CHAPTER-1
RURAL DEVELOPMENT IN INDIA

1.1 Development

Stepping towards positive direction is called development. This implies an overall positive change in the physical quality of life. This positive change for the better encompasses economic as well as social aspects. Thus development not only calls for economic growth but also the equitable distribution of the gains made from economic growth. Development can further be termed as growth with justice that means an improvement in the quality of life through better health, education, housing and overall material and social welfare.

The basic elements of development are as follows.

1) Removal of inequality and poverty.
2) Increase in material welfare of the people.
3) Increase in social well being of people (education, health, housing.)
4) Equitable distribution of gains of the development among different groups of people in a region or country.
5) Enhancement of technology and capacity to produce a wider range of goods and services in the economy leading to better quality of life.
6) Building of institutional structure which permit participation in decision making at all levels, providing equal opportunities for development and removal of disparity.

Earlier it was presumed that development depends primarily on economic growth and would automatically occur if economic growth took place. This view of development has however been criticized many times on the grounds that it ignores the distribution of the gains from growth, how the growth has been achieved and on what costs? In India since independence there has been an four times increase in food grains production this does not imply that every Indian gets enough to eat.

For understanding development one needs to understand the difference between the concept of economic growth and development. Growth is termed as a sustained expansion in the productive capacity of an
economy leading to sustained rise in the GDP (Gross domestic product). Development on the other hand is a sustained improvement in material welfare, particularly for those who are poor and afflicted by poverty, illiteracy and poor health conditions.

Development is thus a qualitative concept involving a qualitative improvement in the general standard of living in a country or economy. Growth relates to quantitative production in the country.

1.1.2 Indicators of Development

The development may vary from one country to another country as well as region-to-region. We can thus for better understanding take the human development report 2002 for consideration.

<table>
<thead>
<tr>
<th>Country</th>
<th>Survey Year</th>
<th>Poorest 10%</th>
<th>Poorest 20%</th>
<th>Richest 20%</th>
<th>Richest 10%</th>
<th>Gini index</th>
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<tr>
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<tr>
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<td>52.3</td>
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Source: Human Development report, 2002

Gini index measures the extent to which the distribution of income among individuals or households within an economy deviates from a perfectly equal distribution. The value of a Gini index that is close to zero refers closeness to perfect equality whereas value closer to 100 denotes closeness to perfect inequality.

1.1.3 Characteristics of underdevelopment

Here are some important characteristics that make countries underdeveloped.

1) Mass poverty and increasing population.
2) Low levels of income and concentration of income in a few hands.
3) High levels of unemployment and under employment
4) Low levels of Productivity and backward technology.
5) Poor nutrition, health, housing, Literacy, and welfare status.
6) Preponderance of primary sector and low levels of industrialization.
7) Lower status of women and that of a variety of religion and social groups such as scheduled castes, scheduled tribes, backward classes in India.

These are the characteristics that India is facing in its way like rest many other developing countries.

Traditionally growth was considered as the single most indicator of development. The use of Gross national product (GNP) or the Gross domestic product (GDP) as the indicator of development has been criticized on several counts, one of the main chief argument against its use is the contention that GNP as an average level of income (per capita) ignores the inequality in the distribution of national income. It also ignores the availability and utilization of goods and services and have nothing to say on availability or otherwise of a whole range of basic needs such as health, education, water, shelter etc.

It tends to conceal the lower than average condition of the deprived.

In recent literature the human development index (HDI), which goes well beyond the income criterion and includes other indicators of well-being has acquired a prominent place. UNDP United Nations Development Program has been publishing Human Development reports for almost a decade and a half now and these reports ranks countries in terms of a composite indicator by aggregating heterogeneous components such as life expectancy, literacy, infant mortality etc. by assigning weights to each one of them in which each scale ranges between 0 to 1 and later being indicative of best performance and former that of worst performance. In case of advanced countries there is a high correlation between per capita income ranking and HDI 2003. The second richest country in the world namely the USA, loses just five places in terms of human development ranking. As for as the ranking of developing countries are concerned they lose heavily in terms of Human development ranking as compared to the ranking in terms of per capita income only. There are so many issues that are related to development and needs to be addressed.
1. **Growth vs. Distribution**

Growth related distributive justice needs to be looked into. One of the major outcomes of this situation was the trickle down theory which stated that if there was sufficient growth everybody would benefit from it. India during the first three plans made heavy investments of capital and sought to take country on to new growth path. During the end of 1970 decade it was realized that the living conditions had not changed thus the need for distributive justice arise. Therefore the state has to formulate policies and design instruments to ensure that development benefits flow to those categories of people who need them most.

2. **Agricultural vs. industrial development.**

During the phase of growth in India it was presumed that rapid industrialization would lead the country towards self-sufficiency. In the 1960s India experienced severe food shortages and lead to the realization that agriculture sector could not be ignored. Thus new varieties of seed and fertilizers needed for the better agriculture production.

3. **Capital vs. intensive technologies and development**

Technology is the means by which goods are manufactured in any economy the goods produced may be crude as well as sophisticated. The development in technology is the process by which the manufacture of the goods is made cheaper, faster and more efficient. While using sophisticated technology we on other side use less labor, which in turn displace labor. Labor displacement caused the loss to labor and thus the income of the labor class decreases therefore we needs to develop such technologies, which displace less labor as well as less expensive. A balance is therefore required so that both technology and living conditions of the people improve.

4. **Centralization vs. Decentralization**

Development b long term phenomenon needs planning. While planning we need to design the centralization of powers as well as decentralization to coordinate efforts towards development. Excessive centralization in the case of decision-making powers can weaken the process of popular participation. In recent times it is hoped that the process of decentralization can lead to greater accountability.
5. **Urban vs. rural development**

Poverty in India is the basic issue that needs to be addressed. The vast majority of population in India lives in villages and hence needs special treatment. The problem of rural poverty and unemployment is the crux of the problem. Without solving it we can't think of genuine development. Hence rural development has come to acquire important place. Sustained improvement in the quality of life in rural areas is likely to hamper due to lack of enough job opportunities in rural areas and the problem of migration which is also required to be addressed.

6. **Union vs. market**

The major role of government in the development process as well as designing such as to affect the market forces as per requirement of masses in place. Government intervention is needed for the survival of the habitants and the control on the liberty of the market forces as well as to act as regulation.

1.1.4 **Rural Development**

Rural development became a focal point in development process as the strategies adopted in developing countries remained largely ineffective in alleviating poverty and inequalities in rural areas. It became increasingly clear that apart from an effort to increase agricultural and industrial production it was also necessary to address directly the problems of education, health services, and employment and to attack the problems of poverty in rural areas. The increasing interest in rural development is a result of the realization that a systematic effort is necessary to create better living conditions in the rural areas where the vast majority of the populations of developing countries reside.

During 1950's and 1960's the main emphasis of the government was to increase the productivity in manufacturing sector as well as agricultural production. As a result growth in output was achieved during the first two decades of independence. by mainly increasing the area under cultivation supported by expansion in public investment in supporting infrastructure. The manor issue evolved during the results was that only those who were having large land holding and better off benefited from these program where
as a majority of the population having marginal as well as small land holdings still not benefited. By 1970’s it was evolved that there were serious problems in the way the issues and the problems of development were being tackled. The issue of unemployment and poverty was not properly addressed.

1.1.4(a) Concept of Rural Development

The concept of rural development has been conceived differently by researchers, academicians and practitioners ranging from thinking of it as a set of goals and programs to a well-knit strategy, approach or even an ideology. Whatever be the differences in conceptualizing the notion of rural development, there is a widely shared view that its essence should be poverty alleviation and distributive justice oriented economic transformation. Thus we can consider the following as primary objectives of rural development.

1) To improve the living standard of people by providing them food, cloth, shelter, education and employment.
2) To increase productivity in rural areas and reduce poverty.
3) To involve people in planning and development through their participation in decision-making and through decentralization of administration.
4) To ensure distributive Justice and equalization of opportunities in the society.

Strategies need to be developed for the attainment of these goals since rural development is continuous and a long term process.

1.1.4(b) Rural Development policies

Poverty is closely related to inequality and access to productive resources. The strategy should be broad based and sharp focused on increasing the labor productivity as well as labour use intensity. Strategy consists of framing various policy parameters to attain the desired goals. Different strategies emphasize different sets of policies in order to achieve their goals, however there are certain important policies that are common to most rural development strategies. These policies are related to land,
technology, agriculture, employment, education, research, extension, rural institutions and agricultural pricing.

In designing rural development policies land plays an important role. As we all are well aware that distribution of land is very skewed in India as the large majority have small land holdings. This has a greater impact on ability to earn incomes in rural areas. Thus land reforms and land policy that seeks to provide distributive justice may also result in greater agricultural productivity. Therefore land policy is a crucial element in a rural development strategy.

Improvement of technologies in rural areas has a big impact on them. It is essential to introduce newer technologies in rural areas as well as the existing technologies are extended to rural areas. Technological improvements can play an important role in insulating agriculture from the effects of weather. Rural societies are also characterized by large-scale employment on the one hand and low productivity on the other hand. A judicious balance between achieving high productivity and increasing employment opportunities to rural communities has to be struck. Rural development strategies have to take this into account in formulating their programmes. The growth of non-agricultural activity within the village economy can also relieve the pressure of population on the land. The balanced growth of agricultural sector plays an important role in creating better conditions for those depending on the sector.

The problem of illiteracy is also acute in rural areas. The lack of education can act as a constraint in furthering rural development. The lack of education creates a situation in which this problem is perpetuated. The spread of education on the other hand enable the rural poor to ensure distributive justice and further help them in participating towards better rural development.

Research and development is also one of the major ingredients in rural development strategies. Research enables furthering of knowledge which is appropriate to rural cultures and extension ensures that the gains are actually delivered to the target groups. Trained staff is very important for any rural development program since they actually interact with the
community for whom the program is meant. Rural institutions need to be reformed and utilized for successfully carrying out rural development. The rural development strategies are always framed in isolation. The institutional aspects of rural societies are often ignored when strategies are formulated. The institutional structures such, as Panchayat needs to be nurtured so that there is popular participation in rural development. These structures can act as powerful institutions in actually implementing the development strategies. The use of price policy is also crucial element in rural development policy. First agricultural produce has to be priced in such a manner that the farmers enjoy adequate returns. The price policy through the use of subsidies can act as a means of providing essential items of mass consumption particularly for those who are below poverty line. The use of PDS through fair priced shops can act as one of the best network for this purpose.

1.1.4(c) Type of Rural Development Strategies

A large number of strategies are deployed in different countries because every country have its own set of problems as well conditions. In India also many rural development strategies have been deployed to different mixes of agrarian relations, techniques of production and state policies in order to achieve the goals of rural development. Here are some important strategies.

1) Collectivization of resources.
2) Regulated capitalist perspective.
3) Peasant agrarian perspective.
4) Laissez-faire or unregulated free market capitalist perspective.

We will now discuss all these strategies one by one to understand them.

Collectivization of rural assets (particularly land) is given utmost importance in the first strategy. Private ownership of land is abolished so that not only are inequalities in the ownership of land eliminated but also land use can be made more productive. The latter is achieved because small plots of land can be consolidated so that large scale cultivation can bring about economies of scale in agricultural production. Large scale cultivation also raises productivity by creating possibilities for the use of modern
technology in the shape of tractors, harvesters, etc. This strategy was followed with fairly good success in the Soviet Union, China and the East-European countries. These countries were able to make sharp increases in production soon after they initiated this strategy. However, for a variety of reasons, which are too complex to be recalled here, the erstwhile socialist regimes have collapsed or changed course dramatically and this strategy is not in operation anywhere currently. The second strategy envisions a co-existence of a capitalist sector and a peasant sector that gets some support and protection from the state. Any large-scale redistribution of land or reconfiguration of land relations are ruled out. It is hoped that the objective of rapid growth would be taken care of by the capitalist sector while the peasant sector would address the problem of unemployment till the time the nonagricultural sectors start growing at a rapid pace. This approach to rural development has been criticized for not being able to reckon with the fundamental contradictions in rural areas. It is pointed out that without meaningful land reforms, this strategy can only have limited success, as rural inequalities are ignored in this strategy. Rural elites, on the one hand, exercise control and prevent changes that will bring about a change in the unequal distribution of assets (particularly land), and on the other, corner a large part of whatever resources are pumped in from "outside" to better the lives of the poor. An example of this is provided by the way banking cooperatives have operated in India. A great portion of rural credit disbursed through cooperative institutions has gone into the hands of those who are better off and have the capacity to mobilize their own resources. Thus, it is pointed out that this strategy avoids taking hard decisions to make a breakthrough in rural development that can create conditions for the rapid development of rural areas. The strategy based on the peasant agrarian perspective argues for thorough-going redistribution of land and overhaul of land relations. It envisages strong support for small peasant units, which are supposed to take care of the twin-objectives of growth and employment. An extensive network of cooperative institutions, marketing facilities etc is accorded critical importance in this strategy. Both in the second and the third strategies, it is envisaged that the state will play important roles in promoting
and strengthening the non-agricultural economic activities in the rural areas, so as to ease the pressure of surplus labour on agriculture and to facilitate the creation of decent livelihood options elsewhere in the long-run. Sure enough, it is expected that a vibrant agricultural sector will itself generate strong impulses for the creation of non-agricultural opportunities, but to harness such impulses the State is expected to perform a whole range of important functions. Furthermore, it is assumed that the problem of adequate infrastructure in rural areas will be addressed by the state and also the investments in social sectors such as education, health, etc.

a) Agricultural research, extension, rural education and training programmes for farmers form a part of institution building activities;
b) Infrastructure building activity related to the growth of irrigation, transport, communications and health facilities;
c) Programmes to improve marketing facilities for the distribution of agricultural inputs and implements;
d) Policies related to land tenure, agricultural output prices and taxation of agricultural incomes.

A uni-modal strategy is one in which land holdings are equitably distributed. This strategy was followed with tremendous success in the case of Japan, Taiwan and Korea. It seeks to promote rural development through the use of thorough-going reforms in the agricultural sector. Thus, because of the land reforms and the consequent even distribution of rural assets, resources meant for the agricultural sector are also spread evenly. This type of agricultural strategy creates a situation that enables rapid growth of agricultural production with equitable distribution of incomes. This in turn not only results in rapid rural development, but also provides an important basis for overall economic development.

The bi-modal strategy for the growth of the agricultural sector attempts to increase agricultural production without making attempts to drastically change the skewed distribution of incomes and assets in rural areas. Many countries in Latin America are examples of this type of strategy. In the case of this type of strategy there is no attempt to bring about land reforms. A large number of small farms coexist with a small number of large size
holdings. The idea is to concentrate modern technology and inputs to the latter and thereby achieve agricultural growth. Such a growth pattern clearly ignores a whole range of developmental concerns and is also unable to provide strong foundation for overall economic development.

1.2 MANAGEMENT OF RURAL DEVELOPMENT AND POVERTY ALLEVIATION PROGRAMMES IN INDIA

Rural development has been one of the important objectives of planning in India since Independence. Intervention of the Government towards rural development is considered necessary in view of the fact that a sizeable population continues to reside in rural areas despite growing urbanization. It is also required, as the market forces are not always able to improve the welfare of the rural masses because of certain structural rigidities and institutional deficiencies existing in these areas. As a result, there is a danger of large sections of the rural population to remain outside the ambit of market driven growth processes. To enable the poorer sections of the rural population to participate more effectively in the economic activities has, therefore, remained the prime objective of Indian planning and the basic underlying theme of rural development programmes.

“Rural development is utilization, protection and enhancement of the natural, physical and human resources needed to make long-term improvements in rural living conditions. It involves provision of jobs and income opportunities while maintaining and protecting the environment of rural areas.”

1.2.2) Management of Rural Development Activities.

1.2.2(a) Planning Phase

In the planning phase, the following steps are involved:

▲ Formulation of the major objectives of the plan.
▲ Compilation of data for planning out the activities.
▲ Preparing the profile of the area in relation to the basic objectives
▲ Formulating the main strategy and thrust of planning
Analyses of the existing programmers and projects with reference to the strategy outlined

1.2.2(b) Implementation Phase

Once the plan is made the next step is implementation of plan. It is the phase in which the project and the sectoral approach to planning gets translated into practice. Successful implementation depends on the soundness of the plan adopted and coordination amongst the implementers. More often than not, because of the rigid ways in which several agencies operate in the same area, the funds are utilized for much the same purpose, separately by each of them. Therefore there is every scope of the duplication of efforts as well as resources. Hence financial integration is indeed a serious problem at the district level. Another problem in coordination arises because the organisations which need to establish linkages not necessarily have powers to influence resource allocations, take appropriate locational decisions and issue fresh sanctions.

Factors Affecting Implementation

There are several factors which affect the implementation of a programme. A rural development practitioner has to understand their role and function.

i) Technical Factors: Rural projects can be of diverse kinds – irrigation, livestock development, wasteland development, etc. All these involve the use of technology and recruitment of technical manpower, so that all the production functions are effectively tied up to maximize output. Rural development management requires understanding of the technical factors involved and how to manage them.

ii) Economic and Financial Factors: Factors affecting credit, subsidies, pricing, choice of resources, etc.

iii) Commercial Factors: Marketing of outputs and supply of inputs, etc.

iv) Socio-Cultural Factors: Since rural society and economy are closely interlinked, the project manager needs to understand the role of sociocultural values, tradition, social structure, castes and kinship pattern, social institutions, etc., and social stratification.
v) **Political Factors:** The power structure, dominant groups, leadership patterns etc., too affect implementation.

vi) **Institutional, Organisational and Managerial Factors:** The implementation of the project is affected by the extent to which the organisational and managerial objectives and functions have been clearly laid down, responsibilities clearly demarcated, inter-linkages tied up, and monitoring and project control systems developed.

vii) **People's Participation:** Involvement of people in the implementation of the project is of key importance. Therefore, the project manager should not only aim at people's participation, but also develop the strategies and the mechanisms.

viii) **Integration and Coordination:** Since implementation involves several agencies, therefore integration and coordination both vertical and lateral, are absolutely essential.

1.2.2(c) Monitoring and Evaluation Phase

The last stage of planning is monitoring and evaluation. As the district plan is implemented by the State departments and other agencies, it is necessary to monitor its progress to see whether the projects/schemes included in it are being implemented on the lines on which it has been formulated or designed. Monitoring keeps a watch on the implementation schedule and enables the planner to take timely corrective measures so as to avoid time and cost escalations. Similarly, evaluation of the district plan is necessary for further guidance on the particular problems of the district. Whether the district plan is successful? Whether it can be improved? and identification of the problem in conceptualization or implementation. Both monitoring and evaluation help in strengthening and increasing the effectiveness of the district plan.

1.2.3) Rural Development Planning in India

A Brief Retrospective

Even before 1947, the Indian National Congress indicated its commitment to planning and prepared a set of reports, which generated a lot of interest and discussion. Apart from this, some prominent industrialists published in 1944 the document,
A Brief Memorandum Outlining a Plan of Economic Development for India.

Much earlier in 1934, M. Visveswaraya had published a Ten Year Plan, aimed at doubling the national income. Jawaharlal Nehru, the nation's first Prime Minister, is generally regarded as the architect of planning in India. He viewed planning as a way of developing the country while avoiding the unnecessary rigours of an industrial transition in so far as it affected the lives of the masses living in India's villages. Moreover, he recognized that planning was a positive instrument for resolving imbalances and contradictions in a large and heterogeneous country, such as India. The first three Five Year Plans are generally regarded as the most lively phase in India's planning exercise.

1.2.3(a) The Early Years of Planning

Though the First Five Year Plan (1950-55) was basically a simple exercise of putting together programmes, targets and outlays, it provided the first milestone in rural development through the launching of the Community Development Programme and National Extension Service. India's tryst with planning came with the formulation of the Second Five Year Plan. P.C. Mahalanobis, an eminent statistician, and a man with a wide range of ideas, is generally credited with preparing the blueprint of the Second Plan. At that point of time, this plan was the most self-conscious attempt at planning in any newly independent country in the Third World. Almost all major contemporary economists, who took an interest in the study of development economics, interacted with Indian planners during these years—and so did several of today's Nobel Laureates. The Second Plan (1955-60) laid a strong emphasis on industry. The idea was that this strategy will relieve the excess population in rural India. The strategy sought to increase employment in heavy industry and the capital goods sector, so that the load on the agricultural sector could be lightened. It was primarily a strategy of industrialization, which hoped to succeed by forging strong industry linkages, both forward and backward. As a result of this emphasis, the performance of India's capital goods sector improved substantially during this period. It also laid a solid ground for a vibrant and self-reliant industrial base in India.
Though the Second Plan is widely regarded as an “industrial plan”, there were other path-finding formulations made by Indian planners during this period, as well. For example, the Plan document included a very lucid chapter titled “Land Reform and Agrarian Reconstruction”. Emphasis and hopes were placed on cooperative farming practices in Indian agriculture. The formulation also envisaged a vast network of community development programmes, national extension services and an irrigation network financed by public budgets. The concept of democratic decentralization for assigning development responsibilities to Panchayati Raj institutions was also advocated (by the Balwantrai Mehta Committee). Thus, while it would be inaccurate and unfair to say that the Second Plan lacked an agricultural strategy, it would not be unwarranted to maintain that planners were grossly over-optimistic as to what traditional Indian agriculture, with its conventional input-output basis and deepseated social stratification, could do within the political constraints.

1.2.3(b) Poverty Alleviation and Indian Planning

The Sixth Plan, (1980-85) again undertook eradication of poverty as its primary aim. Consequently, the programmes to eradicate poverty – NREP, RLEGP (later merged into Jawahar Rozgar Yojana), TRYSEM, DWCRA Integrated Rural Development Programme – were strongly emphasized. The IRDP, coupled with rural employment programmes, the Minimum Needs Programme and the area development programmes, meant that the Sixth Plan had a strong emphasis on the rural sector.

1.2.4) PROCESS OF PLANNING

Here, we shall consider how in the broader time perspective of planning, the budget and the annual plan are placed in the time frame of the Five Year Plan. The planning process took an outlined perspective of charting out priorities of Govt. and prioritization of activities. The planning takes the shape of a net covering all the affected communicaties.

1.2.4(a) Perspective Planning

In any planning process, a set of objectives is to be achieved within a time frame. In India, the well accepted principle is formulating Five Year Plans within which we have the Annual Plans.
1.2.4(b) Five Year Plans

The main vehicle of planning in India, however, is the Five Year Plan. We began the process in 1951 and after three successive plans, the period between 1966 and 1969 saw three Annual Plans. This has sometimes been termed as the period of ‘Plan Holiday’. From 1969 again, the Five Year Plans have been formulated though, Five Year Plans.

1.2.4(c) Annual Plans

The Annual Plans are prepared both by the Central Ministries and the State Governments for the sector concerned within the framework of the respective Five Year Plan, which has been approved.

1.2.4(d) Budget

The Budget, which is prepared at the Union and State Government level every year, is an instrument of fiscal policy. It covers the period between 1st April and 31st March of the next year. It includes both the receipts and expenditures of Government. It includes the non-plan and plan expenditures. The plan expenditure is the development budget of the Government and reflects the Annual Plan of the Government. It aggregates the Annual Plans of various Ministries/Departments in the case of the Central/State plan.

1.2.4(e) Mid-term Appraisal

Normally, during the course of a Five Year Plan, a mid-term appraisal is undertaken by the Planning Commission. In the case of the Seventh Five Year Plan 1985-90, this was undertaken by the Planning Commission during 1987-89. This exercise provides an opportunity to review the progress of the Plan and generate signals for action, both for the remaining period of the Five Year Plan and possibly for the next Five Year Plan also.

1.2.5) Plan Schemes

The Plans given effect through various schemes are of three types – Central schemes, Centrally sponsored schemes and State sector schemes. Since the subject of economic and social planning is in the Concurrent List of the Indian Constitution, Plans schemes are in the State Plan as well as in the Central Plan. The plan schemes in the Central Plan are generally of two types, namely, Central Sector Schemes and Centrally Sponsored Schemes.
The Central Plan outlay is the sum total of the outlay on Central sector schemes and the Central share of centrally-sponsored schemes. Central Sector Schemes are those, which are fully funded and implemented by the Central Government and its organisations. Centrally Sponsored Schemes, however, are those, which are fully or in part funded by the Central Government and implemented by the State or their agencies. The extent to which the Central Government supports Centrally sponsored schemes varies—in some cases it is 100 per cent and in some 75 or 50 per cent. The Centrally Sponsored Schemes Sector has for long been contentious between the Central and the State Governments and have been viewed by the latter as an encroachment into what is considered by them as justifiably the State’s sphere of activity. On the other hand, Central participation through Centrally Sponsored Schemes has been justified on the ground that without this, important programmes will not get the priority they deserve in several, if not all, the States. In regard to Centrally Sponsored Schemes, the major ones under rural development are IRDP, Jawahar Rozgar Yozana, DDP, DPAP, SGY, NREGA, IAY. The State Plan is the sum total of State sector schemes plus the State’s share of Centrally sponsored schemes.

**1.2.5(a) Plan Assistance**

Plan assistance is provided by the Central Government to the States for the State Plan. In 1969, the NDC approved the criteria for allocation of funds by the Planning Commission to the States. This is popularly called the 'Gadgil' Formula. Under this Formula, after taking care of the requirements of Assam, Nagaland and Jammu & Kashmir, the Central Government’s assistance was distributed 60 per cent on the basis of population, 10 per cent on per capita income (only to those states whose per capita incomes were below the national average), 10 per cent on commitments in respect of major continuing irrigation and power projects (each costing Rs. 20 crores and above), 10 per cent on the basis of tax efforts in relation to per capita income, and 10 per cent to meet special problems. Thirty per cent of the funds were provided as outright grants and 70 per cent as loans. However, in the case of Assam, Jammu & Kashmir and Nagaland, the entire Plan funds were provided as outright grants.
1.2.6) Apraisal of Rural Development Planning and Strategies in India

Development is a long-term phenomenon. In order to achieve some goal we need a well-designed strategy. As someone mentioned that it is not the workforce much important to win a war than a well-designed strategy. The war is half won if the strategy is perfect. There is no single path towards development. Any country needs several objectives that it may wish to achieve in a given time period and among these objectives it will be necessary to establish priorities. This is what a plan essentially does. It is a conscious attempt to achieve a set of objective that it has set for itself. Considering the particular set of priorities that it seeks to attain, a country may have to adopt a particular planning strategy. Govt. of India after independence, in order to achieve planned course towards development process set up Planning Commission in 1950.

The planning process in India after independence took the following course.

TABLE-1.2.1

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<th>S.No.</th>
<th>Phase</th>
<th>Period</th>
<th>Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Preparatory Phase</td>
<td>1947- mid1950's</td>
<td>Planning for Development</td>
</tr>
<tr>
<td>2</td>
<td>Industrialization Phase</td>
<td>Mid1950's-Mid 1960's</td>
<td>Industrialization led by heavy industry.</td>
</tr>
<tr>
<td>3</td>
<td>Green Revolution</td>
<td>Late 1960's –1970's</td>
<td>Pulling up Agriculture</td>
</tr>
<tr>
<td>4</td>
<td>Pump priming of aggregate demand</td>
<td>Decade of 1980's</td>
<td>Pump priming of aggregate demand</td>
</tr>
<tr>
<td>5</td>
<td>Economic Liberalization</td>
<td>July 1991 to date</td>
<td>Liberalization, Privatization and globalization</td>
</tr>
</tbody>
</table>

The planning took place in India for five years duration called as five year plans.

1.2.6(a) First Five-Year Plan: -1951-52 to 1955-56

During first five-year plan the emphasis was given on raising the level of saving in the economy to accelerate the rate of growth, projects pertaining to infrastructure and agriculture, public irrigation and transport for rapid industrial growth of the country. National income rose 18%, per capita income rose 11%, food grain production rose 20%, Industrial production rise 38%, No. Of river valley and multipurpose projects were undertaken like Bhakra
Nangal, Damoder valley, Hirakund valley etc. and prices came down by about 13%

1.2.6(b) Second Five year Plan: - 1955-56 to 1960-1961

The main aims of the second five-year plan were, 25% increase in national income, rapid industrialization with particular emphasis on the development of basic and heavy industries, large expansion of employment opportunities and reduction in inequalities in income and wealth. As a result of this National income rose 19.5%, per capita income rose 8%, industrial production went up 7% and three steel plants named Durgapur, Bhilai, and Rourkela were undertaken in public sector.

1.2.6(c) Third Five Year Plan: -1961-62 to 1965-66

The main objectives of the third five-year plan were Augmentation of agricultural production to secure self-sufficiency in food grains and to meet requirement of export and industry, Development of basic industries, utilization of manpower resources to the fullest and generating employment opportunities, reduce income disparities among different sections of society and equitable distribution of economic power to provide equality of opportunities in order to achieve minimum 5% growth in national income. Chinese aggression and Pakistan conflict affected the progress of third plan as a result, Price increased by 32%, agricultural production fell by 30% and per capita income fell by 2%.

Despite the economic problems generated by external conflicts the achievements of the third plan includes. Growth in industrial production by 7-9%, introduction of bonus for industrial workers and malaria eradication and family planning campaigns were initiated on large scale.

1.2.6(d) Plan Holiday 1966-67 to 1968-69

During this period three annual plans were made owing war with Pakistan as well as severe drought. During these plan period rupee was devalued but it helped in increasing agricultural production and overcoming recession.

1.2.6(e) Fourth Five Year Plan 1969-74

The main objectives of the fourth five year plan were, to achieve self-reliance in agriculture and industrial production, To enlarge the income of
rural population, to enlarge the supply of goods of mass consumption and to limit the growth of population. It failed to achieve the targets. Agriculture production growth was only 2.8% p.a. Industrial output growth was only 3.9% p.a. Overall economy averaged at 3.3% p.a. but it was an important period for it brought a scientific temper to Indian agriculture.

1.2.6(f) Fifth five year plan, 1974-79: -

The main objectives of fifth five year plan were to achieve self-reliance and adopt measures for raising the consumption standard of people living below poverty line, to bring inflation under control, targeted annual growth rate of 5.5.

Early termination of plan: - The Janata Government one year earlier the stipulated period terminated the plan.

Rolling Plans: - The fifth five year plan was terminated by the Janata Govt. on April 1, 1978, and the concept of rolling plan was introduced w.e.f. April 1, 1978.

The main objectives of this plan were to attain increased self-reliance, to dispense with foreign aid, to increase employment avenues and to achieve an annual growth rate of 5.5%. The plan attained self-sufficiency in agriculture sector but prices increased resulting in inflation. Industrial production touched an all-time high record of 9.2% and an average growth rate of economy was 13%.

1.2.6(g) Sixth Five Year Plan, 1980-85

The main objectives of the sixth five year plan were the removal of unemployment, Rise in the standard of living of the poorest section of society, Provision of basic needs by the state, Reduction in disparities of income and wealth, Ensuring continued progress towards self-reliance, To achieve growth rate of 4.7%. Special emphasis was given to Agriculture, cottage and small scale industries, Area planning for integrated rural development. Provisions for basic minimum needs of the community. As a result of implementation of these programmes Rate of growth of national income underwent significant variation. During the first year (1980-81) the increase was 7-8%. In 1982-83 it was 4.5% followed by 7.6% in 1983-84. In
the last year there was an increase of 4% over the preceding years. The economy actually grew at 5.4% per annum.

1.2.6(h) Seventh Five year Plan 1985-90:-

The seventh five year plan was planned keeping in view the annual growth rate of 5%, agricultural growth rate of 4%, industrial growth rate of 8%, improving general efficiency in all sectors, reducing the number of people Below Poverty line, creating employment opportunities for 40 million people while labor force was expected to increase by 39 million and eliminating illiteracy and providing for basic needs of food, clothing, shelter and health care for all. Against the target of growth in national income 5-3% was achieved. Industrial growth rate was around 8.5% and agricultural growth rate touched around 4.3%.

1.2.6(i) Annual Plans:-1990-91&1991-92:-

Basic target of annual plans was to maximize employment and social transformation.

1.2.6(j) Eighth five Year Plan, 1992-97

The main objective of eighth five year plan was aimed to achieve annual average growth rate of 5.6%, reducing the number of persons existing in BPL by 10%, raising employment average growth rate 3%p.a. over the rate achieved in seventh plan, ensuring average annual food grain availability at 195kg per person, accent on exports to achieve target of 12% in volume, universalization of education and eradication of illiteracy and supply of clean drinking water for all by 1995. Almost all the objectives were fulfilled. This time is considered as the period of great industrialization and planning in India.

1.2.6(k) Ninth Five Year Plan (1997-2002)

The basic objective of the plan was, priority to agriculture and rural development for adequate productive employment and eradication of poverty, accelerate the growth rate of economy with stable prices, ensuring food and nutritional security to all particularly the vulnerable sections of society, providing the basic minimum services of safe drinking water as well as primary health care facilities, universal primary education, shelter and connectivity to all in a time bound manner. It also aimed in containing the
growth rate of population. Ensuring the environmental sustainability of the
development process through social mobilization and participation of people
at different levels. Empowerment of women and socially backward
groups. Promoting Participatory institutions such as PRIs, coop and SHG
Strengthening efforts to build self-reliance.

1.2.6 (L) Tenth Five year Plans (2002-07)

The main target of the tenth five year plan was decadal population
growth to reduce from 21.3% in 1991-2001 to 16.2% in 2001-11, growth in
gainful employment to at least keep pace with addition to labor force.
Reduction in poverty ratio from 26% to 21% by 2007. All children to be
in school by 2003 and all children to complete 5 years of schooling by
2007. Providing potable drinking water in all villages. Literacy to increase from
65% in 1999-2000 to 75% in 2007. Reducing gender gap in literacy and wage
rates by 50%. Infant mortality rate (IMR) to be reduced from 72 in 1999-2000
to 45 in 2007. Maternal mortality rate (MMR) to be reduced from 4 in 1000 to
2 in 1000. Cleaning of major river stretches and Increase in forest cover from

1.2.7 Need for Rural Development at the Time of India’s Independence

At the time of Independence, India was predominantly an agrarian
economy with roughly 85 per cent of the population residing in rural areas
and deriving livelihood from agriculture and allied activities. Agriculture
growth in the first half of the 20th Century was merely 0.3 per cent per
annum. Illiteracy was as high as 84 per cent. Public health services were
inadequate to face epidemics such as malaria, cholera and small pox. The
mortality rate remained high at around 27 per 1000 in 1947. Though
agriculture was the mainstay of the people, the colonial government took
little interest in the improvement of cultivation practices except in the case of
export crops such as cotton, jute and tea. Bullock carts were the common
mode of transport, wooden ploughs were the common implements used in
cultivation, spinning wheels the common device in cottage industries,
thatched huts the common type of residence. The railway system was built
only for connecting the ports with production centres and import markets; all
other infrastructural facilities were lacking. There was an adverse impact on
the artisan sector under the British rule. The extremely narrow base of industrialization remained confined to a very few cities and states with little linkages with rural areas. Exports comprised mainly the primary commodities leading to transfer of cheap raw materials to the metropolitan cities of U.K. The imports of finished products were out of reach for the common man, as more than half the population was below the poverty line.

1.2.7 The Community Development Programme

The Community Development Programme (CDP) was the first major rural development programme launched after Independence in October 1952 with the main objectives to secure total development of the material and the human resources in rural areas, to develop local leadership and self-governing institutions, to raise the living standards of the rural people by means of rapid increase in food and agricultural produce and to ensure a change in the mind-set of people instilling in them a mission for higher standards. The CDP was conceived as an instrument to transform the social and economic life of the village community as a whole cutting across cast, religious and economic differences. Initially, it covered 55 projects with a wide range of programmes for developing agriculture, animal husbandry, rural industries, education, housing, rural communication, etc. It was, however, soon realized that covering the entire country under CDP was not possible due to shortage of funds and personnel. The National Extension Service (NES) was launched in October 1953 with a reduced number of personnel and more modest financial provision, so that development work could proceed on the basis of self-help efforts. The NES was initially launched for a period of three years with the provision of 4.5 lakhs per block with stress on agriculture, animal husbandry, rural communication and social education schemes. After three years, the blocks covered under NES were to be converted into CDP blocks with the provision of 15 lakhs for three years for more intensive development work in agriculture and other activities such as cooperation, health and sanitation, rural industries, housing, etc. It was presumed that the blocks covered in the first two phases would have attained the desired self-sufficiency and therefore, the quantum of special Government grants could be reduced. The major contribution in financial and
technical assistance came from the United States of America under a scheme of technical cooperation. Funds were also drawn from the Central and State Governments to meet the local expenditure on the implementation of the CDP. The main achievements of the CDP programmes were as follows:

- For the first time an organized administrative setup was established at the national, state, district, block and village levels. Its developmental functions were totally different from the revenue collection functions of the existing administrative machinery.
- Development was considered to be people centric.
- Due recognition was given to the importance of planning and interdisciplinary approach to development.
- Recognition was also given to recruitment of trained personnel and the introduction of technical and technological inputs.
- It introduced modern technologies in agriculture with a view to demonstrating that they could perform better than traditional technology.
- It resulted in the establishment of institutions such as agriculture credit societies, primary schools, hospitals and dispensaries, maternity and child welfare centres, etc. Despite the above achievements, the CDP had some limitations:
  - The facilities created under the programme benefited mainly the rich farmers and could not bring any significant changes in the living standard of marginal farmers and agricultural labourers.
  - The objective of self-reliance and people's participation could not be achieved given the inadequate attention to the development of responsive leadership.
  - The programme failed to bring about changes in people's ideas, attitude and outlook with the majority of people having no understanding of social education.
  - Efforts to promote rural industries and cooperatives did not take off.
  - Administrative weaknesses, bureaucratic red tape, problems of coordination, interdepartmental rivalries, absence of clear cut
functional responsibilities at various levels were the other weaknesses of this programme.

- The plan outlay for this programme was spread very thinly over a wide range of projects, as a result of which the impact of the programme was quite limited. Despite the above shortcomings, the CDP was instrumental in laying the foundation for the development of rural economy and defining rural development strategies and approaches. It recognized the need for investing in men/women and material as a means of bringing about social change in rural areas.

1.2.8 Green Revolution Phase

The end of the **Second Five Year Plan (1956-61)** was characterized by stagnating agricultural production and emerging food shortages. The report of the Ford Foundation Team –1959 (entitled *India's Food Crisis and the Steps to deal with it*) outlined the need for agrarian reorganization. The report also recommended that to increase agricultural production, improved practices and services should be extended mainly to the progressive farmers drawn from districts with the largest potential for immediate and appreciable increase in production. The approach of rural development thus took a new direction in the **Third Five Year Plan (1961-66)** with greater emphasis on agricultural production. This led to a technocratic phase of rural development leading to the introduction of the **Intensive Agricultural Development Programme (IADP)** and the **Intensive Agricultural Area Programme (IAAP)** and the high yielding variety programmes. The IADP was introduced in 1961 and the IAAP was launched in 1964 on a pilot basis. The IADP was launched selectively in three districts and later extended to 16 districts in 15 states. The programme concentrated mainly on three components, namely high investments in agricultural production, higher prices for agricultural produce and modern technological inputs. Additional BDOs and extension officers per block were provided for specific areas. Once again, a major drawback of the above programme was that it helped mostly the farmers with large holdings in selected districts while poor farmers remained virtually uncovered. Though IADP and IAAP contributed to good crop yields, the crop variety used in these two programmes had a low response to fertilizers. At
the same time, two successive droughts in 1965-66 and 1966-67 increased the concern for feeding India's growing population. The slowing down of growth in the cropped areas also created speculation and apprehensions in the minds of Indian planners regarding the possibilities of increasing food production. In 1963, adoption of high-grade seeds registered progress with the introduction of Mexican varieties of wheat and Taichung native variety of paddy seeds. The Mexican seed was found capable of producing up to 10 tons per hectare of irrigated land compared with the 1.2 tons of yield from the existing varieties. Another breakthrough came with the introduction of IR 8 Rice and High Yielding Variety (HYV) of cereals such as Jowar, Bajra and Maize. The HYV seeds were designed to be responsive to the use of water and fertilizers. These seeds, however, necessitated the use of pesticides as they were critically vulnerable to pests and weeds. The above inputs had to be administered in the correct proportion to get the best results. The results of using of HYV seeds were also dependent on the time when the inputs were administered. Any delay in the application of inputs or inadequate or disproportionate use of inputs affected the yield adversely. The HYV package had an overall impact on the cost of cultivation. It significantly increased the cost per unit of land but not necessarily the cost per unit of output. The technology also resulted in a shift towards non-labour market with the use of commercial inputs. The green revolution by its very nature was a selective and target specific strategy. It was primarily directed towards regions with favourable "initial conditions", such as irrigation facilities. Furthermore, the technology of wheat conservation was more successfully adapted to Indian conditions than for rice and other food-grains. The strategy was also initially directed towards the better off farmers who were able to invest in the new technologies. Bigger farmers also had better access to credit for purchase of inputs. The HYV package required more labour inputs as well during the peak time of sowing and harvesting. This encouraged larger farmers to go in for mechanization by using tractors and combined harvesters. Hence, the use of new technology had both labour augmenting and labour displacing impact. In Punjab and Haryana, the increase in the seasonal demand for
labour was met through migration of labour from the Central and the Eastern parts of the country.

The green revolution was intended to provide a breakthrough in agricultural production and yield. However, experience shows that the growth rates of the production of all crops, except wheat, fell during the initial 10 to 15 years of the green revolution. Furthermore, the limits of expansion in arable land were also reached. The relative stagnation of the yield of other crops accompanied by slowed down expansion of areas under cultivation resulted in an aggregated rate of growth in food production at a level less than 3% per annum. The main achievement of the green revolution phase, however, was that the overall growth of agricultural output was prevented from falling.

The uneven spread of the green revolution led to the growth of marketable surplus in certain pockets of the country such as Punjab, Haryana and Western U.P. Marketable surplus was made possible also through the output pricing policy which was designed to make it attractive for farmers to sell part of their output in the market. At the same time, a number of inputs required for the HYV package such as fertilizers, seeds, pesticides, diesel (for tube wells and tractors) were subsidized so that farmers could be encouraged to use these inputs. This led to accumulation of buffer stocks through which the Government could implement its policy of public distribution system. The green revolution was initially confined to wheat and then it spread to rice. The high yielding varieties could not be replicated with the same success in pulses and oilseeds, nor in course cereals such as Maize, Jowar and Bajra. This introduced certain imbalances in the nutritional intake, especially as the pulses are the main source of proteins in the Indian diet. The relative increase in the prices of coarse grains consumed mostly by the rural poor affected them adversely. The low yield of oilseeds led to dependence on imports for meeting domestic requirements. However, the spread of HYV technology to rice led to a wider coverage of area under the new crop in the central and the eastern parts of India, which are known to be the most poverty ridden. The reduction in rural poverty during the eighties and the nineties is related, to some extent, to this factor.
1.2.9 Poverty Alleviation Programmes—A Retrospect

In the post-independence era, India has achieved commendable success on many fronts. In the case of agriculture, being importers at one time, we are now not only net exporters but also one of the largest donors of food in the world. In the field of science and technology, we are on the frontiers of many areas like space, communication and information technology. In spite of all this, our country has the largest number of the poor in the world and therefore rural development and poverty alleviation continues to be one of the major focus areas of the national development policy. Rural development in India is identified largely with the poverty alleviation policies. Perhaps no country in the world has invested so much time and resources on poverty alleviation and achieved so little as India. Over the 25 year period, 1973-74 to 1999-2000, the poverty ratio, i.e. the percentage of the poor in the total population, has been halved from 55 per cent to 27 per cent. Though it is not a mean achievement given the magnitude and complexity of the problem but the fact remains that our performance vis-à-vis the performance of many other countries, especially China and East and South-East Asian countries, has been far from satisfactory to say the least. It is obvious that the problem of poverty in India is a major challenge and it needs priority in our development policy, if we want to improve the nation and also to compete with the developed nations. It can be observed that poverty in rural and urban areas is more or less similar, but in terms of numbers, the poor in rural India are nearly three times the urban population. About three fourths of the total population of the country is rural and therefore majority of the poor are in the villages. It is why Gandhi Ji repeatedly said that “India lives in villages and the development of the nation cannot be achieved without the development of the villages”.¹

The real fruits of independence and democracy, in fact, cannot be enjoyed by the people unless they are freed from the clutches of poverty. Initially, it was thought that when the process of development started, the ‘trickle down’ effect would take care of the problem of poverty. This process did achieve results in countries where industries and the service sector developed faster and overtook the agriculture-based economies, but in
countries like India, it did not work due to various reasons, some of the important ones are as follows:

i) India continues to be an agrarian economy, which contributes less than one fourth of the GDP, but employs more than 70 per cent of the rural work force.

ii) Nearly 80 per cent of the farmers have small and marginal holdings (less than two hectares) and most of them practice subsistence agriculture. Besides, a large number of landless people depend on agricultural labour. The majority of these people belong to socially weaker sections, who have little access to the various means of developing agriculture.

iii) A high rate of population growth and a low level of literacy are other important factors which have adversely affected the developmental process.

iv) Slow pace of development in industrial and service sectors and inability of the non-farm sectors to absorb excess labour from the farm sector, is also one of the important causes of poverty in India.

v) Moreover, if there was any trickle down affect, it remained confined to the urban areas only.

In the given situation, it was necessary for the Government to initiate development of rural areas through various types of interventions to suite different types of regions, different social and economic classes of people with varying economic base as well as those without any economic assets. Thus, the Government of India introduced a number of programmes as part of its planned strategy to develop rural India and alleviate poverty.

1.2.9(A) Poverty in India

Now let us look into the poverty situation in India. The most commonly used method to measure poverty is the ‘Head Count’ method, which only describes the number of poor people below a certain level of income/expenditure. It does not indicate the severity of poverty and therefore some efforts have been made to measure not only the extent of poverty but also its intensity. The measurement of poverty in India is based on the consumption and expenditure data collected through National Sample...
Survey Organization (NSSO). The methodology used by the Planning Commission, however, has some defects. Accordingly, they constituted an Expert Group to provide a more realistic estimate of poverty in the country. It is clear that the poverty estimates by the Expert Group are higher than those estimated by the Planning Commission. According to the estimates of the Expert Group, which are accepted by the Government, the overall poverty has declined from 54.9 per cent in 1973-74 to 26.1 by 2000 indicating an average of about one per cent decline per year. The rural poverty has declined from 56.4 per cent in 1973-74 to 27.1 per cent in 2000. The rate of reduction of poverty in rural areas is slightly more than that in urban areas. In fact, urban poverty is also a reflection of rural poverty, as large numbers of the rural poor migrate to urban areas for better wages and thus add to urban poverty.

1.2.10 Review of Poverty Alleviation Programmes

1.2.10(A) Integrated Rural Development Programme

While SFDA and MFAL were wholly beneficiary oriented programmes, the programmes like the Drought Prone Area Programme (DPAP), the Command Area Development Agency (CADA) and the Hill Area Development Agency (HADA) also had components (however small) for direct assistance to beneficiaries and these overlapped with those of SFDA and MFAL. Besides, the criterion used for the selection of beneficiaries was exclusively the size of land, while other sources of the family income were ignored, though as per guidelines these were also to be taken into consideration. In addition to these inadequacies, these programmes were mainly focused on land-based activities and the opportunities for employment in other sectors were not considered. In order to overcome these deficiencies it was decided to merge all beneficiary oriented elements of other programmes with SFDA and recast a new programme and integrate that with various other sectors which have considerable potential for self-employment. Consequently, the Integrated Rural Development Programme (IRDP) was launched in 1978 covering 2300 blocks which were already under SFDA, DPAP, CADA and HADA. The Draft Sixth Plan (1978-83) observed that Integration covers four principal dimensions: integration of
sectoral programmes, spatial integration, integration of social and economic processes and above all the policies with a view to achieving a better fit between growth, reduction in poverty and employment generation. More specifically, it involves a sharp focus on target groups, comprising small and marginal farmers, agricultural labourers and rural artisans, and an extremely location-specific planning in the rural areas.

The performance of IRDP was monitored through a series of concurrent evaluations. The first round was conducted in 1985-86, the second in 1987-88, the third in 1989-90 and the fourth and last in 1995-96. In each round, among other things, qualitative aspects and leakage of funds were also assessed. Based on the outcome of the evaluation reports, many amendments were introduced in the programme design and also in the process of implementation. Some of the findings of the latest round of concurrent evaluation (1995-96) are as follows:

i) The percentage of the beneficiaries belonging to Agriculture and Non-agriculture labour was about 42 %.

ii) The adequacy of funds for the schemes was adequate for 69.94 % of the activities and the remaining felt that it was inadequate.

iii) The average income generated from IRDP scheme by the beneficiaries was Rs. 2498 which was about 21 % of their total annual family income.

iv) As for leakages in the programme or loss of funds by way of making payments to Government Officials for seeking favours, 21.97 % said ‘yes’ and the remaining ‘nil’. In April 1999, the IRDP was redesigned in a new format by merging the other five programmes (TRYSEM, DWCRA, SITRA, MWS, SITRA) and renamed the Swarnjayanti Gram Swarozgar Yojana (SGSY).

1.2.10(B) TRYSEM (Training of Rural Youth for Self Employment)

The basic purpose of this scheme was to train the rural youth in order to live them with self employment. The rural unemployed youth are categorized into four groups: (i) Literate and Skilled, (ii) Literate and Unskilled, (iii) Illiterate but Skilled and (iv) Illiterate and Unskilled. While the fourth category was mainly dependent on wage employment, the other three
groups could be provided with skills that would help them not only in starting their own micro enterprises but also in creating employment for many others and thus help in solving the problem of increasing unemployment among the youth in the country. Keeping this in view, TRYSEM was launched in 1979 as a component of IRDP. Under this programme a target of 40 youth, both men and women, in each block, every year, were to be selected and trained in skills and entrepreneurship development to enable them to become self-employed. Apart from providing self-employment opportunities, TRYSEM also sought to meet another goal. It was hoped that by providing access to income generating activities in the rural areas, the influx of rural youth to urban areas could be curbed. Moreover, local needs could also be met with local resources, thereby giving a fillip to rural development. The objectives of TRYSEM are to provide the rural youth (18-35 years of age), from the families below the poverty line, with training and technical skills to enable them to take up self-employment (wage employment was added in 1982-83) in agriculture, industry, services and business activities. Training in this context is perceived not only in terms of the provision of physical skills, but also in terms of desirable change in attitude, enhancement of motivation and skills in human relations, etc. Self-employment, in the context of TRYSEM, is defined as gainful employment on a full-time basis which results in an income sufficient for the family of the youth to cross the poverty line. Situations of employment in which the means of production are owned, hired or taken on lease are taken to be self-employment situations.

It will be worth mentioning here that it was possible to realize the desired results from the programme in any of the plan periods whereas the youth who got self-employed after the training were less than 50 per cent of the original number. About 10 to 20 percent of the trained youth were able to get wage employment and the remaining continue to be unemployed even after training.

There are, however, shortcomings in the operation of TRYSEM. Some of them are given below:

- Implementation was generally uneven.
Although the programme imparted training, it has not, in some cases, instilled the candidates with the confidence necessary to take up self-employment ventures.

The training offered lacked appropriate technology in the package provided.

There are deficiencies in training arrangements and also in the syllabuses prescribed by various training institutions.

In the selection of trades, self-employment possibilities and their financial viability were not considered right in the beginning.

Assistance in the provision of raw materials and marketing has been poorer than expected.

Every district did not have training centres for TRYSEM.

In a large number of cases, the assistance provided to TRYSEM trainees from IRDP for projects had no link with the training they had received.

1.2.10 (C) Development of Women and Children in Rural Areas (Dwcra)

When IRDP Programme was being implemented, it was observed that it could not genetic enough impact on women. This programme was basically focused on the women folk and it was designed when, after the first few years our planners realized that women did not reap as much benefit out of IRDP as they were expected to. Besides, women have some unique problems in taking up self-employment activities. These are: (i) women have the responsibility of managing household chores which keep them engaged for a considerable time every day, (ii) women with infants around them find it difficult to leave them unattended and (iii) most of the poor women being illiterate lack even the minimum entrepreneurship capabilities and therefore it is necessary to organize them into groups so that, supported by cooperative group effort, they may perform better. Hence, it was felt necessary to devise a special programme which could overcome the above mentioned problems of the poor women and children in rural areas.

To evaluate and assess the functioning of a special programme like DWCRA, it is important to review its broad objectives. These include
increase in women’s participation in rural development and a rise in their earnings; helping women to develop new skills; providing them with better access to credit; and helping them in marketing their products. With these objectives in view, let us take a look at the performance of DWCRA. Women do not derive the greatest of benefits. It is usually the less poor among the poor women who get to form the groups. One of the provisions under the programme is that DWCRA members can avail themselves of loan and subsidy under IRDP. The unit of the beneficiaries under IRDP, as you read in the preceding unit, is the family. Here, women face certain problems. Although women head a large number of households, particularly where men may have migrated to the cities, they find it difficult to gain access to credit. Moreover, in many cases women are denied credit simply because some male member in the family had defaulted on an earlier loan.

1.2.10(D) Jawahar Rozgar Yojana

India is basically an agrarian economy, as more than two third of the rural population is directly dependent on agriculture. The distribution of the land, however, is skewed. Nearly 78 per cent of the cultivators are small and marginal (possessing less than 2 hectares of land each) farmers. Of these 31.15 per cent have less than 0.2 ha of land and 11.25 per cent are almost landless (Agriculture census 1990-91). The main source of employment for most of these people is agriculture labour. Agriculture wages are also available only during agricultural activities, which is 90 to 120 days in a year. During the lean season, most of these people are either underemployed or even unemployed. Our growing population is adding to the labour force at quite a high rate, and to create jobs for an ever increasing working population is a very difficult task.

1.2.10(e) Indira Awas Yojana (IAY)

This programme was introduced as a component of RLEG in 1984-85. After its merger with JRY, it became one of its components for which initially 6 % of the total allocation was earmarked. This allocation was enhanced to 10 % of the total allocation under JRY in 1992-93. IAY was initiated to provide housing facilities to the most poor among Scheduled Castes and Scheduled Tribes with hundred percent subsidy. From 1992–93
onwards, poorest of the poor from other categories were also allowed the benefits of IAY.

1.2.10(f) Million Wells Scheme (MWS)

This programme was introduced during 1988-89 and became a component of JRY in 1989. Under this scheme, open wells for irrigation were provided to the SC/ST beneficiaries free of cost. And 20% of the total allocation was earmarked for the MWS. In 1992-93 this amount was enhanced to 30% of the total JRY allocation. MWS was separated from JRY in 1995-96 and made a separate programme.

1.2.10(G) Employment Assurance Scheme (EAS)

Though JRY covered all the blocks of the country and the programme was implemented by the Gram Panchayats to ensure that all villages get the benefit of the programme, it was felt that the programme was not able to solve the problems of unemployment and underemployment, particularly in remote, difficult and backward areas where the opportunities of farm employment were very poor and the cost of living was much higher than other places due to poor accessibility and backwardness and also the minimum wages did not help improve their purchasing power as compared to the wage earners of other areas. In order to mitigate the severe poverty in such areas, the Government of India introduced Revamped Public Distribution System (RPDS) in the year 1992-93 to ensure subsidized and adequate supply of food grains to the poor. There were 1778 blocks across 261 districts in the country, identified as difficult and backward areas for RPDS. Subsequently, to intensify the poverty alleviation programme and to enhance the employment opportunities in these blocks, a new programme called Employment Assurance Scheme (EAS) was launched on 2nd October, 1993, covering all the 1778 blocks under RPDS. These blocks were identified mainly in DPAP, DDP, Hill and Tribal areas. The main objective of the EAS was also on the lines of JRY, i.e. to provide gainful employment during lean agriculture season in the form of manual works to all able bodied adults who were in need and desirous of working, but unable to find anything to do. The secondary objective was to develop economic infrastructure and
community assets and resources for sustained employment and development.

Though EAS was able to generate wage employment and create community assets, it could not achieve the desired objectives. One of the main reasons was that there was lack of planning for the identification and formulation of labour intensive works. In many cases School Buildings or Community Halls were constructed which consumed more funds for material components, but generated less employment. This was also the reason for the poor utilization of funds in many states. In some cases EAS and JRY schemes overlapped each other resulting in wastage of resources and corruption. Though EAS funds were meant to be utilized as a last resort, things did not happen that way. A universal coverage triggered increased demand for funds from States beyond their available budgetary resources. Till March 31, 1999, the scheme was of a demand-driven nature and the better-off States grabbed a lion's share of funds, while the needy ones were left out. To rectify this, it was decided that with effect from April 1, 1999, the scheme would involve specific allocations to each State based on its level of poverty. Keeping the above in view, the EAS was merged with JRY (JGSY) in the year 2001 and is then called Sampoorna Gramin Rozgar Yojana (SGRY).

1.2.10(h) Sampoorna Grameen Rozgar Yojana (SGRY)

All the economic activities in villages are closely related to seasons. During certain seasons, there is enough demand for labour. At certain other times, there is little demand for labour. As a result, the rural poor and landless labourers do not get regular paid-work throughout the year. Most of the time they remain unemployed or under-employed. Increase in our population makes the situation still worse. Wage and self-employment could be the most effective strategy for the alleviation of poverty, reduction of inequalities as well as the improvement of nutritional levels. This, in turn, would be instrumental in maintaining a relatively high rate of economic growth. The new scheme called Sampoorna Grameen Rozgar Yojana (SGRY) is the result of the merger of the two earlier schemes namely, the
Employment Assurance Scheme (EAS) and the Jawahar Gram Samridhi Yojana (JGSY). Additional wage-employment, infrastructural development and food security are the key concerns of the SGRY. Accordingly, the SGRY aims at providing a demand driven infrastructure at the village level to facilitate faster growth in the rural areas and to increase opportunities of employment through access to the market oriented economy. This would lead to progressive increase in the employment opportunities and equally help in the faster growth of the rural economy. The SGRY was in operation since the 25th September 2001.

While making a review of the the progress achieved by various states under Sampooran Grameen Rojgaar Yojana it came out that a total sum of Rs.500735.68 lac was made available for the year 2006-07 and Rs.385352 lac was utilized. The percentage was 76.96%. Out of total expenditure 24.96% was utilized on individual SC/ST beneficiaries, 52.01% on habitation and 2.77 on other purposes. as well as 0.26% on training. While covering physical performance it revealed that 4241.09 lac Mandays were generated covering 1529.42 Lac (36.06%) on S.C, 650.02 Lac Mandays (15.55%) on S.T. and 2061.65 on others. The mandays generated by women were 1007.67 (23.76%) whereas mandays generated by landless were 1712.43 (40.38%). 1135306 works were taken up, out of which 199013 works were under progress and 935376 works were completed. 82% of the works sanctioned were completed. As far as foodgrain is concerned 495573 MT. Wheat, 1204453 MT Rice which comes out to 1700026 MT total allocation resulted in 1305204 MT foodgrain lifted which comes to 53.87%.

1.2.10(i) National Social Assistance Programme (NSAP)

Ours is a welfare state where the major task of the State is to ensure the well being of every citizen. In spite of our efforts made over the last few decades, poverty remains a major problem in the country. You must have seen poor people in your village. They are poor because they don’t have access to the basic facilities of life. As a result, they are held up in a state of poverty. Many plans and programmes are being implemented for them, yet there is a large number of needy people and families who are left out of such programmes and their numbers are increasing day by day. Important among
them, for purposes of assistance, are those who are old and/or belong to poor families without primary breadwinners. In order to help these poor people NSAP was introduced on August 15, 1995. It was a Centrally Sponsored Programme to extend 100 per cent Central assistance to the States and Union Territories in order to help them to provide various programme based benefits to the poor. The programme consists of the following two schemes:

i) National Old Age Pension Scheme (NOAPS)

ii) National Family Benefit Scheme (NFBS)

1.2.10(j) National Old Age Pension Scheme (NOAPS)

This scheme is meant for old persons who are destitutes. There are people who are old and without any regular source of income. Because of their old age they cannot work and therefore are unable to support themselves. At the same time, they may not have any one else, son/daughter or any relative to take care of them. They are helpless and vulnerable in all respects physically, financially and socially. In order to sustain themselves, people belonging to this category of the poor require assistance on a continuous basis. The NOAPS has been designed to provide monthly old age pension to such destitutes. Under this scheme, a person was getting an amount of Rs. 75/- (Rupees Seventy-Five Only) per month as old age pension. The amount now has been raised by GOI to 200/- PM wef 1-4-2006. The respective State Governments, however, been requested to raise 200 rsw from its side so that the destitute gets Rs. 400/-per month. At present 13 states /Uts are providing Rs 400/- or more as pension under old age pension.

Under NAOPS, 87.56 Lac beneficiaries were covered during 2006-07. However with the modification of eligibility criteria modified to cover all persons 65 years and higher and living below the poverty line.

1.2.10(k) National Family Benefit Scheme (NFBS)

This scheme is aimed to provide the relief to the family of the diseased BPL major bread winner of households below poverty line in case of death. It is the rural development department in India who provides services to the rural poor best from birth to death so that the poor families
could share the load of misfortune. In our country, every effort is made to help the poor people to come out of poverty. At times, however, situations arise when the needy cannot wait for the benefits of the development programmes to reach them; for instance, consider the sudden death of the primary breadwinner in a family and the consequential helplessness of the family. Such a family needs immediate assistance to come out of destitution. The National Family Benefit Scheme (NFBS) has been introduced by the Government to help such poor households who suffer due to accidental or natural death of their primary earning members. The scheme provides a sort of immediate compensation to the affected family in order to help them to come out of the situation. It is, however, a one-time assistance for the affected families and nothing more than that. Since the assistance is linked with the death of the primary breadwinner, it is necessary to clarify as to who the primary breadwinner is. As per the guidelines issued by the Government of India, any person in a household is considered the primary breadwinner, if his or her earnings contribute substantially to the total household income. An amount of Rs. 10,000 (Ten Thousand) per family has been fixed as compensation in the case of primary breadwinner’s death. There are two conditions attached to this facility. First, the family must be living below the poverty line. Second, the age of the main breadwinner at the time of his/her death should be more than 18 and less than 65 years.

Under NOAPS and NFBS During the year 2002-03 an amount of Rs. 680Lac. was allocated of which 657 lac was released and an amount of Rs. 594.06 was utilized. Out of this utilized fund 7471509 beneficiaries were benefited under NOAPS/IGNOAPS and 85209 compensations were provided under NFBS. During the year 2003-04 coverage was 6534000 persons under NOAPS and 209456 NFBS. During 2004-05 The benefit was given to 8079386 NOAPS and 261981 NFBS. During the year 2006-07 8706404 persons were benefited under NOAPS whereas 204952 compensations were given under NFBS.

1.2.10(I) Indira Awaas Yojana

Indira Awaas Yojana was started with emphasis for providing shelter to houseless. Under IAY, a BPL family is given grant of Rs. 35000/-
for new construction in plain areas and Rs.38,500/- for construction in hilly/difficult areas. The criteria for allocation of IAY funds to the States & UTs involves assigning 75% weightage to housing shortage and 25% to poverty ratio. The allocation amongst districts is based on 75% weightage to housing shortage and 25% weightage to SC/ST component. Further, 60% of the IAY allocation is meant for benefiting SC/ST families, 3% for physically handicapped and 15% for minorities. Also the IAY houses are expected to be invariably allotted in the name of women. In addition, 5% of the central allocation can be utilized for meeting exigencies arising out of natural calamities and other situations like riot, arson, fire, rehabilitation etc. In order to introduce transparency in selection of beneficiaries, permanent IAY waitlists have to be prepared gram panchayat- wise by the States/UTs. These lists contain the name of deserving BPL families who need IAY houses in order of their poverty status based on the BPL list 2002. 

IAY is one of the popular schemes of the Ministry of Rural Development. The popularity can be attributed to the fact that the scheme enables beneficiaries to participate & involve themselves in construction of their home. The role of the State Government is limited to releases and to facilitating use of appropriate technology. In spite of criticism from certain quarters about IAY being a full subsidy scheme, experience reveals that houses get completed more or less on time which may not have been the case if credit was part of the assistance. Not surprisingly, evaluation studies reveal high levels of occupancy and satisfaction. Providing houses to the poorest also has a positive impact on people's physical & mental health. Once the basic need of housing is fulfilled, citizens develop a sense of opportunity for livelihood, for improving living conditions and for continuing children's education. Undoubtedly, there is a direct link between a safe and secure housing to better standards of living & reduction in vulnerability. During seventh five year plan (1985-86 to 1989-90) against the release of Rs.75894.90 lakh an amount of Rs.78062 lakh was spent and 705966 houses were constructed out of 746648 houses.

During the annual plan (1990-91 and 1991-92) against the releases of Rs. 31448.18 lakh an expenditure of Rs.47608.25 was made and 389099
houses as against 242558 houses. The disparity between houses sanctioned and houses completed is because of the backlog of houses as well as opening balances of funds as of previous year. During eighth five year plan from 1992-93 to 1996-97 an amount of Rs.391656.38 lac was released and against this an amount of Rs.377250.70 lakh was spent. The houses sanctioned were 3021898 and houses constructed were 2625781. During ninth five year plan (1997-98 to 2001-02) against the release of Rs. 968158.19 Lac an expenditure of Rs.963836.27 lac. was incurred. The houses sanctioned were 5115488 and houses completed were 4874392. During 10th five year plan (2002-02 to 2006-07) an amount of Rs.1603492.70 Lac. was sanctioned whereas the expenditure incurred was Rs.1654466.29 lac. The houses sanctioned were 7336080 whereas 7481466 houses including spillover houses were completed. During eleventh five year plan upto 2007-08 an amount of Rs.394622.60 lakh was released against which Rs.322314.90 lakh has been achieved. 2127184 houses were proposed against which 1092426 has been completed and rest were in progress.

1.2.10(m) Bharat Nirman Programme

The Bharat Nirman Programme, which aims at augmenting the rural infrastructure, also includes Rural Housing as one of its six components. Under the 'Bharat Nirman' Programme, 60 lakh houses are envisaged to be constructed in rural areas in a period of 4 years starting from 2005-06. Under NAY, during 2005-06, 15.52 lakh houses were constructed against a target of 14.41 lakh houses and during 2006-07, against the target of 15.33 lakh houses, 14.98 lakh houses were constructed. In the current financial year 2007-08, 10.6 lakh houses have been constructed against the target of 21.27 lakh houses. Besides, 8.40 lakh houses are at various stages of completion. Again for 2008-09, adequate budget provision has been made by the Planning Commission for coverage of more than 20 lakh houses. As a result, the goals of Bharat Nirman would be more than exceeded. Since inception of the scheme 171 lakh houses have been constructed with an expenditure of Rs.189898.56 crore (upto 12/2/08). The funds available were Rs. 5037.89 crore (including OB & State share) out of which Rs. 4253.42
crore were spent. Percentage of Utilisation was 84.43%. During 2006-2007 Physical Target for the year was 15.33 lakh houses. Houses out of which 14.98 lakh houses were constructed and Houses under Construction were 6.85 lakh giving the Percentage of Physical 97.71% achievement. Financial Performance during 2007-08 Central budget for IAY Rs. 4040.00 crore Central Releases Rs. 2966.84 crore Total Available Funds Rs. 5528.92 crore (including OB & State share) Utilisation of Funds Rs. 3223.15 crore Percentage of Utilisation 58.30%. Against the physical Target for the year 21.27 lakh houses. Houses Constructed were 10.92 lakh, house under Construction 8.47 lakh. Percentage of Physical achievement stood at 51.36%.

1.2.10(n) National Rural Employment Guarantee Scheme

The National Rural Employment Guarantee Act (NREGA) notified on 7th September, 2005, aims at better livelihood security of households in rural areas of the country by providing at least one hundred days of guaranteed wage employment, in a financial year, to every household whose adult members volunteer to do unskilled manual work. The choice of works suggested in the Act addresses causes of chronic poverty like drought, deforestation and soil erosion, so that the process of employment generation is maintained on a sustainable basis. The Act covered 200 districts in its first phase, implemented on February 2, 2006, and was extended to 330 additional districts in 2007-2008. All the remaining rural areas have been notified with effect from April 1, 2008.

The significance of NREGA lies in the fact that it operates at many levels. It creates a social safety net for the vulnerable by providing a fallback employment source, when other employment alternatives are scarce or inadequate. It adds a dimension of equity to the process of growth. It creates a right-based framework for wage employment programmes, by conferring legal entitlements and the right to demand employment upon the workers and makes the Government accountable for providing employment in a time bound manner. By prioritizing natural resource management, and emphasizing the creation of durable assets it holds the potential of becoming a growth engine for sustainable development of an agriculture based
Finally, its operational design built around strong decentralization and lateral accountability to local community offers a new way of doing business and a model of governance reform anchored on the principles of transparency and grass root democracy. In this way, the potential of NREGA spans a range from basic wage security and recharging rural economy to a transformative empowerment process of democracy.

1.2.10(o) Total Sanitation Campaign (TSC)

TSC under the restructured CRSP was launched following a community led and people centered approach as a demand driven programme. The main purpose of the campaign is to motivate and aware the rural people for giving up open defecation and follow the other measures of total sanitation and hygiene such as cleanliness of water sources, cleanliness of all the paths and streets, proper management of solid and liquid waste, providing toilet facility to the Schools and anganwari centers. The Total Sanitation Campaign guidelines have been modified following approval by the Cabinet Committee on Economic Affairs on March 9, 2006. The modifications came into effect on April 1, 2006. As per the revised TSC guidelines, i.) The unit cost of both models of household toilets have been revised to take into consideration price escalation due to inflation. As a result, the cost of the two models will be revised from the existing Rs. 625/- to Rs. 1,500/- and from Rs. 1,000/- to Rs. 2,000/- including superstructure cost of Rs. 650/-. Programme to achieve this end. The objective is to make it a demand driven campaign through creation of awareness and generating demand for sanitation as a basic necessity. Provision of sanitary facilities in educational institutions such as schools, anganwadis and individual houses, will go along way in inculcating hygienic practices amongst the young and in the adults. According to 2001 Census, only about 21.9% of the rural families had access to toilets. The percentage has gone up to 49% as per the latest available figure, which is mainly attributed to the new strategies adopted under the TSC. The proportion of rural families with access to toilets has been increasing.
As on December, 2007, 578 projects in the country were under implementation. The main physical components sanctioned in the 578 projects to be achieved over a period of 4-5 years are as follows:

i.) Construction of 569.53 lakh individual household latrines for BPL families

ii.) Construction of 614.97 lakh individual household latrines for APL families

iii.) 11.21 Lakh toilets units for schools

iv.) 4.11 lakh toilets for Balwadis/Anganwadis

v.) 27,661 community sanitary complexes

vi.) 4,248 Rural Sanitary Marts / Production Centers About 223.31 lakh household toilets for BPL and 163.67 lakh for APL have been constructed with support from the TSC.

Swarn Jayanti Gram Swarozgar Yojana (SGSY)

1.2.11) Introduction

Rural poverty continues to be a cause of great worry to development planners in India. A large number of anti-poverty programmes have been introduced from time to time through various successive plans but in terms of absolute numbers, poverty continues to grow. During the second half of the seventies, there was a feeling that benefits of development had not reached the poorest of the poor in the previous two decades. The experience gained by implementing various target group approach programmes such as Small Farmers Development Agency (SFDA), Marginal Farmers and Agriculture Labourers (MFAL) programme, Command Area Development Programme and Drought Prone Area Development Programme (DPAP) suggested a need for an integrated approach to rural development. However, the integrated approach that followed through the introduction of Integrated Rural Development Programme (IRDP) and its subprogrammes either did not help to redress the situation. These programmes had to be revamped to ensure that the desired linkages were established for a meaningful impact. This is now being achieved through the introduction and implementation of the Swarnjayanti Gram Swarozgar Yojana (SGSY), which replaced all other earlier programmes of self-employment. The basic argument however
remains intact that it is the self-employment programme, which alone can provide income to the rural poor on a sustainable basis. A large no of shortcomings were highlighted in earlier self employment programmes hence to fill the gaps SGSY was formulated.

1.2.12) The Background

At the end of the 1970's, Integrated Rural Development Programme (IRDP) was the only self-employment programme. Over the years a number of supporting programmes, such as Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Million Wells Scheme (MWS) and Ganga Kalyan Yojana (GKY), have been added. The overall objective of these programmes was to make the rural poor cross the poverty line by generating sustainable income. With so many programmes for self-employment in operation, they tended to be viewed as separate programmes. There was also the absence of proper linkages as well as lack of proper social intermediation and as a result all these programmes got engaged in achieving individual targets rather than having a cumulative impact on the situation. In the process, the objective of sustainable income generation on a collective basis was lost. This led to the restructuring of these programmes in order to make them more effective in providing sustainable income. Keeping in view the strengths and weaknesses of earlier programmes, a new self-employment programme called 'Swaranjayanti Gram Swarozgar Yojana' (SGSY) was introduced in April 1999. With SGSY coming into effect, the earlier programmes such as IRDP, TRYSEM, DWCRA, SITRA, GKY and MWS are no longer in operation.

1.2.13) Objectives Of SGSY

The objective of Swarnjayanti Gram Swarozgar Yojana (SGSY) is to lift the assisted poor people above the poverty line by ensuring appreciable increase in their incomes over a period of time. This objective is to be achieved by, inter alia, organizing the rural poor into Self-Help Groups (SHGs) through a process of social mobilization, training, capacity building and the provision of income-generating assets through a mix of bank credit
and government subsidy. The programme aims at setting up a large number of micro-enterprises in the rural areas. The basic idea is that the rural poor in India have varied competencies and if they are provided with necessary support at the right time, they can become very successful producers of valuable goods and services, which will help them in crossing the poverty line. The assisted poor people are known as Swarozgaris and they could be either individuals or groups (Self-Help Groups). The emphasis, however, is on group approach. SGSY is basically a holistic programme of micro-enterprises covering all the necessary aspects of self-employment. They include the following:

- Organization of poor into SHGs (Self-Help Groups),
- Capacity building of SHGs,
- Planning of activity clusters,
- Infrastructure build up,
- Technology,
- Credit,
- Marketing.

Micro enterprises: Micro-enterprises are those key-activities, which are identified for each block on the basis of the following:

- Resources
- Occupational skills of the people
- Availability of the markets

In order to explain this point further, let us take an example from farm activities. You know that the provision of irrigation facilities is an important activity. Therefore, a group or an individual can take up minor irrigation as a key-activity in a micro-enterprise. Similarly, in the case of non-farm activities, such activities as lead to production of goods and services and have market potential can be taken up as key-activities.
TABLE-1.2.2

<table>
<thead>
<tr>
<th>Performance of scheme since inception (up to Dec., 2007)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(i) No. of SHGs formed : 2741081</td>
</tr>
<tr>
<td>(ii) No. of Swarojgaries assisted : Total: 9332572</td>
</tr>
<tr>
<td>(a) SHGs Swarojgaries: 5812645</td>
</tr>
<tr>
<td>(b) Individual Swarojgaries: 3519927</td>
</tr>
<tr>
<td>(iii) Subsidy disbursed: Rs.6612.02 crores</td>
</tr>
<tr>
<td>(iv) Credit disbursed: Rs.13538 crores</td>
</tr>
<tr>
<td>(v) Per capita Investment (Av. / Per year): Rs.21832/-</td>
</tr>
</tbody>
</table>

1.2.14) Strategy

The SGSY is different from earlier programmes, in terms of the strategy envisaged for its implementation. It has been conceived as a holistic programme of self-employment. It covers all aspects of self-employment of the rural poor viz. organisation of the poor into Self Help Groups (SHGs) and their capacity building, training, selection of key activities, planning of activity clusters, infrastructure build up, technology and marketing support.

1.2.15) Social Mobilization of the poor

A major shift of the SGSY from the erstwhile programmes is in terms of its emphasis on social mobilization of the poor. The programme focuses on organization of the poor at grassroots level through a process of social mobilization for poverty eradication. Social mobilization enables the poor to build their own organizations into Self-Help Groups (SHGs), in which they participate fully and directly and take decisions on all issues that will enable them to cross the poverty line. An SHG may consist of 10-20 persons belonging to families below the Poverty Line. A person should not be a member of more than one group. In the case of minor irrigation schemes, disabled persons, and in difficult areas i.e. hills, deserts and sparsely populated areas, the number of persons in a group may range from 5-20. However, if necessary 20% and in exceptional cases upto 30% of the members in a group may be from Above Poverty Line; (marginally above the poverty line and residing contiguously with BPL families) if agreed to by BPL members of the group. Efforts have to be made to involve women members in each SHG. 50% of Self Help Groups in each block should be exclusively
for women. Group activities are to be given preference and progressively, majority of the funding should be for Self-Help Groups.

1.2.16) Selection of Key Activities

The SGSY emphasizes assistance to the Swarozgaris for those activities which have been identified and selected as key activities in terms of their economic viability in the area. Each Block may select about 10 key activities but focus should be on 4-5 Key Activities based on local resources, occupational skills of the people and availability of resources.

1.2.17) SGSY - Main Criteria for SHG Formation

A group of rural poor who volunteer to organize themselves in a group. The Group may consist of 10-20 members (5-20 members in case of minor irrigation project, disabled persons and in difficult areas like desert hills and areas with scattered and sparse population).

Members of group to be from BPL family, however maximum of 20% and in exceptional case 30% of the group members can be from families marginally above poverty line. Only one member from a family is eligible for membership of group markets so that the Swarozgaris can draw sustainable incomes from their investments. Block Level SGSY Committees are mainly responsible for selection of key activities which should be done through participative approach. Selection of Key Activity is required to be done in consultation with Banks, industrial/technical Organizations, local Khadi & Village Industries officials and district industry center. The selected key activities are to be recommended by Panchayat Samiti and finally are to be approved by District Level SGSY Committee. Any new activity can be added to list of key activity by the District Level SGSY Committee but ordinarily selected key activities are not to exceed 10 in a block.

1.2.18) Cluster Approach

SGSY stresses on cluster approach for taking up economic activities. The key activities are to be taken up in clusters. The cluster may not merely be geographic agglomerations but limits where backward and forward linkages can effectively be established. Separate clusters are to be taken up for each activity. More and more Swarozgaris can be added to the cluster
each year. The cluster approach in the programmes is adopted to facilitate infrastructure and marketing support to the activity.

1.2.19) Project Approach

The SGSY adopts a Project approach for each Key Activity. Project Reports are to be prepared in respect of each identified Key Activity. The Banks and other financial institutions have to be closely associated and involved in preparing these Project Reports, so as to avoid delay in sanctioning of loans and to ensure adequacy of financing. Project report should include all aspects like level of investment required at Swarozgaris level, economies of group lending, return from the activity, repayment schedule, technical input required by Swarozgaris, training requirement and mode of training, credit, infrastructure and marketing requirement and identification of resources to develop them, net accruable income from activity.

1.2.20) Target Group

Families below the Poverty Line (BPL) in rural areas constitute the target group of the SGSY. These families are identified by gram Sabha in rural areas.

1.2.21) Role of NGOs/Banks in Group Formation:

NGOs or Community Based Organization (CBOs)/ Community Coordinators/ facilitators/SHPIs/ animators are to be involved in Group Formation and even for SHG's capacity building.

- Rs. 10,000 per group to be paid to NGOs/CBOs / SHP1 / facilitators etc. for formation and development of SHG in four instalment.
- 20% at the beginning of group formation
- 30% when group qualifies for Revolving Fund
- 40% when group takes up economic activity
- 10% after start of economic activity and on adherence of group to repayment of bank loan. Within the target group, special safeguards have been provided to vulnerable sections, by way of reserving 50% benefits for SCs/STs, 40% for women and 3% for disabled persons.
1.2.22) Financial Assistance

Assistance under the SGSY, to individual Swarojgaris or Self Help Groups, is given in the form of subsidy by the government and credit by the banks. Credit is a critical component of the SGSY, subsidy being a minor and enabling element. Accordingly, the SGSY envisages greater involvement of the banks. They are to be involved closely in the Planning and preparation of Project Reports, identification of activity clusters, infrastructure planning as well as capacity building and choice of activity of the SHGs, selection of individual Swarojgaris, pre-credit activities and post-credit activities and post-credit monitoring including loan recovery. Subsidy under the SGSY to individuals is uniform at 30% of the Project Cost subject to a maximum of Rs. 7500/-. In respect of SCs/STs and disabled persons, the subsidy is 50% of the Project Cost, subject to a maximum of Rs. 10,000/-. For groups of Swarojgaris (SHGs), the subsidy is 50% of the cost of the scheme, subject to per capita subsidy of Rs. 10,000/- or Rs. 1.25 lakh which ever is less. There is no monetary limit on subsidy for Irrigation Projects. Subsidy is back ended. Credit targets under the SGSY are fixed every year by a Committee having representatives from the Ministry of Finance, NABARD, Reserve Bank of India (RBI), State Bank of India (SBI) and Ministry of Rural Development. Credit target of Rs. 2869.12 corers was fixed for the year 2006-07 and an amount of Rs. 2291.21 crore (79.86%) was disbursed by the banks. The percentage of credit mobilization has increased over the years from 32.96% in 1999-2000 to 79.86% in the year 2006-07. The total credit target of Rs. 3743.55 has been fixed for the year 2007-2008. As per the reports available as on 25.01.2008, total credit has been mobilized to the extent of Rs. 1433.46 crore (38.29%). A close coordination between different agencies responsible for implementation of SGSY is critical for the success of the programme. In order to ensure coordination amongst Rural Development functionaries, Bankers and PRIs etc. various Committees are constituted under SGSY. At Central Level, Central Level Coordination Committee (CLCC) has been constituted to review and ensure effective implementation of the programme. It consists of representatives from State Governments and various Banks to discuss the
progress of the programme. Likewise, at State Level, SGSY Committee has been constituted which meets every quarter to ensure proper follow up and effective implementation of the programme. At District Level, there is the district SGSY Committee under the Chairmanship of District Collector/Chief Executive Officer which meets every month to review the progress of SGSY and suggest corrective action wherever necessary. There are block level SGSY Committees in each block which meets once in a month.

1.2.23) Revolving Fund Assistance under SGSY

Revolving Fund is to be given by DRDA and Banks as cash credit limit to SHGs when it qualifies first grading.

Quantum of Revolving Fund: Subsidy/Grant by DRDA - Equal to group corpus of the SHG subject to minimum of Rs.5000 and maximum of Rs.10,000. Total subsidy can go upto Rs.20,000/- in multiple doses.- Credit by Bank - Up to four times of Group Corpus.

1.2.24) Training

SGSY is a process oriented scheme which involves organization of rural poor into Self Help Groups (SHGs), their training and capacity building to enable them to evolve into a self managed organization. Here the role of facilitators/ Self Help Promoting Institutions (SHPIs), field level functionaries of banks and development functionaries is critical in successful implementation of the scheme. It is beyond doubt that wherever functionaries have been trained in the concept of functioning of SHGs, group dynamics, guidelines of the scheme, marketing and entrepreneurship development etc., the quality of groups as well as overall implementation of the programme has been qualitatively better. It has also been observed that large number of development functionaries do not have access to well organized training programmes. Keeping this in view, the Ministry has earmarked a separate budget in the current financial year for organizing training programmes for Training of Trainers (TOTs), Facilitators/SHPIs, Bank Officials and Development functionaries at various levels. During the year 2006-07, an amount of Rs.5.00 crores was released for organization of training programmes in various States. Training and capacity building of Swarozgaris is an important component of SGSY. Under SGSY, 10% of
financial allocation is earmarked for training and skill development of Swarozgaris. In the year 2007-08 on an average 8.59% of SGSY funds have been used for training of Swarozgaris. Demand-based skills, leading to placement of the rural poor can be a major cost effective instrument of poverty reduction. Ministry of Rural Development had launched a pilot programme for skill development under SGSY Special Projects for the unemployed youth in rural areas.

1.2.25) Subsidy Under SGSY

Subsidy is only an enabling element of the Scheme. Subsidy is back ended to be kept by Bank in Subsidy Reserve Fund Account and no interest is charged by Bank on the subsidy deposited with them. Quantum of subsidy -

a) For individual Swarozgaris 30% of Project cost subject to a maximum of Rs.7500. In case of SC/ST & disabled 50% of Project cost or Rs.10,000 whichever is less.

b) For Self Help Groups 50% of project cost subject to Rs.1.25 lakhs or Rs.10,000 per SHG Member whichever is less.

The proposal of Rural Development and Self Employment Training (RUDSET) Institute for establishment of self employment training centers in five states was approved during the year 2005-06. A total amount of Rs.109.65 lakhs @ Rs.21.93 lakhs per institute towards first instalment and Rs.87.75 lakhs towards second instalment has been released to the RUDSETI for setting up its five centres in the country. The institute will impart free training to at least 1.22 lakhs rural youths from BPL households over a period of five years. The Ministry of Rural Development will provide financial assistance for infrastructure for the training centres. The RSETI would organize exclusive entrepreneurship development programmes and skilled development programmes in viable economic activities of the area of operation. The institute will train youths to develop the aptitude for working in rural areas, in rural development projects etc. it will assist train youths in self employment, and as far as possible, in obtaining credit facilities from banks and other financial institutions. Such registered societies may be encouraged to submit the project proposal for training of rural youths, especially from
BPL households, to meet the demand for training. The Ministry has also developed training manuals on SHG Group Processes, Health, Dairying, Goat rearing, Drudgery reduction and Manual for Bankers and DRDA officials in both English and Hindi languages.

1.2.26) Infrastructure Development

The SGSY provides for review of existing infrastructure for the cluster of activities and identification of gaps. Critical gaps in investments have to be met from the funds available under the SGSY programme infrastructure, subject to a ceiling of 20% (25% in the case of North Eastern States) of the annual allocation made under the scheme for each District.

1.2.27) Marketing and Technology Support

1. Marketing has been one of the main concerns of the Ministry of Rural Development under SGSY.

2. Production of better competitive products requires emphasis on product development. Intensive efforts have been made to improve the products in terms of standardization, certification, form, colour and texture. The quality of products produced by SGSY beneficiaries, is absolutely important to ensure sustained marketing. DRDAs have been directed to facilitate process by organizing training to create awareness among Swarozgaris and ensure effective liaison with concerned agencies to ensure certification of products.

3. The first SARAS Fair was organized as IITF SARAS in 1999. Since then this fair has grown in stature and magnitude. To add to this, from 2003-04 onwards a sequel of regional SARAS Fairs in various States of India have been organized. In 2003-04 six such regional SARAS fairs were organized viz. two in Delhi, one each in Hyderabad, Mumbai, Bhubaneswar and Guwahati. Seeing the encouraging response of these fairs twelve such regional SARAS Fairs besides IITF SARAS 2004 was organized during 2004-05. During the year 2005-06 the Ministry organized 22 such fairs in different parts of the country. During 2006-07 Ministry organized 24 fairs in different parts of the country. During 2007-08, Ministry will organize 27 SARAS Fairs. Since 2003-04, about 25000 artisans have benefited from the
SARAS Fairs organized in different parts of the country. Total sale in these fairs have been to the tune of Rs. 77 crores.

4. Organization of theme workshops has also helped in creating awareness among craftsmen for improved products. In these workshops, both the producers, exporters and experts on the specific sector are present. Theme workshops have now become an integral part of SARAS Fairs. These workshops expose the craftperson specializing in a particular craft to the technological advancement, innovations and processes in their craft to its maximum limit. It also provides an opportunity to the industrial sector to ascertain the magnitude of the qualitative and quantitative skill for harnessing manpower resource.

5. To give the rural artisans exposure to international market, Ministry participated in the International Exhibition viz; South Asian Countries Commodity Fair held at Beijing from 28-30 December, 2007 where 20 artisans from 11 different States of the country participated.

6. For creation of marketing infrastructure in Delhi to sell the products of the rural artisans, Ministry has initiated Rural Development Pavilion located at Pragati Maidain is being renovated for construction of 33 permanent stalls at a cost of Rs. 4.73 crores. The construction of entire Rural Development Pavilion will be completed by 15th February, 2008. On completion of the renovation of RD Pavilion, each State/UT will be allocated the stalls on permanent basis for organising thematic fairs, throughout the year.

1.2.28) Implementing Agencies

The SGSY is being implemented by the District Rural Development Agencies (DRDAs), with the active involvement of Panchayati Raj Institutions (PRIs), the Banks, the Line Departments and the Non-Government Organizations (NGOs).

1.2.29) Monitoring

A comprehensive system of monitoring has been adopted under the SGSY. The programme is monitored from the Central level down to the grass-roots level. At the Central level, the Central Level SGSY Committee
(CLCC) monitors and reviews the implementation of the Programme and lays down Policy Guidelines for all aspects related to credit linkages for the SGSY. The Performance Review Committee of the Department of Rural Development also reviews the implementation of the SGSY. At the State level, a State Level Coordination Committee (SLCC) monitors the Programme. At the district and block level, the programme is monitored by District level SGSY Committee and Block Level SGSY Committees. In addition, the progress under the SGSY is monitored periodically through Reports and Returns submitted by DRDAs/States. Issues related to implementation of the Programme are discussed in Project Directors' Workshops and periodic meetings with the State Secretaries with the objective of bringing out improvement in implementation of the programme at the Block/DRDA level. Monitoring is also done through field visits and physical verification of assets.

1.2.31) Gender Budgeting under SGSY

It is envisaged that 50 per cent of the Groups formed in each block should be exclusively for women who will account for at least 40 per cent of the swarozgaries. Under the Scheme, women are encouraged in the practice of thrift and credit which enables them to become self-reliant. Through assistance in the form of Revolving Fund, bank credit and subsidy, the Yojana seeks to integrate women in the economy by providing increasing opportunities of self-employment. On an average, 52.45 per cent of swarozgaries assisted in a year are women.

1.2.32) Persons with Disabilities (Equal Opportunities, Protection of Right & Full Participation) Act, 1995.

The Guidelines of Swarnjayanti Gram Swarozgar Yojana (SGSY) stipulate that disabled persons will account for at least 3% of the total Swarozgaris. The groups formed should ideally be disability-specific wherever possible, however, in case sufficient number of people for formation of disability-specific groups are not available, a group may comprise persons with diverse disabilities or a group may comprise both disabled and nondisabled persons below poverty line.
During the financial year 2007-08 (upto Dec., 2007) total Swarojgaris assisted in this scheme were 772952, out of which disabled persons were 13956 (1.81%).

1.2.33) New Initiatives

Placement based Skill Development Projects to BPL rural youth are unable to capture the opportunities afforded by the growth momentum due to non acquisition of minimal skills that would fetch them employment and integrate them with the mainstream of the economy. Keeping in view this objective, 9 placement- based skill development projects are under implementation with a total cost of Rs.115 crore and 27 proposals with a budget over 300 crore are in pipeline.

1.2.34) Self Help Group Federation:

Efforts are being made to universalize Self Help Groups Movement by covering at least one member of each rural poor family under it. SHG movement is further being strengthened by federating the groups at the village, block, district, state and national levels. Going by the success of social mobilization and formation of SHGs, there is a need to institutionalize the SGSY Programme in the form of SHG Federations at Block, District and State level. Such Federations would be primarily undertaking such activities that would benefit the SHGs and communities but cannot be taken up by individual SHGs on their own.

1.2.35) Creation of Marketing Facilities

In order to assist the poor rural BPL swarojgaris to showcase and market their products, the Department organizes SARAS fairs across the country to provide ideal venues to the rural BPL poor to sell the products directly to buyers. In addition, the Ministry has created marketing infrastructure at Pragati Maidan, Rajiv Gandhi Handicrafts Bhavan and Dilli Haat at Pitam Pura in Delhi.

1.2.36) Coverage of Minorities

There is a provision to cover 15% of the minority community to the total population in the states for giving benefits under the SGSY Programme.
1.2.37) Monitoring and Evaluation

Monitoring

The performance of the implementation of SGSY is expected to be monitored continuously at all the levels to ensure that prescribed procedures and specifications are followed. The agencies involved in monitoring are DRDA, BDO, Panchayats and Bank branches. At the Block and the District levels, this is to be done through reports and physical verification of assets. At the Central level, the programme is monitored on the basis of monthly progress reports. At the end of the financial year (i.e. at the end of March every year) the Annual Progress Report brings together the details pertaining to all the aspects of the implementation of and the progress made by the programme. In particular it focuses on:

- The physical and financial progress made during the year;
- The linkages provided and used for various activities; and
- General comments on the implementation of the programme including suggestions, if any.

The Projects given to the Swarozgaris are followed up by the DRDA/Block officials and the bankers to see that the Swarozgaris are properly managing their assets and are able to generate the expected income. All efforts are made to remove the difficulties that the Swarozgaris may face from time to time. All the Swarozgaris are given a Vikas Patrika, i.e. a development manual. A copy of this Patrika is kept at the Block office also. Both the copies are continuously updated with reference to the health of the Projects. The States and Union Territories are expected to conduct periodic evaluation studies on the implementation of the programme and on issues thrown up by the concurrent evaluation. Evaluation studies can also be assigned to reputed institutions and organizations. The Centre or States/UTs may commission such studies as and when needed. Remedial action is expected to be taken by the States/UTs on the basis of observations and recommendations made in these evaluation studies. Further, copies of the evaluation studies commissioned by the states are to be provided to the Central Government.
i) An analysis of the activities proposed to be undertaken and the possibility of replicating them elsewhere.

ii) The approach proposed to be adopted for achieving the objectives and the activities identified in relation to the available resources.

iii) Details of integration with other on-going rural development programmes in the area and the arrangement for dovetailing funds from non-SGSY resources. The duration of the implementation of projects is not normally expected to exceed three years. Funds are released according to the relevant approval for each programme. The implementing agency submits the reports and the returns to the Central Government as per the prescribed procedures. It deals with the provision of providing credit and government subsidy to the swarozgaris whether individuals or groups (Self-Help Groups).

1.3 RURAL DEVELOPMENT IN HIMACHAL PRADESH

Himachal Pradesh came into being on 15th April; 1948. The new unit was carved out from Punjab hill states. Himachal Pradesh being hilly area needed due considerations for its all round development. The biggest problem was the rural connectivity as well as rural poverty. More than 90% population in state resides in rural areas. Geo-physical profile of the state is such that providing basic infrastructure is extremely difficult task. In spite of the fact the state has made tremendous progress in the social service sector. Time to time Himachal has been ranked as most progressive state of Indian union. The record of accomplishments of the state in Human Development, Primary education, Basic Health, Infrastructure, Literacy and overall development has been exemplary. Per capita income of Himachal Pradesh during 1971 was 651 rupees and it rose to rupees 24,903 in 2003-04 and Rs. 30097 during 2007-08. Literacy rate of the state was 31% in 1971 which increased to 77.13% in 2004-05. Out of 16804 villages only 2944 villages had electricity in 1971 today all villages have electricity. Only 900 villages had drinking water in 1971 whereas now all the villages in Himachal Pradesh have drinking water. The state governments aim is to provide 70 and 120 liters of water to each household in rural and urban areas. The total
road length has increased from 7740 KM in 1971 to 24922 KM in 2004 and 31512 KM up to 2007-08.

Rural development and poverty alleviation have been the major areas of concern and thrust for the nation since independence. The Community Development Programme consisting of various sets of schemes was launched on 2nd October, 1952 throughout the country with the objective of overall development of rural areas with the active participation of the community. Development Blocks were carved out and considered Pivotal for planning and implementation of various rural development schemes. Upto the year 1999 self-employment schemes such as IRDP, TRYSEM, DWCRA, SITRA, MWS and GKY were being implemented, but w.e.f. 1.4.99 these schemes were merged into SGSY. Similarly, JGSY and EAS, which were in operation, were merged into SGRY w.e.f. 1.4.2002.

“Swaranjayanti Gram Swarojgar Yojana” (SGSY) has been launched during the year 1999-2000. This Yojana lays emphasis on cluster approach instead of individual beneficiary approach, which would enable the beneficiaries to start with viable projects in a joint manner, which can bring, higher incomes. This approach will also improve the skills of the poor through an in-built training component, up-gradation of technology, providing adequate backward and forward linkages, availability of adequate infrastructure and better marketing arrangements.

In order to create additional gainful wage employment to the weaker sections of the society, employment generation programme Sampoorna Grameen Rozgar Yojana (SGRY) has been launched during the year 2002-2003. The scheme focuses on the creation of the rural infrastructure for more sustained wage employment and rural development, besides, ensuring food security to the weaker sections of the society. Besides, DPAP/DDP/IWDP, Indira Awas Yojana, Total Sanitation Campaign Projects, National Social Assistance Programme are the other centrally sponsored schemes being implemented in the State. Panchayat Raj Institutions at various levels are being involved in the planning and execution of poverty alleviation and employment generation programmes so as to ensure that the benefits under these programmes reach the right person. The Development
Block is pivotal for the implementation of various rural development programmes and overall development of families living below the Poverty line in the rural areas.

1.3.1) Administrative Structure Of Rural Development Department

Rural development department has been structured for the implementation of different rural development programmes. There are 77 Development Block in Himachal Pradesh. The district wise details of block is as under.

CHART-1.3.1

<table>
<thead>
<tr>
<th>S. No</th>
<th>Name of the District</th>
<th>No. of the Block</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bilaspur</td>
<td>3</td>
</tr>
<tr>
<td>2</td>
<td>Chamba</td>
<td>7</td>
</tr>
<tr>
<td>3</td>
<td>Hamirpur</td>
<td>6</td>
</tr>
<tr>
<td>4</td>
<td>Kangra</td>
<td>15</td>
</tr>
<tr>
<td>5</td>
<td>Kinnaur</td>
<td>3</td>
</tr>
<tr>
<td>6</td>
<td>Kullu</td>
<td>4</td>
</tr>
<tr>
<td>7</td>
<td>Lahaul &amp; Spiti</td>
<td>2</td>
</tr>
<tr>
<td>8</td>
<td>Mandi</td>
<td>10</td>
</tr>
<tr>
<td>9</td>
<td>Shimla</td>
<td>10</td>
</tr>
<tr>
<td>10</td>
<td>Sirmaur</td>
<td>6</td>
</tr>
<tr>
<td>11</td>
<td>Solan</td>
<td>5</td>
</tr>
<tr>
<td>12</td>
<td>Una</td>
<td>5</td>
</tr>
</tbody>
</table>

1.3.2(a) Organizational Structure of Rural Development Department in Himachal Pradesh

ORGANIZATIONAL CHART-1.3.2

State Level:

MINISTER IN CHARGE
(Rural Development & Panchayati Raj)

PRINCIPAL SECRETARY (RD&PR)

DIRECTOR CUM SPECIAL SECRETARY (RD&PR)

ADDL. DIRECTOR CUM JOINT SECRETARY

Deputy Director Deputy Director RD Deputy Director (Stat) ADMN. Officer cum Deputy Secy.
The Department is functioning under the overall control of the Secretary (RD) at the Government level assisted by the Special Secretary (RD), Additional Director-cum-Additional Secretary (RD), Deputy Director-cum-Deputy Secretary (RD), Deputy Director (RD), Deputy Director (Stat) Administrative Officer and Statistical Officer (RD).

1.3.2(b) District Level Administrative Structure

**CHART-1.3.3**

**DEPUTY COMMISSIONER CUM CEO DRDA**

**ADC/ADM CUM PROJECT DIRECTOR DRDA**

**PROJECT OFFICER DRDA**

**APO WATERSHED**

**APO (WP)**

**ACCTT. OFFICER**

**PROJECT ECONOMIST**

**SUPDT.**

At district level, DRDAs are responsible for the implementation and monitoring of all rural development programmes. The Deputy Commissioner-cum-Chief Executive Officer of the DRDA is assisted by the Project Director, Project Officer, APO(SE), APO(Women), APO (Watershed), Project Economist, Superintendent, Statistical Investigator, Senior Assistant, Clerks and Peon DRDA in the execution of various developmental activities. Besides this, at district level there is a Governing body of DRDA under the Chairmanship of Zila Parishad. This body is responsible for monitoring of various Rural Development Programmes.

1.3.2 (c) Block Level Administrative Structure :-

**CHART-1.3.4**

**B.D.O.**

**SUPDT. SEBPO**

**LSEO**

**JE**

**PI&SI**

**WDT(WS)**

**EO(1)**

**INSP (COOP)**

**INSP(CS)**

**LVDC**

**S.A.DRDA**

**SA(PLG)**

**SA(PROGRESS)**

**JR. ASSTT./CLERK**

**P.SECY. MIS**

Besides the above departmental staff, the following staff from other departments is also functioning under the administrative control of the Block
Development Officer with regard to ACRs, tour programmes and casual leave:
1. Agriculture Development Officer (Agriculture)
2. Horticulture Development Officer (Horticulture)
3. Extension Officer (Co-operative)
4. Extension Officer (Industries)
5. Panchayat Inspector
6. Assistant Development Officer/ Junior Engineer (Soil Conservation)

1.3.3) Rural Development Programmes

On the same analogy of implementation of rural development programmes in other states of India the same practice has been followed in the pre united parts of Himachal Pradesh through Punjab Government and Part C state areas of Himachal Pradesh. The detail of development programmes being implemented in the State is as under:

1.3.3(1) Community Development Programme

The present set up of the schemes under Community Development Programme is based on old community development concept, which aims at the development of community with the initiative and participation of the community itself. The grant-in-aid is being provided to the Panchayat Samitis under the head Social Education and General Education for developmental activities in the social educational fields. Funds are provided to the Blocks for the construction/completion of staff residential buildings and Gram Sewak huts. Besides, the funds are also provided for completion of on-going office buildings. The provision of the funds is made for providing staff salary of the employees posted at various levels. Grants are also provided for the promotion/strengthening of Mahila Mandals, incentive awards to Mahila Mandals and organisation of awareness camps for non-officials etc.

1.3.3(2) Swarnjayanti Gram Swarojgar Yojana

"SWARANJAYANTI GRAM SWAROZGAR YOJANA" has been launched from the year 1999-2000. This Yojana is a holistic package covering all aspect of self employment such as organization of poor into Self Help Groups, Training, Credit, Technology, Infrastructure and Marketing. The beneficiaries under this
scheme are called "Swarozgaris. The objective of SGSY is to bring the assisted poor families above the poverty line in 3 years, by providing them income-generating assets. This scheme is a credit-cum-subsidy programme. Subsidy under SGSY is uniform at 30% 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% and Rs.10000/- respectively. For groups of swarozgaris (SHGs), the subsidy is 50% of the project cost subject to per capita subsidy of Rs.10,000/- or Rs.1.25 lacs whichever is less. The focus of SGSY is on the vulnerable groups among the rural poor. Accordingly, the SC/STs account for the 50% of swarozgaris, women for 40% and the disabled for 3%. The scheme is being implemented on 75:25 cost sharing basis between Central and State Government. Under Swaranjayanti Gram Swarojgar Yojana the target of credit mobilization for the whole state was 1842-52 Lacs. Against this target 2166.05 Lacs. Credit mobilization was achieved owing to 110% achievement. For the achievement of this credit, subsidy amounting to Rs. 566.7 lac.was spent. The credit subsidy ratio thus stood at 46000 Rs. While analyzing the data of the composition of self-help groups formed and covered during 2007-08 it was observed that 965 groups were formed during the year, 660 SHGs taken up economic activity. The number of members of the SHGs covered were 6356 of which there were 2759 was S.C, 438 S.T. and 4578 women. The number of individual swarozgaies assisted were 1113 out of which 528 scheduled casts, 165 scheduled tribe and 348 women as well as 38 disabled were assisted.

While going through the status of self help groups formed as well as assisted since 1-4-1999 to 31-3-2008 it was established that in all the districts of Himachal Pradesh 7810 SHGs were formed and 4666 SHGs could take up economic activity. Thus only 60% SHGs formed were assisted showing that that remaining 40% groups were either in the first stage of formation or defunct. The status of district Lahoul and sapiti was very alarming where only nine groups could have been financed out of 49 whereas district Kangra, Hamirpur, Mandi and Solan were best performing.
TABLE-NO. 1.3.1

District- Wise Detail of SHGs formed and Assisted since 1-4-1999 to 31-3-08

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>District</th>
<th>No. of Self help groups formed Since inception</th>
<th>No. of self help groups taken up economic activities since inspection</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bilaspur</td>
<td>410</td>
<td>246</td>
</tr>
<tr>
<td>2</td>
<td>Chamba</td>
<td>1182</td>
<td>643</td>
</tr>
<tr>
<td>3</td>
<td>Hamirpur</td>
<td>540</td>
<td>293</td>
</tr>
<tr>
<td>4</td>
<td>Kangra</td>
<td>1584</td>
<td>1223</td>
</tr>
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<td>5</td>
<td>Kinnaur</td>
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<td>45</td>
</tr>
<tr>
<td>6</td>
<td>Kullu</td>
<td>393</td>
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</tr>
<tr>
<td>7</td>
<td>L&amp;Spiti</td>
<td>49</td>
<td>9</td>
</tr>
<tr>
<td>8</td>
<td>Mandi</td>
<td>986</td>
<td>694</td>
</tr>
<tr>
<td>9</td>
<td>Shimla</td>
<td>814</td>
<td>462</td>
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<tr>
<td>10</td>
<td>Sirmaur</td>
<td>837</td>
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<tr>
<td>11</td>
<td>Solan</td>
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<td>219</td>
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<td>492</td>
<td>218</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>7810</td>
<td>4666</td>
</tr>
</tbody>
</table>

SOURCE: RURAL DEVELOPMENT DEPARTMENT HIMACHAL PRADESH

1.3.3(3). Installation Of Hydram

The Government of India has approved a Project for Installation of 400 Hydrams under SGSY Special Project Component with a total Project Cost of Rs. 1047.20 lacs which includes subsidy of Rs. 770.48 lacs, Rs.
161.40 lacs as loan component and Rs. 115.32 lacs as beneficiaries share. Centre and State Government will share the subsidy component on 75:25 sharing basis. Up to 31st march, 2008, 333 sites have been selected and 208 Hydrams have been installed. For the implementation of this project total funds to the tune of 616.80 lacs (Rs. 462.60 lacs as central share and Rs. 154.20 lacs as state share has been incurred.

1.3.3(3.2) Gold Mines Project

The Government of India has approved a Project titled “Gold Mines in Bilaspur” District under SGSY Special Project Component with a total Project Cost of Rs. 840.35 lacs which includes subsidy of Rs. 327.76 lacs, and Rs. 512.59 lacs as loan component. Center and State Government will share the subsidy component on 75:25 sharing basis. Under this project three activities viz., Floriculture, Sericulture and Mushroom Cultivation are have been taken up. For the implementation of this project funds to the tune of Rs. 384.76 lacs (Rs. 288.57 lacs as central share and Rs. 96.19 lacs as state share.

Upto 31-3-2008, an expenditure of Rs. 239.816 lacs has been incurred. 366 beneficiaries have been benefited under floriculture, Sericulture and Mushroom cultivation.

1.3.3(3.3). MARKETING OF RURAL GOODS

The Government of India has approved a Project titled Marketing of Rural Goods in Himachal Pradesh under SGSY Special Project Component with a total Project Cost of Rs. 914.52 lacs, which includes subsidy of Rs. 769.52 lacs, Rs. 145.00 lacs as loan component. Center and State Government will share the subsidy component on 75:25 sharing basis. Under this project 50 Himachal Grameen Bhandars and 1 Central Grameen Bhandar have been constructed in the State.

1.3.3(3.4). MILCH LIVE STOCK IMPROVEMENT

The Government of India has approved a Project titled Milch Live Stock Improvement for District Solan under SGSY Special Project Component with a total Project Cost of Rs. 886.95 lacs which includes subsidy of Rs. 715.15 lacs, Rs. 171.80 lacs as loan component. Center and State Government will share the subsidy component on 75:25 sharing basis.
Under this Project activities for the development of Dairy Farm will be taken up. So far Rs.286.054 lacs (214.54 lac as central share and 71.51 as state share) had been provided to DRDA Solan for the implementation of this project. Rs. 312.526 lacs have been spent up to 31-3-2008. Under this project 17900 cattle's have been treated in 95 field levels camps and 12273 breeders have been trained in 80 block level and 1200 Panchayat level camps. Besides this 6715 Qtl. fodders seeds have also been distributed to the farmers.

1.3.3(3.5). Rural Development through Diversification in Agriculture in district Mandi:

The Government of India has approved a Project titled Rural Development through Diversification in Agriculture under SGSY Special Project Component with a total Project Cost of Rs. 1385.32 lacs, which includes subsidy of Rs.1204 lacs, Rs. 181.32 lacs as loan component. Center and State Government will share the subsidy component on 75:25 sharing basis. Under this Project the following activities have been taken: -

1. Cultivation of Medicinal plants, Aromatic plants, Flowers and Orchids
2. Sericulture
3. Innovative practices in Animal Husbandry

So far Rs.963.20 lacs have been provided to DRDA Mandi for Implementation of this project. Out of which an expenditure of Rs. 709.29 lacs has been incurred up to 31-3-2008. Under Cultivation of Medicinal plants, Aromatic plants, Flowers and Orchids components of this project 10 poly houses have been constructed and 8 are under construction. One tissue culture laboratory at Chountra is under construction and one oil extraction unit at Sauli khud has been constructed. Under Sericulture component 3 technical service station have been established and 3 nurseries are also proposed.

Under Innovative practices in Animal Husbandry component of the project 105 non-AI centers have converted into Al centers. Under floriculture, medicinal and Aromatic plants component of the project, 42 growers have sold flowers worth Rs. 16.75 lacs, and 10 more growers have adopted this
activity. Under sericulture activity 37 self help groups have produced 9726 kg green cocoon worth 8.08 lac rupees.

1.3.3(3.6) Self Reliance through Sericulture and Dairy Development

The Government of India has approved a Project titled Self Reliance through sericulture and Dairy Development for District Hamirpur under SGSY Special Project Component with a total Project Cost of Rs. 1499.981 lacs which includes subsidy of Rs. 993.371 lacs, Rs. 506.61 lacs as loan component. Center and State Government will share the subsidy component on 75:25 sharing basis. Under this Project Sericulture and Dairy Development will be taken up. So far Rs. 784.88 lacs have been provided to DRDA Hamirpur for the implementation of this project. Out of which an expenditure of Rs.745.42 lacs have been incurred up to March 2008. Under Sericulture component of the project 85 Self Help Groups have been provided assistance and 1.03 lacs mulberry plants have been planted. Under Dairy Development component fodder seeds and mineral mixture have also been distributed to the farmers besides organizing training camps. Under sericulture component, SHG’s have produced 26149KG of cocoon worth Rs. 23.33 lacs.

1.3.3(3.7) Green Gold Project (District Chamba)

The Government of India has approved a Project titled Green Gold in respect of District Chamba under SGSY Special Project Component with a total Project Cost of Rs.1488.73 lacs which includes subsidy of Rs.1361.23 lacs, Rs. 127.50 lacs as loan component and beneficiaries share. Centre and State Government will share the subsidy component on 75:25 sharing basis. Under this Project the following activities as projected to be undertaken:

1. Cultivation of Medicinal plants, Aromatic plants, Flowers and Orchids
2. Cultivation of Off Season vegetables.
3. Cultivation of Mushroom
4. Improved Dairy Management

So far Rs.1088-98 lacs had been provided to DRDA Chamba for the Implementation of this project out of which Rs.754.90 lacs have been spent up to March,2008. Under Cultivation of Medicinal plants, Aromatic plants,
Flowers and Orchids component of the project. 6 numbers nurseries have been established and 200 SHG’s have been trained in various training camps. Under Cultivation of Off Season vegetables components 6 nurseries have been established and fertilizers, seeds and chemicals etc. have been provided to the farmers. Under Cultivation of Mushroom component 20 SHG’s have been imparted training. Under Improved Dairy Management component of the project various training and workshops have been organized and fodders seeds have also been provided to the farmers.

1.3.3(3.8) Intensive Dairy Development Project (District Kangra)

The Government of India has approved a Project titled Intensive Dairy Development Project for District Kangra under SGSY Special Project Component with a total Project Cost of Rs 1301.25 lacs which includes subsidy of Rs.1151.40 lacs, Rs.149.85 lacs as loan component and beneficiaries share. Center and State Government will share the subsidy component on 75:25 sharing basis. Under this Project Dairy Development activity will be taken up. So far Rs.921.12 lacs (690.84 Lac central share and 230.28 Lacs as state share) have been provided to DRDA Kangra for the implementation of this project out of which Rs. 563.60 lacs have been spent up to March 2008.

1.3.3(3.9). Cultivation, Value Addition, processing, marketing of medicinal and aromatic plants (State Specific)

This project has been sanctioned for 9 development blocks viz Rampur, Mashobra, Kullu Tissa, Bamson, Pachhad, Banjar, Chirgaon and Amb with the cost of Rs. 1448.35 lakh. This project is being implemented through Himachal Pradesh Department for Biotechnology. An amount of Rs. 300.61 Lac has so far been released by GOI out of which 24.71 lac have been spent up to September, 2008.

1.3.3(3.10) Skill Development for Rural youth Grameen Labs (State Specific)

Govt. of India has approved this project with a cost of Rs.250 Lac. which is 100% Central funded Rs.100 lac has been received in this project so far and this project has been implemented by Dr. Reddy’s Foundation, Hyderabad. Out of received amount an amount of Rs.86 lac has been spent
up to September, 2008. A total no. Of 1856 youth have been trained so far out of which 896 youth have got job placement.

1.3.4) Sampoorna Grameen Rozgar Yojana (SGRY)

Sampoorna Grameen Rozgar Yojana (SGRY) was announced by the Hon'ble Prime Minister on 15th August 2001. The objectives of the SGRY are to provide additional wage employment in the rural areas as also food security, alongside the creation of durable community, social and economic assets and infrastructure development in these areas. The programme was designed as self-targeting in nature and for all the rural poor (BPL/APL) who are in need of wage employment and are willing to take up manual work. Priority has been emphasized towards provision of wage employment to the poorest amongst the poor, women, SC/ST and parents of child labor withdrawn hazardous occupations. The scheme was being implemented under two streams. From 1-4-2004 the scheme was converted into one stream. The funds under the scheme were distributed between the Zila parishad, Panchayat Samiti and Gram Panchayat. The 100% funds were distributed as follows.

Zila Parishad-20%
Panchayat Samiti-30%
Gram Panchayat-50%

District wise physical and financial progress of SGRY during the year 2008-09 is as under. During the year in Himachal Pradesh total receipts of funds were 2534.71 lac. Rupees out of it 1762 lac rupees were utilized. Further 12.72 lac mandays were generated.
TABLE-NO. 1.3.2
SAMPOORAN GRAMEEN ROZGAR YOJANA (SGRY)

District-Wise Physical and Financial Progress of SGRY during the year 2007-08

<table>
<thead>
<tr>
<th>Sr. No</th>
<th>District</th>
<th>Mandays generated (lacs mandays)</th>
<th>O.B as on 1-4-07</th>
<th>Center</th>
<th>State</th>
<th>Total</th>
<th>Misc</th>
<th>Total available funds (Rs. In Lacs)</th>
<th>Expd. Incurred (Rs. In Lacs)</th>
<th>F.G utilized</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bilaspur</td>
<td>1.1</td>
<td>45.54</td>
<td>144.44</td>
<td>40.34</td>
<td>184.78</td>
<td>1.7</td>
<td>232.12</td>
<td>167.3</td>
<td>828.95</td>
</tr>
<tr>
<td>2</td>
<td>Hamirpur</td>
<td>1.57</td>
<td>18.79</td>
<td>149.57</td>
<td>32.91</td>
<td>182.48</td>
<td>2.21</td>
<td>203.48</td>
<td>154.59</td>
<td>1079.32</td>
</tr>
<tr>
<td>3</td>
<td>Kinnaur</td>
<td>1.16</td>
<td>100.58</td>
<td>198.22</td>
<td>66.07</td>
<td>264.29</td>
<td>5.22</td>
<td>370.09</td>
<td>152.75</td>
<td>760.31</td>
</tr>
<tr>
<td>4</td>
<td>Kullu</td>
<td>2.67</td>
<td>47.11</td>
<td>237.56</td>
<td>79.18</td>
<td>316.74</td>
<td>7.75</td>
<td>371.6</td>
<td>315.81</td>
<td>974.23</td>
</tr>
<tr>
<td>5</td>
<td>L &amp; Spiti</td>
<td>0.21</td>
<td>12.75</td>
<td>147.58</td>
<td>28.07</td>
<td>175.65</td>
<td>61.75</td>
<td>250.15</td>
<td>27.75</td>
<td>27.06</td>
</tr>
<tr>
<td>6</td>
<td>Shimla</td>
<td>2.56</td>
<td>10.88</td>
<td>285.31</td>
<td>97.83</td>
<td>383.14</td>
<td>76.82</td>
<td>470.64</td>
<td>424.83</td>
<td>1752</td>
</tr>
<tr>
<td>7</td>
<td>Solan</td>
<td>2.1</td>
<td>26.31</td>
<td>249.26</td>
<td>54.19</td>
<td>303.45</td>
<td>0.88</td>
<td>330.64</td>
<td>300.96</td>
<td>714.7</td>
</tr>
<tr>
<td>8</td>
<td>Una</td>
<td>1.37</td>
<td>32.28</td>
<td>210.38</td>
<td>56.07</td>
<td>266.45</td>
<td>7.06</td>
<td>305.79</td>
<td>218.62</td>
<td>479.55</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>12.74</td>
<td>294.34</td>
<td>1622.32</td>
<td>454.62</td>
<td>2076.98</td>
<td>163.39</td>
<td>2534.71</td>
<td>1762.61</td>
<td>6614.12</td>
</tr>
</tbody>
</table>

Source: Annual Administrative Report RDD Himachal Pradesh.

Under the scheme, 5kgs of food grains (in kind) was being distributed as part of wages per manday. The remaining wages were being paid in cash to ensure notified minimum wages every week. The scheme was implemented on cost sharing basis between center and the state in the ratio of 75:25 of the cash component.

1.3.5). Indira Awas Yojana

Indira Awas Yojana is a Centrally Sponsored scheme. Under this scheme an assistance of Rs.38500/- per beneficiary is being given to BPL families for the construction of new houses. Gram Sabha does the selection of beneficiaries under this scheme. Centre and State Government are financing this scheme on 75:25 Sharing basis. During the year 2007-08 against a target of construction of 5471 new houses (including 300 spillover houses and additional target) 4029 houses have been constructed and rest of the houses are under construction. So for an amount of Rs. 11.50 crore has been spent up to 31-3-08.

1.3.6) Rajiv/Atal Awas Yojana

This scheme is a state plan-housing scheme. Up to 2007-08 the scheme was named as Rajiv Awas Yojana but the name has been modified as Atal Awas Yojana from 2008-09. Under Rajiv Awas Yojana during the year 2007-08, 8163 houses were sanctioned out of which 6029 houses were completed with an expenditure of Rs. 1664.96 Lac and 2065 houses are...
under construction. Under Atal Awas Yojana from 1-4-2008, 3708 new houses were sanctioned with per unit cost of Rs. 38500/-.

1.3.7). National Family Benefit Scheme

In case of the death of a major breadwinner of a family living below the Poverty line a financial assistance of Rs. 10,000/- per family is provided to bereaved family.

<table>
<thead>
<tr>
<th>District</th>
<th>No. of families</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bilaspur</td>
<td>100</td>
</tr>
<tr>
<td>Hamirpur</td>
<td>200</td>
</tr>
<tr>
<td>Kinnaur</td>
<td>300</td>
</tr>
<tr>
<td>L&amp;Spiti</td>
<td>400</td>
</tr>
<tr>
<td>Shimla</td>
<td>500</td>
</tr>
</tbody>
</table>

Families assisted under NFBS during 2007-08

1.3.8). Watershed Development Programme

(A) Drought Prone Area Programme.

This programme is basically an area development programme and aims at Integrated development of natural resources like land, water, vegetation etc. by taking up watershed development projects. The programme is being implemented in 10 blocks of the State. Upto the year 1998-99 the programme was being funded by Central and State Government on 50:50 sharing basis but from 1.4.1999 the Government of India have changed the funding pattern from 50:50 to 75:25. Under this programme 412 micro watersheds have been taken up for development in District Bilaspur, Solan and Una for a period of 5 years.
1.3.8(B) Desert Development Programme

This programme is being implemented in the cold deserts of the state viz Lahaul and Spiti and pooh Blocks of Distt Kinnaur. Currently 552 micro watersheds are being implemented in these districts.

1.3.8(c) Integrated wasteland Development Programme

Integrated wasteland development programme is being implemented in 9 districts of Himachal Pradesh. These districts are Chamba, Hamirpur, Kangra, Kullu, Development Block Nichar and Kalpa of district Kinnaur, mandi, Shimla, Sirmour and Development Block Kandaghat, Solan and nalagarh of district Solan. These projects are being funded by central as well as state governments in the ratio of Rs. 5500/- hectare and Rs.500/-hectare respectively from 1-4-2000 earlier it was 100% central funded.

1.3.9). Total Sanitation Campaign Projects

Total sanitation campaign is being implemented throughout the state in order to make the state Open defecation free and totally sanitized with respect to solid and liquid waste management. A new sanitation strategy has been adopted throughout the state. The strategy aims at introduction of a holistic concept of sanitation to have a demand oriented outcome based approach, to generate awareness among people towards need of sanitation, involvement and ownership by the community. The programme is to modify the behavior of people from toilet subsidy to prestige and reward. NIRMAL gram Puruskar has been initiated by govt. of India to reward the Gram Panchayat who have given up open defecation 100% as well as adopted other measures of sanitation.

1.3.10). MAHILA MANDAL PROTSAHAN YOJANA:

With a view to strengthen the Mahila Mandals and to ensure that they are involved in the process of development, the department during 1998-99 has introduced Mahila Mandal Protshan Yojana. A sum of Rs. 65.00 lacs has been provided during 2003-04 and Rs. 75 lac in 2007-08 has been allocated and was utilized to provide incentives to Mahila Mandals. The incentives being provided are based upon their performance in various fields such as Family Planning & Child Welfare, Promotion of Small Savings, Eradication of social evils and participation in literacy campaigns. From year
In 2008-09 this Yojana has directly been linked with total sanitation campaign in order to motivate the mahila mandals to organize for the success of total sanitation campaign. Mahila mandals have been given awards to make its village, ward, and Gram Panchayat open defecation free.

1) Mahila Mandal contributes to make village ODF-10,000/- Rupees Reward
2) Mahila Mandal contributes to make ward ODF-15000/- Rupees Reward
3) Mahila Mandal contributes to make gram Panchayat ODF-25000/-Rs. Reward

1.3.11) National Rural Employment Guarantee Act

A large number of schemes had been implemented by Govt. of India earlier in order to provide job opportunities. In the rural areas as people were still poor irrespective of a large number of schemes were provided by Govt. from the beginning of Community Development programme (1952). People in rural areas were not getting any labor opportunities during lean seasons and thus the income level of the labor class remained to the lowest. The first such scheme started for providing labour opportunity to the labour class RMP(Rural Manpower Programme-1960-69), Crash Scheme for Rural Employment(CRSE-1971), Pilot intensive Rural Employment Programme (PIREP-1972), DPAP-DDP, Food for Work(FFW)-1977) National Rural Employment programme(NREP-1980) was started. RLEGP (Rural Landless employment Programme-1983) was started. Later JRY (Jawahar Rozgar Yojna-1989) was started which became a modal scheme. EAS (Employment Assurance scheme-1993), JGSY (Jawahar Gram Samridhi Yojna-1999) SGRY (Sampoorna Grameen rojgar Yojana-2002) and now NREGA (National Rural Employment Guarantee Act. -2005) has been started to provide employment to rural registered job cardholders in the rural areas.

The Parliament of India Enacted the National Rural Employment Guarantee Act, 2005 in September, 2005. Under the act the livelihood security of the households in rural areas has been ensured by guaranteeing one hundred days of employment in a financial year to every household whose adult members volunteer to do unskilled manual labour. The act
came into force w.e.f February 2006 in the districts notified by the Govt. of India. Two Districts of Himachal Pradesh named Chamba and Sirmour were included in the First Batch where NREGA was started from 2006. In Second Phase Two more districts named Mandi and Kangra were added from April 2007. In the third phase all the rest 8 districts were added w.e.f. 1/4/2008.

REFERENCES


2) **Head Count**: Rural Development programmes: MARD Assignments, IGNOU-2005, P-8.