CHAPTER I

Introduction

1.1 Introduction

Poverty in India is widespread, with the nation estimated to have a third of the world’s poor. In 2010, the World Bank reported that 32.7 per cent\(^3\) of the total Indian people falls below the international poverty line of US $ 1.25 per day while 68.7 per cent live on less than US $ 2 per day. According to the 2010 data from the United Nations Development programme, an estimated of 29.8 per cent of Indian live below the national poverty line. A 2010 report by the Oxford Poverty and Human Development Institute (OPHI) states that 8 Indian states have more poor people than 26 poorest African nations combined which totals to more than 410 million poor in the poorest African countries. The latest UNICEF data shows that one in three malnourished children worldwide is found in India, while 47 per cent of children under 5 years of age are underweight\(^4\).

Since 1950s, the Indian Government have initiated several programmes to alleviate poverty including subsidizing food and other necessities, increased access to loan, improving agricultural techniques, and price supports and promoting education and family planning. These measures have helped eliminate famines, cut absolute poverty levels by more than half and reduced illiteracy and malnutrition. Although the economy has grown steadily over the last two decades, its growth has been uneven when comparing social groups, economic groups, geographical regions and rural and urban areas. Despite significant economic progress one quarter of the nation earn less than the government specified poverty

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threshold of 32 rupees per day (approx. US $ 0.06). According to a 2010 World Bank report, India is on track to meet its poverty reduction goals. However, by 2015 an estimated 53 million people will still live in extreme poverty and 23.6 per cent of the population will still live under US $ 1.25 per day. This number is expected to reduce to 20.3 per cent or 268 million people by 2020. However, at the same time, the effects of the world-wide recession in 2009 have plunged 100 million more Indians into poverty than there were in 2004, increasing the effective poverty rate from 27.5 per cent to 57.2 per cent. Poverty status in Mizoram is much the same. According to the Government of India figure of Below Poverty Line (BPL) in Mizoram is at 25.6 per cent. The Planning Commission has reported an increase in poverty level in the north east between 2004-05 and 2009-10 in which Mizoram is included among the five states of the north east with an increase in poverty levels of 5.7 per cent.

While services and industry have grown at double digit figures, agriculture growth has dropped from 4.8 per cent to 2 per cent. About 60 per cent of the population depends on agriculture whereas the contribution of agriculture to the Gross Domestic Product (GDP) is about 18 per cent. The surplus of labour in agriculture has caused many people to not have jobs. High population growth rate is one of the causes of poverty in India. Poverty and unemployment are the chief outcomes of rapid population explosion. Unemployment in India is chronic and results from the structural defects in the economy. Widespread unemployment is the most striking symptom of inadequate development of the country. After Independence, the government gave a push to the standstill economy and for this purpose it employed the technique of democratic planning. It recognized the seriousness of the problem at the very beginning of the planning process and accordingly, employment generation was accepted as a goal of development planning. And hence the Government of India launched several schemes of self-
employment in order to alleviate poverty. Of them Swarnajayanti Gram Swarojgaris Yojana (SGSY) is one of the merger programmes that replaced Integrated Rural Development Programme (IRDP) for the rural development. This scheme has gained a significant role in alleviation of poverty by generating employment opportunities. The objective is to bring the poor families above poverty line by ensuring appreciable sustained level of income over a period of time.

The Government of India has introduced an effective Self Employment programme called Swarnajayanti Gram Swarojgar Yojana which is an important component of the antipoverty programme implemented through government initiatives in the rural areas of India. This programme was launched in April 1999 covering all aspects of self-employment such as organisation of the poor into self-help groups, training, credit, technology, infrastructure and marketing. SGSY is funded by the Centre and State in the ratio of 75:25, but in case of the North eastern states it is 90:10.

1.2 Main concept and ideas

Poverty is a socio-economic phenomenon in which a section of the society is unable to fulfil even its basic necessities of life. In general, those who are unable to fulfil their minimum nutritional needs due to lack of income are considered to be poor. Poverty could be relative as well as absolute. In developing countries like India, relative poverty is not taken to be a cause of concern; absolute poverty is. Poverty levels in India are measured on the basis of household spending on food, education and other items. The Planning Commission accepted the Suresh Tendulkar Committee’s recommendation of calculating poverty. That went by the Food and Agriculture Organisation (FAO) norm that 1,700 calories were enough
for one to sustain. The committee's findings when indexed with inflation for June 2011 showed abysmally low monthly per capita spending on food of Rs.18 for urban areas and Rs.16 for rural areas. Add the daily expenditure on non-food items were added to this, the poverty line stands at Rs.32 for urban and Rs.26 for rural areas respectively.

Alleviation of poverty remains a major challenge before the Government. There has been a steady decline in rural poverty over the last two decades. From 2004-2005 to 2009-2010, the rate fell from 37.2 per cent to 29.8 per cent, which means around 360 million people currently live in poverty. According to the Planning Commission, rural poverty fell by 8 per cent, compared to urban poverty which declined by 4.8 per cent. The Planning Commission said the main reason for the reduction in poverty was the governments increased spending on rural welfare programmes. “We gave money to the people and the result is a direct impact of that”5.

Although a number of states saw a drop in the number of poor, some north-eastern states saw a rise in poverty levels. "In Assam, Meghalaya, Manipur, Mizoram and Nagaland, poverty in 2009-10 has increased. Poverty invariably affects all the indicators of human development. Economic growth with a focus on employment intensive facilitates the removal of poverty. However, this strategy needs to be complemented with a focus laid on the provision of basic services improving the quality of life of the people and direct state in the form of anti-poverty programmes. Anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes and social insecurity. It is appropriate that we look at a comprehensive picture inclusive of both income and non-income and social indicators which affect

5 Mihir Shah, Member, Planning Commission, was quoted by the Economic Times, 20th March, 2012- Retrieved on 12.1.2013
the capability of individual. The field data has been utilises to see change in these parameters in the sample areas for the study.

1.3 Statement of the Problem

Immediately after Indian Independence from the British rule, the Government of India had introduced different Rural Development Programmes to make a frontal attack on poverty that was looming large in the different parts of India. The noble idea behind the introduction of Rural Development Programmes was to provide socio-economic well-being to rural poor. However, the public have lost faith in these development programmes due to lack of sincerity in the process of implementation of the programmes. The unfair selection of the beneficiaries of the Schemes on party and family considerations has tremendously demoralised the rural poor.

While Rural Development Programmes are introduced with good intention, the poor quality of materials used by the implementing agencies clearly highlights the unsatisfactory implementation of the programmes to cater to the socio-economic needs of the rural poor. Besides, immense illiteracy and ignorance have made the people unaware of the resources at their disposal to check manipulation of developmental funds by the officials at different levels. A slow pace of development in the rural areas is the manifestation of the weakness of the administration in implementing the programmes for the benefits of the rural poor.

Though abundant developmental funds have been pumped into the rural areas in the name of rural development, there is, however, little progress worth citing in the rural areas of the state. Though there are various trustworthy Non-governmental organisations in the state to facilitate the
effective implementation of the developmental programmes in the rural areas, the officials of the government have utterly failed to get them involved in the process of implementation of the aforesaid programmes. Hence, morale and lifestyle of the people in the rural areas have been degenerated resulting in the increase of migration from the rural areas to the urban centres in search of easy livelihood which has never been possible to be realised in the rural areas.

1.4 Review of Literature

While working on the present research proposal, we came across a few books and articles relating to the present research problem. Some of these materials are as follows:

Katie Willis (2005) in *Theories and Practices of Development* investigates and places in a historical context, the development theories behind contemporary debates such as globalization and transnationalism. The main definitions of 'development' and 'development theory' are outlined with a description and explanation of how approaches have changed over time. The differing explanations of inequalities in development, both spatially and socially, and the reasoning behind different development policies are also considered. By drawing on pre-twentieth century European development theories and examining current policies in Europe and the USA, the book not only stresses commonalities in development theorizing over time and space, but also the importance of context in theory construction.

Prasanjit Maiti (1997) in *Development Discourse* seeks to explore common lessons from political sociology and development studies and in this process tries to resolve the tension between the author academic and practitioner worldviews. The author has tried to highlight one principal concern in this volume that development is more often than not a
multicultural construct of everyday politics that is context-bound and predicated by statements of informed choices on the part of the stakeholders and beneficiaries involved. So development is more about who gets what, when, how, where and why in terms of an authoritative allocation of values that is underpinned by definitions of stakeholders or beneficiaries or affected persons.

Modern development economists define development as a process involving elimination of poverty, income inequalities and unemployment. The Indian Planning commission defines an underdeveloped country is one which is characterized by the co-existence of unutilized or underutilized manpower and of unexploited natural resources. Denis Goulet and C. Furtado have defined poverty is a cruel kind of hell. Ragnar Nurkse argued that most of the underdeveloped countries have been caught in the vicious circle of poverty due to rapid population growth. He viewed that fast growing population in the Third World countries is both a cause and an effect of underdevelopment. Widespread unemployment is a universal phenomenon in the Third World. It is the fact that almost 35 per cent of the combined urban and rural labour forces in poor nations are unutilized.

Devendra Thakur (1997) in Role of Voluntary Organisations in Tribal development deals with the efforts of the Government of India to bring about economic development of the tribal people in India through the voluntary agencies. The voluntary agencies through their works have also played a very important role in this regard and the progress of development in the tribal areas have been made possible by them.

S.K Chaube (1973) in Hills Politics in North East India discusses government and politics in Mizoram as a part of the North Eastern politics and covers general discussion on the rural development programmes as part of the overall development paradigm.
Dadabhai Nouroji, Romesh Dutt and others viewed that the economic policies of the British rulers were solely responsible for the country’s backwardness. The Planning Commission acknowledged the fact of widespread poverty in the country in the Sixth Five Year Plan 1980-85 i.e., the percentage of poor was as high as 48.44 per cent.

J.J. Spegler has argued that an increase in population raises the ratio of people to land and other sources of raw materials. According to the estimates of National Sample Survey Organisation (NSSO), in 2004-05 the status of unemployment rate for rural and urban male workers was 8.0 and 7.5 per cent respectively.

Ragnar Nurkse viewed that some of the agricultural labourer has to be shifted to other productive activities in order to overcome the problem of disguised unemployment. T.S. Papola viewed that the asymmetry between the income and employment shares among different sectors has sharply increased. He viewed that higher employment growth in manufacturing and service sector hopes a rectified imbalance to some extent.

Prabhat Patnaik has remarked that a higher arithmetical figure of growth rate is neither a necessary nor a sufficient condition for alleviation of unemployment.

C.P Thandrasekhar has argued that economic growth in India has not led to much employment generation. He states that India’s trajectory of growth is not matched by employment generation which led to social unrest unless the government rethinks its economic priorities. Jeemol Unni and G. Raveendran in their study have revealed that the growth rate of employment declined sharply in rural sector during the period 1993-94 and 2004-05.

Jayanti Ghosh viewed that as a result of conscious policy of rural development nearly 80 per cent of all new government jobs created during
the decade occurred in rural areas. They also viewed that financial reforms such as availability of credit induce scope for self-employment opportunities. For a lasting solution to the problem of unemployment, the government decided to concentrate on policy measures that seek employment to all for eradication of poverty. The planning commission stated that the central element in the development strategy of the seventh plan is the generation of productive employment. The package of poverty alleviation programmes aimed at generating employment and income to the poorer sections of the community.

The Eleventh plan 2007-12 aims at creating 58 million job opportunities and also advocates an employment strategy that can ensure rapid growth of employment and improvement in the quality of employment. The Plan argues that only self-employment will remain as an employment category in the foreseeable future

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S.S Khera (1979) in *District Administration* deals with district administration as the total functioning of government in a district, that the total and complex organisation of the management of public affairs at work, dynamic and not static, in the territory of a geographically demarcated district highlighting the role played by DRDA in the district in implementing the rural development programmes.

Commendable though they are in their respective fields, these books have not dealt with rural development in Mizoram with reference to the specific programmes. So, the present research work has been undertaken to look into the rural development scene in Mizoram with special reference to SGSY.

**1.5 Scope of Study**

The scope of this research is to study the Implementation of Rural Development Programmes in general and that of SGSY in particular whose primary objective is to provide additional and supplementary wage employment, thereby providing food security and improving the nutritional levels. It covers construction and up-gradation of dwelling units, freed bonded labourer and other below poverty line households by providing a lump sum financial assistance. It creates employment opportunities with food security, drinking water, and sanitation, development of waste land and development of border areas.

Mizoram with a population of just more than one million, provided with assured Rural Development programmes, have not come up with the most satisfactory result. The political involvement as a part of their routine campaign, lack of sincerity from the implementing agency, ignorance of the subject has made it critical for these programmes to bring about development while the developmental funds that has been made available is
doubtlessly not used for the assigned purpose. The rural poor are being neglected.

The rural areas have been suffering from a chronic problem, i.e. Indebtedness which has been one of the major causes of their economic miseries. The administrators’ role as agent of institutional, social and economic changes has to be realised as the development process has to be carried on in the climate of uncertainty and at times fluid political and social climate.

The proper implementation of these rural development programmes will have significant effect for the well-being of the people. It is natural that economic well-being leads to social well-being. Being economically unworried and unburdened, they can look to other avenues of their progress; be it social, cultural and moral. During the research, Directorate of Rural Development and other attached offices have been studied and the role played by them in the implementation has also been analysed of the programmes. If Mizoram is to develop and take its right place in the area of economic development, it is inevitable that the effort and emphasis should be placed on the development of rural areas of Mizoram.

1.6 Objectives of the Study

The objective of the study is to study the rural development programmes with emphasis on the Swarnajayanti Gram Swarojgar Yojana. The study has been conducted in the five blocks of Aizawl district. The objectives of the present study are:

- To study Rural Development Programmes introduced by the Government such as SGSY, and its implementation
- To study the contributory role played by the State Government towards the implementation of the identified Programme
- To assess the contributions of the Programmes towards the improvement of the rural economy in Mizoram and to assess the benefits derived by the people and
- To study the role of rural communities for the development of their respective areas and to look into the problems faced by the people and suggest remedial measures.

1.7 Research Questions

The following research questions have been formulated for the present study:

- Is rural development in Mizoram dependent upon proper implementation of the programmes?
- Are State Government agencies indispensable for the implementation of Rural Development programmes in Mizoram?
- What is the role of Non-governmental Organisations in the implementation of Rural Development Programmes in Mizoram?
- What are the problems and challenges faced by the officials and people in the context of SGSY?
- What steps are needed to make rural development programmes more effective in Mizoram?

1.8 Methodology

The study has been based both on the primary data and secondary data. Primary data have been collected from relevant official records, documents, reports, guidelines and instructions issued by the Ministry of Rural Development of the Centre as well as the Department of Rural Development of the State Government. Besides, personal interviews,
questionnaires and discussions with the key functionaries of the Department, the beneficiaries of the SGSY programme have also been used for collecting primary data. Secondary data have been collected from books, journals, magazines and other published or unpublished sources.

As stated above, the principal instrument of data collection is questionnaire. The questionnaire was essentially a structured one, framed in English and local language, i.e. Mizo in order to facilitate better communication with the respondents and also to maintain certain uniformity in administering the questionnaire.

The questionnaires were personally administered by the researcher. Normally a person whose name is highlighted as beneficiary was interviewed and the researcher made it a point to interview the respondents in their house. Each interview lasted for about an hour during which the researcher has been able to establish a good rapport with the respondents.

The field investigation is confined to Aizawl District of Mizoram covering all the five rural development blocks. One hundred and fifty questionnaires have been used selecting respondents from each block by random selection from the list of beneficiaries obtained from DRDA, Aizawl.

1.9 Chapterization

The first chapter consists of the introduction to the study realising the goals and objectives of developing the rural areas for overall development of the country. It highlights the main concepts and ideas, reflects on the statement of the problem, reviews of literature including books, articles, reports, journals etc., scope of the study, research questions, methodology, and a brief summary of all the chapters.
The second chapter covers a profile of Mizoram from the oldest period till the present time with a focus on the socio-economic life of the people. The chapter deals with the history and political development of Mizoram, physical features, social life, literacy, economy, industry, festivals, religion, clothing’s etc. A brief profile of the sample district is given so that it may give a clear understanding in the context of the rural development programmes in the sample area. In the later part of the chapter, the salient features of the Socio-Economic status of the sample households are described and their influence on the implementation of the programme are analysed.

The third chapter focuses on the meaning, nature, dimensions, elements, issues and objectives of rural development both from the theoretical perspective and from the point of view of the Indian situation. Different models of rural development have been presented keeping in view the grown realities of rural India.

The fourth chapter deals with the institutional arrangement for rural development in India. The working and functions of the Ministry of Rural Development, Directorate, Specialised agencies like NABARD, CAPART and other institutions as present in Mizoram are highlighted in relation to their origin, structure, functions, processes and role expectations.

The fifth chapter deals with Voluntary Organization in rural development. The chapter highlighted the role of voluntary organization in the post-Independence period presenting the nature, role and functions of these organizations. The chapter also discussed the voluntary organizations present in Mizoram with a special focus on the role and functions of Young Mizo Association, Mizo Hmeichhe Insuihkham Pawl and the Mizo Zirlai Pawl.
The sixth chapter is based on the empirical study. The data collected from the field study in relation to the working of the self-employment programme, SGSY is codified, compiled and analysed according to the basic statistical principles. The working and functioning of the programme are discussed.

The concluding chapter is divided into two parts. The first part of the chapter includes summaries of all the previous chapters that have been discussed. The second part of the chapter deals with the concluding observations and remarks about the rural development in Mizoram. Findings and the suggestions which have emerged out of the present study have been incorporated. The study infact reveals that there is lack of people’s participation in the rural development programmes. The rural people have not benefitted from different programmes due to neglect and ignorance of the implementing agencies. This chapter highlights the general problems and challenges of rural development in Mizoram. The chapter also give suggestions for the proper implementation of the rural development programme which may benefit the poor.