CHAPTER 1
INTRODUCTION

1.1. The Need

Most people who live in the rural area of developing countries are engaged in an unremitting struggle to secure a livelihood in the face of adverse social, economic and often political circumstances. Two points are central to an understanding of such struggles. The first point is the circumstances of poverty and its effect on poor people in rural households and the institutions of the market and the state. The second point is the modes of livelihood that typically prevail both within households and between households. In so far as livelihoods research is directed to the diagnosis of the causes of chronic poverty, the circumstances of poverty and the reasons for poverty should be understood through detailed analysis of social relations in a particular historical context.

This implies a structural or relational view of poverty, and, in turn, that understanding of its 'persistence' or its intractability or its 'deepening' should be driven by questions about inequalities of power. The analysis below starts with the

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1 Carney (1999), Sustainable Livelihoods: Lessons from early experiences, London, DFID
area where many of the current efforts to support livelihood change are situated: rural community development. Examples are given where approaches to supporting change have evolved or are being developed.

1.2. Concept and Definitions of Rural Livelihood

“Livelihoods” denotes the means, activities, entitlements and assets by which people make a living. Assets are defined as natural / biological (i.e., land, water, common-property resources, flora, and fauna); social (i.e., community, family, social networks); political (i.e., participation, empowerment—sometimes included in the social category); human (i.e., education, labour, health, nutrition); physical (i.e., roads, clinics, markets schools, bridges); and economic (i.e., jobs, saving, credit). The sustainability of livelihood becomes a function of low men and women utilize asset portfolios on both a short and long-term basis. Sustainable livelihoods are those that are able to cope with and recover from shocks and stresses such as drought, civil war, policy failure through adaptive and coping strategies.3

It is described that ‘livelihood’ as a combination of the capabilities and resource people have (including social, human, financial, natural and material assets) and the activities they

undertake in order to make a living and to attain their goals and aspirations.

A livelihood is sustainable when people cope with and recover from shocks and crises (e.g. seasonal, environmental and economic) and can maintain or enhance their capability and assets both now and in the future, while not undermining the natural resource base. The sustainable livelihoods approach is a way of thinking about the objectives, scope and priorities for development work. The approach puts people at the centre of development work. An attempt has been made to understand the socio-economic development and resource management from this human perspective. The development Alternatives (DA) approach encompasses activities intended to help economically disadvantaged members of society to meet their daily subsistence needs in a manner that is dignified, locally appropriate and environmentally sustainable. Sustainable livelihood creation basically translates into the creation of livelihoods that empower individuals to earn enough money to provide for basic amenities such as food, clothing and shelter. It also enables people to lead a life of dignity in a sustainable manner. Livelihoods are ways of keeping oneself meaningfully occupied by using one’s endowments (human and material) to

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generate adequate resources to meet the requirements of the household in a sustainable manner. A livelihood comprises the capabilities, assets (stores, resources, claims and access) and recovers from stress and shocks maintain or enhance its capabilities and assets and provide sustainable livelihood opportunities for the next generation and which contributes net benefits to other livelihoods at the local and global levels and in the long and short run (Chambers and Conway, 1992). A livelihood intervention (livelihood promotion) is a conscious effort by an agency or an organization to promote and support livelihood opportunities, usually for a large number of people. Livelihood intervention is more than income enhancement. It is about increasing the economic power of people. It is facilitating asset creation, capacity building and access to opportunities. It is building securities. A livelihood comprises the capabilities, assets (including both material and social resources) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stresses and shocks and maintain or enhance its capabilities and assets both now and in the future, while not understanding the natural resource base’ (DFID, 1999). Key components of the framework for analyzing the livelihoods of individuals and the community are their capital assets, their vulnerability context and the
transforming structures (layers of organizations both in the private and government sectors) and processes (laws, policies, incentives) which shape and influence the livelihood strategies which they adopt. The framework for their interaction is illustrated.

The livelihood strategies indicate reflect their choices in building on their assets: gaining more from a livelihood through increased agricultural production (more outputs per unit area with increased capital or labour inputs), or by cultivating more land. Alternatively, there may be opportunities to diversify into off-farm income-earning activities, or to seek a livelihood by moving away temporarily or permanently. These combinations of activities which make up a livelihood strategy are known as a ‘livelihood portfolio’. A portfolio will be diversified over time, and between households, communities and generations; hence, the composition of livelihood strategies is a dynamic element of sustainable livelihoods, and as such requires a historical analytical approach. The transport sector is associated largely with improvements in physical capital. However, access to transport and other services such as schools, health clinics and markets is integral and contributory to the development of all the capital assets; hence, transport practitioners have a significant role to play in understanding and supporting
sustainable livelihoods as part of a multi-sectoral analysis of community life.

1.2.1. Goals, Objectives and Strategy for the Livelihoods Security

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 promoting decentralization of powers to strengthen the Panchayat raj institutions. The Chief Minister’s 15 point programme is a visionary programme which seeks to make Tamil Nadu the best State in the country by way of creating growth opportunities in rural areas and eradicating rural poverty. To achieve the above objectives, the following priorities and thrust areas have been identified during the Tenth Five Year Plan period.

1.2.2. Targets and Relevance to the Rural Livelihoods Security during Tenth Plan

- Reduction of Poverty to 10% by 2006-07 and near elimination by 2012.
- All weather roads to rural habitations having population above 500 by 2004.
- Formation of 1.25 lakh Self Help Groups.
- Integrated Sanitary Complex for women in all Panchayats by 2003.
- Augmentation of water storage capacity of 12,618 village Panchayat tanks through renovation.
- Training to 63,044 local bodies elected representatives including SHGs and officials to improve skill and capacity building.
- The goal is reduction of poverty from 21.12% in 1999-2000 to 10% by 2006-07 and near elimination by 2012. Poverty reduction will be attempted.
- Special efforts for generation of adequate employment and creation of durable community assets to improve the rural people especially the small farmers, marginal farmers, rural artisans etc., through programmes like Sampoorna Grameen Rozgar Yojana (SGRY).
- Decentralization of the process of planning by entrusting major role to the Panchayat raj bodies in the preparation of local level planning.
- Improving the efficiency and capacity of the officials and elected local body representatives.
- Providing all weather roads to all rural habitations having a population above 500 by 2004.
- Strengthening of Grama Sabha the governing body of village assembly as an agency of social audit and to review the implementation of programmes.
- Special efforts will be made to converge various schemes and programmes for accelerating the development process through special schemes like village self-sufficiency scheme etc.
• Emphasis will be given to the maintenance of the assets created under various schemes.

1.3. Dimensions of Rural Livelihoods

Rural livelihoods force the strategies and approach for the promotion living standard of rural people, which emphasizes the basics for survival of rural people. The dimensions of rural livelihoods are detailed briefly below.

1. 3.1. People Centered

People rather than the resources they use are the priority concern in the livelihoods approach, since problems associated with development often root in adverse institutional structures impossible to be overcome through simple asset creation. Therefore, sustainable poverty reduction will entail success only if development agents work with people in congruency with their current livelihood strategies, social environment and capabilities to adapt. At a practical level this implies a detailed analysis of people’s livelihoods and their dynamics over time.

1. 3.2. Holistic

A holistic view is aspired in understanding the stakeholder's livelihoods as a whole, with all its facets. This is not intended to be an exact representation of the way the world is, but rather a manageable model to identify the most pressing
constraints faced by people regardless of where (i.e. which sector, geographical space,...) these occur.

1. 3.3. Dynamic

Just as people’s livelihoods and the institutions that shape them are highly dynamic, so is the approach in order to learn from changes and help mitigating negative impacts, whilst supporting positive effects.

1. 3.4. Building on Strengths

A central issue of the approach is the recognition of everyone’s inherent potential for his/her removal of constraints and realization of potentials. This will contribute to the stakeholder’s robustness and ability to achieve their own objectives.

1. 3.5. Macro-micro links

Development activity tends to focus at either the macro or the micro level, whereas the SLA tries to bridge this gap in stressing the links between the two levels. As people are often affected from decisions at the macro policy level and vice-versa, this relation needs to be considered in order to achieve sustainable development.

1.3.6. Sustainability

A livelihood can be classified as sustainable, when it is resilient in the face of external shocks and stresses, when it is
not dependent upon external support, when it is able to maintain the long-term productivity of natural resources and when it does not undermine the livelihood options of others (see also Sneddon, 2000). The Sustainable Livelihoods Approach serves as an instrument for the investigation of poor people’s livelihoods, whilst visualizing the main factors of influence. Like all models, the SLF is a simplification and does not represent the full diversity and richness of livelihoods, which can only be understood by qualitative and participatory analysis at the local level.

**Fig.1.1**

*Flow Chart Showing the Dimensions of Rural Livelihood Framework*
In its simplest form, the framework depicts stakeholders as operating in a context of vulnerability, within which they have access to certain assets. These gain their meaning and value through the prevailing social, institutional and organizational environment (Transforming structures and Processes). This context decisively influences the Livelihood Strategies that are open to people in pursuit of their self-defined beneficial Livelihood Outcomes (see fig.1.1).

In other words, the framework provides a checklist of important issues and sketches out the way these link to each other, while it draws special attention to core influences and processes and their multiple interactions in association to livelihoods.

In the following, the core ideas represented in the SLF are explained and defined in the way they should be understood in this context.

1.4. Rural Livelihoods and Its various Components

Literally and from the social, economic and political perspectives, the statement is valid even today. Around 65% of the State’s population is living in rural areas. People in rural areas should have the same quality of life as is enjoyed by people living in suburban and urban areas. Further there are
cascading effects of poverty, unemployment, poor and inadequate infrastructure in rural areas on urban centre causing slums and consequential social and economic tensions manifesting in economic deprivation and urban poverty. Hence, livelihood which 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. The present strategy of livelihood security mainly focuses on poverty alleviation, better livelihood, opportunities, provision of basic amenities and infrastructure facilities through innovative programmes of wage and self-employment. The above goals will be achieved by various programme support being implemented creating partnership with communities, non-governmental organizations, community based organizations, institutions, PRIs and industrial establishments, while the Department of rural development will provide logistic support both on technical and administrative side for programme implementation. Other aspects that will ultimately lead to transformation of rural life are also being emphasized simultaneously.

Though the percentage of persons below poverty level in Tamil Nadu has come down significantly between 1993-94 (35.03%) and 1999-2000 (21.12%) as a result of the
implementation of various central and state sponsored schemes, the level of poverty both in absolute numbers (130.40 lakh persons) and percentage of population below poverty line (21.12%) in Tamil Nadu is highest among the four southern States. In spite of huge investments on wage and self-employment programmes, the level of unemployment as per the NSSO 55th round (1999-2000) for Tamil Nadu compared to All India is the second highest among major States in 1987-88 and 1993-94 and third highest in 1999-2000. The government’s policy and programmes have laid emphasis on poverty alleviation, generation of employment and income opportunities and provision of infrastructure and basic facilities to meet the needs of rural poor. For realizing these objectives, self-employment and wage employment programmes continued to pervade in one form or other. As a measure to strengthen the grass root level democracy, the Government is constantly endeavoring to empower Panchayat Raj Institutions in terms of functions, powers and finance. Grama Sabha, NGOs, Self-Help Groups and PRIs have been accorded adequate role to make participatory democracy meaningful and effective. An outlay of Rs.2000 corers was provided for Rural Development sector during Ninth Plan period. The budgetary support and allocation from 1997-98 to 2001-02 for various schemes/ programmes was
Rs.2498.30 crores. The year-wise outlay and expenditure are indicated below.

**Table 1.1**

**Fiscal Outlay for the Livelihood Projects in India During 1997 to 2002**

<table>
<thead>
<tr>
<th>Year</th>
<th>I.R.D.P. No. of families benefited</th>
<th>TRYSEM No. of persons trained</th>
<th>DWCRA No. of groups formed</th>
<th>No. of SHGs formed</th>
<th>SGSY economic assistance provided</th>
<th>Families benefited</th>
<th>Individual assisted</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997-98</td>
<td>180696</td>
<td>16479</td>
<td>2041</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1998-99</td>
<td>142813</td>
<td>12381</td>
<td>2917</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>1999-2000</td>
<td>New scheme-SGSY introduced</td>
<td>18661</td>
<td>3198</td>
<td>-</td>
<td>47264</td>
<td>18163</td>
<td></td>
</tr>
<tr>
<td>2000-01</td>
<td>-</td>
<td>-</td>
<td>25324</td>
<td>4712</td>
<td>71503</td>
<td>11890</td>
<td></td>
</tr>
<tr>
<td>2001-02</td>
<td>-</td>
<td>-</td>
<td>12132</td>
<td>2158</td>
<td>34098</td>
<td>1259</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>323509</td>
<td>28860</td>
<td>4958</td>
<td>56117</td>
<td>10068</td>
<td>152865</td>
<td>31312</td>
</tr>
</tbody>
</table>

Source: Annual Report, Ministry of Rural Development- 2005-06

During the Ninth Five Year Plan, under IRDP, income generating assets were provided to 3.235 lakh families through subsidy and credit. Under TRYSEM 28,860 rural youths in the age group of 18 to 35 from the families of below poverty line were provided with training enabling them to take up income generating activities. Under DWCRA 4,958 women groups covering 12.40 lakh beneficiaries were formed and they were provided with revolving fund, credit and subsidy so as to enable them to participate in social developmental activities towards achieving economic self-reliance.
During 1999-2000 the IRDP, TRYSEM, and DWCRA were merged to form a new self-employment programme called Swarna Jayanthi Gram Swarojgar Yojana (SGSY) with effect from 1-4-99. Under SGSY 56,117 Women Self Help Groups (SHGs) were formed from the families of below poverty line. Out of this 10,068 SHGs have been provided with economic assistance under various trades enabling them to take up income generating activities. Under SGSY 31,312 individual beneficiaries have also been provided with economic assistance. Mandays generated and community assets created under centrally sponsored schemes during the Ninth Five Year Plan.

Table 1. 2

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the scheme</th>
<th>Unit</th>
<th>Mandays generated / Assets created</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>JRY / JGSY</td>
<td>Lakh in Mandays</td>
<td>1048.95</td>
</tr>
<tr>
<td>2</td>
<td>EAS</td>
<td></td>
<td>1344.38</td>
</tr>
<tr>
<td>3</td>
<td>IAY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>New houses</td>
<td>Nos.</td>
<td>2,08,441</td>
</tr>
<tr>
<td>5</td>
<td>IAY Kutcha houses</td>
<td>Nos.</td>
<td>41,239</td>
</tr>
<tr>
<td>6</td>
<td>PMGY Rural shelter</td>
<td>Nos.</td>
<td>6880</td>
</tr>
<tr>
<td>7</td>
<td>Credit cum subsidy</td>
<td>Nos.</td>
<td>5577</td>
</tr>
<tr>
<td>8</td>
<td>Million Wells Scheme</td>
<td>Nod.</td>
<td>9588</td>
</tr>
</tbody>
</table>

* Scheme dispensed during 1999-2000 onwards and merged with SGSY.

The total man-days generated under Employment Oriented Schemes like JRY/JGSY and EAS work out to 2393.33
lakhs. These schemes in addition to the creation of infrastructural facilities such as roads, school buildings, improvement of tanks etc. provided employment and income opportunities to the rural poor. Regarding provision of housing facilities, 2.08 lakh new houses were constructed and 41,239 kutcha houses upgraded under IAY, 6880 new houses were constructed and 41,239 kutcha houses upgraded under IAY, 6880 new houses were constructed and 41,239 kutcha houses upgraded under IAY, 6880 new houses were constructed under PMGY-Rural Shelter for benefit of rural poor living below poverty line. Under credit cum subsidy scheme, 5,577 houses were constructed for the benefit the people above poverty line. Access to pucca dwelling provides basic housing as well as better environment for the beneficiaries and raises the social status of the members of the household. Under Jeevandhara Irrigation wells scheme (Million Wells Scheme), totally 9588 beneficiaries were assisted to dig irrigation wells during 1997-98 and 1998-1991. During the Ninth Five Year Plan, the State Government introduced new schemes such as Member of Legislative Assembly Constituency Development Schemes (MLACDS), Annamarumalrci Thittam (AMT) and Namakku Naame Thittam. Under MLACDS, 42,954 works were taken up at a total cost of Rs.580.46 crores, 1,05,605 works were taken up at a total cost
of Rs.301.86 under AMT and 28,421 works were taken up at a total cost of Rs.157.11 crores under Namakku Naame Thittam.

1.5. Development Measures for Livelihood Security in India

The schemes / programmes proposed to be implemented during the Tenth Plan period to achieve the above cherished objectives are

1.5.1. Central Policies towards Rural Development

1. Poverty Alleviation programmes

2. Swarnajayanthi Gram Swarojgar Yojana (SGSY)

The magnitude of poverty and disparities that existed between the various social groups necessitated planned state intervention to provide succour and relief particularly to the disadvantaged and marginalized groups such as SC/ST, women, etc. Keeping this in view and having regard to the positive aspects as well as deficiencies, the earlier self-employment programmes like TRYSEM, SITRA, GKY, DWCRA, IRDP and MWS were merged and a new self-employment programme viz., SGSY was launched w.e.f. 1.4.1999.

1.5.2. Inception of SGSY and its Achievements

The SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self-employment and establishing effective linkages between the various components
viz., organization of the rural poor into Self Help Groups (SHGs), their capacity building, planning of activity clusters, infrastructure build up, technology, credit, marketing, etc. The main objective of the programme is bringing the existing poor families above the poverty line. Among the rural poor, special emphasis will be given to the welfare of SCs/STs, women and disabled. The programme lays emphasis on organization of poor into Self Help Groups (SHGs) and their capacity building. The SHGs may consist of 10 to 20 persons. 4 to 5 key activities will be identified in each block based on the resource endowments, occupational skills of the people and availability of markets and these activities will be implemented in clusters. 10% of the SGSY fund will be set apart for training, wherein emphasis will be given for skill development through well designed courses. SGSY is a Credit cum Subsidy programme with the involvement of banking and financial institutions. The expenditure under SGSY is shared by the Centre and the States in the ratio of 75:25. Subsidy will be provided at 30% of the project cost subject to a maximum of Rs.7, 500 and 50% for SC/ST subject to a maximum of Rs.10, 000. For groups, the subsidy is 50% subject to a ceiling of Rs.1.25 lakhs.

During the Tenth Five Year Plan under SGSY it, has been proposed
(i) To form 1.25 lakh Self Help Groups benefiting 25 lakh women beneficiaries in rural areas.

(ii) To impart EDP and Vocational training for about 5 lakh rural women to start micro enterprise for economic independency.

(iii) To train 3 lakh unemployed youth to take up self-employment.

(iv) To construct one Self Help Group Centre per Panchayat to conduct meeting, store and display their products and to hold training programmes for the members of SHGs.

(v) To establish District information Service Centre in each district to provide backward and forward linkages in marketing.

The State's share of the SGSY scheme during the Tenth Plan will be 131.45 crores.

1.5.3. Role of Sampoorna Grameen Rozgar Yojana (SGRY)

Creation of sustained employment opportunities for securing a minimum level of employment and income for the rural poor necessitated continuous need for special employment programmes. Keeping the above aim and to strengthen the need based infrastructure at the village level to boost the rural economy the erstwhile wage employment programmes JGSY and
EAS were merged and a new scheme namely SGRY was launched from 15th August 2001. The main objective of the new programme is to provide additional wage employment in the rural areas as food security by creation of durable community social and economic assets and infrastructure development in rural areas. Towards this end the SGRY envisages distribution of food grains @ 5 kg per man day to the workers as part wages. While the cash component will be shared by the Centre and States in the ratio of 75:25, the Central Government will supply the food grains free of cost to the States. The scheme will be implemented in two streams. The first stream will be implemented at the District and Panchayat Union levels. 50% of the funds and food grains available under the programme will be distributed between the District Panchayat and the Panchayat Union in the ratio of 40:60. The second stream will be implemented at the Village Panchayat level. The entire allocation under this stream will be distributed among the Village Panchayats through the DRDAs/ District Panchayats. To augment the storage capacity of the tanks maintained by the local bodies towards increasing the availability of water for drinking, irrigation and other purposes it has been proposed to renovate one tank per panchayat under this scheme. During the Tenth Plan, the State’s share would be Rs.303.80 crores.
1.5.4. Rural Housing and Rural Livelihoods Security

The aim of the State Government is to provide a dwelling for each family giving special emphasis to rural poor and deprived.

A. Indira Awass Yojana

With a view to meeting the housing needs of the rural poor, Indira Awaas Yojana (IAY) was launched in May 1985 as a sub-scheme of Jawahar Rozgar Yojana. It has been implemented as an independent scheme since 1 January 1996. It aims at helping below poverty line rural households belonging to SCs/STs, free bonded laboures, widows of next-of kin of defence personnel, ex-servicemen and retired members of the paramilitary forces and also non SC/ST rural poor by providing them with grant-in-aid for construction of new dwelling units and upgradation of existing unserviceable kutcha houses. 3% of funds are reserved for the benefit of disabled poor below the poverty line in rural areas. The assistance ceiling for each house in plain area is fixed at Rs.20,000/- and for hill/difficult areas Rs.22,000. In order to enable fire proof RCC roofed houses to be provided, the State Government provides additionally the Central grant. The expenditure towards provision of RCC roofing is met under Adi-dravida Welfare head. Therefore, the unit cost including sanitary latrine under this scheme is Rs.32,000/- in
normal terrain and Rs.34,000 in difficult terrain. 80% of the IAY funds are earmarked for construction of new houses and 20% is towards upgradation of unserviceable kutchha houses at the rate of Rs.10,000/- per unit. The funds under IAY are shared between Centre and States in the ratio of 75:25. During the Tenth Plan it has been proposed to construct 1,54,090 new houses and to upgrade 78,790 unserviceable kutchha houses into pucca houses. The proposed outlay during the Tenth Plan under IAY under SCP is Rs.292.89 crores.

**B. Credit cum Subsidy Scheme for Rural Housing**

The Credit-cum-subsidy Scheme has been conceived for rural households having an annual income up to Rs.32,000/-. Subsidy up to Rs.10,000/- and loan up to Rs.40,000/- from commercial or co-op. banks are provided to eligible households for construction of houses. Out of the total outlay of Rs.9.15 crores, 25% share of the State Government will be Rs.2.29 crores. The physical target under the scheme will be 914.

**C. Innovative Stream for Rural House and Habitat Development Scheme**

This scheme intends to popularize low cost technology and usage of locally available materials in construction of buildings in rural areas. Innovative technologies adopted for the rural house type design in the scheme are:
(i) Rat-trap bond brick work, hollow blocks and soil stabilized cement mortar for construction of walls.

(ii) Filler slab roofing using Mangalore tiles as filler material for roofing.

(iii) Ferro cement/pre-cast RCC doors, window, frame and shelter and

(iv) Brick baf with plastering for flooring.

Under this scheme free houses are constructed for the rural poor. Infrastructure such as drinking water, drainage, street formation, etc. are provided by dovetailing funds under other ongoing schemes in the habitations developed under this scheme. This scheme is fully funded by the Government of India. The scheme will be taken up in the districts of Tiruvannamalai, Salem, Dharmapuri, Nilgiris, Nagapattinam, Tiruvarur, Theni, Ramanathapuram, Sivagangai and Villupuram during the Tenth Plan at a total cost of Rs.5 crores.

**D. Pradhan Mantri Gramodaya Yojana (PMGY) (Rural Shelter Component)**

This scheme has been introduced by the Government of India under additional Central assistance for providing shelter in the rural areas to supplement the efforts in the sphere of rural housing considering the magnitude of the task. The guidelines
of Indira Awaas Yojana are applied for this scheme also. 60% of the total allocation is earmarked for SC/ST beneficiaries. During Tenth Plan it has been proposed to construct 34,475 rural shelters with an allocation of Rs.111.14 crores.

1.6. Member of Parliament Local Area Development Programme

The Government of India introduced this scheme in 1993. Each MP (Lok Sabha and Rajya Sabha) was allotted Rs.2 crore per annum to take up developmental works in this constituency. The District Collectors and in respect of Chennai, the Commissioner of Chennai Corporation implement the scheme. In Tamil Nadu, there are 39 Lok Sabha MPs and 18 Rajya Sabha MPs and hence Rs.114 crores is received annually from Government of India under this scheme. A Member of Rajya Sabha may select any district of the State for exercising the choice of works under the scheme. The executive authorities concerned after studying the feasibility of the proposals of members will execute the works by following open tender system. The list of works that can be taken up under this scheme includes school buildings, village roads/approach roads, and irrigation canals, bus shelters, desilting of village ponds etc. An outlay of Rs.570 crores has been proposed under this scheme.
during Tenth Plan period, which will be directly released to the District Collectors by GOI for executing the works.

1.7. Pradhan Mantri Gram Sadak Yojana (PMGSY)

The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a Government of India Scheme introduced in the year 2000-2001 with the objective of providing road connectivity through good all weather roads to all unconnected rural habitations having a population above 1000 by 2003 and all unconnected rural habitations having a population of 500 and above by the end of Tenth Plan period (2007). Under this programme the approved works are grouped into packages costing more than Rs.1 crore but less than Rs.5 crore and executed through tender system. The guidelines stipulate that district master plans would be prepared. A District Rural Road Plan is prepared for each district indicating the habitations in each block with the existing status of road connectivity. The scheme will be fully funded by the Government of India and an allocation of Rs.750 crores has been proposed for the Tenth Plan, which will be shown under the chapter Rural Roads.

1.8. Rashtriya Sam Vikas Yojana (RSVY)

During Tenth Plan a new scheme viz, Rashtriya Sam Vikas Yojana (RSVY)- Development and Reform Facility will be
launched by the Government of India. The prime objective of RSVY is to address the problems of pockets of high poverty, low growth, low agricultural productivity, unemployment and poor governance by putting in place programmes and policies, which would remove barriers to growth and accelerate the development process. An amount of Rs.15 crores per year will be provided for implementation of various developmental programmes such as drought proofing (soil conservation, afforestation, social forestry, wasteland development and minor irrigation), agriculture, horticulture, etc. Infrastructure (road and power), social sector (health and education) and livelihood support (income generating activities such as handloom, information technology, agricultural processing etc.): Under the scheme 15% of the funds will be earmarked for maintenance of assets in health, education and veterinary sectors. The main focus and strategy of the scheme will be on infrastructure development and income generation for under-privileged. The scheme will be implemented through people’s participation, involvement of PRIs, NGOs and Self Help Groups at every stage including plan formulation, implementation and monitoring. Thiruvannamalai district has been selected on pilot basis for implementation of RSVY scheme. During Tenth Plan period the total amount of Rs.225 crores is proposed under the scheme.
1.9. Development Measures to enhance the Rural Livelihood Security by the State Government of Tamilnadu

1.9.1. Village Fair Development Scheme

The Agro-based industries play a vital role in the development of rural economy. It is essential that the farmers should have remunerative returns and the agricultural labourers should have high wages. To enhance the livelihood security of the farmers and agricultural labourers, the Village Fair Development Scheme has been launched. Presently the agriculture produces are marketed in shanties maintained by village panchayats and panchayat unions. These shanties are maintained without adequate infrastructure facilities. It is proposed to provide facilities such as stalls, drinking water to cattle/people, public convenience, lighting facilities, improvement to inner roads between the stalls etc. These will also facilitate the rural masses to have an access to agriculture produce besides improved income to the local bodies. The above scheme will be implemented in 25 districts with (NABARD) assistance costing Rs.5.00 crores during the Tenth Plan period.

1.9.2 Village Self-sufficiency Scheme

The main objective of the scheme is to promote self-reliant and self-help attitude among the rural people. This scheme attempts to reverse growing dependency syndrome in the rural
areas on Government and bring back to the mainstream of
development process by inculcating community involvement and
participatory approach in development. Community needs are
articulated by the public through Grama Sabha and after
thorough deliberations, their needs are prioritized and converted
as implementable projects where the public themselves actively
contribute in cash, kind or through labour to supplement the
government funds and execute the works. The Government
provides necessary technical support to execute the works. This
scheme maximizes the utility value of the funds allocated by the
Government. Apart from expediting the execution and improving
the quality of work, it also promotes the concept of community
maintenance of public assets. The outlay proposed for this
scheme during the Tenth Plan period is Rs.120 crores.

1.9.3. Member of Legislative Assembly Constituency
Development Scheme (MLACD)

The Member of Legislative Assembly Constituency
Development Scheme is fully funded by the State Government.
The main objective of the scheme is to bridge the critical
infrastructural gap in the Assembly Constituencies. Under this
scheme each member of Legislative Assembly shall identify the
works that should be executed in his constituency. The
allocation for each Assembly Constituency is Rs.82 lakhs.
Important works like Integrated Sanitary Complexes for Women, construction of hostels for SC/STs, BC/MBCs students, construction of office buildings for VAOs and provision of drinking water in drought-affected areas are taken up on priority basis. The remaining works proposed by MLA should be in accordance with the guidelines issued in this regard. An outlay of Rs.1059.85 crores has been proposed under the scheme during the Tenth Plan period.

1.9.4. **State Finance Commission Grant**

A devolution formula has been adopted for devolving resources to urban and rural local bodies based on the recommendations of the Second State Finance Commission for the award period 2002-07 coinciding with the Tenth Plan period. The rural and urban local bodies will receive 8 percent of the States’ Own Tax Revenue after excluding Entertainment Tax receipts. The vertical sharing of resources between rural and urban local bodies will be in the ratio of 58:342. Of the total devolutions to the urban local bodies, the resources will be shared between the Corporations, Municipalities and Town Panchayats in the ratio 31:34:35. The devolution to rural local bodies will be shared among the Village Panchayats, Panchayat Unions and the District Panchayats in the ratio 47:45:8. Further the State Finance Commission grants will be released to the
local bodies on a monthly basis. An outlay of Rs.659.47 crores is provided for this purpose.

1.9.5. Integrated Sanitary Complex for Women

Tamil Nadu’s coverage in rural sanitation is presently at 11% which is lower than the national average of 15%. To protect dignity and privacy of the women the Government has launched a new scheme called the Integrated Sanitary Complex for women to provide toilets and facilities for bathing and washing for women under one roof. Each sanitary complex will be spread over approximately 750 sq.ft. with 10 toilets and 3 cubicles for bathing. Each complex has an independent water connection to ensure that the uses have a steady and continued supply of water. A pump room and water tank will also form part of the sanitary complex. The operation and maintenance of these sanitary complexes will be the responsibility of the village panchayats and self-help groups. Monitoring committees will also be formed for proper maintenance of these sanitary complexes. An outlay of Rs.284 crores has been proposed under this scheme during the Tenth Plan period.

1.9.6. Area Development Programme

Provision of infrastructure facilities like drinking water, street lights, formation of link roads, construction of school
buildings and health sub-centres have been proposed to be taken up in the Western Ghats taluks under WGDP. These works will be planned and executed by the concerned local bodies. The outlay proposed under the above head during the Tenth Plan period is Rs.1.90 crores. The Drought Prone Area Programme (DPAP) is an integrated watershed development programme with the prime objective of promoting the overall economic development of watershed community by optimally utilizing natural resources so as to mitigate the adverse effects of drought, prevent further ecological degradation and create employment through non-farm activities. This programme is implemented in 16 districts: 1. Dharmapuri (14), 2. Thoothukudi (18), 3. Sivagangai (7), 4. Ramanathapuram (7), 5. Virudhunagar (7), 6. Pudukottai (4), 7. Tirunelveli (1), 8. Salem (5), 9. Namakkal (3), 10. Coimbatore (5), 11. Thiruvannamalai (1), 12. Dindigul (3), 13. Vellore (6), 14. Tiruchirapalli (1), 15. Perambalur (6), and 16. Karur (2) (No.of blocks in brackets).

The programme is sponsored by the Government of India and the expenditure is shared in the ratio of 75:25 between and Central and State Governments. The DPAP is implemented on watershed approach. Each watershed covers an area of approximately 500 ha. The allocation per hectare is Rs.6,000.
This programme consists of 5 major components, namely, 1. Entry point activity, 2. Community organization, 3. Training, 4. Developmental activities and 5. Project administration.

The developmental works carried out under DPAP are as follows:

i. Land development including land leveling, summer plugging, institutional and moisture conservation measures like contour and graded bunds fortified by vegetation, bench terracing in hilly terrain.

ii. Drainage line treatment with a combination of vegetative and engineering structures.

iii. Development of small water harvesting structures such as low cost farm ponds, null a bunds, check dam and percolation ponds.

iv. Nursery raising for fodder, timber, fuel wood and horticultural species.

v. Afforestation activities including block plantations, avenue plantation, shelter belts, sand dune stabilization, etc.

vi. Agro-forestry and horticultural development.

vii. Pasture development either by itself or in conjunction with plantations.

viii. Repair, restoration and upgradation of existing common property assets and structures in watershed to obtain
optimum and sustained benefits from previous public investments.

ix. Crop demonstration for popularizing new crops/varieties or innovative management practices.

Proposals - Development works in 297 watersheds sanctioned in the first batch during 1995-96 to 1999-2000 have already been successfully completed with a total outlay of Rs.53.57 crores covering 42,090 hec. Watersheds sanctioned during 1999-2000 and 2001-02 will be continued during the Tenth Plan period. In addition it is expected that 700 more watershed projects would be taken up during the Tenth Plan period. The outlay proposed under DPAP would be Rs.210 crores during the Tenth Plan out of which the State’s share would be Rs.52.50 crores. The total outlay towards Special Programme for Rural Development is Rs.3500 crores.
Table 1.3

Outlay for Different Livelihood projects during 10th Five year Plan

<table>
<thead>
<tr>
<th>Proposed outlay for Special Programmes for Rural Development (Rs. in crores)</th>
<th>Outlay for Tenth Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Member of Legislative Assembly Constituency Development scheme (MLACD)</td>
<td>1059.85</td>
</tr>
<tr>
<td>Village Self-sufficiency scheme</td>
<td>120.00</td>
</tr>
<tr>
<td>Capital Programme of Infrastructure Development by Rural Local bodies</td>
<td>100.00</td>
</tr>
<tr>
<td>Rural Sanitary Complex for Women</td>
<td>284.00</td>
</tr>
<tr>
<td>Construction of building for VAO’s Office</td>
<td>19.80</td>
</tr>
<tr>
<td>Village Fair Development scheme</td>
<td>5.00</td>
</tr>
<tr>
<td>SGSY</td>
<td>131.45</td>
</tr>
<tr>
<td>SGRY</td>
<td>303.79</td>
</tr>
<tr>
<td>IAY Under Special Component Programme</td>
<td>292.89</td>
</tr>
<tr>
<td>Special component plan for rural shelter</td>
<td>111.14</td>
</tr>
<tr>
<td>District Reform facility</td>
<td>225.00</td>
</tr>
<tr>
<td>Finance Commission Grants to Local bodies</td>
<td>659.47</td>
</tr>
<tr>
<td>DRDA Administration cost</td>
<td>20.07</td>
</tr>
<tr>
<td>Other Rural Development Programme</td>
<td></td>
</tr>
<tr>
<td>Area Development Programme</td>
<td></td>
</tr>
<tr>
<td>Western Ghats Development Programme</td>
<td>1.90</td>
</tr>
<tr>
<td>Drought Prone Area Programme</td>
<td>52.50</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3500.00</strong></td>
</tr>
</tbody>
</table>


1.9.7. Rural Sanitation

To provide more and more sanitation facilities to rural population, generate awareness about health education and eradicate manual scavenging, the Total Sanitation Campaign scheme under RCRSP was continued during the Tenth Five Year Plan period. The total sanitation campaign envisages a demand
driven approach with greater public participation and more emphasis given to IEC activities to create awareness among the rural masses. The project would be implemented in 24 months spread over 3 years in select districts with the ultimate objective of covering 80% rural population under sanitation. The expenditure on this scheme is shared by the Central and State Governments on 80:20 basis. An outlay of Rs.19.15 crores has been provided under the Tenth Plan.

This scheme aims to improve the health and sanitary condition in the project area villages through integrated approach to provide safe drinking water and sanitation through participatory and demand driven approach. This programme is implemented with DANIDA assistance. Water supply works, individual latrines and institutional latrines are taken up in the project area. The outlay provided is Rs.16.27 crores.

1.9.8. Improvement of Rural Infrastructural Resources

At present, panchayats and panchayat unions are maintaining 52% of the total length of the roads in the state. The road transport has emerged as the most eminent mode of transport in the light of its inherent advantages of lower cost of travel and flexibility in operation. The rural road also provides outlet to market centers, taluk headquarters and other main roads. Hence, it is essential to improve village roads to all
weather roads i.e., by black topping. The improvement of road works has been taken up under Rural Infrastructure Development Fund ( RIDF) under Nabard. An outlay of Rs.923.75 crores has been proposed under this head during the Tenth Plan. It has also been proposed to avail a loan amount of Rs.93.76 crore under RIDF-V. The objectives of the schemes are (i) to assist the ST families to cross the poverty line with special emphasis on improving agriculture, irrigation and education in tribal areas and (ii) to provide basic infrastructure facilities for better living conditions. An outlay of Rs.2.39 crores has been proposed during the Tenth Plan.

With a view to provide basic infrastructure facilities such as drinking water, street lights, link roads, construction of school buildings, health sub-centers, etc., an outlay of Rs.294.68 crores has been proposed during the Tenth Plan.

1.9.9. Local Bodies Incentive Scheme

An outlay of Rs.80 crores has been proposed during the Tenth Plan. Thus, the total outlay for community development for the Tenth Plan is Rs.600 crores.
Table 1.4

Outlay for Community Development

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Name of the Scheme / Programme</th>
<th>Outlay (State share)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Improvement of rural roads, bridges and drainage structures under RIDF</td>
<td>93.75</td>
</tr>
<tr>
<td>2.</td>
<td>Loans for improvement of rural roads, bridges and drainage structures under RIdF-V</td>
<td>93.76</td>
</tr>
<tr>
<td>3.</td>
<td>Integrated Rural sanitation and water supply project with DANIDA assistance</td>
<td>16.27</td>
</tr>
<tr>
<td>4.</td>
<td>Central Rural Sanitation Programme</td>
<td>19.15</td>
</tr>
<tr>
<td>5.</td>
<td>Local Bodies incentive scheme</td>
<td>80.00</td>
</tr>
<tr>
<td>6.</td>
<td>Formation of Tribal blocks in Hill areas</td>
<td>2.39</td>
</tr>
<tr>
<td>7.</td>
<td>Provision of infrastructure facilities for rural local bodies</td>
<td>294.68</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>600.00</strong></td>
</tr>
</tbody>
</table>


1.10. Summary

Rural Livelihood is the recent concept, which is the advanced strategy to promote social, economic and cultural development of rural poor. Livelihood in rural area, comprises community development, development of basic amenities, food security, income generation, women employment tribal development and soon. It is emphasized through various development and welfare oriented policies and strategies. The outlay of various projects with regard to livelihood projects is implemented by both the state and central government, in order to secure the rural livelihood sources for rural people. It is also
important to note that almost all the efforts of strategies and approaches, in terms of livelihood projects, have created a remarkable scathing in the development process of social, economic, cultural and environment facts of rural people and rural area.