This chapter starts with the background of the present study, research problem and discusses the hypotheses formulated to conduct the research. It also talks about the objectives and relevance of the present study. The survey process is discussed in detail which includes format of the questionnaire, data collection, study area and method of analysis. It also highlights the limitations of the study.

1.1 Background of the Study

Uttar Pradesh (UP) is the most populous, fourth largest state of India, about 77.73 percent of the population of the state lives in rural areas. The state tops in the number of villages too. Though UP is gifted with both natural and human resources in abundance as compared to other states in the country, at the same time, it is one of the most backward states in the country. The economy of the state is primarily based on agriculture as 65 percent of the population depends on it for sustenance. Thus, agriculture remains the backbone of state economy, but it is not as profitable to the farmers as it should be due to the huge population, fragmentation of landholdings, and negative impacts of climate change. The poor performance of agriculture is a matter of grave hindrance to the development of the state. Due to poor yield, there is increasing incidences of suicide by the farmers.

UP is not only industrially and economically backward but is also marred by the problem of regional imbalances. There is marked unbalanced development in different regions of the state. The western region is progressive and industrially more advanced than other regions. In contrast, other regions, especially the Bundelkhand region is backward with less agricultural production and industrial units. The green revolution started during 1960’s was most successful in the western region in comparison to other regions. This backwardness is adversely affecting its social demography.
The state suffers from poor infrastructure in rural areas. Many villages are not connected with any major roads. The challenge is to provide all weather roads and maintenance of the roads, built under different social programmes. UP has one of the lowest per-capita incomes amongst the Indian states. The population Below Poverty Line (BPL) for 2011-12 is 29.43 percent. The Bundelkhand region has highest incidence of poverty in comparison to eastern and central regions. Around 80 percent of the poor in the state live in rural areas in this region. The unemployment rate stands at 1.7 percent (FY 2011-12) in rural areas of the state. Though, many thermal and hydro-power stations have been installed but there is always a shortage of power due to increasing demand. The health status of UP is also very poor. The IMR, MMR and life expectancy is nothing but discouraging. There is shortage of health infrastructure and the existing hospitals remain overcrowded. Most of the villages even do not have Primary Health Centres. The literacy rate differs widely between rural and urban areas, and between males and females. In rural areas, it was only 65.46 percent as compared to the literacy rate of 75.14 percent in urban areas according to census 2011. Irrigation is the lifeline of agriculture and yet a large proportion of the area is un-irrigated. The sanitation levels in the state are also below the national average.

To address the above challenges, the government has started many programmes and policies for the Sustainable Development (SD) of rural areas. Some of these are Dr. Ram Manohar Lohia Samagra Gram Vikas Scheme, Janeshwar Mishra Gram Yojana, Lohia Gram Awaas Yojana, Samajwadi Pension Yojana, Kanya Vidhyadhan, Unemployment Allowances, Hamari Beti Uska Kal Scheme, and Apni Mitti Pahchane Abhiyan. All these programmes have a positive impact on the socio-economic development of rural areas. Despite these initiatives, many rural areas are still suffering from poor infrastructure and other services.

The government has encouraged private sector participation through Public Private Partnership (PPP) route for building infrastructure and providing other services in the state. Today, it has become the most preferred method for public procurement of infrastructure and infrastructure services projects throughout the world. So, the state is also not an exception to this practice. The government has initiated many PPP projects in expressway, State Highways (SH), power, skill development, education, health, tourism and urban development areas. The Yamuna Expressway (YE), many SH, Uttar Pradesh Skill Development Mission (UPSDM) and
Jan Sewa Kendra (JSK) have been successfully implemented. The present study seeks to analyse how PPP projects have helped in improving the socio-economic conditions of rural people and SD of rural areas. We aim to study the reasons as to why there are very few PPP projects and the problems being faced by the private partners while undertaking projects in rural areas.

1.2 Statement of the Problem

This research study proposes to examine the new partnership arrangement that has emerged between the government and private sector in the form of PPP for sustainable financing and institutional mechanism, with the potential of bridging the infrastructure gaps in rural areas. Further, the study would review the PPP theory and issues underlying in the delivery of public services. Specifically, the subject of the study will be how the PPP helps in improving the socio-economic development of rural people. Whether, this participation leads to SD of rural areas and checks migration of rural people to urban areas. There were many protests during the construction of YE due to forcefully acquisition of agricultural land. Many people died in these protests. There were allegations that PPP projects made profit from public resources. In such situations, the government must be able to demonstrate to the public that PPP yield real benefits over traditional delivery methods. It increases efficiency and accountability in public service delivery. The risks and complexities involved in producing public goods and services are shared by the partners.

The problems or research questions to be addressed in this dissertation, therefore, are:

1. Has the YE helped in improving access of rural areas to cities and towns, health and educational institutions?
2. Did YE help in the industrialisation of rural areas?
3. Do PPP projects provide employment to rural people?
4. Do PPP projects help in diversification of village economy and mechanisation of agriculture?
5. Is there any impact on the per-capita income and poverty level of rural people?
6. Whether it has increased people’s participation and empowered people of rural areas?
7. How PPP projects help in SD of rural areas?
1.3 Objectives of the study

The major objectives of the present study are to:

1. To study the evolution of PPP and current status of PPP projects in Indian states.
2. To assess the impact of the government programmes and schemes in UP.
3. To examine in specific, the PPP in the area of rural Infrastructures (e.g. roads, education, power, health, Information and Communication Technology (ICT), etc.)
4. To study the PPP initiatives and experiences in improving the socio-economic conditions of rural people in UP.
5. To analyse the PPP initiative in sustainable development of rural areas.
6. To evaluate the strengths and weaknesses of PPP and suggest suitable ways of making it more effective tool for sustainable development of rural areas.

1.4 Significance of the Study

Due to budgetary constraints and rising expectations of people, the state government is encouraging private sector participation for building infrastructure through PPP mode. There have been a few cases of successful implementation of projects in transport, education, ICT, health and power sectors in other states and at the central levels, yet, there are very few examples of PPP projects in the state of UP. Many challenges are being faced by the government to attract private investment in the state. Thus, in order to encourage more private investments in the state, the government is providing many incentives for the same.

The successful implementation of projects worldwide should be studied and the best practices must be taken into consideration for undertaking more projects in different sectors in UP too. People consider PPP as a form of privatisation, and are often suspicious about them. They should be educated about the need and importance of PPP projects for SD. For instance, during the construction of YE, there were many protests by the people for better compensation, employment, free passes on the toll plazas, and SD of rural areas despite the fact that it has provided vast opportunities for the development of the region besides ensuring better access to cities and markets, employment, increased per-capita income, mechanisation of agriculture, trade, reducing poverty and so on.
The JSK and UPSDM have also been implemented in the rural areas. Therefore, this study was conducted with the intention to evaluate the impact of these projects in the socio-economic development of people, especially of rural people and SD of rural areas. There is a need to undertake more projects in the state as they have a limited reach in the vast population. The various state policies should be made favourable for initiating projects according to the needs of the people. There is a need for further investigation to improve the contribution of private sector delivery system in the state.

1.5 Scope of the Study

UP has been a land of villages and the government has been implementing various rural development programmes for the uplift of rural people. In spite of these programmes, many rural areas have remained backward especially in the context of basic infrastructure. Government has been implementing PPP projects and many such projects are playing important roles in the rural development. An attempt has been made to study PPP projects in the state as well its status in various sectors.

This study focuses on the process of rural development and analyses the background highlighting the factors that have led the PPP in improving the socio-economic conditions of rural people. It also analyses its role in the diversification of village economy, employment generation, cultural development, people’s participation and their empowerment. The problem areas shall be analysed and the impact of the project on development of rural infrastructure shall be assessed. Finally, an attempt shall be made to assess the efficacy of the PPP projects in the SD of rural areas.

1.6 Hypotheses

The government is incapable in providing all the basic infrastructure due to rising expectations of rural people despite initiating many programmes and schemes. The PPP has provided an opportunity for the SD of rural areas. It is a combination of both public and private sector commitment and a structure that allows each partner to contribute its strengths effectively. In this, risks are assumed by the party that is best able to manage and assume the consequences of the risks involved. It is a partnership based on mutual trust and cooperation. Many PPP projects are under various stages of development in different sectors like transport, education, health, power, skill development, ICT, etc. that had positive impacts on the socio-economic development
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of rural people. These projects have ensured employment, better access to cities and towns, promoted trade, mechanisation of agriculture, people’s participation, cultural development and so on. The implementation of PPP projects needs to take cognisance of certain problem areas such as conflict of interest, peoples protest against land acquisition, inadequate compensation and rehabilitation, ecological degradation, etc.

Thus, we intend to start with the premise that PPP projects have led to better infrastructure in the state and has had a positive impact on the over-all well-being of the people despite the fact that UP has lagged behind so far as government-private partnership is concerned.

1.7 Questionnaire Format

The questionnaire for the survey has been divided into three parts (annexure-1). The first part of the questionnaire is for the government departments to get information about the number of PPP projects undertaken and their status in the state. It tries to find out the initiatives taken to make PPP policy, number of private partners, different sectors where private partners are willing to come, various incentives given to private partners by the government, measures taken to ensure transparency and accountability, steps taken to reduce people’s protests against these projects reducing their suspicions about administrative intentions, reasons for so few projects, and so on. It also tries to investigate about the sectors, where private players are interested to undertake PPP projects and the reasons thereby, role of PPP projects in the socio-economic and SD of rural areas, and the future plans of the government to take more projects in rural areas.

The second part of the questionnaire is for the private sector participants who have undertaken PPP projects in the state. The questions for them are intended to find out as to what problems are being faced by them and in which specific sectors, the incentives available to attract them, and their demands from the government to initiate more projects in rural areas. The suggestions of the private partners to be included in the much awaited PPP policy for the SD of rural areas have also been raised in the questionnaire.

The third part of the questionnaire intends to elicit information from the rural people. It has been divided into two sections. The first section of the questionnaire has tried to compile general information about the rural people as well as of the rural
areas. It is also enquired from them as to what have been their main problems and how the PPP projects have helped in improving their socio-economic conditions. The sectors where more projects should be undertaken. Whether their land has been acquired and how they have utilised the received compensation amount. The second section deals about the impact of YE on the rural people that how it has helped in helping in improving their socio-economic conditions of rural. What are its impacts on education, health, trade, ecology, biodiversity and environment, agriculture, per-capita income, poverty, rural market, culture, etc. However, to make it simple for the respondents to express their views about the impact of YE in their socio-economic development, they were asked to respond against each activity on a five point scale:

1. Strongly agree
2. Agree
3. Neutral
4. Disagree
5. Strongly disagree

Similarly, to know the evaluation of PPP projects (YE) by rural people, they were asked to respond on a five points scale:

1. Very good
2. Good
3. Average
4. Poor
5. Very poor

The questions were designed to know the impact of YE on the socio-economic development of rural area. Space was left for the respondents for any additional remarks, if they wanted to make.

All the questions have also been translated into Hindi language for the convenience of rural people as well as government departments, so that they can easily understand the question and then give their responses to the questionnaire.

1.8 Area of the Study

The UP government has undertaken some PPP projects in the state that are under various stages of development. The YE has been selected for the study that was opened for public in August 2012. It is a Greenfield project passing through the rural
areas around eastern bank of river Yamuna. The agricultural lands of rural farmers were taken for its construction. There were widespread protests by the farmers for better compensation, against forceful land acquisitions, for employment for those whose lands were acquired, and for free passes for people living around toll plazas. Hence, it was selected for the study to evaluate its impact on the development of rural areas and other promises made by the Yamuna Expressway Industrial Development Authority (YEIDA).

The YE passes through seven tehsils of five districts covering a total distance of 165 km. These districts are Gautam Buddha Nagar (GBN), Aligarh, Mathura, Hathras and Agra. Though, Bulandshahar district has also been notified for various development projects, but YE does not pass through it. Four villages of each tehsils of these districts were surveyed. In this way, a total of 28 villages of these five districts were surveyed (annexure-2).

1.9 Research Methodology

Qualitative methodology was employed throughout the course of the research along with empirical method which was also used to make an analysis of the material collected through extensive surveys that were undertaken with the help of questionnaire collected from the respondents. Besides, both, primary and secondary data were collected for the purpose of the study. The primary data were collected through field surveys. For this, 28 villages of five districts around YE were surveyed (annexure-2). Four villages of each tehsils of these districts were surveyed. About 20 respondents from each village were interviewed to analyse the impact of YE in improving the socio-economic conditions of rural people. The simple random sampling method was used to generate a comprehensive data related with the problem of this study. Some government departments and private sectors were also interviewed to have a better view of PPP projects in UP. The survey was conducted from April 2015 to September 2015.

Besides field survey, UP governor’s address, UP government policies and guidelines, central/state government’s reports and documents, national and international publications, reports of non-governmental organisations and private sectors, local, national and international newspapers, seminars and conferences, case studies, and other relevant secondary resources such as books, journals and articles
have been referred. A number of documents and studies were accessed through internet. The PPP websites of international organisations, central government and various state governments were also accessed.

The comparative method was used for the purpose of bringing out the primary data for easy analysis through percentages obtained. The results have also been shown through tables and figures for greater clarity.

1.10 Organisation of the Thesis

The thesis is divided into seven chapters. A brief outline of the various chapters is as follows:

In the first chapter, an attempt has been made to introduce the subject of the research study. It includes the background of the study, problems under study, hypotheses, objectives, significance and scope of the study. The questionnaire format, research methodology, review of literature and limitations of the present study are also discussed in this chapter.

The second chapter is a review of literature available in the field of SD and public private partnership concept and of the projects initiated by various governments at central and state levels. An attempt is made in this chapter to briefly discuss and highlight the gist of various studies conducted by a host of academicians, researchers and scholars in the field. It contains an exhaustive list, to the extent possible, of books, articles and papers written earlier. The present study is sought to be an addition to the work done until now so that future researchers might get a reservoir of knowledge to work on.

The purpose of the third chapter is to give a brief introduction about the socio-economic profile of UP. The introduction part includes the state location and area, physical and economic divisions, climate, resources, population profile, administrative divisions and districts. The socio-economic profile part discusses the infrastructure, status of education, health, drinking water supply, sanitation, agriculture, per-capita income, poverty levels and unemployment in the state.

The fourth chapter has three parts, the first and second parts deals with steps taken by the central and various state governments for undertaking PPP projects. It discusses the historical background, policies, institutional framework, lists and status
of PPP projects. The third part discusses the initiatives taken by the UP government for PPP projects. The PPP concept, definitions, differences between PPP and privatisation, its rationale in the state, advantages and its criticism, challenges, models and risks have also been discussed. Further, it deals with the PPP policy, legal and institutional framework, procurement process and lists of PPP projects in the state.

In the fifth chapter, an analysis of the field survey, i.e., an analysis of the Yamuna Expressway, has been made. The data analysis of GBN, Aligarh, Mathura, Hathras, and Agra districts have been presented through various tables and figures. The impact of YE in socio-economic development of rural people have also been dealt with in detail.

The sixth chapter highlights the role of PPP in sustainable development of rural areas in UP. It discusses brief introduction, indicators and challenges of SD. Besides this, the initiatives taken by the state government for SD have also been highlighted. Finally, it explores the impact of PPP projects in SD of rural areas.

In the seventh chapter, the summary of the findings of the study and suggestions have been presented.

1.11 Limitations of the Study

The study is confined to the impact of PPP projects in improving socio-economic conditions of people and sustainable development of rural areas in UP. The government departments have hardly any records of the number of PPP projects running in the state. It was, therefore, very difficult to get the updates on the PPP projects in the state. These are not uploaded on government websites as otherwise practiced in central and many state governments. In addition, limited relevant books and articles are available on PPP in Uttar Pradesh. During the field survey, some people gave negative responses despite enjoying many benefits after the opening of YE. Most of the people gave similar responses to the queries listed in the questionnaire. However, as far as possible, every attempt has been made to overcome these shortcomings.