1.1: THEORETICAL BACKDROP

Rural development, according to the World Bank is a strategy designed to improve the economic and social life of a specific group of people—the rural poor. It involves extending benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small scale farmers, tenants and the landless (World Bank, 1975). Lela (1975) defined rural development as an improvement in the living standard of the masses of low-income population residing in rural areas and building on the process of self-sustenance. According to Agrawal (1989) rural development is a strategy designed to improve the social well-being of a specific group of people, i.e. the rural poor. Rural development has been defined in several ways by different institutions, economists but for all practical purposes it means helping the poor people living in the rural areas in their economic development.

There is no single universally accepted approach to rural development. It is a choice influenced by time, space and culture. The term rural development represents overall development of rural areas to improve the quality of life of rural people. In this sense, it is a comprehensive and multidimensional concept, and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities and, above all, human resources in rural areas. Rural development has been conceptualized as a strategy, phenomenon and discipline and indicates it as a process of overall development of rural areas with a view to improve the quality of life of rural poor. As a strategy, it is designed to improve the economic and social well-being of a specific group of people—the rural poor. As a phenomenon, rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional
factors. As a discipline, it is multi-disciplinary in nature, representing an intersection of agriculture, social, behavioral, engineering and management sciences (Singh, 1999).

A disproportionate number of the very poor people reside in rural areas across the developing world. Over 3.5 billion people live in the Asia and Pacific region with 63% of them living in rural areas (World Development Report, 1990: Poverty). On average 80% of all target poverty groups reside in rural areas in Asia and Africa (World Bank, World Development Report, 1990: Poverty). The World Bank calculates that a quarter of the population of the developing world i.e. about 1.2 billion people is now living below the poverty line (below $1 a day). Agriculture continues to be the main source of employment generation in rural areas where agriculture is responsible for absorbing a large portion of the labour force. The study of Rural Development has been raised for two lines of reasoning. The first and the more obvious consideration is that in India where a large majority of the population i.e. around 70 to 80 percent lives in rural areas, and that the incidence and intensity of poverty is also relatively high in the rural areas across the country. The general deficiency in basic infrastructure and facilities such as roads, communication, power, education, health care and even sanitation and drinking water has a depressing effect on the quality of life especially in rural areas. The other line of reasoning which calls for special focus on rural development arises from disparities in the distribution of opportunities between urban and rural areas.

In the context of India, rural development assumes greater significance as 68.84 percent (2011 census) of its population still lives in rural areas. Most of the people living in rural areas draw their livelihood from agriculture and allied sectors. Share of Agriculture to the Gross Domestic Product (GDP) at current price is 17.32% in 2016-17 and 2011-12 prices, share of agriculture to total GDP is 15.11% (Planning Commission,
Government of India) and is responsible for providing employment to over 44 per cent of the workforce in 2017 (World Bank). The concept of unemployment in the Indian context is very complex and difficult to pin down into one particular category. Although India’s unemployment is structural in nature arising from the inability of the economy to create adequate jobs to meet the rising number of jobseekers, it manifests itself in different forms. The manifestation of unemployment in the rural sector is in the form of disguised unemployment where workers share the workload, with the marginal productivity of the workers being negligible. Seasonal unemployment is also a serious concern in this sector, where the wage-labourers and the marginal farmers are stranded without any work or earning in the lean agricultural season.

In recent years, growth in India has been mostly jobless and sometimes even leading to job loss. This is substantiated by the fact that during the 1990s and early years of the current decade, unemployment has increased (Hazari, B. and Krishnamurthy, J. 1970). Although the unemployment rate in India’s rural sector is 4.8% which is marginally less than that of urban sector at 5.3% (CMIE, 2017), the consequences of unemployment in the rural sector are far more adverse manifesting itself in abject poverty which is accompanied by intense deprivation and sufferings. In fact, unemployment and underemployment remain at the core of large-scale poverty that prevails in the Indian rural sector which is sought to be corrected by state intervention through workfare programmes as a means to generate employment and income. This is imperative given that economic growth in India in recent year has not led to much employment generation raising apprehension that “this might lead to social unrest unless the government rethinks its economic priorities” (Chandrasekhar, C.P. 2004).
Moreover such a strategy can be rationalized in terms of the significant link established between employment and poverty eradication (Islam, 2004).

As in India, rural poverty is one of the basic problems of Assam that has adverse social, economic and ethical implications. Defined as a socio-economic phenomenon in which a section of the society has inadequate access to the basic necessities of life, rural poverty compels a large number of individuals to live in abject destitution. Although large-scale poverty has been chronic in the Indian rural landscape, poverty alleviation was incorporated as one of the main objectives of the planning only since the fifth five year plan. Using the strategy of providing wage employment to the rural poor as a means of easing rural poverty, the National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEG) were introduced in Assam along with other states during the sixth plan. Subsequently, on April 1, 1989, NREP and RLEG were merged into a single wage employment programme under Jawahar Rozgar Yojana (JRY) with a view to generate additional gainful employment for the rural unemployed men and women and to create productive assets so as to improve overall quality of life in the rural areas. The primary interventions were supplemented by other programmes like Training of Rural Youth for Self-Employment (TRYSEM), Employment Assurance Scheme (EAS) and Prime Minister Rozgar Yojana (PMRY) in 1979, 1993-94 and 1993-94 respectively to carry forward the workfare policy. Along with the looming unemployment problem, unavailability of all-weather road connectivity, portable drinking water and adequate health facilities are the other major problems across states in rural India.

The exalted objective of inclusive growth became the icon for the eleventh plan, which was sought to be attained, inter alia with the enactment of the National Rural
Employment Guarantee Act (NREGA) in September, 2005. This Act, which was subsequently, renamed as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), conferred to the rural poor a right to gainful wage employment by making the government statutorily liable to provide work to those who seek it. The MGNREGA Programme assures livelihood security to the rural population by guaranteeing annually hundred days wage employment to those rural households whose members agree to undertake unskilled manual work. Moreover the programme seeks to create durable and sustainable assets which will not only enhance rural productivity but enhance the quality of life.

The government interventions in the form of programmes and schemes are important to address the issue of poverty. The approach paper to eleventh Five Year Plan had chosen “faster and more inclusive growth” as its central theme. Therefore, the eleventh plan 2007-2012, mainly focused on inclusive growth. During this period, various programmes and schemes for growth and development were initiated to improve the rural socio-economic scenario across the country and to attain the motto of inclusive growth. The strategies for inclusive growth have continued even in the Twelfth Plan with “more inclusive and sustainable growth.” It includes enhancing the capacity for growth, generation of employment, development of infrastructure, and improved access to quality education, better healthcare, rural transformation and sustained agricultural growth.

During the eleventh plan, two ways were identified through which the objective of inclusive growth can be achieved. The first way is by implementing various rural development programmes and schemes which can deliver benefits to the poor. The second way is through rapid growth itself, creating a multiplier effect on the growth of
income and employment opportunities. The government has adopted some flagship programmes like the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) and Pradhan Mantri Gram Sadak Yojana (PMGSY) to make development more inclusive. Inclusive growth is a concept which requires the fulfillment of the broad objectives of equitable economic opportunities for participants in the process of economic growth with benefits accruing to every section of the society.

In the light of the above the present study aims to probe into and analyze the performance of the rural development programmes and schemes in Assam with special reference to MGNREGA and PMGSY during the inclusive growth period. The performance of the two major flagship programmes - MGNREGA and PMGSY in contributing to inclusive growth have been looked into in the two districts of Kamrup (Rural) and erstwhile undivided Sonitpur district of Assam. This study is an attempt to look at how intervention by the state through rural development programmes impacts the rural population socially as well as economically.

APPROACHES TO RURAL DEVELOPMENT:

There has been considerable recent discussion of the changes that are taking place in rural development both in terms of the nature of the changes undertaking within rural economies and in terms of the approaches adopted towards rural policy. The predominant characterization is of a single change commonly focused fundamentally on agricultural sector towards one focused on rural territories and more diversified economic activity. There has been a paradigm shift of rural development programme from trickle down to bottom-up approach and marks a shift from a government providing to an entitlement based approach. Although the trickle-down approach was based on the belief that an expanded macro economy could improve the living standards
of improvised people, its effectiveness has been questionable. However, its failure does not necessarily mean that efforts should be concerted at the grass-root level only. This is because the development of rural areas cannot be achieved without attention to urban areas which are the main consumers of agriculture products. If conventional development approaches were effective, rural poverty would have improved more significantly. Therefore, it is clear that the traditional rural development approach needs to be improved.

Thinking about rural development has evolved over the years; it is observed that rural development more generally from community development through the green revolution to integrated rural development and from mid-1980s onwards, increasing attention to sustainable livelihoods as a route to poverty reduction. The present right based demand driven approach to rural development strategies is more meaningful in terms of achieving the basic objective of rural development i.e. to improve the quality of life of the rural people. The right based and demand driven framework of MGNREGA has extended the benefits to the needy people who are entitled the benefits of the programme. The programme ensures 100 days guaranteed employment and one third women employment. The new culture of MGNREGA with decentralized decision making provided a historic opportunity for strengthening Panchayati Raj in India.

APPROACHES OF RURAL DEVELOPMENT PROGRAMME SINCE INDEPENDENCE:

Community Development Approach

After independence, with the setting up National Planning Commission first priority and utmost importance was given community development in rural areas. The community development programme launched on 2nd October 1952, was the first attempt to tackle
the problem of rural India through reviving and revitalizing the social, political, economic and cultural life of the villagers and also through the active participation of rural people. First approach that was made use of in rural development programme was Community Development Approach. The very essence of the Community development approach was people’s participation not only in implementation of CDP but also in planning at the local level. The first five year plan stated the Community Development is the method and rural extension the agency through which the Five Year Plan seeks to initiate a process of transformation of the social and economic life of the villages

*Integrated Development Approach*

This approach of development was adopted and brought into operation in late 1970s when integrated Rural Development Programme (IRDP) was launched in the country. This integrated development approach was based on the idea that the rural development cannot occur with the improvement of any one aspect, rather, there needed integration of all development aspects. Under the IRDP, the poorest of the poor was selected and a viable economic activities involving production was identified in that region.

*Direct Attack Approach*

The genesis of what have come to be known as direct anti-poverty programmes can be traced to the perception from about the late sixties that the benefits of growth had insufficiently percolated to the rural poor. Small and Marginal Farmers Development Programme through creation of SFDA and MFALDA, Drought Prone Areas Programme (DPAP), Desert Development Programme(DDP) and Food for Work Programme of the seventies constituted a more direct attack on the problem of rural Poverty.
**Area Development Approach**

It was recognized that the pathways of development adopted in the past have resulted in an uneven distribution of the benefits of economic growth not only among geographical areas and but also among different socio-economic groups. In pursuance of Area Development Approach a special programme for the development of Drought Prone Area Programme (DPAP) was introduced in the mid 1970’s and a programme of development of desert areas in the late 1970s.

**Employment Generation Approach**

After independence the government of India initiated many measures to tackle problems of unemployment and under-employment throughout the country through mainly targeting the rural areas where seasonal nature of employment was the major reason of unemployment and under-employment that was leading to acute poverty among the vulnerable groups. It was realized that the employment and economic opportunities accrued more to those who were relatively well-off that led to widening the gap between have and have-nots. In this backdrop the government started various employment generation programmes to curb the unemployment and underemployment problems in rural areas. Under this approach two-pronged strategy was adopted i.e. implementing self-employment generating programmes and wage employment programmes.

**Convergence Approach**

In this approach different programmes were merged together to avoid duplication of same type of activities for the same sector and intended for same categories of beneficiaries. One of the objectives of making use of this approach of merging programme was to curb wastage of funds by directing the funds only flagship
programme rather than spending on more than one programme of similar objectives and categories to same segment of population.

1.2: CONCEPTUAL FRAMEWORK

The available development polices in rural areas that affect rural life is broadly categorized into (a) supply side policy, and (b) demand side policy.

Supply side policies essentially affect production of goods and services i.e. arrangement, prices and subside for agriculture inputs and outputs. Whereas, the latter essentially targets the living standard either through non production oriented activities or by concentrating almost exclusively on distribution rather than growth. Arguably, it is found that the first group of policies has a more profound impact on rural life than the latter.

Rural development as a strategy usually takes the form of programmes implemented by the government for overall development of rural people. There are some principles which guide the programmes in the right direction. The following principles suggested by the Food and Agricultural Organization (FAO) of the United Nations (1985) are usually followed while implementing the rural development programmes.

Access: Ensuring that the programmes and its benefits reach those in need.

Independence: Developing a programme which helps and supports the people but which does not make his or her livelihood dependent upon the programme.

Sustainability: The programme should be relevant in the local economic, social, political and administrative situation.
**Participation:** Ensuring that more and more rural people are involved with the programme at its development stage to make the programme a success.

**Effectiveness:** The programme should be based on the effective use of local resources and resources available outside.

The study uses the above principles while probing into and analyzing the different programmes and schemes.

**1.3. OBJECTIVES AND RESEARCH QUESTION**

The specific objectives of the study are the following:

1. To analyze the rural development programmes adopted in Assam in the era of inclusive growth
2. To examine the district-wise performance of MGNREGA in Assam
3. To assess the socio-economic impact of MGNREGA on rural poor
4. To examine the role of PMGSY in transforming rural areas
5. To recommend policy measures in the light of lacuna, if any.

The research question underlying the present study is as follows:

(a) Whether the slogan of “inclusive growth” has been realized at the operational level by the various socio-economic interventions of the state?

(b) Does Mahatma Gandhi National Rural Employment Guarantee Act operationally result in a redistribution of income and wealth in favor of the poor as envisaged in the MGNREGA Act, 2005?
1.4. METHODOLOGY

1.4.1. Data Source

The study is based on both primary and secondary data. The sources of secondary data for the study includes various government reports, development journals, and handbook of different government departments, reports published by RBI, NABARD, NIRD, SIRD, and Ministry of Rural Development etc.

Two sets of primary data have been collected from the sample districts through two questionnaires prepared for the study. Field survey has been conducted in the sample districts to examine the socio-economic impact of the Mahatma Gandhi National Rural Employment Guarantee Act on the rural poor and the impact of PMGSY on the beneficiary habitats.

1.4.2. Study Area

The Mahatma Gandhi National Rural Employment Guarantee Act has been implemented across all the 27 districts of Assam within the three phases of its implementation. From among the 27 districts, two districts viz., Kamrup (Rural) and the erstwhile undivided Sonitpur district (recently, Sonitpur district has been divided into districts - Sonitpur and Biswanath Districts) have been selected for the study.

Kamrup (Rural) and Sonitpur districts with 90.62 per cent and 90.96 percent of its population respectively residing in villages, as per the Ministry of Rural Development Reports have had substantial fund being sanctioned and released under different rural development programmes with remarkable performance. Moreover, the districts have also been selected based on the reasoning that both the districts have been enrolled in the MGNREGA programme during the third phase of its implementation, thus making it
more relevant to analyze and compare the results of the programme across the two districts. District-wise Performance of the MGNREGA programme has shown that Sonitpur is good Performing district and Kamrup (Rural) is Medium performing district based on the performance index. Therefore, one district from medium performing and other from good performing category has been selected for primary study.

1.4.3. Sampling Design

Multistage random sampling technique has been used to select the beneficiaries and non-beneficiaries for the study.

I. KAMRUP (RURAL) DISTRICT

In the first stage, Hajo Development Block has been randomly selected for the study. There are 16 Gaon Panchayats under the Hajo Development Block. In the Second stage, among these 16 Gaon Panchayats, Ketkibari Ukhura and Khetri Hardia have been randomly selected from the Hajo Development Block. In the third stage, two villages from each Gaon Panchayat have been selected randomly - Mokhonia and Ketkibari villages under Ketkibari Ukhura Gaon Panchayat and Barhardia and Tokradia under Khetri Hardia Gaon Panchayat.

In the fourth stage, at least five respondents from each Gaon Panchayat from each group (both beneficiaries and non-beneficiaries) have been chosen. A list of job card holders including both active and Inactive job card holders has been prepared in consultation with the Gaon panchayat President and Secretary. For the study, households with active job cards have been considered as beneficiaries and households with inactive job cards have been considered as non-beneficiaries respectively.
Altogether, 116 households from four villages including 96 beneficiaries and 20 non-beneficiaries comprise of the sample size from the two Panchayat of the Hajo Development Block in the Kamrup district.

II. SONITPUR DISTRICT

In the first stage, Biswanath Development Block has been randomly selected for the study. In the Second stage, two Gaon Panchayats viz., Garehagi and Panibharal Gaon Panchayats have been selected randomly from among the seven Gaon Panchayats in the Biswanath Block. In the third stage, two villages from each Gaon Panchayat have been selected randomly - Kadamoni and Garehagi villages under Garehagi Gaon Panchayat and Bhirgaon and Garbhitar Villages under Panibharal Gaon Panchayat. The villages selected have implemented at least one centrally sponsored and state sponsored rural development programme respectively.

In the fourth stage, at least five respondents from each Gaon Panchayat from each group (both beneficiaries and non-beneficiaries) have been chosen.

Altogether, 100 households from four villages including 62 beneficiaries and 38 non-beneficiaries comprise of the sample size from the two Panchayat of the Biswanath Development Block in the Sonitpur district.

TOTAL SAMPLE SIZE OF THE STUDY

The total sample size of the study including Kamrup Rural and Sonitpur districts is 216 where 116 is drawn from the Kamrup rural district and 100 from the Sonitpur district. The total beneficiary household is 158 - 96 drawn from Kamrup (Rural) district and 62 drawn from Sonitpur district. In a similar manner, out of total 58 non-beneficiary households, 20 households are from the Kamrup (Rural) district and 38 are from the Sonitpur district.
1.4.4. Analytical Tools

Descriptive method is used to look into and analyze the first objective by assessing the Performance of the development programmes implemented in the era of inclusive growth in Assam. If the various programmes and schemes have succeeded in achieving the 80% and above the target level, it is considered as good performance. If the programmes and schemes have achieved more than 50% but less than 80%, it is considered as medium performance and if the programmes and schemes have achieved less than 50% of the target level, it is considered as poor performance. Secondly, if the achievement level of the programmes and schemes in the current period has increased in relation to the previous year, then the performance of the programme is considered good performance. On the other hand, if the performance has deteriorated in the current year as compared to the previous year, it is considered as poor performance.

In this study the performance of the interventions has been assessed twice using the two dimensions independently.

In order to assess the district-wise performance of the MGNREGA in Assam, secondary data is used at large. Statistical tools like percentage, average, multi-dimensional graph have been used to present the relative achievements of the programmes between two time periods. Performance Index has been used to assess the district-wise Performance of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). Performance index has been constructed by using four indicators.

Kamrup Rural and Sonitpur districts have been selected for assessing the socio-economic impact of MGNREGA on beneficiary households. Ten indicators including three qualitative and seven quantitative indicators have been used to construct the index. Three point scales for the indicators have been formulated by using two separate
principles for quantitative and qualitative indicators. For quantitative indicators, the following formula has been used

\[
\text{Mean} \pm 0.5 \times \text{S.D}
\]

and for qualitative indicators, three point scales has been formulated based on observed variability of the indicators. Socio-economic impact has been defined by taking only Access to health, Condition of dwelling house, possession of other Assets and availability of room per person.

Cross section expenditure data along with qualitative data has been used for 2016 to determine the redistributive effect of MGNREGA expenditure. Distribution effect of MGNREGA has been examined in the sample district of Assam. Chi-square test has been used to test the significant difference between beneficiary and Non- beneficiary household with respect to qualitative variables. t- Test has been used to test the significant difference between beneficiary and Non-beneficiary households with respect to quantitative variables.

To study the impact assessment of PMGSY, two case studies have been conducted in the sample district.

1.5. RELEVANCE OF THE STUDY

The present study is to analyze rural development of Assam in the era of inclusive growth. The study is expected to help the policy makers in framing policies for solving the problems in proper implementation of rural development programmes. The study will also be useful to the panchayat functionaries while formulating their action plans for proper implementation of MGNREGA and other rural development programmes. Again, it is expected that the findings of the present study will provide inputs in connection with the performance and failure of rural development programmes for improving the socio-economic condition of the rural poor. It is expected that the study
will pave the way for designing the rural development programmes for the betterment of the rural masses.

1.6. LIMITATIONS OF THE STUDY

The main limitations of the present study are as follows:

1. The Present study has been conducted with the constraints associated with a single researcher and the time and resources at his disposal which has reduced the scope of the study.

2. Lack of availability of secondary data related to different components of some of the specific rural development programmes in Assam has been another constraint.

3. For the study, two districts have been selected out of 27 districts of Assam purposively and are considered as representative of the universe of the State of Assam.

1.7. CHAPTERISATION PLAN

The thesis has been organized in seven chapters as follows:

Chapter I: Introduction

Theoretical backdrop; Conceptual framework; Objectives of the Study; Research Questions; Methodology; Relevance of the Study; Limitation of the study

Chapter II: Review of Literature

Introduction; Studies on different aspects of Rural development Programmes; Studies on Mahatma Gandhi National Rural Employment Guarantee Act; Studies on Pradhan Mantri Gram Sadak Yojana Programme; Conclusion
Chapter III: Appraisal of Rural Development Programmes in Assam

Introduction; Brief Description of Rural Development Programmes; Performance of Centrally sponsored Rural Development Programmes in Assam; Performance evaluation of State Sponsored Rural Development Programmes in Assam; Conclusion

Chapter IV: Performance of Mahatma Gandhi National Rural Development Programmes in Assam

Introduction; History of Mahatma Gandhi National Rural Employment Guarantee Programme; An Overview of Mahatma Gandhi National Rural Employment Guarantee Act and Its Implementation In Assam; Physical Performance of Mahatma Gandhi National Rural Employment Guarantee Act in Assam; District-Wise Performance of Mahatma Gandhi National Rural Employment Guarantee Act in Assam; Physical Performance of Mahatma Gandhi national Rural Employment Guarantee Act; Performance Index; Conclusion

Chapter V: Socio-Economic Impact of Mahatma Gandhi National Rural Employment Guarantee Act on Rural Poor in Sample Districts of Assam

Introduction; Socio-Economic profile of Beneficiary and Non-Beneficiary households of Kamrup Rural and Sonitpur Districts; Socio-economic impact of MGNREGA on Beneficiaries in Kamrup Rural district of Assam; Socio-economic impact of Beneficiaries in Sonitpur district of Assam; Distribution Effect of Mahatma Gandhi National Rural Employment Guarantee Act In the Sample Districts; Conclusion

Chapter VI: Pradhan Mantri Gram Sadak Yojana and Its Role in Development of Rural Assam

Introduction; Intervention of Pradhan Mantri Gram Sadak Yojana in India and Assam; Brief Sketch of Rural Connectivity of Hajo Development Block of Kamrup (Rural) district; Impact Assessment of PMGSY in the Connected Habitation of Sample Roads;
Impact on Health; Impact on Education; Impact on Agriculture; Impact on Employment Generation and Impact on transportation; Success Stories of Pradhan Mantri Gram Sadak Yojana; Conclusion

CHAPTER VII: SUMMARY OF FINDINGS, CONCLUSIONS AND POLICY PRESCRIPTION

Introduction; Summary of Findings, Conclusions and Policy Prescriptions