subsequent Programme of Action (1992). The National Policy on Education – a landmark in the field of policy on women's education in India, stated that: "*The Empowerment of Women is possibly the most critical pre-condition for the participation of girls and women in the educational process*". As a result of this, the programme has been designed for the education and empowerment of women in rural areas, particularly of women from socially and economically marginalized groups. Currently the programme is operational in 10 states in India.

MS programme till date has been able to facilitate creation of an enabling-environment for sangham women to bring their issues to centre stage. The processes have given insights, learning and lot of experience to all the concerned. Though empowerment cannot be measured quantitatively, the qualitative indicators that emerged have contributed to recognition of MS strategies as viable and replicable.

The programme focuses on:

- Marginalised women, particularly those belonging to the Schedule Caste and the Schedule Tribe communities.
- Areas where female SC/ST literacy levels are very low (approximately 15-25%).
- Areas where development indicators are very low.

The fundamental strategy of the Mahila Samakhya programme is to mobilise women into village level collectives called 'Sanghams'. These sanghams form the nodal points for all discussion, planning, implementation and evaluation.

For instance, since the launching of APMSS in 1993, the macro-environment has undergone substantial change. The concept of groups has gathered momentum as a result of the SHG movement encouraged by the government. Almost all villages have a number of groups where women have come together for the purpose of thrift and savings. At the time of expanding the programme to the districts of Nalgonda and Warangal, it was felt that a shift in mobilisation strategy is necessary, given the above situation. The new strategy would involve working with the existing groups, bringing them together on a common platform so as to enable them to take up the issue of their empowerment in a holistic manner.

In the subsequent phases of programme expansion, the presence of large number of SHGs in the villages led to the new strategy of working with existing groups and facilitating formation of waada-wise sanghams. Focus is on bringing all women who are not part of any SHG into the Sangham fold. Further, a village level core group has been evolved with representation from all waada Sanghams for specific inputs and creation of pressure group at the village level to influence change.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

5) Write in brief about the emergence of the concept of microfinance.

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5.6 LET US SUM UP

Thinking about rural development has evolved over the years more generally in a symbiotic relationship: from community development through the Green Revolution to integrated rural development; and from the mid-1980s onwards with increasing attention to sustainable livelihoods as a route to poverty reduction. What is required is to set up a comprehensive machinery for rural development administration which could incorporate within it the DRDA and the block organisation, which would have a greater weight in coordinating the efforts of various development departments as well as agencies like banks and cooperatives that could be linked up with Panchayati Raj institutions and mechanisms and processes of decentralised planning. Since India is still a Rural India, the cultivators, the village handicraftsmen, the agricultural labourers and the landless poor depend heavily on agriculture. Further, it is increasingly becoming diversified market with a strong demand for credit for agriculture and non-agricultural purposes, effective mechanisms for savings, insurance and money transfers, among others, which is expected to contribute significantly to the cause of sustainable rural development.

We will discuss specific programmes of rural development in units 6 and 7 that follow.

5.7 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

- 1) *Distinction between development administration and administrative development:* Development administration has two concepts, namely, administration of development (development administration) and development of administration. (administrative development). Development administration is concerned with plans, policies, programmes and projects which focus on nation-building and socio-economic development. Administrative development is concerned with increasing and improving the capabilities of administrative system. It involves modernization of administrative structure, capabilities of personnel, attitudinal and behavioral changes among the administrators.

Development administration, thus, has an innovative dimension; it is flexible enough to design new methods, procedures and policies which would save time, increase effectiveness and quality. Administrators under this concept are required to be committed to the policies, plans and programmes. Development administration focuses on "planning with people" rather than "planning for people". It is people-centered rather than production-centered i.e. not only for maximizing production of goods and services but also for addressing the needs of people and empowering them.

- 2) Rural development implies both the economic betterment of people as well as greater social transformation. In order to provide the rural people with better prospects for economic development and social transformation, the rural development administration-framework envisages and facilitates increased participation of people in the rural development programmes, decentralization of planning, better enforcement of land reforms and greater access to credit. It calls for diversified as well as comprehensive and integrated administration of development. It encompasses many cross-sectoral linkages and cooperation covering the areas of agriculture, rural industry, rural engineering, health, education, rural credit and rural institutions. Various aspects of rural life are inextricably interlinked with each other and hence all aspects have to be taken up together in rural development administration.

- 3) *History of rural development administration in India:* In India, rural development and local self-government have a long history. Kautilya's *Arthashastra* and Megasthenes's writings on the *Administration of Pataliputra* have mentioned a few functioning local bodies in the then villages during 300 B.C. Again, two inscriptions found in Uttaranmerur describe the existence of several committees which governed the village along with Maha Sabha, the general body of the adult males. They also talk about selection process, qualification and disqualification of the members. These two inscriptions belong to the days of the Chola emperor, Parantaka-I, dated 919 A.D. and 921 A.D. Hence, almost every village in ancient India had a self-governing body to look after its own development. However, all these self-governing bodies underwent a change due to the collapse of the Moghul empire and the advent of British Administration.

The firm establishment of British administrative system gradually reduced the village communities, specially the institutions of Headman, the Accountant and other functionaries at village. Once they were representatives of the village communities. The British made them mere salaried officials. It was only after 1858 that the British thought seriously about the desirability of creating institutions of local self-government to take care of the activities like public health, roads, education, irrigation and so on.

The historical base of modern rural development may be traced to the later part of 19th century, which witnessed a series of recurrent famines and drought. During that period, the Imperial Government in India took a number of steps to acquire knowledge of agricultural statistics, to promote local self-government, to acquaint district officers with the needs of rural people and to protect tenancy rights. Soon after, the Famine Commission was instituted in 1880. A separate commission called Aitchison Commission (1886-87) even studied the technical aspects of development and suggested ways and means for reorganization of technical services at State and district level to deal with the problems of rural development.

The new attitude towards rural development have found expression mainly in two ways, namely a reorganization of the internal administrative arrangements and a delegation of some responsibility to self-governing local bodies. Since then, rural development or local self-government in India, became complementary to each other.

- 4) *Decentralised rural development administration in India:* There has been a constant debate on the methods and sequence of enabling people to participate in the development process. Decentralisation has been advocated by development agencies and policy planners as an important factor broadening citizen participation and improving local governance, thereby promoting poverty reduction from the bottom-up.

Decentralization policy is generally regarded as critical for efficiency, equity and participation. With regard to efficiency, decentralization contributes to identifying local priorities, potentialities and resources for the appropriate preparation, implementation and sustainable management of projects. With regard to equity, local governments are often in a good position to administer services that have important redistributive implications such as primary health care, education, childcare, housing and public transportation. With regard to participation, the identification and mobilization of all available resources and their deployment in accordance with popular needs requires direct participation.

Decentralisation aims at associating people with the government to the maximum extent possible. In India, the Panchayati Raj system enables people to participate in democracy in a more effective way and provides an opportunity for rural people to plan and administer their own affairs. Panchayati Raj Institutions – the grassroots units of self-government – have been proclaimed as the vehicles of socio-economic transformation in rural India. Effective and meaningful functioning of these bodies would depend on active involvement, contribution and participation of its citizens both male and female. The aim of every village being a republic and Panchayats having powers has been translated into reality with the introduction of the three-tier Panchayati Raj system to enlist people's participation in rural reconstruction.

- 5) Micro-finance is a set of financial services, which mostly include savings and credit, and often encompass other services like insurance, directed to ultimately benefit the disadvantaged sections of the population. This is often backed up with a variety of support services, which include motivating and organising the poor, extending financial training, and helping them build backward and forward linkages with other support institutions.

Twentieth century witnessed large-scale conscious efforts of social change to improve the quality of life of the disadvantaged. The concept of micro-Finance emerged from the experiences of these efforts. In the mid-70's Prof. Yunus, the founder of *Grameen Bank*, Bangladesh, proposed that it was possible to extend non-collateralised loans to the poor. He argued that the poor were also bankable, if banking is made easy for them. Peers in the village knew better what was the purpose for which the loan was used or is going to be and was used, than any external person. Social pressures were much more effective for ensuring repayment of loans than collateral in any form. It was much easier for the small borrowers to take out small sums of money at different times than to take out a large sum at a time to repay a loan (Fuglesang, *et al*, 1993; Yunus, 1996). With these new premises, the *Grameen Bank* made credit available to a large number of poor borrowers.

Around the same time, senior managers of *Bank Rakyat Indonesia* (BRI), one of the largest state-owned banks of Indonesia, was also concerned about expanding its base in the face of the steep competition from private banks. It recognised that there existed a large segment of the population, which has been viewed as non-bankable by the formal financial institutions. Looking at it as a large untapped market, BRI made serious efforts to make financial services available to them. They held that if the poor cannot come to the bank, the bank needs to be taken to the poor. They modified their methods to suit the rural borrowers. They set up outposts, *Unit Desa*, in various parts of the country-side, from where 'bankers-on-wheels' approached the borrowers instead of waiting for the borrower to approach the bank.

Institutions like K-Rep in Kenya, which were involved in promoting entrepreneurship among the poor, recognising the failure of the mainstream financial institutions to make credit available to the disadvantaged, made innovative efforts to make credit available to their client-group.

5.8 GLOSSARY OF RELEVANT TERMS USED

- **Cooperatives:** A cooperative is a business organization owned and operated by a group of individuals for their mutual benefit.

- **Drought:** It is a weather-related natural disaster. It affects vast regions for months or years. It has an impact on food production and it reduces life expectancy and the economic performance of large regions or even countries. Drought is a recurrent feature of the climate. It occurs in virtually all climatic zones, and its characteristics vary significantly among regions. Drought differs from aridity; drought is temporary while aridity is a permanent characteristic of regions with low rainfall.
- **Environment:** The environment is the surrounding. It could be physical environment that includes the natural environment (air, water, land, atmosphere, etc) and man-built environment or it could be human environment – people surrounding a thing. This is also known as the social environment and includes elements like the spiritual environment, emotional environment, home, family, etc.
- **Land reforms:** It involves the changing of laws, regulations or customs regarding land ownership. Land reform may consist of a government-initiated or government-backed property redistribution, generally of agricultural land. Land reform can, therefore, refer to transfer of ownership from the more powerful to the less powerful such as from a relatively small number of wealthy (or noble) owners with extensive land-holdings (e.g. plantations, large ranches, or agribusiness plots) to individual ownership by those who work the land.
- **Microfinance:** Microfinance is the provision of financial services to low-income clients or solidarity lending groups including consumers and the self-employed, who traditionally lack access to banking and related services.
- **Self-Help Group:** A self-help group (SHG) is a village-based financial intermediary usually composed of 10–20 local women. Most self-help groups are located in India, though SHGs can also be found in other countries, especially in South Asia and Southeast Asia.
- **Wasteland:** India shares 16% of the world population, while its land is only 2% of the total geographical area of the world. Naturally, the pressure on the land is often beyond its carrying capacity. Therefore, the productive lands, especially the farmlands in India are in the constant process of various degrees of degradation and are fast turning into wastelands. At present, approximately 68.35 million hectare area of the land is lying as wastelands in India. Out of these lands, approximately 50% lands are non-forest lands, which can be made fertile again, if treated properly.

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UNIT 6 RURAL DEVELOPMENT PROGRAMMES - I

Structure

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- 6.2 Role and Functions of the Government in Rural Development
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6.0 INTRODUCTION

Rural Development in India is one of the most important factors for the growth of the Indian economy. India is primarily an agriculture-based country. Agriculture contributes nearly one-fifth of the gross domestic product in India (<http://www.nistads.res.in/indiasnt2008/t6rural/t6rur3.htm>). We have already highlighted the Indian context vis-à-vis the concept, scope and strategies for rural development in India in Unit 4, and the administration of rural development in Unit 5 of this Block (i.e. Block 2).

In order to increase the growth of agriculture, the Government has planned several programmes pertaining to Rural Development in India. You can notice from Units 4 and 5 of this Block that rural development in India has witnessed several changes over the

years in its emphasis, approaches, strategies and programmes. As a result, it has assumed new dimensions and perspectives. Rural development can be richer and more meaningful only through effective participation of the target-groups of development. People's participation is one of the foremost pre-requisites of development process both from philosophical and procedural perspectives. Therefore, for the rural development it is important that the planners and administrators sincerely solicit the participation of different groups of rural people to make the plans truly participatory (<http://www.nistads.res.in/indiasnt2008/t6rural/t6rur3.htm>).

People's participation is essential because the policies and programmes have been designed with the aim of alleviation of rural poverty, which has been one of the vital objectives of planned development in India. It has been realized that a sustainable strategy of poverty alleviation has to be based on increasing the productive employment opportunities of the deprived and the marginalized in their growth process itself. In fact, it is elimination of their poverty, ignorance, diseases and inequality of opportunities and providing a better and higher quality of life that formed the basic premise upon which all the plans, strategies and programmes/schemes have been prepared. Rural development, thus, aims at improving rural people's livelihoods both socially and environmentally, through better access to assets (natural, physical, human, technological and social capital) and services, and control over productive capital (in its financial or economic and political forms) that enable them to improve their livelihoods on a sustainable and equitable basis (Ibid).

In Units 6 and 7, we will, therefore, touch upon the wide range of programmes aimed at the development of the individuals, the families and the entire rural area as a whole, both in terms of economic development, social welfare and security, and the infrastructure development including diverse essential facilities for better quality of life. In Unit 6, the focus will be on those programmes basically aimed at the economic development and welfare of the individuals and the families in villages which have relevance for development of the rural area; whereas in Unit 7, we will focus on those programmes meant for social transformation and infrastructure development including various facilities in rural areas.

6.1 OBJECTIVES

Rural development aims at both the economic betterment of people as well as greater social transformation through formulation, development and implementation of programmes relating to various spheres of rural life and activities ranging from income generation to environmental replenishment. In this Unit, we will, therefore, focus on such diverse programmes that have relevance to promotion of rural development. After going through various programmes presented in this Unit, we expect you to be able to:

- Identify and describe different programmes of rural development;
- Analyse the possible effects of these programmes on the rural people;
- Discuss the implications of the programmes for the economic development and quality of life of rural population; and
- Explore the possibilities for people's participation in advancement of the programmes as well as the target-groups concerned.

6.2 ROLE AND FUNCTIONS OF THE GOVERNMENT IN RURAL DEVELOPMENT

We know that the Ministry of Rural Development (MoRD) in India is the apex body for formulating policies, regulations and Acts pertaining to the development of the rural sector. Agriculture, handicrafts, fisheries, poultry and dairy are the primary contributors to the rural business and economy. While there have been many programmes and schemes since independence, recent introduction of Bharat Nirman project by the Government of India in collaboration with the State Governments and the Panchayat Raj Institutions is a major step towards the improvement of the rural sector. The National Rural Employment Guarantee Act 2005 was introduced by the MoRD for improving the living conditions and its sustenance in the rural sector (<http://www.nistads.res.in/indiasnt2008/t6rural/t6rur3.htm>). As mentioned above, the MoRD is engaged in legislations for the social and economic improvement of the rural populace. Initially, the Ministry consisted of three departments, viz. i) Department of Rural Development, ii) Department of Land Resources, and iii) Department of Drinking Water Supply. Presently, there are two departments, viz. Department of Rural Development and Department of Land Resources, as the Department of Drinking Water Supply and Sanitation has been formed into a separate Ministry of Drinking Water and Rural Sanitation on 13.07.2011.

Under the Department of Rural Development, there are three autonomous bodies, viz. Council for Advancement of People's Action and Rural Technology (CAPART), National Institute of Rural Development (NIRD) and National Rural Road Development Agency (NRRDA). Broadly, the objectives of the Ministry are (Chattopadhyay and Baghel, 2009):

- a) to encourage, promote and assist voluntary action in implementation of the projects for enhancement of the rural prosperity;
- b) to strengthen and promote voluntary efforts in rural development with focus on injecting new technological inputs;
- c) to act as the national nodal point for co-ordination of all efforts at generation and dissemination of technologies relevant to rural development in its wide sense; and
- d) to assist and promote programmes aimed at conservation of the environment and natural resources.

However, various Ministries such as the Ministries of Agriculture, Health and Family Welfare, New and Renewable Energy, Science and Technology, Women and Child Development, and Tribal Affairs, etc in the central government are engaged directly or indirectly in implementation of many programmes and schemes for the development of rural areas. In addition, to strengthen the grassroots level democracy, the Government is constantly endeavoring to empower Panchayat Raj Institutions in terms of their functions, powers and finance. Gram Sabha, NGOs, Self-Help Groups and PRIs have been accorded adequate roles to make participatory-democracy meaningful and effective.

6.3 STRATEGIES AND PROGRAMMES FOR RURAL DEVELOPMENT: AN OVERVIEW

In this section, we present a brief overview of the strategies and programmes of rural development.

As we know, the rural economy is an integral part of the overall Indian economy. As majority of the poor reside in the rural areas, the prime goal of rural development is to improve the quality of life of the rural people by alleviating poverty through the instrument of self-employment and wage-employment programmes, by providing community infrastructure facilities such as drinking water, electricity, road connectivity, health facilities, rural housing and education, and by promoting decentralization of powers to strengthen the Panchayati Raj institutions, among others. The various strategies and programmes of the Government for rural development are summed up below (<http://www.nistads.res.in/indiasnt2008/t6rural/t6rur3.htm>).

- ***Integrated Rural Development Program (IRDP):*** First introduced in 1978-79, IRDP has provided assistance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods. Subsequently, Training of Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCR), Supply of Improved Tool-Kits to Rural Artisans (SITRA) and Ganga Kalyan Yojana (GKY) were introduced as sub-programs of IRDP to take care of the specific needs of the rural population.
- ***Wage-Employment Programs:*** Anti-poverty strategies like assistance to the rural poor families are to bring them above the poverty line by ensuring appreciable sustained level of income through the process of social mobilization, training and capacity-building. Wage Employment Programmes have sought to achieve *multiple objectives*. They not only provide employment opportunities during lean agricultural seasons but also in times of floods, droughts and other natural calamities. They create rural infrastructure which supports further economic activity. Important programmes include: Swarnjayanti Gram Swarozgar Yojana (SGSY), Sampurna Grameen Rozgar Yojana (SGRY) and National Rural Employment Guarantee Act (NREGA) etc. (NREGA is an act of parliament). NREG scheme is not merely a scheme or policy. It aims at enhancing the livelihood security of the people in rural areas by guaranteeing hundred days of wage-employment in a financial year to a rural household whose members volunteer to do unskilled manual work. The objective of the Act is to create durable assets and strengthen the livelihood resource-base of the rural poor.
- ***Employment Assurance Scheme (EAS):*** EAS was launched in October 1993 covering 1,778 drought-prone, desert, tribal and hill-area blocks. It was later extended to all the blocks in 1997-98. The EAS was designed to provide employment in the form of manual work in the lean agricultural season. The works taken up under the programme were expected to lead to the creation of durable economic and social infrastructure and address the felt-needs of the people.
- ***Food for Work Programme:*** The Food for Work programme was started in 2000-01 as a component of the EAS in eight notified drought-affected states of Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Orissa, Rajasthan, Maharashtra and Uttaranchal. The programme aims at food-provision through wage-employment. Food grains are supplied to states free of cost. However, lifting of food grains for the scheme from Food Corporation of India (FCI) godowns has been slow.
- ***Rural Housing:*** Initiated in 1985-86, the IAY is the core programme for providing free-housing to families in rural areas. It targets the scheduled castes (SCs)/scheduled tribes (STs), households and freed bonded-laborers. The rural housing programme has certainly enabled many BPL families to acquire pucca

houses. The coverage of the beneficiaries is limited given the resource constraints. The Samagra Awas Yojana (SAY) was taken up in 25 blocks to ensure convergence of housing, provision of safe drinking water, sanitation and common drainage facilities. The Housing and Urban Development Corporation (HUDCO) has extended its activities to the rural areas, providing loans at a concessional rate of interest to economically weaker sections and low-income group households for construction of houses.

- **Social Security Programmes:** Democratic decentralization and centrally-supported Social Assistance Programmes were two major initiatives of the government in the 1990s. The National Social Assistance Programme (NSAP), launched in August 1995, marks a significant step towards fulfillment of the Directive Principles of State Policy. The NSAP has *three components*: a) National Old-Age Pension Scheme (NOAPS); b) National Family Benefit Scheme (NFBS); c) National Maternity Benefit Scheme (NMBS). The NSAP is a centrally-sponsored programme that aims at ensuring a minimum national standard of social assistance over and above the assistance that states provide from their own resources. The NOAPS provides a monthly pension of Rs.75 to destitute BPL persons above the age of 65. The NFBS is a scheme for BPL families who are given Rs.10,000 in the event of the death of the breadwinner. The NMBS provides Rs.500 to support nutritional intake for pregnant women. In addition to NSAP, the Annapurna scheme was launched from 1st April 2000 to provide food security to senior citizens who were eligible for pension under NOAPS but could not receive it due to budget constraints.
- **Land Reforms:** In an agro-based economy, the structure of land ownership is central to the well-being of the people. The government has strived to change the ownership pattern of cultivable land, the abolition of intermediaries, the abolition of zamindari, ceiling laws, security of tenure to tenants, consolidation of landholdings and banning of tenancy are a few measures undertaken. Furthermore, a land record management system is a pre-condition for an effective land reform programme. In 1987-88, a centrally-sponsored scheme for Strengthening of Revenue Administration and Updating of Land Records (SRA & ULR) was introduced in Orissa and Bihar.

Science and Technology for Rural Development: Ministry of Science and Technology plays a pivotal role in promotion of science and technology in the country. Their departments have wide variety of activities ranging from promoting high-end basic research and development of cutting-edge technologies on the one hand, to serving the technological requirements of the common man through development of appropriate skills and technologies on the other. Appropriate rural technology focuses mainly on those technologies which are simple and within the reach of the ordinary people for their own benefit and for the benefit of their community and harness the local or regional capacity to meet the local needs without increasing dependence on external factors. A large number of governments, public and private non-government organizations are involved in developing technologies for rural areas. However, these technologies have hardly touched the lives of the rural population. Apparently, the problem lies not only in the generation, diffusion and adoption of technologies but also in poor documentation. Recently, efforts have been made by several organizations like NRDC, CAPART, TRCS, NIRD, DST, DBT, CSIR, ICAR, KVKs and other voluntary organizations to bring out a compendium of technologies for rural areas for wide information dissemination and public awareness. Government schemes focusing on Science and Technology are summarized below ([http://www.nistads.res.in/indiasnt2008/6rural/t6rur3 APPENDIX.pdf](http://www.nistads.res.in/indiasnt2008/6rural/t6rur3_APPENDIX.pdf)).

- *S & T Application for Rural Development (STARD)*: It aims at facilitating development of promising S & T based field-groups and innovative technologies related to rural development.
- *S & T for Women*: This is to promote research, development and adaptation of technology, improve the life, working conditions and opportunities for gainful employment of women especially in rural areas.
- *S & T Application for Weaker Sections (STAWS)*: It aims at the development of economically weaker sections of the society in rural and urban areas.
- *Tribal sub-plan*: It aims at improving living conditions of the scheduled tribes based on sustainable science and technology activities.
- *Special Component Plan (SCP)*: It aims at improving the lot of the poor sections of the SC community through intervention of Science and Technology.

Rural Development: Significant Achievements by CSIR

- Swaraj – India’s first indigenous tractor to facilitate mechanized agriculture.
- Value addition through post-harvest technologies like essential oil / menthol production.
- Cheapest water-purification technology including terracotta purification disc, portable arsenic detection kit, ultra-pore membrane-based purifiers for removing virus and bacteria.
- Over 365 technologies passed on to the rural masses through publications, training sessions, etc.
- Construction of around 30,000 dwelling-units using cost-effective construction technologies.
- Reverse osmosis plant for desalination in Andaman & Nicobar Islands, Gujarat, Rajasthan and Tamil Nadu.

Rural development is the main pillar of nation’s development. In spite of rapid urbanization, a large section of our population still lives in the villages. Secondly, rural India has lagged behind in development because of many historical factors. Though the 11th Plan began in very favorable circumstances with the economy having grown at the rate of 7.7% per year in the Xth Plan period, there still exists a big challenge to correct the developmental imbalances and to accord due priority to development in rural areas. Ministry of Rural Development is implementing a number of programmes aimed at sustainable holistic development in rural areas. The thrust of these programmes is on all-round economic and social transformation in rural areas through a multi-pronged strategy aimed at reaching out to the most disadvantaged sections of the society (Ibid). In the section 6.4 below, we will discuss the major initiatives or programmes that the Government of India has launched for all-round or sustainable economic development of individuals, the families and the rural areas as a whole.

6.4 IMPORTANT PROGRAMMES OF RURAL DEVELOPMENT: POVERTY ALLEVIATION, ECONOMIC DEVELOPMENT AND SOCIAL SECURITY / WELFARE

Some important strategic programmes of rural development which focus on economic development of the rural area as whole as well as on sustainable economic development including social security / welfare of the individuals and the families.

6.4.1 Integrated Rural Development Programme (IRDP)

Integrated Rural Development Programme was first introduced in 1978-79, beginning with 2300 administrative blocks. IRDP has provided assurance to the rural poor in the form of subsidy and bank credit for productive employment opportunities through successive plan periods. The target group under IRDP consists of small and marginal farmers, agricultural labourers, rural artisans, the Scheduled Castes and the Scheduled Tribes and socially and economically backward classes having annual income below Rs.11,000 (re-defined as poverty-line for the Eighth Plan). Since the inception of the programme till 1996-97, 50.99 million families have been covered under IRDP at an expenditure of Rs.11,434.27 crore. The total investment during this period has been Rs.28,047.65 crore which includes a subsidy component of Rs.9,669.97 crore and a credit disbursement of Rs.18,377.68 crore. Of the total families assisted under this programme, 44.75 per cent were Scheduled Castes / Scheduled Tribes and 27.07 per cent were women (<http://planningcommission.nic.in/plans/planrel/fiveyr/9th/vol2/v2c2-1.htm>).

In quantitative numbers, 10.82 million families were covered under IRDP against the initial target of 12.6 million families fixed for the entire Eighth Plan period. However, from 1995-96 physical targeting under the programme was abolished with the focus shifting to financial targets and qualitative parameters. Of the families covered during this Plan, 50.06 per cent were Scheduled Castes/Scheduled Tribes and 33.59 per cent women. The coverage of women was still lower than the target of 40 per cent (<http://planningcommission.nic.in/plans/planrel/fiveyr/9th/vol2/v2c2-1.htm>).

IRDP is a centrally-sponsored scheme with funds shared on 50:50 bases between the Centre and the States. In case of union territories, cent per cent funds are provided by the Central Government. The IRDP has been successful in providing incremental income to the poor families, but in most cases the incremental income has not been adequate to enable the beneficiaries to cross the poverty line on a sustained basis mainly because of a low per family investment. As per the results of the Concurrent Evaluation (September 1992 - August 1993), of the total beneficiaries assisted under the programme, 15.96 per cent of the old beneficiary families could cross the revised poverty line of Rs.11,000 (at 1991-92 prices), while 54.4 per cent of the families were able to cross the old poverty line of Rs.6,400 per annum (<http://planningcommission.nic.in/plans/planrel/fiveyr/9th/vol2/v2c2-1.htm>).

But, the analysis by income group of families revealed that in case of those within initial income of Rs.8501–11,000, 48.22% of beneficiary families could cross the poverty line of Rs.11,000, which is quite encouraging. The analysis of the family income of the beneficiaries reveals that a large percentage (57.34%) of the families had annual family income from assets of more than Rs.2,000. The annual income from the assets was more than Rs.6,000 in 29% cases (Ibid).

Subsequently, the following programmes were introduced as *sub-programmes* of IRDP to take care of the specific needs of the rural population.

- Training of Rural Youth for Self-Employment (TRYSEM),
- Development of Women and Children in Rural Areas (DWACRA),
- Supply of Improved Tool-kits to Rural Artisans (SITRA), and
- Ganga Kalyan Yojana (GKY).

We describe these programmes in brief below.

6.4.1.1 Training of Rural Youth for Self-Employment (TRYSEM)

TRYSEM was launched as a centrally-sponsored scheme on 15 August 1979. It aims at providing basic technical and managerial skills to rural youth in the age-group of 18-35 years from families below the poverty-line to enable them to acquire skills and technology to take up vocations of self-employment in agriculture and allied activities including industry, services and business. Training is imparted in 30 different trades.

Liberalization of norms for expenditure under recurring assistance, greater emphasis on systematic marketing, and exploring possibility of setting up of groups for manufacture / assembly of non-traditional items for which there is good demand in the market are some of the steps taken to improve the implementation of the scheme (<http://www.preservearticles.com/2012020322532/short-notes-on-integrated-rural-development-programme-in-india.html>).

After the training, the TRYSEM beneficiaries are assisted under the IRDP. Between 1980-98 a total of 41, 48,425 rural youths were trained of which 17, 74,395 belonged to SCs/STs and 19, 12,514 to women categories and among these trained youths 23, 32,274 are now employed (Ibid).

6.4.1.2 Development of Women and Children in Rural Areas (DWCRA)

Development of Women and Children in Rural Areas (DWCRA) was introduced in 1982-83 as a sub-scheme of Integrated Rural Development Programme (IRDP) at the district level. The primary objective of the scheme is to focus attention on the women members of rural families below poverty line to provide them the opportunities of self-employment on a sustained basis. The programme was initially introduced in 50 selected districts. Later, it was extended to more districts in a phased manner all over the country (<http://www.publishyourarticles.org/knowledge-hub/essay/an-essay-on-the-dwcra-development-of-women-and-children-in-rural-areas.html>).

Objectives of DWCRA are:

- To improve the quality of life of women and children;
- To involve rural women and children to understand their wants/needs such as those related to hygiene, environments, clean drinking water, nutritious food, schooling facilities, etc.;
- To provide an opportunity for income-generating activities for individual through a group of women by building the existing skills and occupations, utilizations of locally available resources.
- To ensure self-subsistence even after help is withdrawn.

It envisages formation of groups of 5-10 rural women each for carrying on income-generating activities. Each of the group is sanctioned a revolving fund of Rs.15,000 which is shared equally by the Centre, State Government and UNICEF. During 1980-81 and 1997-98 itself, a total of 2.20 lakh groups have been formed, extending the benefits of the programme to 35 lakh women.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

1) When was IRDP introduced? What are the sub-programmes later launched under it?

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2) Who are eligible under TRYSEM?

3) State the objectives of DWRCA.

6.4.1.3 Supply of Improved Tool-kits to Rural Artisans (SITRA)

Supply of improved tool-kits to rural artisans is also a supporting component of IRDP. The objective is to enable the rural artisans to enhance the quality of the product, increase the production and their income with use of improved tools at 90 per cent subsidized prices. The average value of each tool-kit is Rs.2000/-.

Tool-kits are supplied to the artisans in the following trades: 1) Carpentry, 2) Mason, 3) Blacksmithy, 4) Goldsmithy, and 5) Mat weaving.

Between 1992-93 and 1997-98, around 7.46 lakh tool-kits have been provided under the scheme incurring an expenditure of Rs.147.95 lakh (<http://www.preservearticles.com/2012020322532/short-notes-on-integrated-rural-development-programme-in-india.html>).

6.4.1.4 Ganga Kalyan Yojana (GKP)

This is also a centrally sponsored scheme which has been launched with effect from 1st February 1977. The objective of the scheme is to provide irrigation through exploitation of ground-water (bore-wells and tube-wells) to individuals and groups of small and marginal farmers living below poverty line. Assistance is provided through a mix of Government subsidy and term-credit by financial institutions. Special safeguards by way of earmarking 50 per cent of total funds as well as higher percentage of subsidies have been provided for the SCs/STs. The funding pattern is 80:20 between the Centre and the State Government.

6.4.1.5 Council for Advancement of People's Action and Rural Technology (CAPART)

The Council for Advancement of People's Action and Rural Technology (CAPART) is a body registered on September 1, 1986 under the Societies Registration Act, 1860, with its headquarters in New Delhi. It aims at encouraging, promoting and assisting voluntary action for enhancement of rural prosperity. It provides financial assistance to voluntary organizations (VOs) under the following schemes (<http://>

- i) Promotion of voluntary action in rural develop-ment;
- ii) Development of women and children in rural areas (DWCRA);
- iii) Accelerated rural water supply programme (ARWSP);
- iv) Central rural sanitation programme (CRSP);
- v) Organization of beneficiaries of anti-poverty programme;
- vi) Integrated Rural Development Programme (IRDP);
- vii) Jawahar Rozgar Yojna (JRY) – consisting of watershed conservation and development programme, village link road, rural housing and social forestry;
- viii) Advancement of Rural Technology Scheme (ARTS);
- ix) Panchayati Raj (PR);
- x) Indira Awaas Yojna;
- xi) Million Wells Scheme;
- xii) Support to NGOs / Vas; and
- xiii) Watershed Development.

It can obtain funds from various Central and State government departments and also accept donations and contributions from other sources. A major promoter of micro and cottage industries in rural India, CAPART needs a new institutional framework to develop linkages with Panchayati Raj Institutions.

It has set up 9 regional committees at Jaipur, Ahmadabad, Hyderabad, Bhubaneswar, Patna, Chandigarh, Dharwad, Guwahati and Lucknow which are empowered to sanction projects up to an outlay of Rs.10 lakhs.

Objectives: The objectives of CAPART are:

- 1) To act as National Nodal Point for coordination of all efforts at development and dissemination of innovative technologies relevant for rural areas;
- 2) To act as a catalyst for development of technology appropriate for rural areas by identifying and funding need-based projects;
- 3) To strengthen existing institutions of research and development and set up new institutions for conducting need-based study, survey, adaptive research and development, field-trials, demonstration, dissemination and popularization, and evaluation of appropriate technologies amongst the end-users in rural areas;
- 4) To act as a clearing-house of information and build up a data-bank of technologies for rural areas;
- 5) To facilitate marketing of proven technologies by disseminating necessary information to manufacturers and users of machinery, tools, equipment and spare parts;
- 6) To act as a conduit for transfer of appropriate rural technologies to voluntary agencies, government departments, public sector undertakings and members of public;

- 7) To create a network of NGOs on a regional basis which could understand and then carry forward the thrust of rural technology to the rural areas;
- 8) To assist NGOs to set up demonstration and training centres for upgrading the skills of village youths, artisans, women and other target groups for their effective participation in development programmes;
- 9) To conduct or sponsor awareness camps, training programmes, meetings, seminars, workshops, conferences, consultations, etc., to promote interaction between Government agencies, technical institutions and voluntary agencies working in the field of rural development and technology; and
- 10) To document, prepare, print and publish papers, periodicals, bulletins, monographs, books, video films, CDs, etc., for dissemination of appropriate technologies.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

4) What are the trades for which tool-kits are provided under SITRA programme?

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5) When was the Ganga Kalyan Yojana launched?

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6) What is the aim of CAPART?

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6.4.2 National Social Assistance Programme (NSAP)

National Social Assistance Programme is social assurance programme for poor households and represents a significant step towards the fulfillment of the Directive Principles, particularly Articles 41 and 42 of the constitution recognizing the concurrent responsibility of the central and state governments. It is a centrally sponsored programme under which 100 per cent central assistance is extended to the States/UTs to provide the specific benefit (Meenu Jain, 2011).

National Social Assistance Programmes came into effect from 15th August 1995. It has three Schemes as mentioned below providing specific benefits.

- i) National Old Age Pension Scheme (NOAPS).
- ii) National Family Benefit Scheme (NFBS).
- iii) National Maternity Benefit Scheme (NMBS).

6.4.2.1 National Old Age Pension Scheme (NOAPS)

Specific conditions for the sanctioning of National Old Age Pension, as per the NOAPS, include the following.

- The age of the applicant should be 65 years or higher.
- The applicant must be a destitute in the sense of having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources.
- The amount of the old-age pension will be Rs.75 per month for the purpose of claiming central assistance.
- The benefit under NOAPS should be disbursed in not less than two installments in a year and, if possible, the benefit may be disbursed in more installments as per the directions of the state governments.
- Village Panchayat and relevant Municipalities shall report every case of the death of a pensioner immediately after its occurrence to the appropriate sanctioning authority. The sanctioning authority shall ensure that the payments are stopped thereafter.

6.4.2.2 National Family Benefit Scheme (NFBS)

Specific conditions that apply to this scheme include the following.

- Central assistance will be available for a lump-sum family benefit for households below the poverty line on the death of the primary bread-winner in the bereaved family.
- The primary bread-winner will be the member of the household, whose earnings contribute substantially to the total household income.
- The death of the primary bread-winner should have occurred whilst s/he is in the age group of 18 to 64 years.
- The bereaved household qualifies as one below the poverty line according to the criterion prescribed by the Government of India.
- The central assistance under the scheme will be Rs.10,000.
- The family benefit will be paid to such surviving member of the households of the deceased. For the purpose of the scheme, the term 'household' would include spouse, minor children, unmarried daughters and dependent parents. In the death of an unmarried adult, the term 'household' would include minor brothers/sisters.
- The sanctioning authority shall have the right to recover payments made on the basis of false or mistaken information about eligibility.

6.4.2.3 National Maternity Benefit Scheme (NMBS)

Specific conditions that apply to this Scheme include the following.

- The maternity benefit will provide lump-sum cash assistance to households below poverty line.
- The maternity benefit will be restricted to pregnant women for up to the two live births, provided the mother is of 19 years of age and above.
- The ceiling on the amount of the benefit for the purpose of claiming central assistance will be Rs.500.
- The maternity benefit will be disbursed in one installment between 12-18 weeks prior to the delivery. However, the benefit can be made even after the delivery of the child, subject to the sanctioning authority being satisfied about the genuineness of the case.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

7) List out three schemes falling under National Social Assistance Programme.

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6.4.3 Housing Schemes / Programmes for the Poor

There is a direct correlation between poverty and housing. Hence, it is essential that the poor and other needy people are provided with or facilitated to have proper housing. In view of this, here, we present, in brief, the efforts made by the Government of India in this regard.

6.4.3.1 Village Housing Scheme

To begin with, a housing programme for rehabilitation of the refugees was taken up after the partition of the country. Thereafter, a Village Housing Scheme (VHS) was launched as part of the Community Development Programme (CDP) in 1957. Nearly five lakh families were provided houses under the programme that lasted until the year 1960. However, only 67,000 houses had been built under the scheme by the end of the Fifth Five Year Plan.

6.4.3.2 Indira Awaas Yojana (IAY)

This Yojana aims at providing dwelling-units free of cost to the members of Scheduled Castes, Scheduled Tribes and freed bonded-labourers living below the poverty line in rural areas. In June 1985, the Union Finance Minister made an announcement in the Parliament earmarking apportion of the RLEGP funds for the construction of houses for SC/ST people and freed bonded-labour. The IAY was a result of that announcement. Considering the magnitude of the problem, the central government announced in 1988 a National Housing and Habitat Policy (NHHP) which aims at providing ‘Housing for

all'. The government had set the goal of ending all shelterlessness by the end of the Tenth Five Year Plan.

The IAY became part of JRY when it came into being after the merger of NREP and RLEGP in April, 1989. According to the 1991 census around 3.1 million households were without shelter and another 10.31 million households resided in unserviceable kutcha houses. Until 1992-93, the scheme had provided housing to SC/ST persons and freed bonded-labourers living below the poverty line in rural areas. In 1993-94, the scope of the scheme was broadened to cover non-SC/ST rural poor and in 1995-96 families of servicemen of the armed and paramilitary forces killed in action were also brought under its fold.

The Central and State Governments fund IAY in the ratio of 75:25 respectively. In the case of UTs cent per cent fund is provided by GOI. Funds of the IAY are allocated to the districts in proportion to the SC/ST population in the district. IAY funds are operated by the District Rural Development Agencies (DRDAs) / Zilla Parishads (ZPs) at the district level. (<http://www.preservearticles.com/2012020322532/short-notes-on-integrated-rural-development-programme-in-india.html>). At least 60 per cent of the total IAY allocations should be earmarked for construction / up-gradation of dwelling units for SC/ST families living below poverty line. A maximum of 40 per cent of IAY allocations should be earmarked for non-SC/ST families of BPL category. All the rural BPL families living in kutcha / semi-pucca houses and also the families living in unserviceable old IAY dwelling units are eligible for up-gradation of unserviceable dwelling units under IAY.

All rural families with annual income of Rs.32,000 or less are eligible for construction of new dwelling units under credit-cum-subsidy scheme. The allotment of the house is done in the name of the female member of the beneficiary household. As far as possible, houses are built in clusters in order to provide common facilities.

The cost norms under IAY have been changed from time to time. With effect from 1 August, 1996, the ceiling of assistance for house construction under IAY is Rs.20,000 per unit in the plains and Rs.22,000 per unit in hilly and other difficult areas. The construction of the house is the responsibility of the beneficiary. As per the information received from the state governments, 9.39 lakh houses had been constructed up to November 2007 (GOI, 2008).

Subsequently the unit costs have been revised. These costs include the following.

- Construction of new dwelling units – Rs.25,000 in plain areas, and Rs.27,500 in hilly / difficult areas. The unit cost includes the cost of sanitary latrine and smokeless chulha.
- Up-gradation of unserviceable housing-units – Rs.12,500 in both plain and hilly / difficult areas.
- Credit-cum-Subsidy Scheme – Rs.62,500 which includes the construction loan component of Rs.50,000 (upper limit), and subsidy to the tune of Rs.12,500 (upper limit) for both BPL and APL families (Rajakutty, 2009).

6.4.4 Rural Wage-Employment Programmes

We have already presented a brief historical perspective of wage-employment programmes in Unit - 4 (See Sub-section 4.4.2) of this Block. Now, here, we will highlight some important programmes meant for wage-employment of the individuals in general and also the households and the women in particular.

6.4.4.1 Jawahar Rozgar Yojana (JRY)

Jawahar Rozgar Yojana (JRY) is one of the major wage-employment programmes of the Government of India, taken up in April 1989 after merging the earlier wage-employment programmes, namely, National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). The main objective of the programme (JRY) is to generate additional gainful employment for the unemployed and under-employed men and women in the rural areas as well as creation of community assets (Meenu Jair, 2011).

The expenditure of the programme is shared in the ratio of 80:20 between the Centre and the States. 22.5 per cent funds are earmarked for SCs/STs at all levels of Panchayati Raj Institutions. Preference to parents of child-labour withdrawn from hazardous/non-hazardous occupation who are below the poverty line, to persons with disabilities, and to distribution of food-grains as part of wages are other typical features of the Yojna (<http://www.preservearticles.com/2012020322532/short-notes-on-integrated-rural-development-programme-in-india.html>).

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

8) Briefly explain the costing-pattern under IAY programme.

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6.4.4.2 Swarnajayanthi Gram Swarozgar Yojana (SGSY)

SwarnaJayanthi Gram Swarozgar Yojana has been launched during the year 1999-2000. This Yojana is a holistic package covering all aspects of self-employment such as organization of the poor into Self-Help Groups, Training, Credit, Technology, Infrastructure and Marketing. The beneficiaries under this scheme are called ‘Swarozgaries’. The objective of SGSY is to bring the assisted poor families above the poverty line, by providing them income-generating assets. This scheme is a credit-cum-subsidy programme. Subsidy under SGSY is uniform at 30 percent of the project cost subject to a maximum limit of Rs.7500. In respect of SCs/STs and disabled persons the maximum limit is 50 percent and Rs.10,000 respectively. For groups of Swarozgaries (SHGs), the subsidy is 50 per cent of the project cost, to per capita subsidy of Rs.10,000 or Rs.1.25 lakh whichever is less. Accordingly, the SCs / STs account for the 50 per cent of swarozgaries, women for 40 per cent and the disabled for 3 per cent. The scheme is being implemented on 75:25 cost sharing-basis between the Centre and the State.

6.4.4.3 Sampoorna Grameena Rozgar Yojana (SGRY)

Sampoorna Grameena Rozgar Yojana (SGRY) was launched on 25th September, 2001 with the enshrined objectives of providing additional wage-employment ensuring food security while creating durable community, social and economic infrastructure and assets in rural areas. The programme was evolved by merging two of the then existing schemes

– *Jawahar Gram Samridhi Yojana*, and *Employment Assurance Scheme*. The programme is self-targeting in its nature with special emphasis on providing wage-employment to women, SCs, STs and parents of children withdrawn from hazardous occupations.

Salient Features of SGRY

- SGRY is centrally-sponsored scheme on cost-sharing basis between the Centre and the States in the ratio of 75:25. In case of UTs, the Centre provides entire funds.
- Food grains are provided through Food Corporation of India (FCI) free of cost to the States and UTs.
- The payment for food grains is made by the Ministry of Rural Development to the FCI directly.
- Every worker seeking employment under the SGRY will be provided minimum 5 Kg of food grains per man-day as part of wages. However, due to shortage of food-grains, 3 KGs of food-grains per day is being provided from 1-11-2005.
- The balance of wages will be paid in cash so that they are assured of the notified minimum wages. Minimum 25 per cent of the wages is to be paid in cash.
- The state governments and UT administrations are free to calculate the cost of food-grains (paid as part of wages) at either BPL rates or APL rates or anywhere between the two rates.
- Panchayat Raj Institutions (PRIs) can take up works as per the felt-need of the areas concerned.

6.4.4.4 National Food for Work Programme (NFWP)

It was launched in November 2004 in 150 most backward districts of the country, identified by the Planning Commission in consultation with the Ministry of Rural Development and the State Governments. The objective of the programme is to provide wage-employment and food-security through the creation of need-based economic, social and community assets. The scheme is 100 per cent centrally sponsored (<http://www.preservearticles.com/2012020322532/short-notes-on-integrated-rural-development-programme-in-india.html>).

It provides 5 kg of food grains per man-day along with wages in cash. Under the programme, priority is given to the works on water-conservation, drought-proofing and land-development. The Panchayat concerned has a right to inspect and review the progress of the works. The programme is expected to provide 100 days of supplementary wage-employment to one member of each poor family in rural areas of identified 150 districts of the country.

6.4.4.5 Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)

National Rural Employment Guarantee Act was enacted on 5th September 2005 and came into force w.e.f. 2nd February 2006. On 31st October, 2009, the Act was renamed by an Amendment as the Mahatma Gandhi National Rural Employment Guarantee Act, 2005.

Salient Features: The Act made supplementary livelihood in rural areas through unskilled manual work a legal right. Any rural household seeking unskilled manual work

could register its family in the Gram Panchayat and obtain a job-card. With the possession of a job-card, the registered rural household could apply for work for at least 100 days in the Gram Panchayat. Gram Panchayat was entrusted with legal duty of providing work to such applicant within 15 days of the receipt of the application, failing which unemployment allowance would become payable to the rural household. The law prescribes payment of wages every week and not later than a fortnight of the work done. In the event of delay in payment of wages, workers were entitled to compensation under Payment of Wages Act, 1936. The regime of right livelihood was to be financially supported by the central and the state governments. State Governments were made responsible for ensuring the guarantee of livelihood and timely payment of wages. State would provide the necessary technical and administrative support through the districts and blocks to ensure proper implementation of the Act. Separate provisions have been made for incurring administrative expenses by the scheme to be used for administration of the Act.

The Act permits *nine categories of work* to be taken up for providing employment to the job-seeking rural-households. These categories are generic in nature such as water harvesting and water-conservation, drought-proofing, irrigation, land development, rejuvenation of traditional water bodies, flood control and drainage work, rural connectivity and work on the land of SC/ST/BPL/IAY beneficiaries/land reform beneficiaries/individual small and marginal farmers.

Eligibility: The eligibility conditions include the following.

- Residents within Gram Panchayat.
- They must be willing to do unskilled manual work.
- They should apply as a household at the local Gram Panchayat.

Wage rate: Wage seekers are entitled to the statutory minimum wage applicable to agricultural workers in the State (with reference to Consumer Price Index) as announced by the Central Government. Equal wages will be paid for both men and women. Wages are to be paid only through bank or postal savings-bank account only.

Wage seekers are entitled for the worksite facilities such as: i) safe drinking water, ii) shade for children and periods of rest, iii) first-aid box with adequate material for emergency treatment for minor injuries, and iv) crèche facility for children less than 6 years age.

Convergence of MGNREGS with funds from other sources to create durable assets is permitted. However, it may be noted that MGNREGS funds are to create additional employment and not to shift the work of other departments. In other words, we can bring funds from other schemes and supplement them with MGNREGS but cannot substitute with MGNREGS. Convergence is to avoid duplication, improve quality and durability of work (Rajakutty, 2009).

Social Audit: Social Audit is a mechanism to ensure transparency, accountability and participation. People are encouraged to inspect works, registers and records, and satisfy with quality of works and expenditure. Some of the mechanisms of social audit include forming for each work, a local vigilance and monitoring committee – a nine-member committee in Gram Sabha. This committee will monitor and supervise the quality of works (Rajakutty, 2009).

6.4.4.6 National Rural Livelihood Mission (NRLM)

In 2010, the Government of India launched the National Rural Livelihood Mission (NRLM). This is, the largest poverty reduction initiative, the largest programme for women with its goal set to reach nearly 70 million rural households.

NRLM focuses on the poverty of rural households and attempts to reduce poverty by mobilizing them into representative and self-managed institutions at the grassroots level, particularly Women's Self-Help Groups (SHGs). Working exclusively through rural women and their organizations, NRLM can have tremendous impact on gender issues.

Objectives: The objectives of NRLM include the following.

- To stimulate a diverse array of livelihoods at the local level and even within individual households.
- NRLM will support grants to SHGs and their federations to help the poor start new livelihood or improve existing ones, particularly in the agriculture and allied sectors like crops, livestock, dairying and inland fisheries.
- It will support enterprise development in the local service sector, e.g. shops, transport services, etc., as well as training to access sustainable wage-employment.
- It helps the poor to build and protect their asset-base through savings and ultimately access to formal financial institutions. This access allows them to reduce their debt burden by retiring high-cost debts, to access new credit at market-prices and to access products to reduce their vulnerability like insurance.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

9) List out the permissible works under MGNREGA.

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10) What is the expanded form of NRLM?

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11) What are the worksite facilities available under MGNREGA?

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6.5 LET US SUM UP

Rural development has assumed global attention especially among the developing nations. It has great significance for a country like India where majority of the people (around 65% of the population) today live in rural areas. There are wide-variety of programmes / schemes implemented by the Government of India for generation of self-employment, wage-employment and livelihood provision of housing and minor irrigation assets, etc., to the rural poor, social assistance and welfare to the destitute, etc., which have been highlighted in this Unit.

In Unit 7, we will touch upon the programmes that have relevance for development of infrastructure including different facilities/amenities in rural areas.

6.6 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

- 1) Integrated Rural Development Programme (IRDP) was first introduced in 1978-79. Subsequently, the following programmes were introduced as *sub-programmes* of IRDP to take care of the specific needs of the rural population.
 - Training of Rural Youth for Self-Employment (TRYSEM),
 - Development of Women and Children in Rural Areas (DWACRA),
 - Supply of Improved Tool-kits to Rural Artisans (SITRA), and
 - Ganga Kalyan Yojana (GKY).
- 2) *The persons eligible under TRYSEM:* Any rural youth in the age group of 18-35 years from the families Below Poverty Line is eligible under TRYSEM.
- 3) *The objectives of DWACRA are:*
 - To improve the quality of life of women and children
 - To involve rural women and children to understand their needs related to hygiene, environment, clean drinking water, nutritious food, schooling facilities, etc.
 - To provide an opportunity for income-generating activities for individuals through a group of women by building the existing skills and occupations, and utilization of locally available resources.
 - To ensure self-sustainability even after help is withdrawn.
- 4) *The trades for which tool-kits are provided under SITRA programme:* SITRA programme provides the tool-kits costing about Rs.2,000/- per kit. Tool-kits are supplied to the artisans in the following trades: i) Carpentry, ii) Mason, iii) Blacksmithy, iv) Goldsmithy, and v) Mat-weaving.
- 5) The Ganga Kalyan Yojana was launched on 1st February 1977.
- 6) The aim of CAPART is to encourage, promote and assist voluntary action for enhancement of rural prosperity.
- 7) Following are the *three major schemes* falling under National Social Assistance Programme.

- i) National Old Age Pension Scheme (NOAPS).
 - ii) National Family Benefit Scheme (NFBS).
 - iii) National Maternity Benefit Scheme (NMBS).
- 8) The *costing-pattern under IAY programme* varies with the terrain conditions. Following are the three basic typologies under IAY.
- Construction of new dwelling units – Rs.25,000 in plain areas, and Rs.27,500 in hilly / difficult areas. The unit cost includes the cost of sanitary latrine and smokeless chulha.
 - Up-gradation of unserviceable housing units – Rs.12,500 in both plain and hilly / difficult areas.
 - Credit-cum-Subsidy Scheme – Rs.62,500 which includes the construction loan component of Rs.50,000 (upper limit), and subsidy to the tune of Rs.12,500 (upper limit) for both BPL and APL families.
- 9) *Permissible works under MGNREGA*: There are nine permissible works to be taken up for providing employment to the job-seeking rural households under MGNREGA. These categories are generic in nature such as: i) water-harvesting and water-conservation, ii) drought-proofing, iii) irrigation, iv) land development, v) rejuvenation of traditional water bodies, vi) flood control and drainage work, viii) rural connectivity, and ix) work on the land of SCs/STs/BPL/IAY beneficiaries/land reform beneficiaries/individual small and marginal farmers.
- 10) NRLM is the acronym for National Rural Livelihood Mission.
- 11) *Worksite facilities under MGNREGS*: There are four worksite facilities provided under MGNREGS. Wage seekers are entitled for the worksite facilities such as: i) safe drinking water, ii) shade for children and periods of rest, iii) first-aid box with adequate material for emergency treatment for minor injuries, and iv) crèche facility for children below 6 years age.

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UNIT 7 RURAL DEVELOPMENT PROGRAMMES - II

Structure

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- 7.1 Objectives
- 7.2 Shift of Focus in Strategies of Rural Development Programmes
- 7.3 Rural Basic Services and Infrastructure Development Programmes
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7.0 INTRODUCTION

Government has initiated, sustained and refined many rural development programmes as part of the planned growth and development under different Five Year Plans. In Unit 6, we have discussed the programmes that basically aimed at the economic development and social security / welfare of the individuals and the families in rural areas and have been contributing significantly to poverty alleviation and economic development of the rural people and area as a whole. Gradually, the rural development programmes have focused on other areas/aspects of rural life as well.

Now, in Unit 7, the focus of our discussion will be on those programmes meant for provision of basic services, social transformation and infrastructure development including various amenities in rural areas that have significant bearing not only on economic development but also on the holistic development of the rural areas for improved standard of living and quality of life.

7.1 OBJECTIVES

After going through this Unit, we expect that you should be able to:

- Identify different programmes of rural development that focus on improvement in various aspects of rural life;
- Differentiate the programmes meant for development of infrastructure and other basic amenities in rural areas as distinguished from those discussed in the preceding unit, i.e. Unit 6 of this Block; and
- Appreciate the trend towards the convergence of various programmes for holistic development of rural areas as part of integral development leading to model villages, among other things.

7.2 SHIFT OF FOCUS IN STRATEGIES OF RURAL DEVELOPMENT PROGRAMMES

As we are aware, the rural development programmes started as a part of organized efforts of development since the inception of five year plans. Gradually, more intensified and wide variety of programmes have been launched which have been reviewed time and again and the focus has accordingly shifted to remaining aspects of rural life with a view to enlarge the scope of rural development.

A review of different programmes of rural development reveals that the following strategies of development were adopted (Singh Katar, 2000):

- 1) Growth-oriented strategy;
- 2) Welfare-oriented strategy;
- 3) Responsive strategy; and
- 4) Integrated or holistic strategy.

Rural development policies are designed to improve the conditions under which the rural people work and live. Changes are desired only when people feel that they individually cannot bring about the desired adjustments. People in rural areas have a right to reasonable access to a range of services to meet their various needs. India has a long history of government intervention in the rural sector of its economy. The focus for promoting rural development and employment should be on transforming and developing new and distinctive economic functions (Gopinath Rao, 2006).

We have already discussed some programmes, in Unit 6, which basically focused on economic development of the rural people and rural areas. Since the focus has shifted over the years to cover different aspects of rural life with a view to make the developmental efforts more comprehensive and holistic, we will discuss, in Section 7.2 below, various other programmes of rural development which have combined the economic development with infrastructure development and provision of basic facilities/amenities in rural areas for increased standard of living and better quality of life.

7.3 RURAL BASIC SERVICES AND INFRASTRUCTURE DEVELOPMENT PROGRAMMES

Rural areas are at a great disadvantage, in relation to urban areas, as far as the provision of basic infrastructural facilities and services such as roads, drinking water, electricity, schools, hospitals, police protection, transport and communications is concerned. Not

only are these public facilities and amenities in rural areas inadequate, but they are also very poorly organized and undependable. As a result, poor villagers are damned, generation after generation, to poor education, poor health, unemployment and poverty.

Improvement of their plight required intensive government intervention. In fact, the government has intervened by launching programmes like Minimum Needs Programme (MNP), Twenty Point Programme (TPP) and Bharat Nirman.

7.3.1 Minimum Needs Programme (MNP)

The availability of certain basic public services, facilities and amenities represents 'real income' and constitutes part of the standard of living and quality of life. Duly recognizing the need for the provision of such facilities and services in rural area, the Government of India (GOI), as a part of its planned efforts, launched a scheme called the Minimum Needs Programme (MNP) in the Fifth Five year Plan. The MNP initially included eight components, viz. elementary education, rural health, rural water supply, rural roads, rural housing, rural electrification, and environmental improvement of urban slums, and nutrition. During the Sixth Five Year Plan one more component – adult education – was added; and in the Seventh Five Year Plan the list of items was further expanded with three more components, viz. rural domestic energy, rural sanitation and public distribution system (PDS). Thus, at present, *totally 12 components* are provided under MNP. They are:

- 1) Elementary Education,
- 2) Rural Health,
- 3) Rural Water Supply,
- 4) Rural Roads,
- 5) Rural Housing,
- 6) Rural Electrification,
- 7) Environmental Improvement of Urban Slums,
- 8) Nutrition,
- 9) Adult Education,
- 10) Rural Domestic Cooking Energy,
- 11) Rural Sanitation, and
- 12) Public Distribution System (PDS).

To optimize benefits, all the 12 components of the MNP are taken as a package, and related to specific areas and beneficiary groups. The level of development of the various social services and infrastructure varies widely from State to State. A review of the programme revealed that in most cases, the physical and financial targets had been achieved satisfactorily. For example, the performance of the elementary education programmes should be judged in terms of literacy rates and retention ratios, rather than in terms of the number of children enrolled. Similarly, the performance of rural health schemes should be judged in terms of the decline in the death rate, infant mortality rate and birth rate, and not in terms of number of primary health centres and sub-centres. Besides, the need for integration of the MNP with other ongoing rural development programmes at the district level was also increasingly emphasized.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

1) List out four strategies of Rural development.

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2) What are the components of Minimum Needs Programme (MNP)?

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7.3.2 Twenty Point Programme (TPP)

The Twenty Point Programme (TPP) was launched by the Government of India in 1975. The Programme was first revised in 1982 and again in 1986. Over the years, the need for restructuring the Programme has been felt in the light of our achievements and experiences, as well as the introduction of several new policies and programmes by the Government of India. Although the TPP has been in existence for more than three decades, it is still relevant today as the desired objectives of eradication of poverty and improvement in the quality of life of the common man have yet to be completely attained. TPP-86 has now been restructured keeping in view the challenges of the 21st century with particular reference to the ongoing process of economic reforms, liberalization and globalisation of the Indian economy. The programmes and schemes under the TPP-2006 are in harmony with the priorities contained in the National Common Minimum Programme (NCMP). It renews the nation's commitment to eradicating poverty, raising productivity, reducing income inequalities and removing social and economic disparities. The original nomenclature, namely the Twenty Point Programme, which has been in existence for the past three decades and carries the stamp of familiarity among the people and administrative agencies, has been retained (http://www.tn.gov.in/acts-rules/pdsi/tpp_updated_guide_2008.pdf).

The restructured TPP-2006 consists of 20 Points and 65 monitorable items. The list of 20 Points is as follows (Ibid. For 65 items also, See http://www.tn.gov.in/acts-rules/pdsi/tpp_updated_guide_2008.pdf):

- 1) Garibi Hatao (Poverty Eradication) – in Rural and Urban areas.
- 2) Jan Shakti (Power to People).
- 3) Kisan Mitra (Support to Farmers).
- 4) Shramik Kalyan (Labour Welfare).
- 5) Khadya Suraksha (Food Security).

- 6) Subke Liye Aawas (Housing for All).
- 7) Shudh Peya Jal (Clean Drinking Water).
- 8) Jan Jan Ka Swasthya (Health for All).
- 9) Sabke Liye Shiksha (Education for All).
- 10) Anusuchit Jaati, Jan Jaati, Alp-sankhyak evam Anya Pichhra Varg Kalyan (Welfare of Scheduled Castes, Scheduled Tribes, Minorities and OBCs).
- 11) Mahila Kalyan (Women Welfare).
- 12) Bal Kalyan (Child Welfare).
- 13) Yuva Vikas (Youth Development).
- 14) Basti Sudhar (Improvement of Slums).
- 15) Paryavaran Sanrakshan evam Van Vridhi (Environment Protection and Afforestation).
- 16) Samajik Suraksha (Social Security).
- 17) Grameen Sadak (Rural Roads).
- 18) Grameen Oorja (Energization of Rural Area).
- 19) Pichhara Kshetra Vikas (Development of Backward Areas).
- 20) e-Shasan (IT enabled e-Governance).

The details of each of the above 20 Points include rural development programmes, among others, and are as follows (Ibid).

- 1) **Garibi Hatao (Poverty Eradication):** The eradication of poverty has been an integral component of the strategy for economic development in India. High poverty levels are synonymous with poor quality of life, deprivation of basic needs, poor health, malnutrition, illiteracy and low human resource development. Providing employment is the most important method of eradicating poverty. Major employment generation programmes being implemented in the rural areas have been included under this Point. The National Rural Employment Guarantee Act has come into existence for the enhancement of livelihood security of the households in rural areas of the country by providing at least one hundred days of guaranteed wage employment in every financial year to every household whose adult members volunteer to do unskilled manual work and for matters connected therewith or incidental thereto. In addition, other employment generation scheme like “Swaranjayanti Gram Swarojgar Yojana (SGSY)” to deal with the rural poverty is included under this Point. The scheme “Rural Business Hubs in Partnership with Panchayats” aims at extension of fruits of economic liberalization to the rural areas of the country through rural business hubs. The “Self help Groups” formed under different schemes, have also been included. To deal with urban poverty “Swaranjayanti Shehari Rojgar Yojana” has been identified.
- 2) **Jan Shakti (Power to People):** With a view to empowering the people and providing quick justice to them, the following are covered under item Local Self-Government (Panchayati Raj and Urban Local Bodies): i) Activity Mapping for devolution of functions; ii) Budget Flow of Funds and iii) Assignment of functionaries for devolution of functions by Panchayats. “Quick and inexpensive justice” and “District Planning Committees” have also been included under this Point.

- 3) **Kisan Mitra (Support to Farmers):** Keeping in view the needs of the farmers, this Point titled 'Kisan Mitra' has been formulated with items like "Watershed development", "Marketing and infrastructural support to farmers", "Irrigation facilities (including minor and micro-irrigation) for agriculture", "Credit to farmers", and "Distribution of Waste Land to the Landless". The theme here is that availability of water for agriculture through watershed development, minor and micro-irrigation projects will improve living standard of farmers. They will also be supported through credit, marketing and infrastructural assistance.
- 4) **Shramik Kalyan (Labour Welfare):** Rural labourers are largely unorganized. Many of them remain unemployed in the lean agricultural season, particularly in unirrigated areas. Legitimate rights like minimum wages often remain elusive to them. With a view to ensuring the welfare and well-being of all workers, particularly those in the unorganized sector, the items like "Social Security for Agricultural and Unorganised Labour", and "Minimum Wages Enforcement" (including Farm Labour) have been included in this Point. With the objective of withdrawing from and rehabilitating children working in identified hazardous occupations and processes, there is a National Policy on Child labour. The item "Prevention of Child Labour" has been kept in line with the objectives of the Policy. A separate Cell for women labour was set up by the Government to pay special attention to the problems of women labour, specially to formulate policies that seek to remove the handicaps under which women work and to strengthen their position, to improve their wages and working conditions, to enhance their skills and open up new avenues for better employment opportunities for them. The item "Welfare of Women Labour" has been included in this Point to meet the aforesaid objective.
- 5) **Khadya Suraksha (Food Security):** For a medium-term strategy for food and nutrition security and to bring out improvements in the food storage facilities, *Khadya Suraksha* includes items like: i) Targeted Public Distribution System, (TPDS), ii) Anthodhya Anna Yojana (AAY), and iii) Establishing Grain banks in chronically food scarcity areas". In order to make TPDS more focused and targeted towards BPL population, the Government has restructured the PDS. The AAY and establishment of Grain Banks aim at ensuring that the poorer segments of the population get food security coverage.
- 6) **Subke Liye Aawas (Housing for All):** The Government is committed to a comprehensive programme for urban renewal and to a massive expansion of housing in towns and cities and also housing for weaker sections in rural area. The Point 'Subke Liye Aawas' has the items "Rural Housing – Indira Aawas Yojana" and "EWS/LIG Houses in Urban areas". The Indira Aawas Yojana is to provide houses to the houseless poor in rural areas. Under this scheme, assistance is provided for new construction or for up-gradation of houses for rural houseless BPL families. To deal with the problem of houses for economically weaker sections and low-income groups in urban areas, the item "EWS/LIG Houses in Urban areas" has been included.
- 7) **Shudh Peya Jal (Clean Drinking Water):** Providing clean drinking water to all households in urban and rural areas and augmenting availability of drinking water sources is priority Government Policy. The items "Accelerated Rural Water Supply Programme" in rural areas and "Accelerated Urban Water Supply Programme" in urban areas have been included in this Point. The main objectives of these programmes are to provide safe drinking water to all villages, assisting local communities to maintain sources of safe drinking water in good condition,

and giving special attention for water supply to Scheduled Castes and Scheduled Tribes.

- 8) **Jan-Jan Ka Swasthya (Health for All):** Improvement in the health condition of the population is an essential element of human resource development and of a better quality of life. Government is taking a multi-pronged approach in this vital sector through preventive, promotive and curative measures along with clean drinking water and proper sanitation. It is a fact that productivity has a direct link with health, and it increases as health care improves. Keeping this in view, *Jan-Jan Ka Swasthya* has the items: "Control and Prevention of major diseases like (a) HIV/AIDS, (b) TB, (c) Malaria, (d) Leprosy, and (e) Blindness", "National Rural Health Mission", "Immunisation of Children", "Sanitation Programme in Rural and Urban areas", "Institutional Delivery", "Prevention of Female Foeticide", "Supplementary nutrition for Mothers and Children", and "Two-Child norm".
- 9) **Sabke Liye Shiksha (Education for All):** Education is one of the priorities for human development and is essential for the country's economic growth. The major indicators of socio-economic development, viz. the growth rate of the economy, birth rate, death rate, infant mortality rate and literacy rate are all interconnected. The literacy rate has been the major determinant of the other indicators. Efforts are on to eradicate illiteracy in the 15-35 age group and to provide Universal Elementary Education for children upto 14 years. To ensure that nobody is denied education because he or she is poor, and also to increase literacy, *Sabke Liye Shiksha* emphasises items like "Sarv Shiksha Abhiyan (SSAY)" and "Mid-Day Meal Scheme - and "Compulsory Elementary Education". The SSA is a partnership programme between the Central and State Governments, which seeks to improve the performance of the school system through a community-based approach, with specific focus on the provision of quality education. The Mid-day Meal scheme is the largest school-nutrition programme in the world. The main objective of the programme is to improve the nutritional status of children.
- 10) **Anusuchit Jaati, Jan Jaati, Alp-sankhyak evam Anya Pichhra Varg Kalyan (Welfare of Scheduled Castes, Scheduled Tribes, Minorities and OBCs):** The Government has given priority to protection of SCs, STs, Minorities and OBCs for safeguarding their interests and ensuring socio-economic justice to them. The Prime Minister's New IS-Point Programme for the Welfare of Minorities, has come into existence recently with the objectives of enhancing opportunities for education, ensuring an equitable share in economic activities and employment, improving their conditions of living and prevention of communal disharmony and violence. To ensure the above, the items like: "SC families assisted", "Rehabilitation of Scavengers", "ST families assisted", "Rights of Forest dwellers - Owners of minor forest produce", "Primitive Tribal Group", "No alienation of Tribal lands", and "Implementation of Panchayats (Extension to Scheduled Areas) Act (PESA)", "Welfare of Minorities", "Professional education among all minority communities", and "Reservation of OBCs in Education and Employment" have been included for monitoring under this Point.
- 11) **Mahila Kalyan (Women Welfare):** Societal development is related to the rights of women, and the full protection of their needs and interests. Gender equality represented by equal opportunities for women in all spheres of activity will lead to women's empowerment. The Government has been implementing various schemes for the socio-economic advancement and development of women in the country. To promote gender equality and empower women on the socio-economic front,

the Point titled *Mahila Kalyan* with items like “Financial assistance for women welfare”, and “Improved participation of women in (a) Panchayats, (b) Municipalities, (c) State Legislature, and (d) Parliament” will be monitored.

- 12) ***Bal Kalyan (Child Welfare)***: To ensure the welfare of children, this Point has the items: “Universalisation of ICDS Scheme”, and “Functional Anganwadis”. The ICDS is one of the world’s largest programmes for early childhood development. ICDS is the foremost symbol of India’s commitment to her children – India’s response to the challenge of providing pre-school education on the one hand and breaking the vicious cycle of malnutrition, morbidity, reduced learning capacity and mortality, on the other. The Scheme provides for an integrated approach for converging basic services through community-based workers and helpers. The services are provided at a centre called the ‘Anganwadi’.
- 13) ***Yuva Vikas (Youth Development)***: The youth are the hope and future of our country. They constitute about 30 percent of the population. Lack of proper employment opportunities, limited educational facilities, growing strength of divisive and separatist forces, breakdown of the traditional Indian value system and lure of western culture are some of the major problems of youth today. With a view to giving emphasis on the development of the youth in the country the Point titled *Yuva Vikas* has items like “Sports for all in Rural and Urban Areas”, “Rashtriya Sadbhavana Yojana”, and “National Service Scheme”, which will be monitored.
- 14) ***Basti Sudhar (Improvement of Slums)***: Urban slums, particularly in the big cities of our country, are the picture of human misery and degradation. Urbanization is an inevitable phenomenon of modernization and economic development. Slums grow as a result of structural inequities in the development of the urban sector. Due to the high price of land and housing and low purchasing power the urban poor are forced to join the existing slums for cheap shelter or to occupy any vacant land/areas wherever available in the city. With a view to paying particular attention to the needs of slum-dwellers the Point titled *Basti Sudhar* will monitor number of urban poor families assisted under the seven point charter, viz. land tenure, housing at affordable cost, water, sanitation, health, education and social security.
- 15) ***Paryavaran Sanrakshan evam Van Vridhi (Environment Protection and Afforestation)***: Ensuring environmental sustainability along with the development process through social mobilization and participation of people at all levels is an important focus of our development strategy. Strict environmental laws, efficient regulatory agencies and proper enforcement are vital for protection of the environment. Public participation is particularly important for environmental sustainability. In this area, mass-media has a big role to play. Keeping this in view, the items like “Afforestation: (a) Area covered under plantation on public and forest lands, (b) Number of seedlings planted on public and forest lands” have been included under this Point. In addition, the schemes like *National River Conservation Plan* and *National Lake Conservation Plan* have also been included under the item “Prevention of pollution of rivers and water bodies”. Further an item, namely, “Solid and Liquid waste management in rural and urban areas” has also been included under this Point.
- 16) ***Samajik Suraksha (Social Security)***: With a view to providing social security to the weaker sections of society, this Point has the items “Rehabilitation of Handicapped and Orphans”, and “Welfare of Aged”. A National Policy for Persons with Disabilities has been formulated by the Government. The Policy focuses on

the prevention of disabilities and physical and economic rehabilitation measures for disabled persons. It also addresses the problems of women and children with disabilities. The Government has also introduced a scheme of assistance to Homes for Children to promote In-Country Adoption with the main objective of regulating adoption within the country. The population of older persons in India is increasing at a fast pace. Because of the general improvement in the health-care facilities over the years, there has been a continuous increase in life expectancy. More and more people are now living longer. As such, India has a large percentage of aging population. The Government has announced the National Policy for Older Persons (NPOP) with the main objective to encourage families to take care of their older family members. The item "Welfare of Aged" has been included under this Point to meet this objective.

- 17) **Grameen Sadak (Rural Roads):** The President of India, in his address to Parliament on 25th February 2005, announced a major plan for rebuilding rural India called *Bharat Nirman*. The Government has identified *Rural Roads* as one of the six components of *Bharat Nirman* and has set a goal to provide connectivity to all villages with a population of 1000 (500 in the case of hilly or tribal areas) with an all-weather road by 2009 through the Pradhan Mantri Gram Sadak Yojana (PMGSY). The item Grameen Sadak (Rural Roads) has been added with a view to give highest priority to the development and expansion of Rural Roads, as through connectivity the fruits of development can reach the rural areas.
- 18) **Grameen Oorja (Energization of Rural Areas):** In meeting basic energy needs, rural areas lag behind their urban counterparts both in terms of quantum and quality. Bio-fuels such as firewood, dung-cakes and agricultural residues continue to constitute the main sources of energy in these areas. To meet the energy requirement of rural areas, besides supply of conventional electricity, non-conventional energy sources like bio-gas and solar systems hold the key to the energization of remote villages. To provide energy to rural areas, items like "Bio-diesel Production", "Rajiv Gandhi Grameen Vidyutikaran Yojana", "Renewable Energy", "Energizing Pump-Sets", "Supply of Electricity", and "Supply of Kerosene and LPG" have been included under this Point. To promote the use of Bio-diesel, which besides being eco-friendly also reduces the burden on import of petroleum products, the Government is concentrating towards development of Bio-fuel. The National Mission on Bio-diesel with special focus on plantation of *Jatropha Curcas* has been recently launched by the Government. The Indian scientific establishment has been working on the development of various renewable energy systems. The Government supports a broad-spectrum programme covering the entire range of new and renewable energy. The programme seeks to supplement conventional power through wind, small hydro and biomass power reach, renewable energy to remote rural areas for cooking and lighting, and encourage use of renewable energy in urban, industrial and commercial applications; and develop alternate fuels, i.e. hydrogen, synthetic fuel and bio-fuel systems/devices for stationary, portable and transport applications. The item "Renewable Energy" has been kept to meet these objectives. The National Electricity Policy has been notified. The Policy aims at accelerated development of the power sector, providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The salient features of the policy are Access to Electricity and Availability of Power. The item "Supply of Electricity" addresses these issues. With a view to address the energy needs the item "Supply of Kerosene and LPG" has been kept. The distribution of Kerosene under the Public Distribution System (PDS) is through State Governments and this item needs to be monitored especially for poor families.

- 19) ***Pichhara Kshetra Vikas (Development of Backward Areas)***: With a view to develop the backward areas in the country, the item titled “Backward Regions Grant Fund” has been kept under this Point for monitoring. The Backward Regions Grant Fund is designed to redress regional imbalances in development through the medium of Panchayati Raj Institutions. It aims to cover, through supplementary infrastructure and capacity-building, substantial development inflows into 250 selected districts through a well coordinated effort at integrated development. This programme will integrate multiple programmes that are in operation in the district and, therefore, address backwardness through a combination of resources that flow to the district. The fund itself will provide financial resources for filling of critical gaps, capacity-building of local bodies, and enlisting professional support for local bodies for implementation, planning and monitoring of their plans.
- 20) ***e-Shasan (IT enabled e-Governance)***: The Government has recently approved the National e-Governance Plan (NeGP) consisting of Key Components including Common Core and Support Infrastructure and several Mission Mode Projects (MMPs) to be implemented at the Central, State and Local Government levels. The NeGP aims at improving delivery of Government services to citizens and businesses. The vision of NeGP is to make all Government services accessible to the common man in his locality, through common service delivery outlets and ensure efficiency, transparency and reliability of such services at affordable costs to realize the basic needs of the common man. With a view to facilitate realization of this vision, the Point titled e-Shasan (IT enabled e-Governance) with e-governance projects at the Central and State Governments level as well as Panchayats and Municipalities level has been included.

The above 20 Points along with the details thereof provide us a holistic understanding of the efforts of the GOI for rural development, among others. These efforts continue with minor modifications to the existing programmes / schemes and operationalisation of some other yet to be operationalised programmes already included therein for their effective implementation under the relevant areas.

Rural Infrastructure Development Fund (RIDF): For furtherance of rural development, the GOI has set up Rural Infrastructure Development Fund (RIDF) in 1995-96, under the aegis of NABARD, which was a landmark in the government’s efforts to improve the basic infrastructure in rural areas through increased availability of funds for the purpose. The prime objective of RIDF is to provide financial assistance to state government for speedy completion of infrastructure projects such as major, medium and minor irrigation projects, rural roads, bridges, market yards, drainage structures, primary health centres, primary schools and rural drinking water supply projects, which could not be completed due to the paucity of funds. With the initial corpus of Rs.2,000 crore under RIDF – I in 1995-96, the cumulative accretion to the fund had reached the level of Rs. 60,000 crore under RIDF-XII in 2006-07. The Fund lends to the state governments every year in tranches at an interest rate, which is 0.50 per cent higher than the prevailing bank rate. Among the corpus funds, 40 per cent is invested on rural roads and 39 percent on irrigation projects. NABARD conducts evaluation studies on a regular basis to assess the socio-economic impacts of the investment made under the RIDF programme (Singh, 2009).

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

3) List out the 20 points in the Twenty Point Programme. Explain the significance of TPP in the context of rural development.

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4) Expand RIDF. When was RIDF set up?

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7.3.3 Bharat Nirman

The development of rural India is an imperative for inclusive and equitable growth and to unlock the huge potential of the population that is presently trapped in poverty with its associated deprivations. The analysis of incidence of poverty across Indian States indicates that poverty is very closely linked to the absence of social infrastructure. The Eleventh Finance Commission had constructed an index of infrastructure which included economic, social and administrative infrastructure indicators. These were: i) agriculture, ii) banking, iii) electricity, iv) transport, v) communication, vi) health, and vii) civil administration. If we juxtapose the index of infrastructure with incidence of poverty, we find that generally States with high infrastructure index have low incidence of poverty (http://planningcommission.nic.in/plans/planrel/fiveyr/11th/11_v3/11v3_ch6.pdf).

Creation of infrastructure, both physical and social, has been given a greater thrust in the Tenth Five Year Plan. Bharat Nirman is a four year programme executed during 2005-09 for achieving identified goals in six selected areas of rural infrastructure: irrigation, drinking water, housing, roads, telephony and electrification. The main objective of this programme is to have telephony and electricity in every village, and every habitation will have access to safe drinking water for a population of at least 1,000 (500 in hilly/tribal areas) and access to all-weather roads. Further, it proposed to construct 60 lakh houses and bring additional one crore hectares of cultivable area under irrigation. The proposed investment over the period of four years is over Rs.1,74,000 crore. The Eleventh Plan had built further on the foundations laid by the Bharat Nirman Programme and other flagship programmes to provide opportunities for improved living conditions as well as livelihoods.

7.3.3.1 Irrigation

About one crore hectares of cultivable land will be brought under assured irrigation through the completion of ongoing major and medium irrigation projects (42 lakh ha), minor irrigation schemes (28 lakh ha), enhanced utilization of completed projects (20

lakh ha) and ground water development in areas with unutilized ground water potential (10 lakh ha). The estimated outlay for the year 2006-07 was Rs.7,121 crore. During first year (2005-06) of its implementation it is estimated that around 6 lakh ha of irrigation potential had been created through completion of ongoing major and medium irrigation projects. Completion of another 17 projects with irrigation potential of 3.2 lakh ha was targeted for 2006-07.

7.3.3.2 Drinking Water Supply in Rural Areas

Providing safe drinking water in rural habitations is a state subject; the GOI has been providing assistance to state governments. The GOI has set the goal to provide safe drinking water in all rural habitations by 2004. To achieve the desired results, many programmes like *Accelerated Rural Water Supply Programme (ARWSP)* and *Prime Minister's Gramodaya Yojana – Rural Drinking Water (PMGY – RDW)* have been implemented. These programmes intended to help resolve drinking water crisis in rural areas emphasizing the need for rain-water harvesting, sustainability of resources and community participation. ARWSP is implemented by the implementing agencies like Public Health and Engineering Department or the Panchayati Raj Department. The programme has taken into consideration the following for rural people:

- 1) 40 litre per capita per day (lpcd) for drinking water for human beings.
- 2) 30 lpcd of additional water for cattle in areas under the DDP.
- 3) One hand-pump or stand-post for every 250 persons.
- 4) Availability of water source in the habitation or within 1.6 km in the plains and 100 m elevation in hilly areas.

The goal of the drinking water supply scheme is to ensure the provision of access to safe drinking water to:

- a) Estimated 55,000 habitations in India which are without any safe source of drinking water;
- b) Estimated 2.8 lakh habitations that have slipped back from full coverage, and
- c) Estimated 2.17 lakh habitations that have problems of water quality.

For this, the total outlay for the first two years of Bharat Nirman exceeds Rs.9,000 crore. Some 7,596 uncovered habitations were provided drinking water and 46,106 slipped-back habitations were covered again in 2005-06. The allocation of funds for the *Rajiv Gandhi National Drinking Water Mission (RGNDWM)* has been increased from Rs.4,680 crore in 2006-07 to Rs.5,350 crore in 2007-08.

7.3.3.3 Rural Housing

The budget outlay for rural housing under Indira Awaas Yojana (IAY) has been enhanced steadily from Rs.1,900 crore in 2003-04 to Rs.2,920 crore in 2006-07. Since the inception of the scheme in 1985-86 till 30 January 2006, about 138 lakh houses had been constructed and upgraded with the total expenditure of Rs.25,208 crore.

7.3.3.4 Rural Telephony

About 66,822 villages without telephones were targeted to be covered by September 2007. More than 50 million rural connections were rolled out in three years and thereafter connection made available on demand. About 24,687 villages were provided telephones in 2005-06 itself.

7.3.3.5 Rural Electrification

Prior to 2005, over 1,00,000 villages in India did not have electricity. To remedy this situation, the government had initiated *Rajiv Gandhi Grameen Vidyuthikaran Yojana* (RGGVY) in April 2005. The total resource outlay for the first two years of Bharat Nirman for this purpose was Rs.5,000 crore. Bharat Nirman will not only reach electricity to the remaining villages but will also offer electricity connections to an estimated 2.3 crore households. Further, at least one 33/11 KV sub-station will be set up in each block and at least one distribution transformer in each habitation. Approximately, 6,580 villages were electrified in 2005-06, while projects were sanctioned for covering 51,284 villages and 69 lakh rural households. The GOI has realized the need for involving the private sector in creating new and improving the existing infrastructure and is encouraging public-private partnership (PPP) for the purpose. The PPP offers several advantages such as cost-saving, access to specialized expertise, proprietary technology, professional management and sharing of risks.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under "Answers to 'Check Your Progress' Questions."

5) List out four considerations of Accelerated Rural Water Supply Programme (ARWSP) regarding drinking water supply in rural areas.

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6) How many villages did not have electricity in India prior to 2005?

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7) What does the acronym RGGVY stand for?

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7.3.4 Pradhan Mantri Gram Sadak Yojana (PMGSY)

Pradhan Mantri Gram Sadak Yojana was launched on 25th December 2000 as a 100 per cent centrally-sponsored scheme to provide all-weather road connectivity in rural areas of the country. The programme envisaged connecting all habitations with a population of 500 persons and above in the plain areas, and 250 persons and above in hill states, the tribal and desert areas. About 1.67 lakh unconnected habitations are

eligible for coverage under the programme. This involves construction of about 3.71 lakh Kms of roads for new connectivity and 3.68 lakh Kms under up-gradation (http://pmsgsy.nic.in/Intr_E.pdf).

Repairs of black-topped or cement roads even under bad surface condition are not permitted. The objective of the scheme is to provide road connectivity to the unconnected habitations in the rural areas by all-weather roads. Habitations with a population of 1000 persons and above are initially covered under this programme and all unconnected habitations with a population of 500 or more are to be connected by 2007 (Rajakutty, 2009).

An empowered committee chaired by the Secretary, Department of Rural Development, GoI receives project proposals from the state Governments. The state government appoints a nodal department with the overall responsibility to implement the scheme. Panchayati Raj Institutions would take care of the maintenance of the entire road-networks. The District Panchayat shall ensure that priority is accorded in providing new connectivity to all unconnected habitations. The District Panchayat gives priority as follows:

- Providing new connectivity to unconnected habitations with a population of 500 + (and 250 + in the case of hill states).
- Providing new connectivity to unconnected habitations with population of 250-499 (125 – 249 in the case of hill stations).
- Up-gradation of through routes in the case network (only rural roads to be covered).
- Up-gradation of link routes.

Benefits to rural people: The scheme provides benefits to the rural people through an effective poverty-reduction strategy which include:

- 1) Enhancing employment opportunities to the rural people through new road construction and maintenance works, which leads to a rise in their income;
- 2) Increasing agricultural production by making farm-inputs easily available in the villages;
- 3) Facilitating output-marketing by reduction in transport costs from rural to urban areas.
- 4) Improving the rural road-connectivity and the quality of life through improving access to facilities, viz. education, health, transport and market.
- 5) Generating additional employment directly as well as indirectly through easy access to the market for the rural produce.
- 6) Helping in reduction of socio-cultural differences between rural and urban areas.
- 7) Reducing rural-urban migration with all-weather-road making village a better place to live.

7.3.5 Sarva Shiksha Abhiyan

Education in India is provided by the public sector as well as the private sector, with control and funding coming from three levels: federal, state, and local. The various Articles of the Indian Constitution provide for education as a fundamental right. India has made progress in terms of increasing primary education, attendance rate and

expanding literacy to approximately two-thirds of the population. The private education market in India is merely 5% although in terms of value it is estimated to be worth \$40 billion in 2008 and will increase to \$78 billion by 2012 (http://en.wikipedia.org/wiki/Education_in_India). However, India continues to face stern challenges.

In 1986, the Government of India brought out its landmark New Education Policy. The policy made primary education a national priority and envisaged an increase in resources committed – to at least 6 per cent of GDP. At the same time, the central government also launched several centrally-sponsored schemes to improve primary education across the country.

In the mid 1990s, a series of District Primary Education Programmes (DPEP) were introduced in districts where female literacy rates were low. The DPEPs pioneered new initiatives to bring out-of-school children into school, and were the first to decentralize planning for primary education and actively involve communities.

India's Flagship Elementary Education Program – Sarva Shiksha Abhiyan: In 2001, the Central Government introduced its flagship Sarva Shiksha Abhiyan (SSA) programme to provide elementary education for all children of India. The SSA is one of the largest programmes of its kind in the world. It builds on the pioneering initiatives of the DPEPs and seeks to meet the needs of almost 200 million children living in over a million habitations across the country. It is one of India's first major programmes to cover upper primary education – grades 6-8 as well.

Enrolling all 6-14 year-old children by 2010: The programme aimed at enrolling all 6-14 year-olds in school by 2010, retaining them in school, and providing them with quality education at least till grade eight, which has remained a target to be achieved, a much tougher requirement than meeting the Millennium Development Goal (MDG) by 2015. To achieve this goal, the programme is improving access to education by making a primary school available within one kilometer of all habitations, mobilizing communities in favor of education, supporting the training of teachers, developing teaching-learning materials, and monitoring learning outcomes.

Bringing the hardest-to-reach children into school: The programme seeks to reduce gender and social gaps by specially focusing on girls-children from disadvantaged groups such as the Scheduled Castes and the Scheduled Tribes, and those belonging to minority communities as well as children with special needs (<http://www.worldbank.org.in>).

7.3.6 Programme for Drinking Water Supply and Sanitation: Central Rural Sanitation Programme

State Governments have the responsibility to provide safe drinking water and sanitation in the rural areas. Government of India supports and supplements the efforts of the State Governments in this regard. Programme for Drinking Water Supply and Sanitation have been under implementation ever since inception of the first five-year plan.

The Accelerated Rural Water Supply Programme (ARWSP) was introduced by the Government of India in 1972-73. A Technology Mission on Drinking Water popularly called the “National Drinking Water Mission (NDWM)” was launched in 1986, which subsequently was renamed as the *Rajiv Gandhi National Drinking Water Mission (RGNDWM)* in 1991. Upto end of November 2001, 87.89% habitations in the country were having access to adequate water (fully covered) with 40 litres per capita per day (lpcd). About 10.85% were partially covered and about 20,000 habitations still remained to be covered. States are also being supported from 2000-01, under the rural drinking water component of Prime Minister's Gramodaya Yojna (PMGY-RDW). Sector Reform

has been introduced in selected 63 districts in the country on a pilot basis on demand-driven community participation, and cost-sharing approach by the user-groups. Other support activities like social-mobilisation, capacity-building, IEC, Human Resource Development (HRD), MIS, etc., supplement the main ARWSP and PMGY (RDW).

Central Rural Sanitation Programme was launched in 1986 to complement the efforts of State Governments. Due to the special initiative taken during the 9th Plan Period, total households coverage amongst the States varied between 16-20%. Based on the strategy outlined in Ninth Plan, the Central Rural Sanitation Programme was restructured, which is “demand-driven” and people centered. Total Sanitation Campaign (TSC) was introduced and is being implemented in project mode in 200 identified districts. The revised approach in the programme emphasizes more on Information, Education and Communication (IEC) activities. The Programme was continued in the 10th Plan Period also in order to cover remaining districts in the country (http://www.ddws.gov.in/sites/upload_files/ddws/files/pdf/Department%20of%20Drinking%20Water%20and%20Sanitation%20-%20Agenda.pdf).

Thus, Rural Sanitation is a State subject. The efforts of the States are, however, supplemented by the Central Government through technical and financial assistance under the Central Rural Sanitation Programme (CRSP). The Programme objectives include: improving the quality of life of rural people and providing privacy and dignity to women. The concept of sanitation was expanded in 1993 to include personal hygiene, home sanitation, safe water and disposal of garbage, human excreta and waste-water. The components of the programme included construction of individual sanitary toilets for households below poverty-line (BPL), conversion of dry-latrines to water-pour-flush-toilets, construction of village sanitary complexes for women, setting up of sanitary marts and production centres, intensive campaign for creating awareness and health education, etc (<http://india.gov.in/sectors/rural/index.php?id=11>).

Keeping in view the experiences of the Central and State Governments, NGOs and other implementing agencies and the recommendations of the Second National Seminar on Rural Sanitation, the strategy for the Ninth Five Year Plan was revised and the programme was restructured from 1st April 1999. The restructured programme moves away from the principle of state-wise allocation of funds, primarily based on poverty criteria, to a demand-driven approach in a phased manner. Total Sanitation Campaign (TSC) was introduced and the Allocation-Based Programme was phased out by 31st March 2002. TSC has become community-led and people-centred. There was a shift from a high-subsidy to a low-subsidy regime. The TSC approach emphasized awareness-building component and meets the demand through alternate delivery mechanism. School Sanitation has been introduced as a major component to encourage wider acceptance of sanitation among rural masses. The States/UTs are required to formulate project proposals under the TSC in order to claim Central government assistance (Ibid).

Under the TSC, 559 projects in 30 States/UTs have been sanctioned with the total project outlay of about Rs.6,240.27 crore. The Central, State and Beneficiary/Panchayat contributions are about Rs.3,675.38 crore, Rs.1,424.09 crore and Rs.1,140.80 crore respectively. The components sanctioned in the 559 projects are (Ibid):

- a) Construction of 499 lakh individual household-latrines;
- b) 6,56,690 toilets for Schools;
- c) 36,098 Community Sanitary Complexes;

- d) 1,99,033 toilets for Balwadis/Anganwadis; and
- e) 4,030 Rural Sanitary Marts/Production Centres.

Besides, funds have been earmarked for start-up activities, Information, Education and Communication (IEC) and Administrative charges. To add vigour to the implementation of TSC, Government of India has separately launched an award scheme '*Nirmal Gram Puraskar*' (NGP) for fully-sanitised and open-defecation-free Gram Panchayats, blocks and districts. In the first year of its institution, only 40 PRIs were awarded NGP on 24 February 2005. In the second year, the number of awarded PRIs/Blocks and organisations has increased to 772. His Excellency, Dr. A. P. J. Abdul Kalam, President of India, distributed the Awards on 23 March 2006 (Ibid).

Monitoring and Evaluation: The Ministry of Rural Development lays great emphasis on monitoring and evaluation of all rural development programmes in general and poverty alleviation and employment generation schemes in particular, being implemented in various States/UTs. It is well recognised that the success of the programmes largely depends on the effective delivery system and efficient implementation at the grassroots level so that the programme benefits reach the rural poor in full measures. In order to ensure this, the Ministry has evolved a comprehensive multi-level and multi-tool system of Monitoring and Evaluation for the implementation of its programmes. The Ministry has also taken initiatives to strengthen the monitoring mechanism and quality of implementation of programmes by introducing District Level Monitoring (DLM) System in 130 districts of 27 States through external agencies which include monthly reporting of physical and financial performance, qualitative reporting about policy and implementation environments in the district and physical verification of the assets created under various programmes of the Ministry (Ibid).

Similarly, DLM of Total Sanitation Campaign (TSC) and Swajaldhara is implemented in 398 districts of the country w.e.f. 1st July 2005. This system aims at providing continuous, transparent and accountable monitoring inputs in reporting format with the objectives of reporting of the process and progress of the programmes covering different components of the programmes. It also aims at identification of gaps in the implementation at the village, block, district and state levels. The monitoring system also elicits the stakeholders' views, assesses the institutional issues, and documents case-studies and success stories on best practices, innovations and lessons-learned.

In order to strengthen the monitoring mechanism, the Ministry has a panel of about 300 National Level Monitors comprising retired servicemen and Retired Civil Servants to monitor and furnish periodic reports to the Ministry on the implementation of programmes in selected districts including verifying facts of the cases and complaints, if any, which may be referred to them (<http://india.gov.in/sectors/rural/index.php?id=11>).

The Union Government in recent years has given emphasis to e-governance in all possible areas. Accordingly, the Ministry of Rural Development has also initiated action with the state Governments and UTs to ensure that information and progress reports completed by Districts Rural Development Agencies (DRDAs) are sent through the electronic medium. About 400 (DRDAs) have started sending their reports through online. Efforts are being made in this direction to obtain online progress reports from all the remaining DRDAs (Ibid).

7.3.7 National Rural Health Mission (NRHM)

Public health expenditure in India has declined from 1.3% of GDP in 1990 to 0.9% of GDP in 1999. The Union Budgetary allocation for health is 1.3% while the State's

Budgetary allocation is 5.5%. Union Government's contribution to public health expenditure is 15% while States' contribution is about 85%. Vertical Health and Family Welfare Programmes has limited synergisation at operational levels. Lack of community ownership of public health programmes impacts levels of efficiency, accountability and effectiveness, and they remain the major issues. Lack of integration of sanitation, hygiene, nutrition and drinking water are the crises in public health. Curative services favour the non-poor: for every Re.1 spent on the poorest 20% population, Rs.3 is spent on the richest quintile. Only 10% Indians have some form of health insurance, mostly inadequate. Hospitalized Indians spend on an average 58% of their total annual expenditure. Over 40% of hospitalized Indians borrow heavily or sell assets to cover expenses. Over 25% of hospitalized Indians fall below poverty line because of hospital expenses (http://mohfw.nic.in/NRHM/Documents/Mission_Document.pdf).

Recognizing the importance of health in the process of economic and social development and improving the quality of life of our citizens, the Government of India has resolved to launch the National Rural Health Mission (NRHM) to carry out necessary architectural correction in the basic health care delivery system. The Mission adopts a synergistic approach by relating health to determinants of good health, viz. segments of nutrition, sanitation, hygiene and safe drinking water. It also aims at mainstreaming the Indian systems of medicine to facilitate health care. The Vision of the National Rural Health Mission (2005-12) seeks to provide effective healthcare to rural population throughout the country with special focus on 18 states, which have weak public health indicators and/or weak infrastructure. The Plan of Action includes increasing public expenditure on health, reducing regional imbalance in health infrastructure, pooling resources, integration of organizational structures, optimization of health manpower, decentralization and district management of health programmes, community participation and ownership of assets, induction of management and financial personnel into district health system, and operationalizing community health centers into functional hospitals meeting Indian Public Health Standards in each Block of the Country.

The Goal of the Mission is to improve the availability of and access to quality health care by people, especially those residing in rural areas, the poor, women and children. The Mission aims to achieve the following (http://www.mohfw.nic.in/NRHM/Task_grp/Mission_Document.pdf):

- Reduction in Infant Mortality Rate (IMR) and Maternal Mortality Ratio (MMR);
- Universal access to public health services such as women's health, child health, water, sanitation and hygiene, immunization, and nutrition;
- Prevention and control of communicable and non-communicable diseases including locally endemic diseases;
- Access to integrated comprehensive primary healthcare;
- Population stabilization, gender and demographic balance;
- Revitalize local health traditions and mainstream AYUSH; and
- Promotion of healthy life styles.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under “Answers to ‘Check Your Progress’ Questions.”

8) What are the components sanctioned under TSC?

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9) What is the name of the award launched under TSC by the Government of India? What was the purpose of launching it?

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10) What are the goals of NRHM?

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11) Mention the priorities of District Panchayat under PMGSY.

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12) What are the benefits intended to accrue to the rural people under PMGSY?

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7.3.8 Integrated Rural Energy Programme (IREP)

Integrated Rural Energy Programme (IREP) was launched during the Seventh Five Year Plan with the aim of developing the planning and institutional capabilities at the State, District and Block levels to formulate and implement area-based micro-level

plans to tap in an integrated manner all types of energy sources. Under this programme, planning and implementation of Block level energy plans and projects is being achieved through the involvement of people's participation, government and non-government agencies and the panchayats. This also emphasizes the increase in institutional capability through integrated rural energy plans and projects in order to meet the basic subsistence and productive levels in the most deprived and backward areas of the State. The objectives of this programme are (<http://india.gov.in/citizen/agriculture/viewscheme.php?schemeid=1269>):

- a) To provide for minimum domestic energy needs for cooking, heating and lighting purposes to rural people in IREP Blocks
- b) To provide the most cost-effective mix of various energy sources and options for meeting the requirements of sustainable agriculture and rural development with due environmental considerations.
- c) To ensure people's participation in the planning and implementation of IREP plans and projects through the involvement of panchayats, voluntary organisations and other institutions at the micro level.
- d) To develop and strengthen mechanisms and coordination arrangements for linking micro-level planning for rural energy with National and State level planning and programmes for energy and economic development so as to ensure regular and planned flow of energy- inputs for meeting the requirements of various end-users in IREP Blocks. This scheme is being implemented on 50:50 cost-sharing basis between the States and the Centre.

7.3.9 Integrated Watershed Management Programme (IWMP)

Technical Committee under the Chairmanship of Prof. C. H. Hanumantha Rao (1994) was appointed to assess the Drought-Prone Areas Programme (DPAP) and the Desert Development Programme (DDP) with the purpose of identifying weaknesses and suggesting improvements. The Committee, after careful appraisal, opined that the "programmes have been implemented in a fragmented manner by different departments through rigid guidelines without any well-designed plans prepared on watershed-basis and without involving the inhabitants with few exceptions. Ecological degradation has been proceeding unabated in these areas with reduced forest cover, reducing water-table and a shortage of drinking water, fuel and fodder" (Hanumantha Rao Committee, 1994). The Committee made a number of recommendations and formulated a set of guidelines that brought the DDP, the DPAP and the Integrated Wastelands Development Programme (IWDP) under a single umbrella. The watershed projects taken up by the Ministry of Rural Development (MoRD) from 1994 to 2001 followed these guidelines. In 2000, the Ministry of Agriculture revised its guidelines for its programme, namely the National Watershed Development Project for Rain-fed Areas (NWDPA). These guidelines were intended to be common guidelines to make the programme more participatory, sustainable and equitable. However, the MoRD revised the 1994 Hanumantha Rao Committee guidelines in 2001 and yet again in 2003 under the nomenclature "Hariyali Guidelines".

Hariyali was launched on January 27, 2003, which is applicable to all watershed projects sanctioned after April 2003 under DPAP, DDP and IWDP. Watershed projects sanctioned prior to April 2003 continued to be implemented as per the Revised Guidelines 2001. The challenge in rain-fed areas reveal that soil and water conservation, watershed development and efficient water management are the key to sustainable development

of the rain-fed areas and also to improve rural livelihoods through participatory watershed development with focus on integrated farming systems for enhancing income, productivity and livelihood security in a sustainable manner. It is in this context that, in coordination with the Planning Commission, an initiative has been taken to formulate “Common Guidelines for Watershed Development Projects” in order to have a unified perspective by all Ministries emphasizing on: i) Delegating powers to State, ii) Financial Assistance to Dedicated Institutions, iii) Enhance duration of programme, iv) Livelihood orientation, v) Cluster approach, vi) Scientific Planning, vii) Capacity Building, and viii) Multi-tier approach. These guidelines are, therefore, applicable to all watershed development projects in all Departments / Ministries of Government of India concerned with Watershed Development Projects. With effect from 1st April 2008, Integrated Watershed Management Programme (IWMP) has been implemented under Common Guidelines on Watershed Development, 2008.

The main objective of the IWMP is to restore the ecological balance by harnessing, conserving and developing degraded natural resources such as soil, vegetative cover and water. The outcomes are prevention of soil run-off, regeneration of natural vegetation, rain water harvesting and recharging of the ground water-table. This enables multi-cropping and the introduction of diverse agro-based activities, which help to provide sustainable livelihoods to the people residing in the watershed area. In addition, there is a Technology Development, Extension and Training (TDET) Scheme being implemented to promote development of cost-effective and proven technologies to support watershed management.

Check Your Progress

Notes: a) Space given below the question is for writing your answer.

b) Check your answer with the one given at the end of this unit under: “Answers to ‘Check Your Progress’ Questions.”

13) What are the components emphasized in the IWMP Common Guidelines, 2008?

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7.3.10 Convergence of Rural Development Programmes

The MoRD, GoI has made a substantial contribution to improving rural livelihood in India. Most of the rural people depend on natural resources and agriculture for their livelihoods. Supportive policies, robust institutions, and regulatory and incentive structures that both encourage growth and protect the most vulnerable are essential to improving their livelihoods. This has been mainly achieved by supporting programmes led by the central and the state governments. These programmes have adopted different approaches from watershed to Self-Help Groups and other institutions. A capacity-building programme at all levels – from State to village – is inherent to the success of the programme. In recent years, substantial public investments are being made for strengthening of the rural economy and the livelihood-base of the poor, especially the marginalised sections like the SCs/STs and women. To maximise outcome of these investments and effectively address the issue of poverty alleviation, there is need to optimize efforts through inter-sectoral approaches.

It is noted that many programmes planned and executed by different ministries / departments / agencies have almost similar objectives targeting the same groups / areas. This duplicity of efforts has been resulting in wastage of resources and failure to achieve synergies. Further, the evaluation studies have been critical of the leakages, inefficiencies and ineffectiveness of the programme designs and implementation of the rural development programmes. Lack of transparency, use of obsolete technologies, lack of coordination among agencies, non-participation of the target groups in planning and execution, lack of qualified personnel in adequate numbers and top-down approaches have been identified as some of the major determinants of the sub-optimal use of the scarce resources. The present levels of poverty, unemployment, food insecurity and environmental degradation are the outcomes of non-convergent and non-participatory planning processes. Other areas of concern are adoption of less productive technologies and limited institutional capacities. Development planning process should, therefore, be sensitive to these challenges.

The convergence planning can achieve multiple goals such as maximization of returns from the investment, promotion of public-private-community partnerships, sustainable development, meeting the unmet needs of the community and emergence of good governance. The instruments include pooling of resources, both human and capital, transfer of productive and eco-friendly technologies and value addition through provision of backward and forward linkages. The process of convergence includes the following (Rao, et al, 2010):

- a) goal congruence among the stakeholders,
- b) decentralized planning with focus on local needs, problems and other issues – bottom-up approach,
- c) identifying potential areas/activities/schemes for convergence,
- d) technical know-how and administrative guidance – top-down approach in dissemination of technical knowledge,
- e) activity-time chart,
- f) role clarity among stakeholders,
- g) funds flow consistent with activity-time frames,
- h) consultations with the stakeholders at various levels, and
- i) new activity mapping as per convergence plan.

Convergence of inter-sectoral programmes with rural development programmes will enable better planning and effective investments in rural areas. The empowerment, education (capacity-building); and energizing the Panchayats by invoking convergence of the development schemes will be crucial for rural development. For this intent, working for Panchayats should be made a career option for the rural people. Convergence also brings synergy between different government programmes and/or schemes in terms of their planning process and implementation. A Task Force has been set up to explore more comprehensive and effective possibilities and to review strategies of convergence, latent in MGNREGA Taskforce report (www.nrega.net). The MoRD has formulated convergence guidelines with MGNREGS and line departments like water resources, ICAR, MoEF, PMGSY, land resources, etc.

7.3.11 Pradhan Mantri Adarsh Gram Yojana (PMAGY)

The Pradhan Mantri Adarsh Gram Yojana scheme was launched in 2009-10, on a pilot basis, to cover 1000 villages with more than 50 per cent Scheduled Caste population.

Vision of an 'Adarsh Gram' (Model Village): A model village is one having adequate physical and institutional infrastructure in which minimum needs of all sections of the society are fully met; they live in harmony with each other as also with the environments and a village which is progressive and dynamic. These villages should be covered with all the facilities necessary for dignified living, creating thereby an environment in which all its residents are enabled to utilize their potential to the fullest (Meenu Jain, 2011).

Objectives: The objectives of the scheme include the following.

- To ensure integrated development of the selected 1000 villages with more than 50 per cent Scheduled Caste population.
- These villages will have all requisite physical and social infrastructures for their socio-economic development.
- Disparity between the Scheduled Caste and Non-Scheduled Caste population in terms of common socio-economic indicators (e.g. literacy rate, completion rate of elementary education, IMR/MMR, ownership of productive assets, etc) is eliminated; the indicators are raised to at least the level of the national average.
- All below-poverty-line families, especially those belonging to the Scheduled Castes, will have food and livelihood security and are enabled to cross the poverty line and earn an adequate livelihood.
- All children complete at least eight years of schooling/education.
- Incidence of malnutrition, especially among children and women is eliminated.
- Untouchability, discrimination, segregation and atrocities against the Scheduled Castes are eliminated along with other social evils like discrimination against girls/women, alcoholism and substance (drugs) abuse, etc., and all sections of society are able to live with dignity and equality and in harmony with others.

7.4 LET US SUM UP

The MoRD, GoI has made a substantial contribution to improving rural livelihood in India. Most of the rural people depend on natural resources and agriculture for their livelihoods. Supportive policies, robust institutions, and regulatory and incentive structures that both encourage growth and protect the most vulnerable are essential to improving their livelihoods. Initially, main thrust for development was laid on agriculture, industry, communication, education, health and allied sectors but later on it was realized that accelerated development can be provided only if governmental efforts are adequately supplemented by direct and indirect involvement of people at the grassroots level. It is noted that many programmes planned and executed by different ministries / departments / agencies have almost similar objectives targeting the same groups / areas. This duplicity of efforts has been resulting in wastage of resources and failure to achieve synergies. Convergence of inter-sectoral programmes with rural development programmes will enable better planning and effective investments in rural areas. The empowerment, education (capacity-building); and energizing the Panchayats, will be crucial for the rural development by invoking convergence of the development schemes. All these efforts should finally lead to model villages in India.

7.5 ANSWERS TO 'CHECK YOUR PROGRESS' QUESTIONS

- 1) The four strategies of rural development are:
 - a) Growth-oriented strategy,
 - b) Welfare-oriented strategy,
 - c) Responsive strategy,
 - d) Integrated or holistic strategy.
- 2) There are totally 12 components provided under Minimum Needs Programme (MNP). These are: i) Elementary Education, ii) Adult education, iii) Rural Health, iv) Rural Water Supply, v) Rural Roads, vi) Rural Housing, vii) Rural Electrification, viii) Environmental Improvement of Urban Slums, ix) Nutrition, x) Rural Domestic Cooking Energy, xi) Rural Sanitation, and xii) Public Distribution System (PDS).
- 3) Though the TPP was launched by the Government of India in 1975, it was revised in 1982, 1986 and 2006 to enhance the scope and coverage of the items under the initial 20 points. The restructured TPP-2006 consists of 20 Points and 65 monitorable items. The list of 20 Points is as follows.
 - i) Garibi Hatao (Poverty Eradication) – in Rural and Urban areas.
 - ii) Jan Shakti (Power to People).
 - iii) Kisan Mitra (Support to Farmers).
 - iv) Shramik Kalyan (Labour Welfare).
 - v) Khadya Suraksha (Food Security).
 - vi) Subke Liye Aawas (Housing for All).
 - vii) Shudh Peya Jal (Clean Drinking Water).
 - viii) Jan Jan Ka Swasthya (Health for All).
 - ix) Sabke Liye Shiksha (Education for All).
 - x) Anusuchit Jaati, Jan Jaati, Alp-sankhyak evam Anya Pichhra Varg Kalyan (Welfare of Scheduled Castes, Scheduled Tribes, Minorities and OBCs).
 - xi) Mahila Kalyan (Women Welfare).
 - xii) Bal Kalyan (Child Welfare).
 - xiii) Yuva Vikas (Youth Development).
 - xiv) Basti Sudhar (Improvement of Slums).
 - xv) Paryavaran Sanrakshan evam Van Vridhi (Environment Protection and Afforestation).
 - xvi) Samajik Suraksha (Social Security).
 - xvii) Grameen Sadak (Rural Roads).
 - xviii) Grameen Oorja (Energization of Rural Area).

xix) Pichhara Kshetra Vikas (Development of Backward Areas),

xx) e-Shasan (IT enabled e-Governance).

The significance of these points lie in the fact though these points are not wholly related to rural development only. Each of the point lays emphasis on integrated and sustainable development of the nation as a whole, with special focus on rural development or the rural poor and all weaker sections of the society in rural areas, urban slums and other areas.

- 4) RIFD is the acronym for Rural Infrastructure Development Fund. It was set up by the GoI during 1995-96.
- 5) The Accelerated Rural Water Supply Programme (ARWSP) programme has taken into consideration the following for rural people:
 - a) 40 litre per capita per day (lpcd) for drinking water for human beings.
 - b) 30 lpcd of additional water for cattle in areas under the DDP.
 - c) One hand pump or stand post for every 250 persons.
 - d) Availability of water source in the habitation or within 1.6 km in the plains and 100 m elevation in hilly areas.
- 6) Over 1,00,000 villages in India did not have electricity supply prior to 2005.
- 7) RGGVY stands for Rajiv Gandhi Grameena Vidyuthikaran Yojana.
- 8) The components sanctioned under Total Sanitation Campaign (TSC) projects include the following.
 - a) Construction of individual household latrines;
 - b) Toilets for Schools;
 - c) Community Sanitary Complexes;
 - d) Toilets for Balwadis / Anganwadis; and
 - e) Rural Sanitary Marts / Production Centres.
- 9) To add vigour to the implementation of TSC, Government of India has separately launched an award scheme 'Nirmal Gram Puraskar' (NGP) for fully-sanitised and open- defecation-free Gram Panchayats, blocks and districts.
- 10) The goals of NRHM are as follows:
 - Reduction in Infant Mortality Rate (IMR) and Maternal Mortality Ratio (MMR);
 - Universal access to public health services such as women's health, child health, water, sanitation and hygiene, immunization, and nutrition;
 - Prevention and control of communicable and non-communicable diseases including locally endemic diseases;
 - Access to integrated comprehensive primary healthcare;
 - Population stabilization, gender and demographic balance;

- Revitalize local health traditions and mainstream AYUSH; and
 - Promotion of healthy life-styles.
- 11) The District Panchayat priorities under PMGSY are as follows:
- Providing new connectivity to unconnected habitations with a population of 500 + (250 + in the case of hill states).
 - Providing new connectivity to unconnected habitations with population of 250-499 (125-249 in the case of hill stations).
 - Up-gradation of through routes in the case-network (only rural roads to be covered).
 - Up-gradation of link-routes.
- 12) Following are the benefits intended to accrue to rural community under PMGSY as a part of an effective poverty reduction strategy.
- a) Enhancing employment opportunities to the rural people through new road construction and maintenance works, which lead to a rise in their income.
 - b) Increasing agricultural production by making farm-inputs easily available in the villages.
 - c) Facilitating output-marketing by reduction in transport costs from rural to urban areas.
 - d) Improving the rural road-connectivity and the quality of life through improving access to facilities, viz. education, health, transport and market.
 - e) Generating additional employment directly as well as indirectly through easy access to the market for the rural produce.
 - f) Helping in reduction of socio-cultural differences between rural and urban areas.
 - g) Reducing rural-urban migration with all-weather-road making village a better place to live.
- 13) Following are the components emphasised in IWMP Common Guidelines, 2008:
- i) Delegating powers to State, ii) Financial assistance to dedicated institutions, iii) Enhancing the duration of programme iv) Livelihood orientation, v) Cluster approach, vi) Scientific planning, viii) Capacity building, and viii) Multi-tier approach.

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