Chapter III

NEED AND IMPORTANCE OF GOVERNMENT PROGRAMMES FOR RURAL DEVELOPMENT

3.01 Introduction

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3.01 INTRODUCTION:

Rural development involves raising the socio-economic status of the rural population on a sustainable basis through optimum utilization of local resources, both natural and human. While external help is necessary and appreciated, rural development can be achieved only when the rural people actively participate in the development process. The essence of development is not in providing but in promoting the rural sector. The rural population should know how to sustain itself financially and gain economic independence. Therefore, the stress of rural development should be on self-reliance. Also rural development should result in greater access to the rural population to goods and services. 01

A number of development projects taken up under ‘Block planning for Integrated Rural Development’ have benefited the socially and economically backward classes and minimized the inter-regional disparities to some extent.

The Asoka Mehata committee (1978) made several suggestions for strengthening PRIs including creation of Mandal panchayats and Grampanchayats and grater
involvements of PRIs in poverty alleviation programmes (PAPs). However, the PRIs could not make much dent on the decentralized development process partly due to the apathy of the political leadership and bureaucracy towards strengthening the local bodies. The ambition to build a self-reliant and just socio-economic order through the tripod approach, viz, village panchayat, village school and village corporative was also not realized. Empowerment of socially and economically weaker sections through reservations in PRIs and DWCRA met only with limited success.

The concept of ‘women as socio-economic change agents’ was well recognized and revitalization of Mahila Mandals for organizing as well as informing people about better home management and family planning received attention. People’s participation, more so of women and youth was encouraged in several rural development endeavours making the whole development process responsive and participatory. Voluntary organizations were encouraged to involve themselves for the overall development of the area. Organization of farmers and special beneficiary groups for meeting the common interests
was encouraged. The CAPART enabled several voluntary of the poor.

The Minimum Needs Programme (MNP) was effective in improving the quality of rural poor and also for control of population growth but the allocation for MNP was found to be inadequate.

The PDS was effective in state like Kerala, and Andhra Pradesh but the poor in backward states like Bihar, Orissa and Madhya Pradesh hardly gained from it. PDS, however, has been criticized for targeting inefficiencies and leakages. State interventions, if designed and implemented properly could make a significant impact in diluting the ‘Social Exclusion’ process and strengthening the special assistance programmes for the socio-economics betterment of SCs and organization of the poor. Schemes like SPAP and DDP were further strengthened to correct the resource deficiencies and improve the livelihoods of these areas.

Special poverty alleviation programmes comprising self-employment programmes (NREP, RLEGP, FEW...) for the target groups, viz., small and marginal farmers, landless labour, artisans including fishermen with no assets and / or
un-or under-employed that were introduced made some
dent on the levels of living of the poor despite leakages and
inefficiencies in implementation. However, the impact varied
across region and social groups.

The IRDP covered about 35 million poor families
during the Eighties and provided 134.5 billion rupees of
financial assistance of which 63 per cent credit support
from financial institutions. The inadequacy of
infrastructure, more so, the marketing support, low per
capita investment and deficiencies in the approach were
identified as major drawbacks of IRDP, which led to non-
achievement of its goals. Under the scheme of DWCRA,
about 31000 groups were formed to take up economics
activities with 0.52 million women as members. Under the
TRYSEM scheme, nearly two million youth received
(Technical) training and nearly 75 per cent of them took up
gainful income generating activities. The concurrent
evaluation had indicated that indicated that indicated that
despite leakages and low efficiency in recourse use, the
living conditions of the concurrent evaluation of IRDP in the
Eighties showed that about 12 per cent of the families assisted could cross the poverty line.

The NREP (1983) and ELEGP (1983-84) have generated 4664 million man days of employment for the poor at an expenditure of Rs.75775 million during the decade of the Eighties. Socio-economic infrastructure was developed besides generating sizeable employment. However, micro level studies have indicated a lower of employment generated under these programmes than officially reported. Food grains distributed under these programmes helped in reducing food insecurity to poor to an extent. In 1989-90 the two programmes were merged into a new one, viz., Jawahar Rojgar Yojana (JRY).

The agriculture sector registered an impressive growth of 5.56 per cent per annum. The rise in food stocks with FCI and distribution of about 18 million tons of food grains through PDS confirm that the food security at the aggregate level was achieved. The country witnessed severe drought during 1987-88 and for the poverty reduction programmes and PDS the poverty would have gone up.02
All these PAPs, coupled with improved sectoral performance, have evidently led to a steep fall in rural poverty, i.e. from 53 per cent in 1977-78 to 1987-88. The inequalities in consumption expenditure have also declined and the Lorenz ratio 0.339 in 1977-78 to 0.298 in 1987-88.

However, the unemployment levels have not reduced despite the planned efforts such as special employment programmes. The unemployment levels, in fact had gone up. For instance, the usual status based unemployment rates for males and females were 1.3 and 2.0 per cent in 1977-78 and these rates increased to 1.8 and 2.4 per cent, respective by 1987-88.

The State policies towards social development have benefited to some extent the low-income groups in terms of improvements in literacy, housing status and access to amenities like safe drinking water and electricity. On the human development front, the progress made by India was impressive both in relation to same countries and also over time.03
3.02 IMPORTANCE OF RURAL DEVELOPMENT:

The emphasis on Rural Development in most developing countries is understandable. The majority of the population lives in the rural areas. As such, their backwardness would be retarding growth in other sectors and in the economy as a whole. The growth of towns and cities will be possible; it is back by prosperity in rural areas. Rural backwardness is the major cause for the falling demand for most products.04

The stress on rural development is also due to money constraints facing the rural areas, which generally suffer from inadequate infrastructural facilities and technological advancements. The rural areas are not well placed in terms of even minimum needs like safe drinking water, primary health and road transport. This apart, the rural population suffers from indigence, ignorance and illiteracy. Their traditional outlook towards development has been preventing them from taking full advantage of the incentives offered by the government. But with substantial exposure to media, both electronic and print media, the rural sector is moving towards self-reliance and economic
independence. Also, the ownership of land and other assets has been heavily concentrated in the hands of a few. It is precisely for this reason that the benefits of rural development programmes failed to reach the rural population targeted for these benefits to the extend expected.

It is true that the process of economic development involves a shift from agricultural and allied activities to non-agricultural activities. It is, however to believe that the increase in non-agricultural activity should be confined to towns and cities. After all, villages with growing non-agricultural activity will without doubt, become towns in course of time. What needs to be done is that non-agricultural activities in the rural areas need to be focused upon and strengthened on priority basis.

The rural areas remain impoverished with remunerative economic activities initiated to be carried out only in towns and cities. Thus even an essential commodity like soap is being produced in urban areas. The argument generally advanced for this is that rural areas lack the basic infrastructural facilities for setting up industrial units. But
it is conveniently forgotten that such facilities would be available in rural areas only when these areas became centres of growing economic activity. It is for nothing that gandhiji laid stress on village development.

So long as rural areas are deprived of minimum facilities, there will be rural exodus. Migration of rural people to urban areas has serious implications proving to be of burden on the available resources and facilities in urban areas. It is estimated that urban population is growing at 4 percent per year and 2 percent of the increase in urban population per year is reportedly caused by migration from rural areas.

The administration in the urban areas has been finding it difficult to provide employment to the rural labour force migrating to towns and cities. According to Michael Todaro, “migration in excess of job opportunities is both a symptom and a contributing factor to third world under development.” The social consequences of rural exodus like growing slums are too serious to be ignored by the urban administration authorities.
Another disturbing trend in the rural sector is that the surpluses generated in the rural areas are being invested in urban areas for various reasons. While the Government has stepped up its investment in rural areas, the rural surpluses are diverted to urban areas. When rural services are heavily subsidized by the Government, the rural rich have an obligation to step up their investment in rural areas.

Promoting the socio-economic life of people living in rural areas should become a priority item even on purely selfish grounds. The political parties in general and the ruling party in particular have to approach the villagers to seek their votes, and unless there is an appreciable record of work done by the party in power, it is bound to face rejection at their hands. Besides, new markets will have to be developed for what is being produced in the country. Otherwise, there will hardly by any incentive for raising and diversifying production. The purchasing power of the rural sector must appreciably improve so that the demand for goods and services increases. Roads will have to be constructed and the communication system must be
improved so as to link rural areas to commercial and business centers. It is therefore in the interest of business and industry that rural areas be developed.

During the past few years, rural development has received a great deal of attention in development literature, in development plans, on political platforms and in the international lending programmes of most of the donors.

This appears to be logical since approximately 75 percent of the third World population lives in rural areas. Notably, the poor are located in the countryside in a disproportionate manner. In recent years, the emphasis in regard to development has shifted to rural development on account of the obvious failure of the earlier planned development effort to bring about an appreciable improvement either in the living conditions of the weaker sections of the rural population or in reducing poverty and unemployment. Policy for rural development has become a major preoccupation of government of poor countries since on the successful tackling of rural development problems depends the pace and tone of development of the economies of poor countries.
The rural development programmes occupy significant position in India’s economic planning, as nearly three-fourth of its population lives in villages. In fact, villages represent real India. Hence without uplifting rural masses, we can not think over accelerate the pivot of overall economic development is a matter of great concern in India’s overall economic development. In order to ensure that there should be balanced economic development of the country and the fruits of development should percolate to the grass-root levels, rural development gets the top most priority in our planned efforts.

Rural development has considerable significance in India because of the following social, economical and political reasons as mentioned below:

3.2.1 Social Importance:

In rural areas, agriculture and allied activities are primary and all pervasive economic activity suffering from innumerable problems. There is large number of marginal and small farmers for want of land due to major areas being concentrated in few hands. On the other hand there are
large number of farmers and rural poor suffering from all sorts of problems regarding finance, agricultural inputs, production and marketing, employment and income. The rural development programmes provide a composite package to solve all these problems.05

3.2.2 Economic Importance:

Despite concerted industrialization in the last four decades, still agriculture forms the backbone of the Indian economy. Being the largest industry in the country, it is a source of livelihood for over 70 percent population. Half of the national income is contributed by this sector. Virtually all the aspects of the country’s life and economy bear its stamp so much that the very existence of all the economic activities of the nation is tied up with the state and health of this sector. The economic importance of rural development of India under different heads such as national income, employment and source of livelihood, food and folder, industrial development, internal trade and transport, international trade, capital formation and investment, international ranking, etc.
3.2.3 Political importance:

Political stability, growing disparity between the urban elite and the rural poor can lead to political instability. Stable and developing a rural economy can help in political stability, which is equally important.

3.03 NEED OF RURAL DEVELOPMENT PROGRAMMES:

The basic needs of rural India still remain unmet. Rural areas still suffer from poor housing, health, education, water supply, employment. Self employment and transport facilities. As a result of economic reforms undertaken, the flow of funds into the social sectors is likely to slow down. The relative allocations to the sub-sectors of the social sector are found to have been disturbed, even showing declining trends.

Plan and non-plan expenditure of the central government on various social sector services increased from a level of Rs.9608 crore in 1992-93 to Rs. 36270 crore in 2000-01 [BE]; an increase of about four times in eight years. As a ratio to total expenditure on social services of central Government increased from 1.28 per cent in 1992-93 to
1.66 percent in 2000-01 (BE). Thus, in spite of the severe budgetary pressures faced by the Central government, it has attempted to enhance outlays for the social sectors.

### 3.3.1 Rural Housing:

Housing and shelter have been a basic and fundamental pre-requisite for human existence. Housing facilities ensure decent human existence. Housing is also a labour-intensive activity. Rural housing assumed importance because a section of the rural population appreciated doing business from home, thus making it their work-place. In India the problem of housing is both quantitative and qualitative.06

Housing shortage is multi dimensional problems and as such, it requires multi dimensional approach. The Government holds responsibility to take up different housing schemes, keeping in view their basic requirements and their affordability.

Efforts should be made to utilize to the maximum extent the local materials and low cost technology developed by various institutions. More and more houses in rural India
are going to be constructed with biomass materials, depending less and less on burnt bricks. A variety of industrial and agricultural wastes are available and technologies for using them need to be given due publicity.

Too much importance should not be given to cost reduction. With over emphasis on low cost, there has been a proliferation of structures which are inadequate. It would be much better to construct less number of houses, with puck roofs, so that the expenditure on up gradation can be avoided year after year.

The financial assistance for housing can be routed through the gram panchayat, and it should ensure proper utilization of funds. Also, the activities of various agencies should be well coordinated to overcome the problems of overlapping and duplication. House, as far as possible, should be built in clusters so that common facilities can be provided for the clusters.

3.3.2 Rural Health:

In most developing countries, access to health facilities has not been ensured for the poor for various reasons. As
per the world health Organization (WHO) statistics, 80 per cent of diseases in the developing countries are related to unsafe water supply and inadequate sanitation, causing high child mortality, low life expectancy and poor quality of life.

The non-availability functionary at their places of duty is a major problem. Two years of rural service should be made mandatory for any medical graduate before he can seek admission for post graduation. A short-term orientation should also be made mandatory for other PHC staff before the resume duty.07

The order to avoid duplication of efforts, all health, population and women and children related welfare programmes at the rural level should be converged.

Village health committees are being organized to help in the planning and implementation of health programmes and village health guides scheme is increasingly being supervised by such committees.

The village panchayats should start and manage village health facilities-commensurate with their resources.
Also, we have vast number of untrained medical practitioners in the countryside. There services need to be utilized in a rational manner.

### 3.3.3 Rural Education:

Education is an important conduct by which a person can think of development as an individual and a member of society. Yet, our progress on literacy and education fronts is not up to the mark.08

### 3.3.4 Rural Water Supply:

Water borne and other allied diseases are responsible for large incidences of mortality and morbidity in the community. These can be brought under control by providing protected water. Most villages in India are without adequate facilities for drinking water. True, several rural water supply schemes have been taken up under the programmes for community development, local development works and welfare of backward classes. Towards the end of 1954, the central Government introduced the National Water Supply and Sanitation Programme.
The village water supply programme was introduced during the Third plan (1961-66) period. It was intended primarily to deal with rural water supply at the village level. While executing the programme, emphasis was laid on providing water to areas which suffered from water scarcity and salinity and where water-borne diseases were endemic.

The Minimum Needs Programme was introduced in the fifth plan. At the beginning of the Sixth Plan (1980-85), 2.31 lakh villages were identified as ‘problem villages’. Also the programme was brought under the revised 20-point Economic Programme in 1982-83.

In the Seventh Plan (1985-90), low cost methods were preferred. It was realized that the maintenance of the assets created for water supply was neglected due to lack of funds and equipment. Therefore, 10 per cent of the plan fund under the minimum needs programme was ear-marked for maintains of water supply system in rural areas. The help of voluntary agencies was also sought.

In the Eighth Plan (1992-97), the stress was on community management of services, backed up by measures to strengthen local institutions in implementing
and sustaining water and sanitation programmes. Importance was also given to sound financial practices, achieved through better management of existing assets and extensive use of appropriate technology.09

3.3.5 Rural Roads:

Rural transport assumes special significance because the country has 6 lakh villages. These villages cannot hope to develop unless they are connected with towns and cities through better transport systems. In fact mobility is a sign of modernization and development. Rural transport would facilitate the introduction of modern inputs such as fertilizers and improved seeds.

Studies show that connecting the habitations to a neighboring market or to the main road leading to market helps the agricultural producer and those engaged in services and trade to raise their incomes. Lower transport costs increase farmer’s access to markets. Banks costs of doing business also came down.
Construction of rural roads also implies road maintenance. Road are to be kept in good condition to help efficient and quick movement of goods and passengers.10

3.04 ALLOCATION TO FUNDS BY MINISTRY OF RURAL DEVELOPMENT:

The development of rural areas and improvement in the quality of life of the rural people has been of primary concern in the economic planning and development process of the country. There is a growing realization that economic development and commendable advance made by the nation in divers fields would in reality be meaningless, if they fail to translate into better and dignified life or the majority living in rural India. In order to correct the developmental imbalances and to accord due priority to rural Development is implementing a number of programmes aimed at sustainable development of rural areas with a focus on weaker and vulnerable section the rural Development programmes have been streamlined and strengthened a number of initiatives have been taken by this ministry in the recent years for the creation of social and economics
infrastructure in rural areas to provide food security and to fulfill other basic needs of the rural poor.¹¹

To match with economic liberalization and structural adjustment and to provide for safety net, especially for rural poor, top priority has been accorded to Rural Development in terms of progressively increasing the allocation of resources for the implementation of poverty alleviation programmes. The allocation of funds for the rural development programmes has been enhanced to Rs.76, 774 crore for the tenth plan as against Rs.42, 874 crore during ninth plan. Funds to the tune of Rs.24480 crore were made available to the ministry during 2005-06. The budget estimates for the year 2006-07 is Rs. 31444 crores .The estimated budget for the year 2007-08 and 2008-09 respectively is Rs.36560 crores and Rs. 42400 crores.
Table No. 3.1

Financial Outlays of Scheme of the Ministry of Rural Development

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Source: Annual Report 2007–08 Ministry of Rural Dev. Govt. of India

Graph 3.1

Financial Outlays of Scheme of the Ministry of Rural Development

2008 – 2009

Source: Table No. 3.1
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