

**Institute of Distance and Open Learning  
GAUHATI UNIVERSITY**

**MA in Political Science  
(3<sup>rd</sup> Semester)**

**Paper X  
RURAL DEVELOPMENT IN INDIA**

**Block 1  
Understanding Rural Development and  
Its Problems**



**Contents:**

**Block Introduction–**

**Unit 1 : The Concept of Rural Development: Rural and Urban  
India**

**Unit 2 : Agriculture and Rural Development**

**Unit 3 : Rural Development Programme: Rural Social  
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**Block Introduction:**

This block deals with various aspects of rural development process and the problems affecting the rural areas. We all know the fact that the development process must be initiated from the very grassroots level. Only when we achieve development at the grassroots level, we can expect holistic national development. Moreover, India is an agricultural country, where most of the people depends mainly on agricultural sector for their livelihood. That is why, it is of paramount interest for all of us to study rural development and the problems associated with rural areas. We all know that there are some problems which are peculiar to the rural areas only. So, it is pertinent for all of us to understand the importance of rural development and also to know the different social welfare programmes launched with the aim to foster the process of rural development.

**Unit 1** deals with the concept of rural development in rural and urban India. In this unit, you will study the meaning of rural development, rural and urban disparities, their different sources of income, sources of rural resources, income differences between rural and urban sector, causes of low income in the rural areas etc. Thus, this unit helps you to understand the overall process of rural development.

The focus of **Unit 2** is agriculture and rural development process. In this unit, you will study the role of agriculture in initiating the process of rural development, problems associated with agriculture etc. Also, in this unit, you will study about Watershed programme, Command Area Development Programme. Thus, this unit gives you the knowledge about relationship between agriculture and rural development.

**Unit 3** deals with the rural development programmes and various other rural social welfare schemes. In this unit, you will study about the schemes and programmes launched from time to time so as to ensure rural development. This unit deals with the basic concepts like, small and marginal farmers, their development agency, hill areas development programme, intensive agriculture area programme, schemes for women development, as well as other income generating schemes.

**Unit 4** deals with the problems of rural infrastructure. In this unit you will study about the problems like, poverty, unemployment, rural transport and communication problem, rural electrification, rural forestry etc. So, this unit is an endeavour to introduce you all to the various problems faced by the rural masses.

This block has four units –

**Unit 1** : The Concept of Rural Development : Rural and Urban India

**Unit 2** : Agriculture and Rural Development

**Unit 3** : Rural Development Programmes : Rural Social Welfare Programme

**Unit 4** : Problems of Rural Infra-structure

# **Unit 1**

## **The Concept of Rural Development: Rural and Urban India**

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### **1.1 Introduction**

What is development? What characteristics do we use to evaluate the degree of 'development' a country has undergone or how 'developed' or 'underdeveloped' a country is at any point in time? Is it measured by the number of big malls or hotels? Development is not measured by how many bottles of branded cold drinks are consumed or how many cars are owned by rich people. Development is a process. Whether or how much a society is able to achieve development, is a resultant function of the assemblage of classes and social categories and their relative power to do so. The term development is used in a different way in different contexts. When we speak of a developed society, we picture in our minds a society in which people are well fed and well clothed, possess access to a variety of commodities, have the luxury of some leisure and entertainment, and live in a healthy environment. We think of a society free of violent discrimination, with tolerable levels of equality, where the sick receive proper medical care and people do not have to sleep on the footpaths. In short, most of us would insist that a minimal requirement for a 'developed' nation is that the physical quality of life be high, and be so uniformly, rather than being restricted to an



incongruously affluent minority (Ray: 2008). Of course, the notion of a good society goes further. We might stress political rights and freedoms, intellectual and cultural development, stability of the family, a low crime rate, and so on. However, a high and equally accessible level of material well-being is probably a pre-requisite for most other kinds of advancement, quite apart from being a worthy goal in itself (Ray: 2008).

The term rural development connotes overall development of rural areas with a view to improve the quality of life of rural people. In this sense, it is a comprehensive and multidimensional concept and encompasses the development of each member of society. Rural development is a strategy designed to improve the economic and social life of the rural poor. It involves extending the benefits of development to the poorest among those who live in the rural areas, including small scale farmers, tenants and land-less. Any strategy for rural development must recognise that:

- The rate of transfer of people out of low productivity agriculture and rural activities into more rewarding pursuits has been slow,
- Most of the people in rural areas in developing countries are facing different degrees of poverty and their position will be worse if population increases at unprecedented rates.
- Rural areas have land, labour and some capital which can be mobilised for road or irrigation works, introduction of new technology etc.

There has been substantial progress towards accomplishing development in most countries of the world over the last many decades. However, the development has not been shared equally amongst various economic groups within nations, the losers being usually the poor in rural areas. There is an obvious urban bias and rural neglect in the development processes and hence, it is imperative to discuss and understand the ways to contribute to rural development and to realise impacts and potential benefits.

## **1.2 Objectives**

After going through this unit, we will be able to :

- *understand* the concept of development and rural development
- *analyse* the prospects of rural development

- *discuss* rural and urban disparities and income differences between rural and urban sector
- *describe* rural resources and rural income

### **1.3 Meaning of Development**

In the works of early social scientists the term development was used to refer to the course of social evolution. Hobhouse, for instance, defined the terms of the increase in the scale and efficiency of social organisation. Development was thus conceived of as organic, immanent, directional, cumulative and irreversible. Also it entailed the idea of structural differentiation and increasing complexity (Sharma: 1986).

With the rise of industrial system and the emergence of capitalism, there cropped up the idea of development, measured in terms of economic growth. This meaning of development gained further impetus in the middle of the last century when so many countries of the Third World attained freedom from colonial rule and confronted the problem of economic reconstruction. Given the limitations of resources at the disposal of the developing countries to fulfil the basic needs of their people, attention came to be focused on the idea of development as liberation from deprivation and exploitation, measured in terms of enhanced opportunities for the deprived masses to obtain their just share of resources (Sharma: 1986).

To Mahbub ul Haq, the founder of the Human Development Report, the basic purpose of development is to enlarge people's choices. Such development may not show up at all, or not immediately, in income or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives.

Human Development is thus about creating an environment in which people can develop their full potential and lead productive, creative lives in accord with their needs and interests. Development expands the choices people have to lead lives that they value. Human development shares a common

vision with human rights. The goal is human freedom. And in pursuing capabilities and realizing rights, this freedom is vital. People must be free to exercise their choices and to participate in decision-making that affects their lives. Human development and human rights are mutually reinforcing, helping to secure the well-being and dignity of all people, building self-respect and the respect of others (<http://hdr.undp.org/en/humandev>).

The 2011 Human Development Report argues that the urgent global challenges of sustainability and equity must be addressed together – and identifies policies on the national and global level that could spur mutually reinforcing progress towards these interlinked goals. Bold action is needed on both fronts, the Report contends, if the recent human development progress for most of the world's poor majority is to be sustained, for the benefit of future generations as well as for those living today. Past Reports have shown that living standards in most countries have been rising - and converging - for several decades now. Yet the 2011 Report projects a disturbing reversal of those trends if environmental deterioration and social inequalities continue to intensify, with the least developed countries diverging downwards from global patterns of progress by 2050. The Report shows further how the world's most disadvantaged people suffer the most from environmental degradation, including in their immediate personal environment, and disproportionately lack political power, making it all the harder for the world community to reach agreement on needed global policy changes. The Report also outlines great potential for positive synergies in the quest for greater equality and sustainability, especially at the national level. The Report further emphasizes the human right to a healthy environment, the importance of integrating social equity into environmental policies, and the critical importance of public participation and official accountability. The 2011 Report concludes with a call for bold new approaches to global development financing and environmental controls, arguing that these measures are both essential and feasible (<http://hdr.undp.org/en/reports/global/hdr2011>).

In the early 1990s, the Washington Consensus emerged as the dominant development paradigm. It emphasized growth through trade and market liberalization, with the role of the state reduced to providing the governance and regulatory environment to allow markets to work well, along with investments in core public goods. Market reforms and core public

investments continue to be priorities, especially for agricultural and rural development. However, it is now recognized that these are necessary but not sufficient conditions, and that institutional development is a key element in promoting pro-poor growth.

Three of every four people in developing countries live in rural areas and most depend on agriculture for their livelihoods. Now, the question is what can agriculture do for development? Agriculture is a vital development tool for the people suffering from extreme poverty and hunger. In India, overcoming widespread poverty requires confronting widening rural-urban income disparities. Huge numbers of rural people live in extreme poverty, and despite massive rural-urban migration, rural poverty will remain dominant for several more decades. For this reason, it is the need of the hour to generate rural jobs by diversifying into labour-intensive, high-value agriculture linked to a dynamic rural and nonfarm sector.

Agriculture can work in concert with other sectors to produce faster growth, reduce poverty and sustain the environment. It contributes to development as an economic activity, as a livelihood, and as a provider of environmental services, making the sector a unique instrument for development.

### **Stop to Consider :**

#### **Distinction between Development and Growth:**

To a layman, there should be no difference between the terms 'growth' and 'development' and both the terms would mean While growth is an essential component of development, it is not the only one. In the ultimate sense, development must encompass more than the material and financial aspects of people's lives. It is perceived as a multidimensional process, involving the reorganisation and reorientation of both economic and social systems.

Growth and development are not the same obsession. Neither is necessary for the other. To grow is to increase in size or number whereas to develop is to increase one's ability or skill and desire to satisfy one's own needs and legitimate desires of those of others. Development is better reflected in quality of life than in standard of living or profit- loss statement.

If an undeveloped country is flooded with money, it would be richer but no more developed. On the other hand, if a well developed country is suddenly deprived of wealth, it would not be less developed. A well-developed country can do

more with its resources than one that is less developed. This is not to say that the amount of resources available is irrelevant. Resources can be used to accelerate development and improve quality of life, but they can best be used for these purposes by those who are developed.

Economic growth means more output, while economic development implies both more output and changes in the technical and institutional arrangements by which it is produced and distributed. Growth may well involve not only more output derived from greater amount of inputs but also greater efficiency, i.e. an increase in output per unit of output. Development goes beyond this to imply changes in the composition of output and in the allocation of inputs by sectors. As with humans, to stress 'growth' involves focusing on height or weight (or GNP), while to emphasise development draws attention to changes in functional capacities – in physical coordination, for example, or learning capacity or the ability of the economy to adapt (Kindleberger, Herrick, 1977)

Growth and development do not have to conflict; they can reinforce each other. The best evidence that this is happening is a simultaneous increase in standard of living and quality of life. However, there is currently a widespread belief that quality of life is being sacrificed to increase standard of living. This belief is accompanied by a willingness to sacrifice standard of living to improve quality of life, a willingness that is reflected in the environmentalist movement.

In the early stages, any economy that grows is likely to develop. But the exceptions are interesting. Robert Clower entitled his study of the Liberian economy Growth without development. It describes the rapid rise in exported primary commodities owned largely by foreign concessions and goes on to note the absence both of structural changes to induce complementary growth in other economic sectors and of "institutional changes to diffuse gains in real income among all sectors of population". By contrast, it is far more difficult to contemplate development without economic growth. A change in function almost automatically implies a change in size.

A lack of resources can limit growth but not development. The more developed individuals, organisations, or societies become the less they depend on resources and the more they can do with whatever resources they have. They also have the ability and the desire to create or acquire the resources they need. An individual can grow too much. Some people and many societies believe that a corporation can too. But would anyone argue that individuals, corporations, or countries can develop too much?

<b>Economic Growth and Economic Development</b>	
<b>Economic Growth</b>	<b>Economic Development</b>
<b>Narrow Economic Concept</b>	Broad Economic Concept
<b>Mere Quantitative Concept</b>	Quantitative and Qualitative Concept
<b>Ignores Distribution of Income</b>	Takes into consideration Distribution of Income
<b>Ignores Increase in Productivity</b>	Associated with Increase in Productivity
<b>No Change in Outlook</b>	Change in Outlook
<b>Independent of Structural Change</b>	Associated with Structural Change

#### **1.4 Meaning of Rural Development**

Reducing poverty and eliminating hunger are among the most fundamental challenges that mankind face. Despite urbanisation, nearly three out of four of the world's poor and hungry people live in rural areas. The significant majority of the rural poor depend on agriculture for livelihood. The objectives of poverty reduction, widely shared growth, food security and sustainable natural resources management cannot be met unless rural development is nurtured and developed.

Conceptually, rural development is taken as development of rural areas. Often, rural development is taken to mean the expansion of electricity; extension of irrigation facilities; improvements in techniques of cultivation, construction of school buildings and the provision of educational facilities, health care etc. However, this is a narrow view of understanding rural development. In reality, rural development is a dynamic approach. It accepts the primacy of agriculture and advocates institutional reforms and creation of new rural-urban linkages. At the same time it could be said that agriculture is at the heart but not the whole of rural development.

To Mahatma Gandhi, every village must be self sufficient to meet the basic needs – food and cotton. Self sufficiency and basic needs are thus two important goals of rural development, which is the essence of his swadeshi vision. To Gandhi, it is through rural development that the entire process of decentralisation and distribution can be facilitated. He wanted the handicraft civilisation to flourish.

The task before rural development is twofold: a. Enlargement of employment opportunities for labour absorption and b. Improvement in the standard of living of people who reside in the rural areas. However, well planned and

coordinated administration is the first requisite for the success of rural development. Delegation of powers at grass-roots level is also significant. Under that perspective the Seventy Third Constitutional Amendment is a landmark in the history of Panchayati Raj Institutions and rural development in India. Hence, under Rural Development which is concerned with economic growth and social justice, improvement in the living standard of the rural people by providing adequate and quality social services and minimum basic needs becomes essential.

**Stop to Consider :**

**Growth in Agriculture Benefits: The Poor in both Rural and Urban Areas:**

Based on 33 household surveys in India from 1951 to 1990, Ravallion and Datt (1996) found that there is strong evidence that the urban-rural composition of growth matters to poverty reduction. While urban growth reduced urban poverty, its effect was not significantly different from zero in explaining the rate of poverty reduction nationally. On the other hand, rural growth reduced poverty in rural and urban areas and hence had a significantly positive effect on national poverty reduction. By disaggregating different types of households in a 1980 Social Accounting Matrix for Indonesia, Thorbecke and Jung (1996) were able to decompose the multiplier effects into distributional and interdependency effects. They found that the agricultural sector contributes the most to overall poverty reduction, followed by the services and informal sectors. The manufacturing sector as a whole contributed the least to poverty reduction, although the food processing and textiles subsectors within manufacturing made relatively large contributions to poverty reduction by employing unskilled workers. Using data for 1985 to 1996 for China, Fan et al. (2005) estimated an econometric model to compare the relative contributions of rural and urban growth to poverty reduction in rural and urban areas. The authors found that higher growth in agriculture reduced both rural and urban poverty, though the pro-poor effect was largest for rural areas. On the other hand, urban growth contributed only to urban poverty reduction, and its effect on rural poverty was neither positive nor statistically significant. Based on data from a broad sample of developing countries in the early 1970s and mid-1980s, Bourguignon and Morrison (1998) found that variables which measure agricultural productivity are important in explaining income inequality. Using cross-country regressions for each time period separately and then for the pooled data, the authors found that increasing agricultural productivity was the most effective path for many countries to reduce poverty and inequality.

*Source: Diao et al. 2005*

The concept of rural development has been changing significantly. As it was synonymous with agricultural production, the stated objective of most countries was to promote smallholder agriculture. Over time, this smallholder agriculture-centric concept of rural development underwent changes. The basic factors that influenced the change are:

- Increased concerns about the persistent and deepening of rural poverty;
- Changing views on the meaning of the concept of development itself;
- Emergence of a more diversified rural economy in which rural nonfarm enterprises play an increasingly important role; and
- Increased recognition of the importance of reducing the non-income dimensions of poverty to achieve sustainable improvements in the socioeconomic well-being of the poor.

With the establishment of the Millennium Development Goals, the concept of rural development has begun to focus particularly on poverty and inequality.” The concept now encompasses concerns that include an assessment of changes in the quality of life, broadly defined to include improvement in health and nutrition, education, environmentally safe living conditions, and reduction in gender and income inequalities. Thus the ultimate objective of rural development is to improve the quality of life of rural people. Inclusive rural development is a more specific concept than the concept of rural development. In broad terms, inclusive rural development is about improving the quality of life of all members of rural society. More specifically, inclusive rural development covers three different but interrelated dimensions. The first is the economic dimension that encompasses providing both capacity and opportunities for the poor and low-income rural households in particular to benefit from the economic growth process in such a way that their average incomes grow at a higher rate than the growth of average incomes in the sector as a whole (UNDP: 2005)

**SAQ:**

Do you think that Rural Developmental Process is intricately related with Agricultural Development? (50 words).

.....  
.....  
.....



### **1.5 Rural and Urban Disparities**

Environment affects human life to a great extent. Human beings live in two types of environments- namely rural and urban. There is difference in social life in both the environments. It is true that rural society has close contact with nature. The villagers have to depend so much on nature that it becomes the significant part of their life. Agriculture is the fundamental occupation in the rural society. Ordinarily the members of the entire family have to share agricultural functions. Not only this, the village communities are smaller in size in comparison to urban communities. Robert Redfield has called the rural community the little community, because of its smaller size. The degree of social solidarity is greater in the villages, where common experiences, common aims common purposes, common customs and traditions are the basis of the unity in the villages.

According to some renowned sociologist, a number of features are there to distinguish rural urban disparities. To A. R. Desai, social life in the countryside moves and develops in a rural setting just as social life in the urban area moves and develops in an urban setting. He identified some important criterion for distinguishing the rural social world from the urban social world:

- A. Occupational differences
- B. Environmental differences
- C. Differences in the sizes of the communities
- D. Differences in the density of the population
- E. Differences in the homogeneity and heterogeneity of the population
- F. Differences in the social mobility
- G. Differences in the direction of migration
- H. Differences in the social differentiation and stratification
- I. Differences in the system of social interaction

To identify the decisive differences between the urban and the rural world, the following table reveals a lot.

	<b>Rural World</b>	<b>Urban World</b>
<b>Occupation</b>	Totality of cultivators and their families. In the community are usually a few engaged in non-agricultural pursuits.	Totality of people engaged principally in manufacturing, mechanical pursuits, trade, commerce, professions, governing and other non-agricultural occupations.
<b>Environment</b>	Predominance of nature over man-made environment. Direct relationship to nature.	Greater isolation from nature. Predominance of manmade environment over natural.
<b>Size of Community</b>	Smaller communities.	As a rule, the size of the urban community is much larger than the rural community.
<b>Density of Population</b>	In the same country and at the same period the density is lower than in urban community.	Greater than in rural communities.
<b>Heterogeneity and homogeneity of the population</b>	Compared with urban populations, rural communities are more homogenous in racial and psychological traits.	More heterogeneous than rural communities.
<b>Social differentiation and stratification</b> <b>Mobility</b>	Rural differentiation and stratification less than urban. Territorial, occupational and other forms of social mobility of the population are comparatively less intensive. Normally the migration current carries more individuals from country to the city.	Higher differentiation and stratification. More intensive. Only in the periods of social catastrophe is the migration from the city to the country greater than from the country to the city.
<b>System of interaction</b>	Less numerous contacts per man. Narrower area of the interaction system of its members and the whole aggregate. More prominent part is occupied by primary contacts. Predominance of personal and relatively durable relations. Comparative simplicity and sincerity of relations. "Man is interacted as a human person."	More numerous contacts. Wider area of interaction system per man and per aggregate. Predominance of secondary contacts. Predominance of impersonal casual and short-lived relations. Greater complexity, manifoldness, superficiality and standardized formality of relations. Man is interacted as a 'number' and 'address'.

## **1.6 Rural Resources and Rural Income**

Economic prosperity is the basic pre-requisite for a flourishing social and cultural life. As poverty adversely affects the health and vitality of the rural people, the problem of rural reconstruction is essentially to be bounded up with the problem of the eradication of rural poverty. When, the Sensex crossed 20,000 points India was simultaneously ranked in 94th out of 118 countries in the Global Hunger Index — behind Ethiopia (Hiremath2007). Unprecedented numbers of farmer suicides, big corporate houses entering into retail business, land allocation for Special Economic Zones, boom in information technology and IT enabled services, zero growth rates in employment, are among many such events that needs introspection. In recent years the Indian government has made huge investments in development of infrastructure like roads, telecommunication, etc. It has also passed legislation to benefit rural citizens. For example, under universal service obligation, each village should have a village public telephone installed and maintained by the service providers. Also, the “Right to Information Act” passed recently was meant to make the government system accountable to the citizens. However, civil society organizations are often unaware of such legislation and they fail to leverage the benefits. Corporate houses, private business houses and largely urban citizens are making effective use of the provisions. Thus, the benefits are inequitably distributed between the rural and urban areas. This rural-urban divide in accessing infrastructure services coupled with inability of civil society organizations to utilize the existing provisions has contributed to the slow growth of livelihood opportunities in rural areas.

Initial poverty eradication efforts in India concentrated on supply of agricultural technologies, inputs and services that were aimed at increasing agricultural production. However, they were not targeted towards the poor or were largely inappropriate to the needs of the poor and the benefits were mostly captured by the wealthy. Later, the approach changed towards ‘capacity-building’ to equip people and organisations with the skills and resources to do a better job but, overall little has changed since the new skills are not used. All these approaches tended to have limited impact and the results were not very encouraging. The concept of livelihoods and livelihoods analysis emerged in the mid nineties - closely associated with poverty reduction strategies. Understanding the livelihood systems of the poor is crucial to effective poverty reduction. The livelihood systems are

made up of very diverse elements which - taken together - constitute the physical, economic, social and cultural universe wherein the families live (Hogger, 2006). Thus, the livelihood system is more than just a set of physico-economic preconditions for continued existence. It also encompasses psychosocial dimensions of experience of living. The livelihoods approach puts households of the poor as its central focus.

### **1.7 Income differences between Rural and Urban Sector**

Income inequality is detrimental to economic growth and development. The pattern of income distribution has been a concern to scholars for a long time. Because of high level of income inequality, an unfavourable environment for economic growth and development is observed. The widening dimension of poverty has aroused serious humanitarian concerns and fears of political instability.

Urbanisation and economic development are closely associated. Economic development of a country indicates the increase in the level of per capita income and standard of living along with the enlargement of employment opportunities for its growing population. With the attainment of economic development, and growing industrialisation, the process of urbanisation starts at a rapid scale. Some areas emerge as a large urbanised centre with large scale industrial and trading activities. These areas started to offer increasing number of employment opportunities leading to a shift of population from rural areas to these urbanised centres. Thus economic development of a country assists in the process of urbanisation. Growing industrialisation raises the rate of economic development along with the pace of urbanisation in the country. Increase in the rate of economic development raises the level of per capita income and standard of living of the people which in turn enlarges the demand for various goods and services. However, higher degree of urbanisation cannot reduce the degree of unemployment in India as the scope of rising urban employment is also limited. The factors responsible for the typical situation are:

- a. Neglect of urban slums in planning coverage,
  - b. Growing exploitation of unorganised sectors by capitalists, contractors, landlords etc.
  - c. Increasing application of capital intensive techniques in urban areas.
- (Daimari: 2008)

**Stop to Consider :****How Subsidies Reduce Growth in the Indian Punjab:**

The Indian Punjab led the green revolution in the 1960s and 1970s and became the breadbasket of India. A range of federal and state government incentives supported this growth, including subsidies on fertilizer, water and electricity, and minimum support prices for wheat. However, these subsidies became not only a huge fiscal burden but ultimately slowed growth, since they favoured rice and wheat production and acted as a disincentive to diversify to higher value crop and livestock products. As a result, agricultural growth slowed to 2.6 percent per year in the 1990s, below the average for all India. Moreover, it is estimated that farms under 2 hectares constitute 35 percent of the farmers (9 percent of the land area) but receive only 7.5m percent of the fertilizer subsidy, 5.5 percent of the electricity subsidy, and 5 percent of the canal water subsidy.

Source: World Bank 2003

The question of how to promote growth with equity is an important challenge. While GDP has been increasing, income inequality is a perennial and growing challenge. Asian Development Bank figures (2007) show that annual growth rates of income inequality was 1.2% in India over the period 1993 to 2004. Using the National Sample Survey, Mahendra and Ravi (2007) demonstrate that inequality has increased significantly in the post-reform period and appears to have slowed the rate of poverty reduction. Therefore, the growing inequality is a problem, for which urgent attention is needed.

**1.8 Causes of Low Level of Rural Income**

Understanding the determinants of rural income can be a powerful guide to designing effective interventions to accelerate rural income growth and reduce the incidence of poverty in the future.

How poor are rural households? How unequal are rural societies? And what explains these phenomena? It is also essential to note that rural people may depend quite heavily on freely-provided environmental goods and services to sustain their welfare, through the provision of both productive inputs and consumption goods.

A number of rural-specific causes of low level of rural income may be identified under this background. Compared to their urban neighbours, rural residents tend to have lower education levels, lower levels of literacy and computer literacy, lower incomes, fewer job opportunities etc. There are certainly urban residents for which these circumstances apply as well; however, these circumstances are generally more prevalent in rural communities.

Some factors contributing to rural poverty are unique to the rural context. Rural communities that depend on single industries (including particular industries such as fishing and forestry), which have few affordable rental units and housing options, and/or lack local health care services are hindering the ability of their residents to avoid poverty. It is not only important to be aware of the causes of rural poverty, but also the profound impacts that poverty can have on rural society.

**Check Your Progress:**

1. Write a note on Rural and Urban Disparities.
2. Discuss the causes of Low Level of Rural Income.
3. Discuss the meaning of Development.
4. 'Rural Development is a Dynamic approach' – Explain

### **1.9 Summing Up**

After going through this unit, it is revealed that development is about expanding the choices people have to lead lives they value. And it is thus about much more than economic growth, which is only a means—if a very important one—of enlarging people's choices. Human development shares a common vision with human rights. The goal is human freedom and in pursuing capabilities and realizing rights, this freedom is vital. People must be free to exercise their choices and to participate in decision-making that affects their lives. Besides, the concept of rural development has also been changing significantly. As it was synonymous with agricultural production, the stated objective of most countries was to promote smallholder agriculture. Over time, this smallholder agriculture-centric concept of rural development underwent changes. Apart from which, after reading this unit now you are in a position to distinguish between rural and urban disparities, income differences between rural and urban sector etc.

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## **Unit 2**

### **Agriculture and Rural Development**

#### **Contents:**

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Watershed Programme
- 2.4 Command Area Development Programme
- 2.5 Agricultural Problems of Indian Economy
- 2.6 Role of Agriculture in Rural Development
- 2.7 Summing Up
- 2.8 References and Suggested Readings

#### **2.1 Introduction**

Of late India emerges as one of the fastest growing economies of the world. It needs mention here that India is ranked as the seventh largest country in the world in terms of its geographical size and second in terms of population after China. In terms of its development, India depends on agriculture since the beginning of human civilization and still the agricultural sector has occupied a predominant position in Indian developmental process. You should remember here that in a developing country like India where more people live in rural areas, the rural development has been central to the development effort. The point is justified by Mahatma Gandhi when he says India lives in its village. If we look at India's social, economic and political structure, the statement is valid even today. We know that most of the people in India are living in rural areas and they do not have the quality of life as is enjoyed by the people of urban areas. In this context, it is evident to mention here that, rural people face severe problems. They do not have proper access to governmental facilities. Even, many villages do not have proper health care centres. So, it is the duty of our government to provide such facilities. In this process, Indian government introduces various plan and policies to make rural life better. Here comes the role of agriculture. We know that, Indian economy greatly relies on its agricultural sector. Since the inception of Five



Year Planning, agricultural sector got first priority in every plan period. Here in this unit we are going to discuss every aspects of Indian rural development policies. An attempt is also made to explore the agricultural sectors in the process of rural development. The unit also focuses on the problems faced by the Indian agricultural sector. Let us discuss these aspects very briefly:

## **2.2 Objectives**

Rural development is concerned with economic growth and social justice and improvement in the living standard by providing adequate and quality social services. It is worth mentioning here that, Indian agriculture policy aims at improving food self-sufficiency and alleviating hunger through food distribution, which further brings rapid rural development. Thus after going through this unit, you will be able to–

- *discuss* the watershed programme of India
- *describe* the command area development programme
- *examine* the agricultural problems of Indian economy
- *analyse* the role of agriculture in rural development

## **2.3 Watershed Programme**

In India, the concept of watershed management programme is as old as the concept of crops grown under irrigated conditions. The concept of watershed management programme later led to the development of tanks/reservoirs for increasing the production to meet the demand of ever-growing population since ages. However, in the true sense, Government of India launched watershed development programmes (WDPs) in 1983-84 to conserve and utilize natural resources for enhanced productivity and higher socio-economic status. It needs mention here that since then, watershed development programme was carried out by spending about Rs. 100,000 millions per annum. Hence, it is clear that, the aims of watershed programme is to evolve better strategies/policies to preserve, conserve and utilizes natural resources for betterment of ever-growing population of India.

### **Background and Needs of Watershed Programme:**

As we have mentioned that, since the ancient time, to meet population demands and requirement of food needs, our government in different regions

executed works or policies based on the availability of funds, needs of the people, available natural resources in the area, etc. In this process Sir Arthur Cotton submitted two reports during 1844 and 1845 for utilizing river water for agricultural development. He also planned for utilization of run-off water to construct dams on Kalirune river in Tanjavur district of Tamil Nadu and to Tungabhadra river near Bellary in addition to planning Kurnool-Cuddapah (K.C.). It needs mention here that our early rulers also understood the need of a better environment by preserving natural resources like soil, water and vegetation. They gave the power to manage such kind of policies to some village institutions (eg. village level officials, Gram Panchayat, village rulers/administrators) in different regions. There is also the provision of punishments if attempts are made to damage natural resources.

It is known to you that after Independence, the importance of executive authorities at village level has gradually declined in India due to changes in policies in the democratic setup and liberalization of spirit of freedom. This led to more damage to vegetation in rural areas leading to deterioration in environment through soil degradation. Hence, Government of India with the help of its provincial governments took up various amelioration measures such as, afforestation measures, soil conservation measures, run-off water utilization programmes, etc. However, expected results did not come on constant and continuous basis. Therefore, Government of India launched watershed development programmes (WDPs) as we have mentioned earlier.

To boost up this process Indian Council of Agricultural Research (ICAR), New Delhi, has adopted 47 watersheds by providing expertise and technical guidance through Central Research Institute for Dryland Agriculture, Hyderabad and Central Soil & Water Conservation Research & Training Institute, Dehradun during 1983-84 to 1989-90. The needs of such programmes are seen in terms of generating employment opportunities to rural people due to implementation of soil & water conservation interventions, which also improved their income in watershed villages and reduced out-migration of labour from these villages.

After close analysis of Indian WDPs programme we can point out that, the WPDs aimed at soil and water conservation structures in arable and non-arable lands reduced runoff and soil loss. Some other important features of this programme are—

- increasing rainwater infiltration,
- increasing groundwater table,
- increasing surface storage leading to increased cropping intensity, and
- increasing productivity of crops, etc.

### **Stop to Consider:**

#### **Implementing Authority of Watershed Programme**

Watershed Development Programme of India is implemented by different organizations. Among them we can point out the

1. National Watershed Development Project for Rainfed Areas (NWDPA);:
2. Ministry of Rural Development (MoRD);
3. Indian Council of Agricultural Research (ICAR);
4. Non-Government Organization (NGO); and,
5. IA funded projects.

### **Success of Watershed Programmes:**

After adopting Watershed Programmes, many water harvesting structures such as check dam cascades, percolation tanks and farm/sunken ponds were constructed to augment water resources in addition to canopy development. The consequence is that ground water recharge has increased tremendously (Sastry et al., 2002). In addition, many bore wells have been dug and highly value added and exportable quality vegetable crops (Jerkin, baby corn, etc.) have been introduced under drip/sprinkler irrigation systems. Thus it is seen that water use efficiency has increased.

Such kind of process brings a better life to the rural India. In short it brings rapid development by assuring market for vegetables and high value crops, which made the farmers to adopt the technologies to net higher returns. Tie up with other nations also brings a drastic change in Indian agricultural system under this project. For example, technical and scientific personnel of Israel had provided all guidance and support in production and marketing of vegetables and products. In short we can say that, conservation of rainwater through watershed programme coupled with support to farmers in

production and marketing of produce of the crops bring a revolutionary change in agriculture in rainfed agro-eco regions in the country.

However, to make it better and fruitful we need a systematic planning and mapping to prepare a plan to develop and maintain natural resources like soil, water and vegetation for sustainable growth of agriculture.

**Stop to Consider:**

**Integrated Watershed Development Programme Constitutes:**

- (i) soil and water conservation interventions
- (ii) vegetation development including crops, plantations, orchards, agro-forestry systems and
- (iii) alternative livelihood supported enterprises like, dairy, goatry, poultry, duckry, sheep rearing and fisheries.

It needs mention here that, technologies adopted in these aspects are varied and complex. Therefore it is for the farmers to choose relevant technologies based on different options. Nevertheless, desired adoption levels of technologies, socio-economic improvement in people, maintenance of agro forestry/forestry systems/vegetation and soil conservation structures at farmer level were satisfactory but committed leadership and pro-watershed policies are the need of the hour (*Reddy et al 2004*).

## **2.4 Command Area Development Programme**

To boost up the process of rural development the Central Government of India launched a new programme known as Command Area Development (CAD) Programme in the year 1974-75. The programme mainly aimed at improving the utilization of created irrigation potential and optimizing agriculture production and productivity from irrigated agriculture through a multi-disciplinary team under an Area Development Authority.

It needs mention here that the government of India initially launched 60 major and medium irrigation projects under CAD programme, which covers more than 15.00 million hectare of Culturable Command Area (CCA). It is worth mentioning here that since the inception of CDA programme in 1974-75 to till now 314 projects with a CCA of 28.95 Million hector of land have been included under this programme.

In the year 2004, (1<sup>st</sup> April) the CDA programme was renamed as Command Area Development & Water Management (CADWM) Programme. Right now this programme is implemented as State sector scheme during the XI Five Year Plan (2008-09 to 2011-12). Again, the National Water Policy, 2002, stresses on people and government participatory approach in water resource management. In this context government argued that participation of beneficiaries in water resource management will help considerably in proper upkeep of irrigation system and optimal utilization of irrigation water. There is also a provision of participation of farmers in this programme, which according to the authority would promote responsibility for operation and maintenance and collection of water charges from the areas under the jurisdiction of Water Users' Association (WUAs).

**SAQ:**

Do you think that India NGOs can play an effective role in implementing CDA programme. Give arguments in favour of your answer. (60 words)

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**Command Area Development Authority:**

The Command Area Development Programme was launched in the State at the commencement of the Fifth Five Year Plan (1974-80) in pursuance of the policy of the Government of India for integrated and comprehensive development of the Command Area of Major and Medium Irrigation Projects. To make it effective and more efficient the State Government constituted the Command Area Development Authorities for the Tungabhadra project, Munirabad, Malaprabha and Ghataprabha Projects, Belgaum, Cauvery Basin Projects, Mysore during 1974 and for Upper Krishna Project during 1977. Again, the Command Area Development Authority of Bhadra project was constituted during 1979. In the year 2000, The Command Area Development Authority of Irrigation Project Zone, Gulbarga was established. It needs mention here that such authorities get

their statutory power with the enactment of the Karnataka Command Area Development Act 1980.

The major functions of the Command Area Development Authorities are as here under:–

- Reclamation of water logged areas.
- Construction of field irrigation channels (FIC).
- Construction of field drains.
- On-farm development (OFD).
- Adoption of warabandi system for distribution of water.
- Adoption and enforcement of suitable cropping pattern.
- Conjunctive use of surface and ground water.
- Extension training and demonstration Programmes.

Thus, it is seen that the all round development of areas pertaining to agriculture and implementation of Participatory Irrigation Management depends on this authorities.

#### **Components of the Programme:**

- Selection and introduction of suitable cropping pattern,
- Development of ground water to supplement surface irrigation (conjunctive use under Minor Irrigation sector),
- Development and maintenance of the main and intermediate drainage system (irrigation sector),
- Modernisation, maintenance and efficient operation of the irrigation system upto the outlet of one-cusec capacity (irrigation sector),

#### **Impact of CADP:**

We know that water plays a crucial role in our agricultural sector. Again in India we find that a large scale of people depends on agriculture for their livelihood. In this context we need a better water management policy and government initiatives. It is a good sign that government recognized the

needs of people and introduced various programmes. After implementing the CAD programme we find that, it made a positive impact on various important indicators, like

- increase in the irrigated area,
- increase productivity and production,
- increase irrigation efficiency etc.

### **Shortcomings of CADP:**

Though the government of India with the help of state governments introduced CAD programme to improve irrigation projects and so on, due to the lack of proper management it was unable to provide 100% services. Here in this context we can point out that, despite efforts for efficient irrigation water management, the problem of water logging has surfaced in many irrigated commands.

Again, under the component on reclamation of water logged areas, 482 schemes of nine States, namely, Bihar, Gujarat, Madhya Pradesh, Jammu & Kashmir, Karnataka, Kerala, Maharashtra, Orissa and Uttar Pradesh have been approved for reclamation of 63,566 ha. of water logged area. Out of this, an area of about 50,249 ha. has been reported to be reclaimed by these states up to March 2009.

Hence, it can be said that, the Command Area Development Programme aims mainly at reducing the gap between the potential created for irrigation to achieve higher agriculture production and the utilization thereof. It is to be achieved through the integrated development of the irrigated tracks to ensure efficient soil land use and water management for ensuring planned increased productivity.

### **Check Your Progress:**

1. Write a short not on Indian irrigation policy.
2. Critically examine the CAD programme.
3. Discuss the major functions of CAD authority.
4. Write a short note on Indian Watershed Programme.
5. Discuss the success and failure of Watershed Programme of India.

## 2.5 Agricultural Problems of Indian Economy

We have already mentioned that since the beginning of human civilisation in India, the people depended mostly on agriculture for their livelihood. And in 21<sup>st</sup> century, the share of the country's population living on agriculture and allied activities continues to be more than 60%. Again, since after independence, agriculture is central to the achievement of inclusive growth of Indian economy. Mahatma Gandhi also pointed out that "agriculture is the backbone of the Indian Economy". Not only the economy, the sustenance of the population too depends on agriculture.

In terms of Indian economy we can point out the contribution of agriculture on the basis of a study undertaken by IFPRI as follows, *in 1990s it was predicted that India would be a large importer of grains in the years to follow, in fact from 2001 to 2004 India exported around 30 million tons of food grains. It was seeking primarily to liquidate its bulging grain stocks, which reached 63 million tons in July 2002. Whereas India's agricultural policy is still rooted in the goal of self-sufficiency in grains, consumption patterns are changing fast toward high-value agricultural products such as fruits and vegetables, livestock products, and fish. The policy environment is lagging behind the structural change occurring in India's consumption and production baskets. On another front, foreign exchange reserves, which had reached a rock-bottom US\$1.2 billion in July 1991, climbed to more than US\$120 billion by the end of 2004.*

Again Indian economy has witnessed a resilient growth rate in gross domestic product of around 8 percent during 2008-2011. However, with an average rate of 1.9 percent growth during the same period, Indian agricultural sector indicates that it has been entangled in a low growth equilibrium trap. You should remember here that Indian agricultural sectors contributes only 21% of India's GDP, its importance in the country's economic, social, and political fabric goes well beyond this indicator. The rural areas are still home to 1.1 billion people, a large number of whom are poor. Most of the rural poor depend on rain-fed agriculture and fragile forests for their livelihoods. It makes a reverse impact in our economy. Let us discuss how agriculture made an impact on our economic growth.



Though the Government of India places high priority on reducing poverty by raising agricultural productivity recently the sector witnessed a slow-down in agricultural growth. Some of the factors hampering the revival of growth are:—

- **Poor composition of public expenditures:** In India, government or public spending on agricultural subsidies is crowding out productivity-enhancing investments such as agricultural research and extension, as well as investments in rural infrastructure, and the health and education of the rural people. In 1999/2000, agricultural subsidies amounted to 3 percent of GDP and were over 7 times the public investments in the sector.
- **Over-regulation of domestic agricultural trade:** Though after 1990 a new trend LPG emerged in Indian economy, still we find over-regulation of domestic trade has increased costs, price risks and uncertainty, undermining the sector's competitiveness.
- **Government interventions in labour, land, and credit markets:** Government interventions in factor markets — labour, land, and credit — and in output markets, such as the small-scale reservation of enterprises slow down the rate of agricultural growth in India.
- **Inequitable allocation of water:** In India, due to the lack of incentives, policy, regulatory, and institutional framework for the efficient, sustainable, and equitable allocation of water, many conflicts arose which consequently affected the productivity.

Apart from these agricultural sectors of India also witnessed several problems like

- Inadequate infrastructure and services in rural areas,
- Inadequate management system,
- Lack of scientific training to the farmers,
- Lack of proper irrigation facilities,
- Outdated technologies etc.

Thus, it is seen that, the inclusive rise in foodgrain production during India's Green Revolution of the 1970s enabled the country to achieve self-sufficiency in foodgrains and stave off the threat of famine. Agricultural intensification in

the 1970s to 1980s saw an increased demand for rural labour that raised rural wages and, together with declining food prices, reduced rural poverty, and still Indian agricultural sector is facing several problems. In this context, we can say that, we need a proper management policy to boost up our agricultural sector, because it is the largest employment-generating sector of India and Indian economy mostly relies on it.

We can also point out that, agriculture can make a significant contribution to growth, employment creation, and poverty reduction. On its own it will not drive the full economic transformation that is now possible for India. A challenge, therefore, was for the policymakers to find ways of accelerating growth in the service and manufacturing sectors, which will require continued economic liberalization and privatization. (IFPRI report).

**Stop to Consider:**

**Suggestive Measure to Increase Agricultural Production:**

To increase the agricultural production we can suggest the following measures:

1. bringing additional area under cultivation,
2. extension of irrigation facilities,
3. the use of improved high-yielding variety of seeds,
4. better techniques evolved through agricultural research,
5. water management, and
6. plant protection through judicious use of fertilizers, pesticides and cropping practices.

Thus, it is seen that, agriculture plays a crucial role in Indian economy. We find that though development in this sector is much slower, the agricultural growth in the 1990s were able to reduce rural poverty. However, the slowdown in agricultural growth has become a major cause for concern. Here we can forward the view of World Bank on Indian agriculture made on 2008 “*Slow agricultural growth is a concern for policymakers as some two-thirds of India’s people depend on rural employment for a living. Current agricultural practices are neither economically nor environmentally sustainable and India’s yields for many agricultural*

*commodities are low. Poorly maintained irrigation systems and almost universal lack of good extension services are among the factors responsible. Farmers' access to markets is hampered by poor roads, rudimentary market infrastructure, and excessive regulation.” (World Bank: “India Country Overview 2008)*

**SAQ:**

Do you think that reduced production can slow down the growth of Indian economy. Give arguments in favour of your answer. (100 words)

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.....  
.....

**Stop to Consider:**

**Indian Agricultural Sector:**

India ranks second worldwide in agricultural production. In India, agriculture and allied sectors like forestry, logging and fishing accounted for 15.7% of the GDP in 2009–10. the sector also generated employment opportunity to 52.1% of the total workforce. It needs mention here that, despite a steady decline of its share in the GDP, agricultural sector of India is still the largest economic sector and a significant part of the overall socio-economic development of India. It happened because of the special emphasis placed on agriculture in the five-year plans and steady improvements in irrigation, technology, application of modern agricultural practices and provision of agricultural credit and subsidies since the Green Revolution in India. However, international comparisons reveal that average yield in India is generally 30% to 50% of the highest average yield in the world.( Datt & Sundharam 2009, pp. 499–501) Indian states Uttar Pradesh,Punjab,Haryana,Madhya Pradesh,Andhra Pradesh,West Bengal and Maharashtra are key agricultural contributing states of India.

**2.6 Role of Agriculture in Rural Development**

With Mahatma Gandhi, as we mentioned earlier we can say that India lives in its villages. Therefore, development of the villages is an important need of Indian government. Acknowledging this matter to boost up the growth of rural development Part IV of Indian Constitution through Directive principles of State Policies, made some provisions for the rural development. But, it

was not enough, so, the Constitutional Amendment Act of 1992 (73<sup>rd</sup> Amendment) gives constitutional status to the rural institutions. It needs mention here that agriculture is the main source of livelihood in India rural areas. Most of the people depend on agriculture. Therefore, agriculture plays an important role in rural development. We have already discussed the system of rural development in your previous blocks. Here, in this section we are going to discuss how agriculture helps in the process of rural development.

As we mentioned earlier, the role of agriculture is critical as it accounts for about 58% of employment in the country (as per 2001 census). Above all the sector is the supplier of food, fodder and raw materials for a vast segment of industry. Therefore, the growth of Indian agriculture is considered as a necessary ingredient for inclusive development. Again, it is known to us that rural development in India is one of the most important factors for the growth of Indian economy as India is primarily an agriculture-based country. It is worth mentioning here that, agriculture contributes nearly one-fifth of the gross domestic product in India. In order to increase the growth of agriculture, the Government has planned several programs pertaining to rural development in India.

To examine the role of agriculture in rural development we must know the problems of rural area. Though half of the Indian people live in villages, their conditions are not well and they cannot compete with the urban householder. They have various problems like:

1. Illiteracy
2. Poverty
3. Low income
4. Lack of scientific knowledge
5. Unemployment
6. Poor health and Hygienic conditions etc.

In this context, our special focus is on poverty, low income and unemployment problems. The policy and programmes of Indian government have laid emphasis on poverty alleviation, generation of employment and income opportunities and provision of infrastructure and basic facilities to meet the needs of rural poor. For realising these objectives, self-employment and wage employment programmes continued to pervade in one form or other where agricultural sector plays a crucial role.

Again, in India agriculture and rural areas generally face serious challenges from societal, economic and political change. The most important trends affecting rural areas especially as mentioned above are - decreasing and ageing population, high unemployment rates and a low standard of living (measured as per capita income). While these changes challenge many traditional uses of marginal rural areas, they can also contribute to the development of experimental platforms for social and technological innovation in land use. It needs mention here that agriculture also contributes to the pro-poor growth.

The country results confirm the mass of evidence on the central role that increased agricultural productivity plays in promoting pro-poor growth, especially when productivity growth results in lower food prices. Thus, we can point out the following role of agriculture in the process of rural development:

1. As we have mentioned earlier, agriculture has played an important, and often a lead, role in the pro-poor growth. Beyond its direct contribution to growth, a number of features specific to the sector enhance its contribution to pro-poor growth, including the concentration of the poor in the sector, the large size of its growth linkages to other sectors, and the positive externalities from assuring food security and reducing food prices.
2. The contribution of agriculture to the rural development naturally declines with structural transformation from an agricultural economy to an urban-based non-agricultural economy.
3. The role of the rural non-farm economy increases as a source of growth, initially led by linkages to agricultural growth, but later tied increasingly to urban-industrial development, especially in areas with good infrastructure and high population density.
4. Though the role of agriculture in growth declines with structural transformation, rural development continues to be critical to reduce poverty and inequality. Differences in natural resources and in access to markets and assets often result in uneven growth and growing inequality within the sector, between small and large farms and between regions. Such disparities further widen rural-urban inequality and create “poverty traps” within rural areas, unless poverty-oriented rural development strategies are in place to address these problems.

(Data and information are taken from *Agriculture and Rural Development Discussion Paper 21* published by World Bank)

**Role of Agriculture in generating employment  
opportunity around the world**

	Growth Rate, Agricultural employment		Growth Rate, GDP (constant 1995 US\$) *		Growth Rate, Agriculture, value added (constant 1995 US\$) *		Growth Rate, Non-Agricultural GDP (constant 1995 US\$)		Growth Rate, Agriculture Value added/Agricultural employment *		Growth Rate, Non-Agricultural GDP/ Non-Agricultural workforce *	
	1980-1990	1991-2001	1980-1990	1991-2002	1980-1990	1991-2002	1980-1990	1991-2002	1980-1990	1991-2001	1980-1990	1991-2001
Bangladesh	1.468	0.960	3.607	4.857	2.079	3.213	4.283	5.437	0.610	2.248	-0.265	-0.912
India	0.956	1.348	5.551	5.830	3.075	2.671	6.756	6.868	2.119	1.653	3.106	3.410
Indonesia	2.396	1.086	5.901	3.019	3.525	1.790	6.705	3.300	1.129	0.771	3.136	-0.272
Vietnam	2.456	1.306	4.820	7.316	2.768	4.160	5.923	8.481	0.284	2.885	1.654	5.732
Asia	1.293	1.271	5.895	4.982	3.956	2.564	7.093	5.703	2.703	1.523	3.457	1.987
Burkina Faso	2.096	1.750	3.505	3.885	3.040	3.099	3.701	4.246	0.943	1.327	3.893	0.129
Ghana	2.904	2.473	2.913	4.148	0.980	3.507	4.664	4.574	-1.924	0.993	1.017	1.600
Senegal	2.014	2.057	3.038	4.154	2.732	2.085	3.123	4.612	0.718	0.713	-1.373	0.799
Uganda	2.812	2.022	2.869	6.720	2.096	3.894	3.807	8.996	-0.786	1.784	-0.023	5.347
Zambia	3.026	1.548	0.990	1.259	3.516	3.712	0.668	0.930	0.491	2.661	-1.251	-5.783
SSA	2.610	2.008	3.573	4.300	3.002	3.436	4.023	4.694	0.397	1.484	0.655	0.859
Bolivia	1.395	2.018	-0.245	3.498	1.489	2.502	-0.542	3.672	0.093	0.577	-4.316	0.487
Brazil	-1.338	-1.513	2.712	2.714	2.747	3.460	2.711	2.649	4.086	4.823	-2.376	0.113
El Salvador	0.114	1.010	0.222	3.983	-1.116	0.847	0.510	4.479	-1.230	0.014	-2.912	0.320
LAC	-1.112	-1.092	3.005	2.738	2.244	3.387	1.978	2.680	3.908	4.338	-2.739	0.084
Total 12 c/s	1.236	1.219	4.147	3.796	3.437	2.825	3.707	3.972	2.256	1.724	-0.147	0.482

\* data for Vietnam available only from 1984; Uganda from 1982

\*\* first available data for Vietnam is 1985

Sources: FAOSTAT and SIMA

Thus, from the above discussion it is clear to you that agriculture has played an important and often a lead role in the early stages of pro-poor growth. Beyond its direct contribution to growth, a number of features specific to the sector enhance its contribution to pro-poor growth, including the concentration of the poor in the sector, the large size of its growth linkages to other sectors, and the positive externalities from assuring food security and reducing food prices. However, despite such contribution of agriculture, the response of the agricultural sector to liberalization in the 1990s, in terms of growth and poverty reduction, was less than it could have been. It is partly because economic reform in the sector seriously lagged reforms in the economy as a whole. It is also due to the lack of an enabling environment being in place for the private sector to replace government parasitical functions after their demise. In this context International Food Policy Research Institute deserves special mention for its suggestions to improve Indian agriculture sector. In a seminar, the institute suggests the following Recommended Actions to improve Indian agriculture and rural development to Indian policy makers.

- Promote pro-poor rural and agricultural development by increasing investments in rural infrastructure and agricultural research and development (R&D).
- Reorient social safety nets to create more employment in rural areas; help strengthen the human resource base through education, nutrition, and empowerment of women; and build physical infrastructure.
- Reform water management and institutions and design water pricing systems on the basis of water rights to cope with increasingly scarce water supplies for agriculture.
- Exploit new opportunities to participate in the production and marketing of high-value livestock products, fruits and vegetables, and fishery.
- Work toward establishing and strengthening a rules-based multilateral trading system through World Trade Organization (WTO) negotiations and explore second-best options for bilateral or regional free trade agreements with other major developing countries.

At last, they argued that Indian agriculture faces promising opportunities in the production and marketing of high-value livestock products, fruits and vegetables, and fishery. To exploit these opportunities, India must liberalize its marketing and trade policies to encourage vertical coordination between farms, firms, and forks (supermarkets); facilitate increased flow of rural credit, especially to smallholders, through, say, non-banking financial intermediaries; and withdraw any special concessions in support of food grain policies.

**Check Your Progress:**

1. Find out the relationship between agriculture and economic development.
2. Discuss some major problems faced by the Indian agricultural sector.
3. Examine the role of agriculture in the rural development.

## **2.7 Summing Up**

After going through this unit it is revealed that in India, agriculture and rural development are correlated. Even we can say that they are the two sides of the same coin. Indian agriculture began by 9000 BC as a result of early cultivation of plants and domestication of crops and animals. Since then the agricultural sector of India is regarded as the vital source of development both for urban and rural areas. But, such important sector is neglected and we find that gradually the productivity is slow down. Therefore, Indian government should increase investments in rural infrastructure (including transport and information technology that connects villages) and agricultural R&D (leading to improved technologies for farmers). Again, to ensure high returns on these investments, government will have to invest in institutions that make implementing agencies transparent and accountable to user groups. Part of this expansion of pro-poor investments in rural India should be financed by reducing food and input subsidies, making them available only to vulnerable groups.

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## **Unit 3**

### **Rural Development Programmes : Rural Social Welfare Programme**

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#### **3.1 Introduction**

This unit deals with various developmental programmes for bringing about rural upliftment and social welfare. We all know that we have attained enough development but the unfortunate fact is that this development is mainly concentrated in and around the urban areas. The rural areas, more or less, are deprived of the basic health, medical and educational facilities. Keeping this harsh reality in mind, various schemes and programmes have been launched from time to time so as to initiate the process of rural development. In this unit, we will discuss about these programmes and also focus our attention on the role of the NGOs in bringing about rural development. The CNRI (Confederation of NGOs of Rural India) is playing a vital role in bringing about rural social welfare.

Now-a-days, liberalization, privatization and globalization has its adverse impact on agriculture. Modernization of agriculture has resulted in agricultural unemployment, and agricultural unemployment has resulted in a host of other problems. But, one thing to be kept in mind is that today all the countries want sustainable development i.e., both economy and ecology must go hand in hand. So, while modernization and economic development is a must, at the same time, this factor should also be kept in mind that increasing use of pesticides, fertilizers etc. are resulting in increasing health hazards. So, there must be an effort to bring about rural development from all the sides – agricultural, health, educational, medical etc. and also at the same time, there must be an effort to develop particularly our agricultural sector as India is first and foremost an agricultural country. So, this identity of our country should not be sacrificed for the sake of initiating modernization and development. Owing to this reason, various programmes have been launched now and then.

Thus, this unit is an endeavour to introduce you to the various parameters of rural development programmes and social welfare schemes.

### **3.2 Objectives**

This unit introduces you to various rural social welfare programmes. After reading this unit, you will be able to :

- *know* about various agricultural and farming developmental schemes.
- *understand* different hill area and tribal area developmental programmes.
- *explain* the schemes for women development.
- *understand* other employment generating schemes.
- *analyse* the meaning of the concepts of ‘small farmers’ and ‘marginal farmers’.
- *explain* the fact that all these developmental schemes go a long way in initiating the overall process of rural development.

### **3.3 Community Development Programme and National Extension Service**

India is a welfare state and it is evident from the inclusion of Directive Principles of State Policy under Part IV of Indian Constitution. Indian Government has embarked upon various schemes and programmes so as to bring about development of the Indian masses. Accordingly, Planning constitutes an important dimension of the Indian developmental process. But, slowly, it was felt keenly that the masses at the grassroots level must be involved in the developmental process. Otherwise, the sustainable strategy for development will not be a success. Accordingly, on 31<sup>st</sup> march 1952, an organization known as Community Projects Administration was set up under the Planning Commission to administer the programmes relating to community development. The Community Development Programme was inaugurated on October 2, 1952, and it was an important step to accelerate the process of rural development. We all know the meaning of Community that it is a group of people, who live in a geographical area and have an interest in each other for the purpose of making a living. So, community development is a continuous process. The Community Development Programme was a multi-project programme with the aim of an overall development of the rural masses. This programme consisted of agriculture, animal husbandry, irrigation, co-operation, public wealth, education, communication, village industries etc. There are officials for each activity at the district level to plan, execute and evaluate the programme up to the village level. Thus, we have already understood the focus of attention of the Community Development Programme. It believes in maximum utilization of the local resources, local people for rural development. It also wants active involvement of the women and youth in the process of rural development. Some of the essential elements of the Community Development Programme are discussed below :-

- The basic needs of the community must be taken into account.
- The establishment of multi-purpose programmes.
- Increasing participation of the people at the grassroot level in the process of local governance.
- The identification, encouragement and training of local leadership.

- The participation of women and youth in the community developmental projects.
- Internal and external assistance from the government.
- Optimum utilization of the resources.
- Adoption of consistent policies, specific administrative arrangements, recruitment and training of personnel, mobilization of local and national resources and organization of research, experimentation and evaluation.
- Co-operation, group-decision, self-initiative, social responsibility, leadership, trust worthiness, ability to work are included in this programme.
- The programme involves a change in the attitudes, habits, ways of thinking, relationships among people at the level of knowledge and intellectual advancement of people, changes in their skill, practices of agriculture, health etc.

However, in course of time, certain weaknesses have been detected in the Community Development Programme, like :-

- Uneven distribution of the benefits of the programme.
- Absence of clearly defined priorities in the programme.
- Failure to evoke popular response.
- Lack of functional responsibility.
- Less emphasis in following the correct methods and process to bring about change in the attitudes of the people.
- Lack of proper and adequate supervision and guidance etc.

But, above all, we can say that the Community Development Programme is a positive step towards initiating the process of rural reconstruction and development, which is the basic premise on which depends the overall national development. This programme can go a long way to help reduce poverty and a host of other rural problems. Moreover, in order to bring about overall rural development, some other steps have also been taken, like :-

- Special efforts for generation of adequate employment and creation of durable community assets to improve the rural people especially the small farmers, marginal farmers, rural artisans etc, through programmes like Sampoorna Grameen Rozgar Yojana (SGRY).
- Decentralisation of the process of planning by entrusting major role to the panchayati raj bodies in the preparation of the local level planning.
- The 10<sup>th</sup> Five Year Plan has targeted the reduction of poverty to 10% by 2006-07 and near elimination by 2012.
- Organization of the rural poor into Self Help Groups (SHGs), so as to help in their capacity building etc.

Thus, Community Development Programme and National Extension Service are positive, action-oriented programmes to help the rural people to overcome their problems, and thus these programmes help a lot in improving the conditions of the rural masses.

### **3.4 Intensive Agriculture Area Programme**

The eight years between the commencement of the 3<sup>rd</sup> and 4<sup>th</sup> Plan have been the years of great significance for Indian agriculture. Intensive Agriculture Area Programme was launched in India in 1960s. Actually, the Intensive Agriculture district programme was launched in 3 districts in 1960-61. In 1964-65, and subsequent years, a modified version of the same approach was extended to several other parts of the country in the form of Intensive Agriculture Area Programme. This programme was concerned with the promotion of intensive agriculture. This programme was launched to bring development in agricultural field. Also, in recent years, a number of steps have been taken to facilitate organization and development of agricultural research. New emphasis has been attached to the role of agricultural technology as a major input of agricultural production.

Also, the 4<sup>th</sup> Plan had two main objectives, like –

- To provide the conditions necessary for a sustained increase of about 5% per annum over the next decade.
- The second objective is to enable as large a section of rural population to participate in agricultural development and share its benefits.

Thus, throughout these years, efforts were there to develop the concept of Intensive Agriculture Area Programme. The following elements were covered under this programme :-

- Co-ordinated research in respect of all important crops.
- Continued expansion of irrigation facilities and practices so as to ensure optimum and integrated use of ground and surface water.
- Improvement in the utilization of existing irrigation potentialities through the special programmes.
- Expansion in the supply of fertilizers, plant protection material, farm machinery and credit.
- Intensive efforts in selected suitable areas for raising the yield level of major commercial crops.
- Measures to increase intensity of cropping.
- Improvement in the agricultural marketing system along with the assurance of minimum prices for major agricultural commodities.

In the context of intensive agricultural programme, special attention has been devoted to multiplication and distribution of improved seeds. Also, improved use of fertilizers and plant protection, improved agricultural implements, multiple cropping, policy of minimum prices form part and parcel of this programme.

Under this programme, the efficiency of agriculture is linked to adequate supply of power for making optimum use of inputs such as seeds, fertilizers and irrigation and for facilitating completion of critical farm operation within the short periods available between crop seasons.

Under the system of intensive agriculture, the interval between two crops may be as little as three weeks. It is contemplated that a selective process of farm mechanization will help to shift labour to more labour intensive agricultural activities and hence seek to avoid large-scale displacement of labour while adding to productivity. Also, stress has been laid on improving agricultural administration under this programme. Again, efforts have been continuously made to improve the quality, content and coverage of agricultural statistics, particularly those relating to area and production of crops.

**Stop to Consider :-****Ministry of Rural Development—**

In October 1974, the Department of Rural Development came into existence as a part of the Ministry of Food and Agriculture. On 18<sup>th</sup> August, 1979, the Department was elevated to the status of a new ministry of Rural Reconstruction, and was renamed as Ministry of Rural Development on January 1982. Thereafter, many changes occurred within the Ministry. In March 1995, the ministry was again renamed as the Ministry of Rural Areas and Employment, with three departments. However, in 1999, Ministry of Rural Areas and Employment was renamed as the Ministry of Rural Development. The Ministry's main objective is to alleviate rural poverty and ensure improved quality of life for the rural population, especially those living below the poverty line. The Department of Drinking Water and Sanitation has been separated from the Ministry of Rural Development from 13<sup>th</sup> July, 2011, and renamed as Ministry of Drinking Water and Sanitation. These departments and ministry are playing a vital role in bringing about rural development.

**3.5 Small Farmers Development Agency**

As the very name indicates, this agency was set up with the motive of upliftment of the condition of small farmers. However, the extent to which the weaker sections in farming in the backward areas would gain from the programme would depend upon the efficient functioning of the infra-structure of the co-operative and other institutions which the Small Farmers Development Agency is endeavouring to develop. Two important things to be noted about Small Farmers Development Agency is that –

- This programme covers 'potentially viable' small farmers.
- Having formulated the appropriate strategy, the Small Farmers Development Agency must work out the financial as well as other requirements for its effective implementation.

One of the unique features of Small Farmers Development Agency programme is that it is sought to be carried out with the help of the existing developmental machinery and by utilizing the existing institutional framework through a small nucleus staff functioning at the agency headquarters. Under this programme, the small farmers get various benefits. Under this programme, Project Officer and Asst. Project Officers may be appointed. The APO may provide technical guidance to the small farmers in all the matters pertaining to agriculture and animal husbandry.



Since the programmes undertaken by the Small Farmers Development Agencies were intended for the exclusive benefit of the small and to a lesser extent of the marginal farmers, identification of the beneficiaries was the first vital step in the functioning of the Agency. Thus, farmers holding lands between 2 and 5 acres, have been defined as small farmers. Besides the size of landholding or income, there are some other characteristics, which can help us to identify small farmers. Some of these are like :-

- (a) utilization of higher proportion of land for growing food crops for subsistence;
- (b) lower proportion of marketable surplus;
- (c) inability to take risks;
- (d) borrowing more for consumption than for production;
- (e) predominance of labour among inputs, and,
- (f) inability to offer security, firstly, due to smallness of the holdings; and secondly, due to lack of proper recording of their rights.

So far as the programmes under the Agency is concerned, the Agency mainly provides direct assistance to the small and marginal farmers and strengthen and creates institutions which would benefit these farmers. Direct assistance to the small and marginal farmers takes the form of subsidies on expenditure which these farmers might incur for developing their agriculture. It also provides better facilities of marketing (eg. Storage, transport etc.).

The Agency emphasizes development of dairying and the improvement of marketing and storage facilities. Actually, the Agency has prepared a working plan entailing an estimated expenditure for the entire project period. Development of agriculture, soil conservation, horticulture, use of insecticides and pesticides, minor irrigation, the strengthening of the credit co-operatives, through which small and marginal farmers will receive assistance, are important parts of this programme. Also, the Agency has allocated resources for assisting rural artisans through provision for training and for purchase of raw materials, and tools and equipments.

The following table shows the programmes covered under Small Farmers Development Agency :

**1. Agriculture :-**

- (a) soil conservation.
- (b) New kyari bunding.
- (c) Horticulture.
- (d) Improved agricultural instruments.
- (e) Insecticides and pesticides.
- (f) Plant protection appliances etc.

**2. Minor Irrigation :-**

- (a) Dug wells.
- (b) Deepening of wells.
- (c) Oil engines, electric motors and pumping.

**3. Animal Husbandry and Dairying :-**

- (a) milch cattle.
- (b) Supply of poultry units.
- (c) Cattle sheds.
- (d) Chilling plant, cooling cabinets etc.

**4. Strengthening of Co-operatives :-**

- (a) share capital.
- (b) Managerial subsidy to service and functional co-operative societies etc.

**5. Marketing and Storage :-**

- (a) subsidy for construction of godowns.
- (b) Subsidy on transport vehicles to co-operatives.
- (c) Assistance to poultry societies etc.

**6. Other Services :-**

- (a) land development.
- (b) Purchase of costly agricultural equipments, tractors etc.
- (c) Supply of bullock and carts.
- (d) Rural workshops etc, etc.

We have discussed above the different programmes taken up by Small Farmers Development Agency. One thing to be kept in mind here is that there are various obstacles in the path of its smooth functioning. Due to underdevelopments, at times, it becomes difficult to implement these programmes at the very grassroots level. But still, the Agency works for achieving its important objectives, out of which one is helping the small and marginal farmers to raise their incomes.

The Agency has achieved a lot in developing the conditions of small farmers. Some schemes under the Agency made quick progress, whereas, others made comparatively slow progress. But, by and large, we can see that progress was there in the programmes launched under this Agency. However, one point to be noted here is that the benefit of the various programmes undertaken under the Small Farmers Development Agency is availed of more by beneficiaries in the agriculturally advanced areas than by their counterparts in the backward areas. Here it can be mentioned that Gujarat has 3 of the 46 districts in which the SFDA's have been set up. These are – Sabarkantha, Junagadh and Surat. In these districts, the Agencies were registered towards the end of 1970s.

Thus, from the above discussion, it is crystal clear to us that the aims of the Small Farmers Development Agency are to identify the problems of the small farmers, prepare appropriate programmes, help to ensure availability of inputs and services and credit, and evaluate the progress from time to time.

**SAQ:**

Are the criterias fixed for determining the small farmers enough? Suggest. (50 words).

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### **3.6 Marginal Farmers and Agriculture Labour Development agency (MFAL)**

MFAL Agencies were set up in the early 70s. The programme, has as its base, the concept of growth through credit coupled with the new technology. Its objective is to support integrated rural development with the necessary credit from the institutional sector. It is the national policy that while striving for this objective, the approach should be to ensure growth with social justice. This means that credit should be sufficiently widespread so as to cover the poorer sections of the population. Thus, this programme or Agency help in the development of the condition of rural poor. In the case of marginal farmers, the income from land is small or negligible, and wages from casual labour is an important source of income. Similarly, agricultural labourers and artisans, with little productive assets, derive their meager incomes from casual employment.

Various studies and surveys undertaken point out the fact that the poorest sections of the rural population belong to the families of small and marginal farmers, agricultural labourers, rural artisans etc.

It is very difficult to define the concepts of small and marginal farmers precisely and uniformly, for all purposes and for all the areas. The All-India Rural Credit Review Committee, 1969, (RCRC), which originated the concepts of SFDA/MFAL, did not give any specific definition of these concepts. Thus, the interpretations of these concepts vary. Different agencies define these concepts differently, depending upon their objectives and purposes. However, in 1973, some criterias have been adopted, whereby the following observations were made :-

- Such farmers as can be identified on the basis of land holding but have income from non-agricultural sources exceeding the income from the land may be excluded from the purview of SFDA/MFAL programmes.
- Farmers who have a steady income of Rs. 200 and above per month from non-agricultural sources may not be considered for any assistance in the programme.
- Some of the farmers, who are not engaged in cultivation themselves (partly or fully) may also be excluded from the programme.

But, one thing to be born in mind here is that if the small and marginal farmers are detected properly and a sufficient number of these poor groups, if included in the development process through credit-worthy programmes based on the modern technology, inputs, services and guidance, can go a long way in attaining higher productivity. But, the problem is one of obtaining credit in the right quantum, on the right terms and at the right time.

Agricultural labour accounts for 1/5<sup>th</sup> of the rural work force and 50% of agricultural labourer is landless. This group has very little or no productive assets. Their meager incomes are derived from the casual or irregular employment available in the villages. Consequently, they have to rely entirely on wage-employment, both on the farm and outside. They require credit for acquisition of productive assets such as dairy animals and for self-employment, particularly in such activities as forestry, animal husbandry, fisheries, processing etc. These agricultural labourers, lack improved or modern productive assets, though they possess some basic skills. Another additional factor is the lack of an assured market for their goods.

The number of marginal farmers and of agricultural labourers, is fast increasing. Thus, these group of people are in need of some urgent services, like :—

- (i) supply of raw materials;
- (ii) introduction of designs based on market preferences and consumer research;
- (iii) introduction of improved tools;
- (iv) upgrading of skills through training;
- (v) marketing arrangements and expert promotion etc.

Thus, the pace of rural development process will have to be accelerated so as to improve the situation. The problem of rural poverty is related to these problems of small and marginal farmers. Here, one thing we will have to keep in mind is that the root cause of all these problems is actually high rate of under-employment and unemployment in the rural areas. The National Commission on Agriculture (NCA) has suggested the proper utilization of the secondary and tertiary sectors of growth in the rural areas. The role of the State Development Administration is paramount in this area. The Banking Commission, 1972, had emphasized the responsibility of the banker to

support his lending for production by also lending to the necessary infrastructure, supply structure and marketing structure without which credit for production by itself may be self-defeating. Also, stress must be given on the poverty eradication programmes so as to improve the conditions of rural poor. Here, the credit institutions have to play an important role.

Moreover, in order to help the rural poor (i.e., small and marginal farmers, tenants, landless labourers, rural artisans etc.), it may be necessary to organize them into functional groups for the purposes of financing them.

**SAQ :**

Do you think that poverty allevation programmes can help the small and marginal farmers to improve their situation? Discuss. (50 words).

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**3.7 Hill Area and Tribal Area Development Programme**

Certain special programmes have been launched from time to time, so as to initiate the process of development of the Hill Areas of the country. The development of the hilly areas in the country cannot be undertaken in isolation from the adjoining plains, because both areas influence each other and also at times their economy is closely inter-related. Our development Planning undertaken during the last couple of years, has devoted its attention on hill areas development. Development of the resources of the hill areas is necessary in order to enable the population living in these areas, who are by and large very poor, to have their share of the benefits coming from modern science and technology. But such development projects should be taken up in such a way that the eco-system constituting the hills and the plains, is not irreversibly damaged, but is preserved in a suitable condition for the future generations. Thus, integrated strategy of hill area development, where both ecology and economic sectors are given due attention, must be adopted in the hilly areas for its all round development. It was as a result of realization of this fact that special hill area development programmes were initiated during the 5<sup>th</sup> Plan as well as 6<sup>th</sup> Plan.

For the integrated development of the hill states and other adjoining areas of the North-Eastern region, the Central Government set up the North Eastern Council in 1971 by an Act of the Parliament. The NEC started functioning with the commencement of the 5<sup>th</sup> Five Year Plan. The Council has played a vital role in initiating the process of development of the hill areas as well as other areas. Also, the Council has taken up some works like power generation and transmission, construction of roads, agriculture, animal husbandry, fisheries etc. so as to bring about development. It has been supporting research and experimental projects. A training infra-structure is being built up for manpower development in the region under the auspices of the Council.

Hill areas forming part and parcel of states of Assam, U.P., West Bengal lie in the Himalayan and sub-Himalayan region. It is true that the primary responsibility of initiating development in these hill areas lies with the concerned State Government, but still there is also need of Central assistance. Arrangements for providing central assistance to the hill areas development programme have been systematized since the commencement of the 5<sup>th</sup> five year plan. Also, central assistance has been given to bring about development in the western ghats and other hill areas.

Already, we have studied above that hill area development projects are not an easy task. Paramount importance should be given to the concept of 'sustainable development' i.e., there is always a need for a balance in emphasis between beneficiary-oriented and infrastructural development programmes, keeping in view the vital importance of ecological restoration and conservation.

While initiating hill area developmental projects, some criterias will have to be kept in mind, like, to prevent soil erosion, which is constantly doing damage to the hill areas, afforestation, so as to prevent soil erosion as well as regulating water supply, implementation of suitable agro-forestry techniques, making optimum utilization of animal husbandry etc. Also, it is important to have an integrated strategy for the preservation of the valuable flora and fauna through a chain of biosphere reserves, national parks and gene-sanctuaries.

For the scientific planning to bring about development in the hill areas of the country, vital information on resources like, occurrence of minerals, soil

characteristics, vegetational types, estimation of the volume of surface and sub-surface flow in water-sheds etc. is required. Also, such informations need to be updated regularly. Then only, we can expect to have an integrated approach to hill area development.

Thus, in addition to the developmental projects/schemes undertaken under 5<sup>th</sup> and 6<sup>th</sup> Plan, other new approaches will have to be introduced for meeting the basic needs of hill people, comprising water, food, work, fodder, feed, fuel and fertilizers. The success in protecting the hill eco-systems will determine the future fate of agriculture in the adjoining plains.

### **3.8 Schemes for Development of Women**

In order to facilitate the process of women development, various schemes have been launched from time to time. Firstly, we will have to take note of the Indian Constitution itself, which has provided various opportunities for ensuring women developmental process. The Preamble to the Indian Constitution promises to secure for its citizens : justice, social, economic and political; liberty of thought, expression, belief, faith and worship; and equality of status and opportunity. Moreover, the Constitution guarantees to all its citizens certain Fundamental Rights, like, right to life and personal liberty, equality before law under Art. 14, Art. 15 prohibits discrimination. But, despite the constitutional provisions, the Report of the Parliamentary Committee on the Status of Women titled 'Towards Equality' highlighted the fact that Indian women continued to suffer from neglect and deprivation. (HUMAN RIGHTS. By- Adil-ul-yasin and Archana Upadhyay). Thus, various steps have been taken outside the Constitutional provisions also, for uplifting the conditions of women. The 6<sup>th</sup> Five Year Plan (1980-1985), for the first time, contained a separate chapter on women and development. This plan for the first time emphasized the need for opening up more opportunities for women. Subsequently, the *National Perspective Plan of Action for Women* was formulated outlining various administrative, legislative and other measures to promote women's development. Again, in 1992, a National Commission for Women was constituted. Moreover, from time to time, the Government has launched various employment generating schemes with provisions for women beneficiaries. These are like, *Jawahar Rozgar Yojna* with 30% reservation for women, *Integrated Rural*



*Development Programme and Training of Rural Youth for Employment* both with 40% reservation for women in self-employment generated; *Development of Women and Children in Rural Areas* fostering self-employment ventures for the rural women; *support to training and employment project* aimed at asset-less rural women; *Rashtriya Mahila Kosh and Mahila Samridhi Yojana* aimed at extending credit and saving facilities for women. Also, the 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Acts provided for 33% of reservation for women, which is a positive step in extending political rights to women.

Apart from the above discussed schemes, various landmark legislations have been passed to enhance and protect the status of women. These are like :-

- Minimum Wages Act of 1948.
- Plantation Labour Act of 1951.
- Factories Act of 1952.
- Hindu Succession Act of 1956.
- Maternity Benefits Act of 1961.
- The Dowry Prohibition Act of 1961.
- Contract Labour (Regulation and Abolition) Act of 1966.
- Equal Remuneration Act of 1976.
- Sati Prevention Act of 1987.
- The Hindu Marriage Act of 1995. etc.

Thus, from the above discussion, we got a clear picture that in order to improve the conditions of Indian women, many steps have been taken. But, the fact remains that till now, women's rights get violated at times. In order to solve these problems, the urgent need of the hour is to bring about mass awareness about these programmes. Only schemes and laws will not help to improve the situation. An alert and vibrant society can play a vital role in protecting the women's rights, and thus help in bringing about women development.

**SAQ :**

Do you think that the above discussed schemes and laws have helped Indian Women to protect their rights? Discuss. (80 words).

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**3.9 Other Programmes for Rural development**

**3.9.1 National Rural Employment Programme**

The National Rural Employment Programme was launched in October 1980. In the beginning, it was called FFWP (Food For Work Programme), but it came to be known as the NREP from October 1980. It is actually an anti-poverty strategy. The main purpose of NREP is to generate additional gainful employment opportunities, to create durable community assets and to improve the overall quality of life in the rural areas. This programme is implemented through DRDA (District Rural Development Agencies). The expenditure of this centrally sponsored scheme is to be borne by the centre and the states on 50:50 basis. The NREP has done a lot for the welfare of the Harijans. It allocated about 10% of its budget to provide drinking water facility for the harijan colonies and to undertake community irrigation schemes in harijan areas. Another 10% was earmarked for social forestry and fuel plantations. The state governments were expected to take up the responsibility of maintaining the assets created under this programme. Also, the ‘panchayati raj’ institutions were expected to involve themselves actively in this programme.

**3.9.2 Integrated Rural Development Programme**

The Integrated Rural Development Programme, initiated in 1978-79 was also an anti-poverty strategy. The programme was based on “the local needs, resources, endowments and potentialities.” The main motto of this programme was to enable the selected families to cross the poverty line through a strategy of productive assets and endowments. The central and state governments provide financial resources for programme and lay down

broad guidelines for its implementation. The main administrative unit for its implementation is the District Rural Development Agencies (DRDAs). At the block level, number of extension officers are provided for programme implementation.

In order to observe the implementation and assess the relative success or failure of this programme, institutions such as – RBI (Reserve Bank of India), NABARD (National Bank for Agriculture and Rural Development), IFMR (Institute of Financial Management and Research), PEO (Programme Evaluation Organisation of the Planning Commission) have made some studies and recommended a number of suggestions. Some of the defects of this programme are like, the poorest people are not given adequate attention under this programme, the procedure for getting the benefits under this programme is cumbersome, there is corruption in the implementation of this programme, beneficiaries of the programme have been wrongly selected, the programme had little impact on reducing poverty etc. Thus, we have noted that the programme has its own shortcomings, but still one fact should be kept in mind is that this programme has all the potentialities of helping the poor people. But, it has to be thoroughly revised and honestly implemented. Then, the programme can go a long way and help in reducing poverty.

### **3.9.3 Jawahar Rozgar Yojna**

Jawahar Rozgar Yojna is another important anti-poverty scheme launched with the intention of reducing poverty level. It was introduced in the month of April 1989, with the intention of helping at least one member of each of the poorest family by providing employment for about 50 to 100 days in a year at his own work place or residential area. About 30% of the jobs under this programme/yojna are reserved for women. Regarding expenditure, it has been decided that the expenditure of this Yojana is to be shared by the centre and state at 80:20 ratio respectively. The Gram Panchayats will have to play a vital role in helping the targeted beneficiaries. In the 8<sup>th</sup> Plan, about Rs. 30,000 crore was allotted for the rural development, out of which JRY gets about Rs. 18,400 crores.

Thus, we have discussed above some of the programmes launched for bringing about rural development. Apart from these programmes, there are other programmes also, which we will study in other units.

**Check Your Progress:**

1. Discuss the importance of the community development programme and Intensive Agriculture Area Programme in bringing about rural development.
2. Discuss the important features of the Community Development Programme.
3. Explain the various Schemes launched from time to time to improve the condition of women.
4. Discuss the importance of NREP and IRDP in rural development.

**3.10 Summing Up**

After reading this unit, you are able to understand the different parameters of the concept of rural development programmes. We have already noticed the fact that there are no dearth of schemes and programmes for initiating the process of rural social welfare. But, the success of each and every programme depends on the alertness of the people, and how they take it. We have also discussed above the concepts of small and marginal farmers, and hill area development programmes. Moreover, we have also discussed the different schemes for women development as well as other employment generating schemes. It is clear to all of us from the above discussion that the process to bring about rural development had already begun, now the time has come to implement these programmes properly and to cope up with the changing circumstances. It is because of the fact that rural development is the first step towards attaining national development.

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## **Unit 4**

### **Problems of Rural Infrastructure**

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#### **4.1 Introduction**

Seen in the context of per-capita income, population density etc. the rural areas are different from urban areas. Therefore, the infrastructure related problems of the rural areas also differ from their urban counterparts. In contemporary time, the government runs and owns the rural infrastructure. The problem of rural infrastructure includes mainly electrification, transport, forestry, ecology etc. Though it has been more than sixty years of independence, the condition of rural India is not much better than the colonial days. A large number of rural populations still do not have ample access to transportation facilities or electricity facility. Deforestation and environmental pollution creates livelihood problems among the rural people. Moreover, they also face serious problems like poverty and unemployment.

In this unit we are going to discuss various infrastructural problems faced by the rural population of India. This includes the study of rural transport and communication, rural electrification, social forestry, rural ecology, poverty and unemployment. We shall also discuss the various measures and governmental schemes to deal with these problems. In this context we shall also study the role played by NABARD.

#### **4.2 Objectives**

It has already been mentioned above that rural infrastructure includes issues like transport and communication, rural electrification, social forestry, rural ecology, poverty, unemployment etc. Even in the 21<sup>st</sup> century, rural infrastructure in India presents a dismal picture. After reading this unit you will be able to —

- *understand* the problem of rural transport and communication
- *analyse* the problem of rural electrification
- *discuss* the issues of social forestry and rural ecology
- *explain* the problem of rural unemployment
- *examine* the issue of rural poverty
- *analyse* the role of NABARD

#### **4.3 Rural Transport And Rural Communication**

Rural transport is essential for rural development. It can also help in bringing social equity. Rural transport refers to the transportation of goods and people within the village, between villages and urban areas, linking village roads with district roads, state highways and national highways. Rural transport system includes everything from bullock cart to motor buses. It is a shameful fact that even after 60 years of independence the transportation infrastructure is extremely poor in rural India. In India there are nearly six lakhs villages and 50% are not connected by road. Most of the roads connecting villages are *kaccha roads* which become unusable during monsoons. Again, though India has the second largest rail network in the world, yet many parts of rural India is not connected by rail system. According to the report of National Transport Policy Committee (NTPC), only 55% of villages are connected with Fair Weather Roads (FWR).

**SAQ:**

Do you think that rural transportation plays an important role in rural development? Explain. (20+30 words)

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You should remember here that in rural India the main mode of transportation is carts. Trucks and tractors also dominate the outflow. In fair weather roads, bicycles and motorised vans are the main modes of transportation. While in all weather roads one can see buses of various sizes. Again, one can also find three wheelers, scooters and motorcycles in some parts. The villages in states like Bihar, UP and MP operate improvised vehicles like *Jugis*. Vans and trucks of various sizes take the place of carts in Fair Weather Roads in rural India. Animal drawn carts can also be seen in village areas in India. In Rajasthan and Gujarat camel drawn carts are used extensively while in states like Haryana, Punjab and Western UP, carts drawn by buffaloes or bullock can be seen. From this discussion, it is clear to us that traditional mode of transportation still exists in rural India.

However, the government do not want to go for large investment in rural transport due to the small size and scattered nature of village settlements. Some other factors which limit government initiative for investing in rural transport include poverty, illiteracy and low level of commercial activities of rural people. One solution to this problem may be privatization of rural transport system. The National Transport Policy Committee (NTPC) in its 1981-2001 plan reports that road transport is a vital and basic issue which is not getting adequate fund allocation. It also suggests that the villages with the population of more than 500 people shall be connected with All Weather Roads (AWRs). Moreover, road construction programme will also help in reducing the unemployment problem in India

Again, for the development of rural areas, access to modern telecommunication service is equally important. Though India has the second largest phone connections in the world with more than 300 phone subscribers, yet there is a huge gap between the urban and rural areas.



Regarding the mobile phones, while in urban area it is a personal communication device, in rural area mobile is a substitute for landline phones. The rural people cannot afford the high cost telecommunication devices.

In rural areas the Department of Telecommunications along with Centre for Department Of Telematics provide telephone connections. Various policies like NE Region Plan, Tribal Sub- Plan, Asian Development Bank Project etc. have been adopted to improve the condition of telecommunication in rural India. Through the National Telecommunication Project, an attempt has been made to provide telecommunication to each and every rural household at affordable price. Again, the ninth five-year plan has adopted the policy to provide Village Public Telephones (VTPs) to all villages in India.

Moreover the government of India has undertaken the e-governance projects in the villages in India. A village level or block level internet centre has been established for the rural people under this project. This project will help in making the rural people internet savvy.

#### **4.4 Rural Electrification**

Along with the problem of transportation the problem of rural electrification is also one of the major issues in rural India. It is more than six decades that India got its independence. But it is shocking to notice that more than 60% of rural household still do not have access to electricity and depend on kerosene for lighting. Even the villages with electricity suffer from severe and constant shortage of power supply. Electricity is not available for more than 15 hours a day in rural areas. Inadequate power supply to these areas leads to erratic voltage level and frequent power cuts. State electricity boards also neglects the rural areas and give electricity to urban areas on priority basis.

By the process of rural electrification, electrical power is brought to rural and remote areas. In rural areas electricity is used not only for lighting and household purposes. It is also used in mechanizing many farming operations such as threshing, milking and hoisting grain for storage.

To solve the problem of rural electrification, the Rural Electrification Corporation (REC) has been incorporated in 1969 under the Companies

Act. The chief aim of REC was to finance rural electrification in India. REC is developed to be a public financial institution in 1992 and again in 1998 it becomes a Non Banking Finance Company (NBFC). REC was upgraded to Schedule A Enterprise by the government of India as well as was granted the status of Mini Ratna grade-1 in the year 2002. Today REC has become the strategic player in financing of entire power structure.

Again the enactment of Electricity Act 2003 can be considered to be a step towards rural electrification. This act allows private utility to produce and distribute power. It has brought hope in the rural areas as now the small rural private and cooperative power utilities can be empowered to quickly and efficiently supply electricity.

In this regard we can cite the example of Nimbkar Agricultural Research Institute in Phaltan, Maharashtra. It has mentioned about the Taluka Energy Self Sufficiency Plan. According to this plan, each taluka can produce agricultural residues which is enough to meet the electricity demands. The new Electricity Act of 2003 has given the power to Taluka Energy Self Sufficiency Plant to produce and supply power to its customers without going through state electricity boards. It can also give job opportunity to more than 30000 unemployed per year.

Moreover, the Prime Minister has set up the Rural Electricity Supply Technology (REST) mission under the Ministry of Power (MOP). This mission aimed at electrifying all the villages by 2010. A fund of 15,000 crores also had been released for the rural utilities at the interest of 2- 2.5% p.a. It was assumed that the small rural power cooperative in village areas can produce 200-500 KWe of power which will be enough to meet the electricity demand of at least two villages.

Again, a legislation was proposed by Indian government compelling the village leaders to operate local generators run from biomass. These generators will be fueled and controlled by the villagers themselves. For the successful functioning of these small rural power cooperatives, locally available fuels are necessary. These biofuels can be created from the agriculture residues and crops which are specifically grown for this purpose.

It is a fact that the rural people most of the time cannot pay the bills. They steal electricity and use fraudulent connections. To overcome this problem, solar technology may be used. This system will help in bringing cheap

electricity to the rural masses. Adoption of Renewable Energy (RE) has become a priority for government of India. The Jawaharal Nehru National Solar Mission has been approved by government of India in November 2009. The chief objective of this mission is to create policy condition for quick diffusion across the country.

**SAQ:**

Do you think that the use of solar energy can solve the problem of rural electrification? Give reasons in favour of your answer. (30+ 30 words)

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**4.4.1 Rural Electrification and RGGVY**

From the above discussion you have learnt that the government of India has undertaken various projects to improve the rural electrification. Again, with the help of REC, the government of India launched the Rajeev Gandhi Gramin Vidutikaran Yojana (RGGVY) in the year 2005. Rajiv Gandhi Grameen Vidutikaran Yojana (RGGVY) is launched by the Ministry of Power, government of India in March 2005. The chief objective of this scheme was to electrify over one lakh un-electrified villages. It also aims at providing free electricity connections to 2.34 Crores rural BPL households.

But the RGGVY has not been successful in providing quality electricity access to rural India. Therefore, Greenpeace organized a national consultation to discuss the issue of restructuring of RGGVY. Government agencies, energy experts, policy makers and civil society representatives come together to discuss the issue of decentralized renewable energy for quick and reliable electricity to all.

**Stop to Consider:****Recommendations of Greenpeace India-**

The Greenpeace India has recommended certain points to Planning Commission and the Ministry of Power. These are as follows-

- Take up a target of small scale renewable energy generation (mix of mini-grid and off-grid) infrastructure development in the 12th plan period.
- Include electrification for 100 per cent households in a village.
- Embed the social audit component in the scheme to enhance accountability of the system.
- Include guidelines for energy infrastructure for irrigation and medium and small scale industries as part of rural energy programme
- Inclusion of Panchayati Raj Institutions to enable better implementation and monitoring of the scheme.

D Raja, the Member of Parliament has questioned the effectiveness of RGGVY scheme. He opines that the rural people also have the right to work and study after dark. He is of the view that the scheme has not been able to provide sufficient and quality electricity to the rural people.

Again, Divya Raghunandan, Campaigns Director, Greenpeace India opines that the centralized approach of RGGVY is not able to meet the objectives of the scheme as there is energy hierarchy giving preference to urban areas. He expressed that decentralization of renewable energy is the only solution to this problem. Even Mr. Deepak Gupta, Secretary, Ministry of New and Renewable Energy, has expressed the same view of decentralized renewable energy at the global energy forum at Vienna, Austria.

Moreover, the Greenpeace India has conducted social audits and hearings in 31 villages across Madhubani and Saran districts in Bihar, Azamgarh district in Uttar Pradesh and Srikakulam district in Andhra Pradesh.

In Andhra Pradesh RGGVY has failed to meet the expectations of rural people. The official website of RGGVY has claimed that there is 100% electrification in Saran district of Bihar while there is 97% and 93% electrification in Madhubani district in Bihar and Azamgarh, Eastern Uttar Pradesh respectively. But the social audit has shown that in reality 78%

population in Saran district has no access to electricity. In Madhubani district, almost all villages are deprived of electricity. In the Azamgarh district also large number of population is denied of electricity. This has exposed the reality of the rural electrification.

So we can conclude here that the cooperation of corporate sector, government and NGO is necessary for the success of this rural electricity supply mission. The necessary technological and managerial support can be taken from the corporate sector while the NGO can create trust among the people for the rural utilities. On the other hand, the government of India can provide necessary funds for the implementation of these projects. In rural areas many water borne diseases may be prevented by using electric powered well. Evening lighting can lengthen the daylight hours of the rural people.

**Check Your Progress:**

1. Write a note on rural transportation.
2. Explain the main objective of Taluka Energy Self Sufficiency Plant.
3. What is Rural Electricity Supply Technology Mission?
4. Explain RGGVY.

#### **4.5 Social Forestry**

The term social forestry has been first used by the National Commission on Agriculture, Government of India in the year 1976. The government of India has taken a social forestry project. The chief objective of this project was to take the pressure off the forests as well as making use of all unused and uncultivated lands. Another objective of this project was the afforestation of degraded forest areas close to human settlement. There shall be plantation of trees in and around agricultural fields, along railway lines and roadsides, river and canal banks, village common land, government wasteland and Panchayat land etc.

This project of social forestry emphasises plantation by the common man. It will help in meeting the growing demand for timber, fuel wood, fodder etc. eventually leading to less pressure on traditional forest area. This scheme

has recognized the right to forest resources of the local communities. Moreover, it also encourages the participation of rural masses in the management of natural resources. The scheme aims at the afforestation and rehabilitation of the degraded forest and common lands.

We all are aware of the fact that the rural population in India largely depends on fuel wood and other biomass for cooking and heating. For this purpose they need large number of forest wood.

**SAQ:**

Do you think that afforestation can help in improving the economic condition of the rural people? Give reasons. (20+30 words)

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The scheme of social forestry can be categorized into following groups- farm forestry, community forestry, extension forestry and agro-forestry.

• **Farm Forestry:**

The countries today promote farm forestry in one form or other. To meet the domestic needs of the farmers, they are encouraged to plant trees on their own farmland. Not all the times the farmers grow trees for economic motive. Sometimes they grow it to provide shade to agricultural crops, as wind shelters, soil conservative or to use wasteland.

• **Community Forestry:**

Community forestry, another scheme in social forestry projects refers to the plantation of trees on community land. It includes the entire community and is not restricted to any particular individual. In this scheme the government provides the seedlings and fertilizers. But it is the responsibility of the community to protect the trees. India has witnessed the plantation of eucalyptus in a large scale basis. It is helping in reforesting the subcontinent. Moreover, it also supplies adequate timber to the rural communities.

- **Extension Forestry:**

Extension forestry implies the plantation of trees on the sides of roads, canals, railways, wastelands etc. It increases the boundaries of forests. This project aims at planting trees on village common lands, government wastelands and Panchayat lands. The degraded government forests which are close to villages are afforested under this scheme.

- **Agro- Forestry:**

Agro forestry refers to the plantation of trees on and around agricultural boundaries, and on marginal private lands, in combination with agricultural crops.

**Stop to Consider:**

**Factors Leading to Pollution**

The following factors lead to the pollution of environment in rural areas-

- Fertilizer use leads to breathing difficulty
- The use of agricultural machines like threshers leads to the problem of irritation in the throat.
- The by- products like the left out portion of wheat crops also leads to pollution in the villages
- The dungs and waste materials of the household which are kept in heaps near the houses create foul smell and causes air pollution.
- In the rural areas, the disposal of dead bodies of animals also creates environment problem.
- During the rainy seasons, the *kaccha* lanes of the villages with mud and water become the breeding places for mosquitoes. Eventually it leads to epidemics like malaria and water born diseases.

#### **4.6 Rural Ecology**

From the above sections you must have learnt that rural India is facing sever problem of infrastructure. Ecology is another issue of concern. Ecology refers to the structure and function of nature. In the Third World countries like India, the people exploit the natural resources in order to raise their standard of living.

Without the rational management of our environment, eradication of poverty in rural India is not possible. Biomass or biomass related projects are used extensively in rural households. These products are collected from immediate environment. These biomass products include food, fuel, fodder, fertilizer, building materials, herbs, clothing etc. The disappearance of rural forestry results in silting up of local ponds, drying up of village wells and reducing perennial streams into seasonal ones. Cutting of trees also leads to floods in water season and draughts in dry season. Moreover, bullock carts are made from wood and basket weavers mainly rely on bamboos.

In rural India, environmental crisis relates to the degradation of the natural resource base. It mainly refers to the degradation of land, water and forest resources. Crisis in village environment leads to the decay of food, fodder, firewood, fiber and water. These natural resources support the life of 600 million odd rural people.

The development programmes cause environmental degradation. The government launches the development programmes without taking into consideration the rural poor. The villagers are also responsible for the environmental degradation. The villagers cut the forests either for their own consumption or for selling it in the market. For this purpose they cut the trees very ruthlessly.

The decay of forest wood has an adverse effect on the life of village people. Many of the rural people earn their livelihood from forests.

The government of India has undertaken various schemes to protect the environment. These are-

- Wildlife (Protection) Act, 1972- The chief objective of this act is to provide for the protection of wild animals, birds and plants. It covers the whole of India, except Jammu and Kashmir as it has its own wildlife act. It also tries to control the smuggling and trading of animals. With the amendments made into this act in 2003, the punishments for the offences are made stricter.
- Forest (Conservation) Act, 1980 - This act provides the provision to conserve the forest of the country. It puts strict restrictions on the use of forest land for non- forest purposes. It can be used for non- forest purposes only with the prior approval of the central government.



- Water (Prevention and Control of Pollution) Act, 1974- It deals with the prevention of water pollution. It tries to control the water pollution and reserve the wholesomeness of water.
- Air (Prevention and Control of Pollution) Act, 1981 - This act has been enacted in 1981 with the objective of preventing and controlling air pollution. It has further been amended in the year 1987.
- Environment (Protection) Act, 1986 - This act aims at protecting and improving the environment. It tries to prevent environment pollution in any form. It also aims at tackling specific environment problems peculiar to different parts of the country.

**Check Your Progress:**

1. What is the chief objective of social forestry scheme undertaken by the government of India?
2. Mention the categories of the scheme of social forestry.
3. What do you mean by ecology?
4. What is a biomass product?

**4.7 Problem of Rural Unemployment**

Unemployment is another major problem in rural India. Unemployment is a state of involuntary idleness and a state of worklessness for a man fit and willing to work at the prevailing wage. Various factors are responsible for the state of unemployment in India. These include growing population, recession, inflation, corruption, disability to do the job, nepotism etc. In the state of unemployment, the person is unable to find a job even if he is willing and capable to do the job.

One of the major reasons of unemployment in rural India is backward and underdeveloped agricultural system. The solution to this problem is modernized and improved agricultural system and minimization of the farmer's dependence on nature. Good seed, good fertilizer, healthy animals shall be provided to the farmers which will help in production leading to employment opportunities.

The dependence on nature is one of the major problems in agricultural sector. Heavy rains destroy the crops which lead to unemployment in rural India. There shall be adequate and modern methods of irrigation so that people can water their fields properly.

There are various factors responsible for this situation. The factors, because of which there is unemployment in the rural areas, may be studied under the following heads:

- 1) **Excessive increase in population or population explosion:** In the rural areas the rapid growth of population creates unemployment problem. In rural areas there is increase in the population but there are limited avenues for job opportunities. This results in unemployment in rural areas.
- 2) **Limited land and great pressure on land:** The rural people are mainly engaged in agricultural work. But the population explosion has created pressure on agricultural land. Though the government of India has undertaken attempts to make use of barren and wastelands, but it is of no use as almost all the people in rural area depend on agricultural land. And it is not possible to provide such a huge amount of land. It leads to unemployment in rural areas.
- 3) **Seasonal nature of agriculture:** In India agriculture is a seasonal affair. That means people in rural India are employed or engaged for a definite period only. When this period comes to an end the farmers have nothing to do which means they are unemployed. This adversely affects the earning and the livelihood of the people. There should be some job opportunities for the farmers in these seasons also.
- 4) **Lack of subsidiary and other village industries:** Lack of cottage industries is another major cause of rural unemployment in India. Deterioration of cottage industries leads to unemployment problem in rural India.
- 5) **Too much dependence on nature:** The farmers in rural India have to depend on nature for their agricultural works. The heavy rain during the harvesting season destroys the crops. Again the drought also adversely affects the farmers leaving them unemployed.

- 6) **Undeveloped and traditional methods of agriculture:** The traditional and underdeveloped methods of agriculture also create the problem of unemployment. The old traditional methods require more hard labour and it is time consuming also. As a result it cannot support the family.
- 7) **Lack of education and ignorance about scientific and modern means of agriculture:** Lack of education in rural areas also creates the problem of unemployment. They cannot use their energy in proper way as they are ignorant. They are also ignorant about the modern and scientific methods of agriculture. Consequently they need to spend more time without fruitful result.
- 8) **Lack of adequate means of irrigation:** The agriculture in India is dependent on nature. Deficiency of irrigation facility hampers the agricultural works of the farmers. Eventually it leads to the situation of unemployment in rural areas.
- 9) **Small holdings and fragmentation of land:** The small land holdings of the farmers also lead to unemployment in rural India. The farmers do not have enough land to produce crops.

**SAQ:**

Do you think that lack of vocational training is a major cause of rural unemployment? Explain. (20+30 words)

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**4.7.1 Measures**

Now let us discuss the following measures that can help us in eradicating the unemployment problem from rural India:

• **Development of Agricultural method:**

In rural India, the only source of employment of the people is agriculture. To combat the problem of unemployment in rural India, the methods of agriculture have to be improved and modernized.

Firstly, there should be consolidated and economic land holding. Secondly, there should be improved methods used in agriculture and farms should be free from the dependence of nature. Thirdly, there should be scientifically planned and sufficiently developed system of crops. Increase in the crop earning will provide more employment facilities to the rural people. Finally, the rural farmers should be provided with modern agricultural equipments like good seeds, fertilizers, proper agricultural suggestion etc. Hence it can be hoped that an improved modern agricultural system can help in providing a solution to the rural unemployment problem.

• **Proper arrangement of irrigation:**

The rural farmers depend on rain for their cultivation. Agriculture in India mostly depends on rain. Therefore, the farmers are engaged in agricultural work only during a particular season of the year. This has led to seasonal unemployment in rural India. In addition to that, if rain fails, the people cannot get engaged in agricultural work leading to the acuteness of unemployment problem. Proper methods of irrigation can help in this situation. Minor and major projects should be taken for the proper arrangements of irrigation in rural areas. As a result, the rural people will be engaged in their agricultural work as they will not have to depend on rain.

• **Increasing the Cultivable land:**

The rising population growth leads to heavy pressure on land in rural areas. As a result the cultivable land is not sufficient enough to provide food and employment facilities to all the people. Scientific methods can be used to make barren land fertile. Also sandy, rocky and grassy lands can be made useful through applying scientific methods. It would increase the cultivable land in rural areas. Consequently, more people will be engaged in agricultural work leading to eradication of unemployment problem.

• **Reconstruction of Cottage Industries:**

Establishment and reconstruction of old cottage industries can be a solution to the rural unemployment programme. The landless people in the villages can get engaged in the cottage industries. Cottage industries like dairy farming, poultry farming, furniture making, basket making, bee keeping, weaving, tailoring, match stick making and so on may be established in the

rural areas to provide employment opportunity to the rural unemployed. It will also help in the eradication of rural unemployment problem.

• **Development of Transport and Communication:**

The means of transport and communication should be developed to create employment opportunity in rural areas. The educated rural people can come in touch with the outer world through transport and communication.

**4.7.2 Government Programmes**

You should remember here that the government of India has undertaken many programmes to solve the problem of rural unemployment. These programmes include National Rural Employment Program (NREP), Rural Landless Employment Guarantee Programme (RLEGP) and Jawahar Rojgar Yojana (JRY).

To combat the problem of rural unemployment, the Fifth Five Year plan of India emphasized self employment and small industry services.

The Minimum Needs Programme taken in 1974-75 during the Fifth Five Year plan emphasises providing minimum needs of the people like rural water supply, rural health, housing facility for rural landless labourers etc.

Again, on 15<sup>th</sup> august 1979, the scheme called Training Rural Youth for Self Employment has been launched. This scheme emphasises providing technical schemes to rural youth so that they can be eligible to get employment in various fields like agriculture, industry service, business activities etc. The poor youths belonging to the age group of 18-35 are entitled to avail this scheme.

**SAQ:**

Do you think that self-employment can be a solution to the rural unemployment problem? Explain. (30+30 words)

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On 15<sup>th</sup> august, 1983, the Rural Landless Employment Guarantee Programme was launched. Under this scheme the poor people are provided additional employment on public works at the wage of Rs3/ per day. This scheme covers million wells, Indira Awas Yojna, social forestry etc.

To combat the problem of unemployment new agricultural programmes and projects should be launched. For eg. In 1990-91, the UP government introduced a land army called the *Bhoomi Sena*. The state government provides funds to these Bhoomi Sainiks (young men of local area) in the form of loan for afforestation of land.

Another programme called the Sampurna Gramin Rojgar Yojana has also been implemented in India. This programme includes the objective of providing supplementary wage employment in rural areas, creating durable rural infrastructure and providing food security. It also tries to provide some relief to the rural poor. But the fund allocated in this scheme is not enough to provide 20 days employment to the people of below poverty line household. Moreover, there was no assurance of employment to the rural household.

It is worth mentioning here that the UPA government has initiated the Rural Employment Guarantee Programme. Under this programme a minimum days of employment is provided to the people living in rural areas. This scheme can be useful as it provides employment during the time of natural calamities like drought, flood etc. To solve the problem of unemployment in India, a multi-dimensional strategy is necessary. Emphasis should be given on vocational trainings. Moreover, setting up of labour intensive industries can also create more job opportunities.

On 25<sup>th</sup> august 2005, the National Rural Employment Bill has been passed in the legislature with the chief objective of providing 100 days assured work every year to rural household with adult members volunteer to do unskilled manual work in 200 districts. This scheme guarantees hundred days of work to rural people and it does not matter whether they are below the poverty line or not. Around one-third of the stipulated work force is women. It was initially legislated as the National Rural Employment Guarantee Act (NREGA). On 2<sup>nd</sup> October 2009 it has been renamed as The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA).

The UPA coalition government supported by the left parties has initiated this scheme. And this scheme is considered to be one of the major reasons of UPA's re-election in India's general election 2009.

On 2<sup>nd</sup> February 2006, MNREGA has been launched from Anantapur in Andhra Pradesh. At the initial stage, it covered 130 districts which rose to 625 within a short span. It also helps in boosting gender equality as the 50% under the scheme are women.

MNREGA has two basic objectives- rural development and employment. The workers under the scheme are employed in development works such as afforestation, rural connectivity, water conservation, digging of new tanks/ponds, construction and repair of embankments etc.

#### **4.8 Rural Poverty**

According to the Integrated Rural Development Programme (IRDP) which was approved by the Ministry of Rural Development and revised in May 1991, a poor rural household is a household with an annual income of less than Rs 11000. There are four categories of this poor household. These are as follows- the *desitutes* (with an income of less than 4000 per annum at 1991-92 price level); *extremely poor* (with an income between 4001 and 6000 per annum); *very poor* (with an income between 6001 and 8500 per annum); and *poor* (with an income between Rs 8501 and Rs 11000 per annum).

In rural India more than 70% of population is engaged in agricultural works. But unfortunately agriculture comprises only 40% of our national income. One of the major reasons of rural poverty is unequal land holdings. While 20% landholders hold 70% of total land, 50% of marginal farmers hold less than one hectare of land.

During the adverse monsoon rainfall the farmers in India suffers the most. Along with them the village artisans and traders also suffer as there is price rise in food grains. The government of India has tried to stabilize the food prices by undertaking some measures like power assisted well drilling, rescinded land taxes for draught areas etc. Another step is opening employment opportunity, often at low wages, usually paid in grain. The rationale behind this employment was that only the needy will take jobs at such low wages.

Some causes of rural poverty in India are-

- The anti- poverty programmes are not implemented adequately and effectively.
- The percentage of population engaged in non- agricultural pursuit is low.
- Erractic rainfall during the harvesting time and non-availability of proper irrigation facility.
- Inadequate modern skills and use of traditional methods in agriculture resulting in low agricultural productivity.
- The credit market is imperfect and exploited.
- Lack of proper communication facility.
- Low level of education.
- The rural people have to spend a huge amount of money in social ceremonies like marriage, feast etc.

**SAQ:**

Do you think social ceremony is an important cause of rural poverty?  
Give reasons. (20+ 30 words)

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The government of India since its independence has undertaken various plans and programmes to alleviate poverty and attain self-sufficiency in food production. For this purpose the initiatives like providing food at controlled prices has been taken throughout the country.

The Indian government during the 1980s and early 90s has undertaken poverty alleviation programmes like providing basic needs at stable and low prices, to increase income through regulations, to establish industries in backward areas, to increase access to basic social services like education, health and water supply etc.



The anti-poverty programmes of India includes the National Rural Employment Programme and the Rural Landless Employment Guarantee Programme. The Food for Work Programme has been transformed into the National Rural Employment Programme. It aims at using the unemployed and underemployed workers to build productive community assets. The state government also plays an important role in this regard. They implement the policies taken by the state government.

**Measures-**

- The credit disbursing agencies shall be strengthened.
- Cheap power supply should be provided in rural areas for industrial as well as agricultural development.
- Cooperative societies should be activated to sell products of household industries.
- Making poverty alleviations programmes easier.
- Emphasis should be given on the development of human resources by focusing on education, health and skill programmes.
- Improving animal husbandry and developing diary and poultry farming.
- Activating NGOs and Panchayats to play role in the development of the rural poor.

**SAQ:**

Do you think that the anti- poverty programmes are effective in alleviating poverty from rural India? Explain. (20+ 30 words)

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#### **4.9 Rural Development Bank: NABARD**

You have already understood that India lives in villages. To deal with the problem of rural finance the rural development banks have been established. The Regional Rural Bank (RRB) emerged as the first bank in rural India to deal with the problems like rural credit, agriculture finance, rural savings etc. The RRB Act was passed in 1976. Apart from these Regional Rural Banks, the co-operative banks have also been set up in rural areas. But among the banks in rural India NABARD is the apex banking institution.

The full form of NABARD is National Bank for Agriculture and Rural Development. NABARD is a development bank which facilitates credits for the promotion of small- scale and cottage industries, handicrafts and development of agriculture. In the rural India, more than 50% of credit disbursement is done by Co-Operative Banks and Regional Rural Banks. These banks are operated by NABARD. NABARD has 28 regional offices throughout the country. Moreover, one sub office is located in the capitals of all the states and Union Territories in India. It has one special cell at Srinagar. The headquarter of NABARD is based in Mumbai, Maharashtra.

The establishment of NABARD was suggested by the Committee to Review Arrangements for Institutional Credit for Agriculture and Rural Development which was set up by RBI under the chairmanship of Shri B Sivaraman. The Shivaraman Committee recommended the establishment of NABARD by an Act of Parliament on 12 July 1982 to implement the National Bank for Agriculture and Rural Development Act 1981.

On November 28, 1979, this committee submitted its report to the Governor, RBI and recommended the establishment of NABARD. A separate institution was needed to uplift the weaker sections in rural areas within a given time period. Moreover, the RBI is loaded with too many functions related to central banking and therefore, it was not possible for RBI to give undivided attention to the rural credit problems. These factors led to the establishment of NABARD. The NABARD was established with initial capital of Rs 100 crores.

Through the provision of effective credit support and institution building, NABARD aims at promoting sustainable and equitable agricultural and rural development. NABARD also allocates funds for various purposes like watershed development, tribal development, farm innovation etc.

**SAQ:**

Do you think NABARD has been successful in uplifting the economic condition of rural population in India? Explain. (20+30 words)

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The main objectives of NABARD as stated in the statement of objectives while placing the bill before the Lok Sabha are categorized as under :

- NABARD is the apex institution. Therefore, it is attributed with all matters concerning policy, planning and operation in the field of credit for agriculture and other economic activities in rural India.
- It acts as a refinancing agency for the institutions which look after the investment and credit policies for development of rural areas.
- It acts as a co-ordinating agency of all the institutions involved in the affairs of rural development.
- It maintains a relation with the government of India, the state governments and the RBI regarding policy formulation.
- The annual rural credit plans for all the districts in the country are prepared by NABARD.
- It also monitors and evaluates the projects which are refinanced by it.
- It also endorses research in the field of rural banking, agriculture and rural development.
- The Bank will also provide direct lending to any institution as may approved by the Central Government.
- The Bank will have organic links with the Reserve Bank and maintain a close link with in.
- NABARD inspects the rural regional banks and the co-operative societies.

- The Regional Rural Banks and co-operatives forward their applications to RBI through NABARD.
- RBI furnishes all copies of returns submitted by RRBs and co-operative societies.
- NABARD enjoys the power to obtain an information or statement from the RRBs and co-operative societies.
- NABARD undertakes research programmes related to agriculture and rural financing.
- Regarding the matter of rural industrialization, NABARD coordinates with the government of India, state governments, planning commission etc.

#### **4.9.1 Programmes Undertaken by NABARD**

One of the well known programmes of NABARD is its 'SHG Bank Linkage Programme'. This programme encourages the banks of India to lend money to Self Help Groups (SHG) which is composed mainly of poor women.

NABARD has also set up the Rural Infrastructure Development Fund (RIDF) with the assistance from Swiss Agency for Development and Cooperation. This fund covers the projects like irrigation, rural roads, bridges, health and education, soil conservation, water schemes etc. The Rural Innovation Fund tries to develop new job and livelihood opportunities for rural population through innovative, risk friendly, unconventional experiments. The NGOs, individuals, cooperatives, Self-Help Groups who aims to improve the lives of rural people can get assistance under this scheme.

A new project called the 'Umbrella Programme for Natural Resource Management' (UPNRM) has been initiated by NABARD during the period 2007-08. It provides financial assistance for natural resource management activities in the form of loan at a reasonable rate of interest.

The type of organization to which the money is extended plays an important role in determining the effectiveness of the programme. While cooperatives are formal organizations aiming at socio-economic development, self-help groups are informal ones. NGOs are social organizations while Panchayati Raj Institutions are political ones.

**Check Your Progress:**

1. What are the causes of rural unemployment?
2. Write a note on MGNREGA.
3. What are the measures to combat rural poverty?
4. What are the main objectives of NABARD?

**4.10 Summing Up**

After reading this unit you have learnt that the rural India faces serious problems of infrastructure. The transportation system in rural India is very poor. Most of the villages are connected with *kaccha* roads and it leads to problem during the monsoons. Again, the problem of electricity in rural India is another major obstacle. The rural population faces constant power cut. Again, social forestry and ecology also make some impact on the rural people. Most of the time they depend on forest for their livelihood. Deforestation and environmental pollution affect their livelihood and income. You have also learnt that poverty and unemployment are the two major problems in rural India. We have discussed at length various causes of poverty and unemployment. Reading of this unit has also given you insight into various governmental schemes aiming at the removal of the problems of rural infrastructure. In this context the role of NABARD, an apex institution which aims at sustainable rural development, has been briefly discussed.

**4.11 References and Suggested Readings****Website Links-**

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**Institute of Distance and Open Learning  
GAUHATI UNIVERSITY**

**MA in Political Science  
(3<sup>rd</sup> Semester)**

**Paper X  
RURAL DEVELOPMENT IN INDIA**

**Block 2  
Planning and Decentralisation in  
Rural Development**



**Contents:**

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**Unit 1 : Rural Industrialisation**

**Unit 2 : Planning at Different Levels : Community Development  
and Co-operatives**

**Unit 3 : Democratic Decentralisation : Panchayati Raj and Rural  
Development**

**Unit 4 : Rural Development Administration**

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**Block Introduction:**

This block is an endeavour to introduce you to the concept of planning and democratic decentralization and its role in rural development process. In this block, you will study rural industrialization, planning at different levels and community development and co-operatives, panchayati raj and rural development and rural development administration. This block helps you to understand the fact that devolution of power at the grassroots level is essential for rural development. Unless and until the people of the country are involved, no development programme can achieve success. In this block, you will come to know about different parameters of the concepts of planning, panchayati raj and rural development. Thus, this block helps you to understand the relationship between rural development and the development of the country.

**Unit 1** deals with rural industrialization, where you will study about cottage industries, and its contribution to the economy, development of rural industries during plan period, problems of rural and cottage industries, measures for the development of the rural and cottage industries.

**Unit 2** deals with planning at different levels; community development and co-operatives. Here you will study about the meaning of planning, major features of planning in India, planning at the national, district and block levels, meaning of community, measures for community development and role of co-operatives in community development.

In **Unit 3**, our focus is on the concept of democratic decentralization, panchayati raj and rural development. It deals with the meaning of panchayati raj, structure, constitution and functions of panchayati raj institutions, role of panchayati raj institutions in rural development.

**Unit 4** deals with rural development administration. Here, you will study about administration for rural development, administration of special services to the weaker sections and Gandhian concept of Gram-Swarajya.

Thus, this block consists of four units –

**Unit 1 :** Rural Industrialisation

**Unit 2 :** Planning at Different Levels : Community Development and Co-operatives

**Unit 3 :** Democratic Decentralisation : Panchayati Raj and Rural Development

**Unit 4 :** Rural Development Administration

# **Unit 1**

## **Rural Industrialisation**

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### **1.1 Introduction**

Rural industrialization plays a vital role in developing the economy of a country in an even manner. It helps in the utilization of unexploited and abundant resources of different areas of the country. Rural industrialization is very important in the sense that it results in overall development of the rural areas, by reducing poverty and by increasing employment opportunities/avenues. It simply means creating or developing more and more small or cottage industries (village industries) at the grassroots level, which can accelerate the pace of rural development. Thus, industries are established in different areas which help in the development of those areas by giving employment opportunities to the local people. In India, our 'Father of Nation' Mahatma Gandhi advocated for rural industrialization as it aims at the improvement of rural economy and rural people. Small and cottage industries play important role in the process of rural industrialization.

This unit is an attempt to introduce you to the concept of rural industrialization. Therefore, this unit will specifically deal with the cottage and rural industries

in India. Moreover, it will also focus on development of rural industries during plan period. Lastly, the unit will deal with the major problems faced by the rural and cottage industries in India and will examine the remedial measures for their improvement.

## **1.2 Objectives**

Rural industrialization helps in the growth of economy as it helps in utilizing the unexplored material and human resources scattered in different regions. Use of simple technology and low capital investment also makes it easier to establish these industries. These industries are beneficial for the economy of Third World countries like India. After reading this unit you will be able to:–

- *discuss* the importance of rural cottage industries
- *analyse* the development of rural industries during the plan period
- *examine* the problems faced by the rural cottage industries
- *discuss* the remedial measures for the improvement of rural cottage industries

## **1.3 Rural Industrialization**

We all know that industrialization is important for economic growth. Moreover, with the growth of population, agriculture has failed to provide occupation to all sections of the population as it used to do. Rural industrialization aims at promotion of employment and income in the rural areas. It is pertinent to mention here that rural industrialization favours industrialization, both small and large scale industrialization in the rural areas. Thus, this process brings all-round development of the rural areas by reducing rural poverty and creating wide employment opportunities. However, most of the times rural industrialization usually centers around rural or local small scale industries.

Rural industrialization is very important since in the rural areas percentage of unemployment is very high. Mahatma Gandhi also put heavy emphasis on the development villages or rural areas for the proper development of

the nation. The definition of rural industries usually connotes village industries and small-scale industries. Original idea of rural industrialization is to increase the income of the villagers by engaging them in some other productive work when they are free. The activities of rural industry can be categorized as rural handicraft which includes weaving, woodcraft, metalcraft, food processing etc. to provide new opportunities for income as well as employment. From a broader perspective, rural industrialization also includes rural urbanization, development of village or rural industries. It thus aims at increased opportunities of income and employment, higher productivity and development of skill etc.

It is already mentioned that rural industrialization is very important since the percentage of population depending on agriculture has been declining with the passage of time. We all know that land is a scarce resource. Therefore, it will not be possible to accommodate the increasing or additional population in agricultural field. Small and cottage industries contribute a lot towards Indian economy since the economy suffers from lack of capital formation, unemployment, regional imbalances and disparities, inequalities in the distribution of income and wealth. Therefore, the government has put too much emphasis on growth of the industries through five year plans.

Absence of rural industrialization may lead to greater migration from rural to urban areas. Rural industrialization is based on rural resources and labour. As mentioned earlier, handicrafts and artisans comprise important component of rural industrialization. For rural industrialization, rural infrastructural facilities have to be developed.

**Check Your Progress:**

1. Discuss the meaning of Rural Industrialization.
2. Write a note on the importance of rural industrialization in the economy of a country.

**1.4 Cottage Industries as a means of Rural Industrialisation**

Cottage industries play important role in rural industrialization. Large and medium scale industries require huge capital investment, technology, and skilled manpower. In the absence of proper infrastructural facilities, it is



difficult to establish large and medium scale industries. Cottage industries can be established in the absence of such facilities in both rural and urban areas. Moreover, cottage industries can contribute to the economy by providing opportunity of employment to a large section of the society. It utilizes the raw materials locally available and can cater to the needs of the people of the local areas. Again, cottage industries also preserve the cultural heritage of a country. Hence, this type of industries can be very beneficial to a country like India which has a rich cultural heritage and tradition of small industries.

Now, let us discuss the meaning of cottage industry here. Cottage industries usually refer to small business or industries run by individual families where members of a family or local people are involved. Cottage industries belong to the group of small-scale industries. They are also referred as 'Village and Small Industries'. The cottage industries are generally rural and semi-urban in character. Sometimes, production of a particular commodity involves traditional artisans and craftsmen who inherits the art of producing that commodity. The small cottage industries include industries relating to fabrics like *khadi*, leather, silk, cotton, wool, Handloom, sericulture, handicrafts, Coir etc. It may also include industries relating to gems, stones, jewellery, spices, oil, honey etc.

Cottage industries can contribute positively to the economy of the country if they run successfully and explore markets outside their local arena. By going beyond domestic market, they may even earn foreign money. Cottage industries are usually favoured by private enterprises for whom big capital and man-power investment is not possible. Thus by providing employment opportunities to rural people and thereby helping them in generating higher income, the cottage industries contribute to the national economy.

#### **1.4.1 Contribution of Cottage Industries to the Economy**

We have already learnt that cottage industries play a vital role in the process of rural industrialization. It is also known to us that such industries can contribute significantly to a developing economy since it provides opportunity for employment and to raise the per-capita income. Hence, in this section let us discuss in brief the contribution of cottage industries to Indian economy.

- ***Employment Opportunity:*** It provides employment opportunities to a mass group. It can be easily set up and therefore can provide immediate employment to a larger group. So in a country like India, unemployment always poses a threat to the development of economy. Moreover, these are labour-intensive industries where more labour is required than other factors of production. Hence, we can say that these industries have the potential for large employment as these require very low investment per job. For example, handloom and sericulture sector provides employment to a large section of population. Likewise, food processing industry has given ample opportunities for employment - Industries based on fruits, vegetables, livestock and fisheries etc.
- ***Requires less capital:*** Cottage industries require little capital and other resources for overcoming various types of unemployment faced by the people in the rural and semi-urban areas. The capital and other resources required for cottage industries are found locally. They also provide part-time as well as full-time work opportunities to rural artisans, women and poor.
- ***Large production and large exports:*** These industries contribute substantially to the industrial output of the country. In India, of the total output of the manufacturing sector, 40% comes from these industries. Most of the small-scale cottage industries produce consumer goods which contribute greatly to the economy. In the Second Plan it was stated that these industries should meet the demands of the workers. These industries have met the needs of the workers for consumer goods.
- ***Utilization of unused local resources:*** The small cottage industries mainly depend on locally available resources which remain unutilized. These resources may be scattered all throughout the country. So, it may be different to collect resources to establish large-scale industries. Quite a sizeable part of these resources just cannot be utilized by large industries. These industries provide opportunities to the small entrepreneur to learn, to take risks, to experiment, to innovate and to compete with others. These industries by meeting the needs of consumers minimize their dependence on imported inputs.

- **Welfare activities:** These industries provide job opportunities to the unemployed which increases their income as well as quality of life. Thus, it will help in reducing poverty in the country. Thus, the common people are benefited by the small cottage industries. Moreover, these industries are scattered in different areas of the country which help in the reduction of regional economic disparities.

Apart from its economic benefits, these industries are favoured in a developing economy as it can provide social justice. This industrial sector helps in improving the life of the members of lower classes and deprived sections of the society by giving them employment opportunities. Moreover here, social cost is lower than big industries. The large industries pollute air and water etc. which is almost nil in case of small cottage industries. Hence, it can be safely said that cottage industries can play a significant role in developing the economy of a country.

#### **Stop To Consider:**

##### **Drawbacks of Cottage Industries:**

There are some drawbacks of small cottage industries. Many favour large-scale industries over small cottage industries for the following reasons.

- a) Productivity of these industries is low as compared to that of large industries. Therefore, many are of the view that they waste capital. Moreover, these industries face various inefficiencies.
- b) These industries are criticized as being detrimental to capital formation. Since then industries are labour-intensive, the major portion of their income will be used for consumption, resulting in a lower rate of saving and capital formation for the economy. However, this is not the case always.

### **1.5 Development of Rural Industries during Plan Period**

From the preceding sections of this unit, we have learnt that rural industrialization aims at dispersing of small and medium scale industries to the rural areas to establish relationship between industrial and agricultural sector as well as rural and urban areas. It utilizes the local unexploited natural resources. Rural industrialization mainly refers to small-scale village and cottage industries. These types of industries are favoured from very

early period in India. After independence, the government took steps for their proper development by allocating budget for this sector in different plan periods. Let us examine the budgetary allocation as well as objectives and measures taken by different Five Year and Annual Plans in the post-independence period.

Budgetary allocation for the development of small cottage and village industries started with the first plan itself in India. The First Five Year Plan spent Rs. 42 crores for the development of small cottage and rural industries in India.

The Second Five year Plan (1956-1961) emphasized expansion of village and small industries at different levels. It also helps in providing raw-materials, technological skills and credits as well as creating opportunities for marketing. This plan also made policies for rural electrification as well as credit and finance for small industries which can provide infrastructural facilities. This Plan had spent Rs 187 crores for establishing and developing rural and cottage industries.

The Third Plan had spent Rs. 241 crores under this head and three annual plans during 1966-1969 spent Rs. 126 crores for the development of this sector. The Fourth Five Year Plan (1969-74) emphasized improving skills and provide both incentives and disincentives for establishing small industries. This Plan spent Rs 243 crores on this sector.

The Fifth Five Year Plan aimed at removing poverty and inequality by providing employment opportunities and income generation. During this Plan period, the expenditure on this sector had gone up to Rs. 592 crores.

During the Sixth Plan certain policies relating to cottage industries got achievements. Industrial Enterprises Act, 1981 changed various rules and regulations for the establishment of cottage industries. It also made certain changes regarding the operational system of cottage industries. During the Sixth Plan period, a total of 13,360 cottage industries were registered. Among them only less than 5% industries used imported raw-materials. The total expenditure on this sector was Rs. 1945 crores during this Plan period. The total estimated annual income of these industries was Rs. 1170 million. Hence, it was observed that cottage industries made significant contributions towards gross domestic product and also increased the per-capita income.

This plan also introduced intensive industry program in twenty districts. In some districts, World Bank also assisted in the establishment of cottage industries. This plan also specifically mentioned about training persons in different technical and vocational fields for development of cottage industry under general and intensive program. Accordingly, almost 27000 persons were trained. Moreover, 33 districts were covered by industrial surveys and 9719 schemes were distributed during this plan period. Technical assistance was extended to 28727 industrial units while some industries got promotional assistance and promotional services. In the field of handicraft also, new designs were developed and exhibitions were organized to promote handicrafts. A total of Rs. 66.9 million were approved as loan for 1413 industries. More than 13000 employment opportunities were created during this period.

The major objectives drawn for this sector during the Seventh Five Year Plan are as under:

- a) to reduce the problem of unemployment by creating employment opportunities.
- b) to develop cottage industries for foreign exchange earnings by improving the quality of products.
- c) to provide raw materials, capital and training for development of cottage industries.
- d) to provide greater opportunity of participation to women.
- e) it also aims at organizing short-term training programmes such as skill-development and entrepreneur –development in certain districts.

To fulfill those objectives the seventh Five Year Plan had earmarked Rs. 3249 crores for this sector.

The 8<sup>th</sup> Five Year Plan emphasized on cottage industries for manufacturing growth. During this plan period, government has proposed various policy measures for the smooth development of the sector. Moreover, to establish industries in rural backward areas and also to establish a close relationship between agriculture and industry, a new scheme of ‘Integrated Infrastructural Development for Small Industries’ is implemented with the participation of State government and financial institution. This Plan allocated Rs. 76334 crores for this sector.

The Ninth Five Year plan has earmarked Rs. 4508 crores for the development of these industries.

**Check Your Progress:**

1. What is cottage industry? Discuss critically the contribution of cottage industries to the economy.
2. Write a brief note on the development of cottage industries during Plan period in India.

### **1.6 Problems of Rural and Cottage Industries**

We have already learnt the major objectives behind rural cottage industries. It is also clear to us that these industries can significantly contribute to the economy of the country. However, the administrative set up for executing rural industrial development programme has been manifested with certain problems like multiplicity of agencies, bureaucratization, red-tapism, corruption, favouritism and nepotism etc. It has been observed that though rural industrialization can help in the process of economic development in a less-developed economy like that of India, it has not achieved the desired result. Many of these industries have shown low performance with low productivity. Therefore, it has failed to generate employment to rural people as targeted. There are various reasons for the low performance of the rural cottage industries. In this section we are going to discuss the major problems faced by small rural and cottage industries.

- First of all, it is observed that these industries are inefficient in multiple ways. According to an estimate, in many of the cases a significant proportion from 45 per cent to 60 per cent of these industries remain unutilized. Many industries suffer from the problem of inefficient management. Many times they fail to capture markets and they are not commercially viable. Moreover, loopholes can be found in regard to the feasibility study of these industries. It is experienced that no proper research is carried out before the establishment of these industries regarding their location, market policies, and financial viability in the context of supply of raw material as well as human resources. Many times these industries lack future policies to guide

their performance. These insufficiencies of these industries result in low productivity as well as high cost of production. Sometimes, quality of the products is also found very low. Because of these problems faced by rural cottage industries in India, it is found that these industries produce only small portion of items though as many as eight hundred items are listed under it.

- Another lacuna of these industries is that thousands of these industries suffer from sickness. With the passage of time number of sick units is also increasing at an alarming rate. While number of such units was more than 23 thousands in 1980, in 2001 the number of sick units reached to two-fifty lakh units. This has resulted in the wastage of huge capital since the capital invested in the establishment of these industries is of no use. Moreover, the debt-burden of these industries is also increasing. According to an estimate, the bank outstanding due of these industries were Rs. 300 crores in 1980 which rose to Rs. 500 crores in 2001. Thus, because of the sickness of these industries, the banks who help in establishing these industries by providing loans suffer a lot as they cannot recycle this amount as loan until it is returned. Moreover, such huge number of sick industries incur losses in terms of less production, less exports and less employment.
- Again, it is found that it has failed to meet one of the basic objectives of rural industrialization, i.e, creating regional balance in terms of economic development. However, it is found that a huge portion of these industries are located in some states of the country, while in some states their presence is negligible. According to available data, sixty percent of these small and cottage industries are located in six states of India. Again, more than one-third of these industries are located in West Bengal, Madhya Pradesh and Uttar Pradesh. Moreover, a large portion of the cottage industries are located in urban areas which hardly contribute towards rural economy. Hence, we find that a major objective of these industries is not achieved as regional imbalances are still very much present.
- A major problem faced by these industries is the inadequacy of finance. Most of the times they face problems in managing finance

in terms of short and long term credits. One reason for paucity of funds is that the banks are reluctant to come forward to help them seeing the sickness of these industries. Most of the times, the credit is not according to the needs of the industries. In fact in large number of cases the credit has lagged much behind the number and type of activities of these industries. Another serious financial problem faced by these industries is that the credit is not given in appropriate time. Thus various commercial banks and co-operatives have failed to meet the demand of these industries. This has resulted in the financial dependence of these industries on private money-lenders even with a high rate of interest. In such situation, cost of production increases and burden of debt of these industries also increases.

- We have already mentioned that a serious problem faced by the rural cottage industries is capturing the market. These industries do not aim at high level of production for which they may not be able to meet the demand of the market. The large-scale industries producing commodities on high-scale may take the advantage of that situation and can supply products for the entire market. Again, low scale of production may also result in higher price of the commodities produced by rural cottage industries. But, as we know consumers always prefer to buy commodities relatively at a cheaper price. Lack of management ability and inadequate market intelligence also stands in the way of proper marketing of the products of these industries. Though the government has been taking initiatives to promote these industries by providing markets, only a small fraction of them can take advantage of such steps. For example, though government has taken steps for marketing the products of handloom and handicraft industries, almost 90% of those industries are not covered by such measures. All these contribute towards problem of marketing for these industries.
- Again, sometimes it is also found that there is lack of standardization of products produced by these industries. These industries also face the problems of storage when there is over-production or demand deficiency. Hence, it is found that these industries create burden on the government instead of contributing towards economic development as the latter has to provide subsidies to them.



- It is already mentioned that the rural cottage industries face the problem of storage of products in the time of over production. It must be pointed out here that besides the problem of storage of products, these industries suffer from the problem of storage in case of raw-materials too. Again, many times raw-materials are not available in sufficient quantity and not also at reasonable prices. Being small purchases, the producers are not able to undertake bulk buying as the large industries can do. As a result of it the producers have to buy raw-materials at a higher price. All these adversely affect the costs as well as quality of products. In the case of marketing, the government efforts regarding the supply of raw-materials to the small cottage industries have not benefited all categories of these industries. Moreover, these industries also face discriminatory treatment in regard to raw-material distribution. For example, in distribution of raw-materials like iron and steel, coal and coke, petro-chemicals and power supply the large-industries always enjoy the upperhand. Therefore, these industries find it very difficult to manage these raw-materials which result in lower productivity and higher cost of production.
- Another difficulty faced by the rural cottage industries is the use of low-level and outdated technology. Most of the times they rely on local knowledge and skills. Use of poor technology results in low productivity, low quality of products as well as high cost of production. On the otherhand, large-scale industries enjoy all the benefits of modern technology consequently leading to higher production at a low cost. In developed countries small and rural industries have also performed efficiently with higher level of production and quality. Developing countries like India face such lacunae as there is lack of information dissemination. Therefore, there is an urgent need to do proper research relation to the use of modern technologies by the rural cottage industries.
- The rural cottage industries face stiff competition from the large-scale industries. As mentioned earlier, large-scale industries are in an advantageous position because of their higher productivity, higher quality and low cost of production. The high quality products of large-scale industries at a lower rate can easily capture the market. Moreover, globalization and liberalization of economy have also

proved to be an obstacle to the development of rural and cottage industries. Liberalization of economy has opened the trade barrier between countries of the world and therefore, a product produced at any corner of the world can be sold in a different country. Usually the large-scale industries producing in a huge number capture the markets which go beyond the geographical borders of a country. In such a situation it becomes difficult for the country to protect the small-scale rural industries. Moreover, because of the high demands for raw materials of these large-scale industries the rural industries also face problems in managing raw-materials.

The above mentioned problems pose threat to the existence of the rural and cottage industries. From the above discussion it can be said that a number of factors stand in the way of proper functioning of rural cottage industries. Poor infrastructural facilities in rural areas have been one of the factors that stand in the way of rural industrialization. Moreover, in the wake of globalization, rural financing and rural capital formation has become very difficult. Because of under-development of this sector and industrialization in the urban areas regional disparities in India have become more visible in the contemporary period.

**SAQ:**

To what extent according to you cottage industries have contributed towards solving the unemployment problem of India. Give arguments in favour of your answer. (60 words)

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**1.7 Measures for the Development of Rural and Cottage Industries**

In the preceding sections we have already learnt the importance of rural cottage industries in a developing economy like that of India. It helps in the growth of economy by increasing per-capita income and providing employment opportunities to the labour force of the country. However, as

discussed in the previous section, these industries have faced various problems resulting in the low production of commodities. In fact, there are examples of locking of such industries because of low or almost no production. Therefore, there is an urgent need to discuss the problems of these industries to remove obstacles in the way of their growth. Let us now examine the measures for the development of these industries so that they can contribute positively to the economy of the country.

It is already mentioned that the government has from time to time taken certain steps for removing the problems of these industries and to encourage production. The government policy has given importance to this sector as they can meet the demand of the mass people as well as produce items for the higher strata of the society and for importing to other countries. It is also encouraged as this sector can preserve country's valuable craftsmanship and art heritage. Therefore, the government through its different Plans has provided financial help to this sector. In the previous section of this unit we have seen the budgetary allocations of different Plans on this sector. It needs mention here that besides the financial allocations of Five year as well as Annual Plans, a large investment has been made by private individuals on their own for establishing these industries. Sometimes, they are partly financed by government's financial institutions.

Government has established a number of agencies or organizations to provide services to the rural and cottage industries free of cost or at a very nominal charge. Here we can cite the names of some of such important organizations, viz, the National Small Industries Corporation, Small Industries Development Organisation, All India Handloom and Handicrafts Board, The Khadi and Village Industries Commission etc. Such organizations help the rural industrial sector in different phases of their growth from the period of their establishment to selling their products in the market. Sometimes, they even take initiatives for the establishment of such industries. Usually such organizations are established by state governments as the rural industrial sector falls under the jurisdiction of the state governments.

Moreover, it is also the responsibility of commercial banks, cooperative Banks, Regional Rural Banks and State Financial Corporations to provide credit to the rural cottage industries. These Banks and organizations function according to the direction of the government. They provide both long-term and short-term loans to these industries. Usually long term loans are offered

for buying equipments and machineries while short term loans are provided to these industries to buy inputs like raw material and managing markets. It needs to be mentioned here that these loans are offered to these industries at a concessional rate so that they do not face difficulty in repaying the loans.

Government has also taken steps for removing the financial constraints of these industries in different stages. One such initiative is to remove fiscal concessions in regard to excise duties on their products. Land and machineries required for those industries are also allotted at a cheap rate. Moreover, the small-scale industries are sometimes exempted from various laws relating to labour and factory.

Rural industrialization is one of the prime objectives of the government and therefore, it has taken steps not only in establishing rural cottage industries but also for their successful running. In the process, government has taken steps for the marketing of the products produced by the rural sector. It has tried to introduce modern marketing techniques, skilled management of the markets as well as exploring new markets. For promoting the sell of these products, government has also taken help of the mass media—both print and electronic to give information to the common people regarding the products. Establishment of Cooperatives have also helped in this regard.

One of the drawbacks of rural cottage industries is the use of age-old traditional techniques and skills. As we have already discussed, such old method and techniques has resulted in lower productivity and high cost of production. Realizing the adverse affects of the use of such technologies, the government has taken steps for use of new skills and technological upgradation. Various training institutes and demonstration centres have been set up to provide facilities for the development of skills and to provide training for the use of modern technology. Besides, attempts have also been made to develop proper and adequate technology for the better utilization of local and abundant natural and human resources. Government has also taken step for improvement of the quality of products.

Though these policies for the protection of these industries are taken by the government, the small cottage industries are still not prospering. Their existence is always threatened by the product of large-scale industries. Therefore the need of the hour is to raise the efficiency of these industries.

For the development of these industries various expert committees have put forwarded certain suggestions. They are as follows——

- Appropriate selection of the industry: before establishing any industry, one should ensure that it can perform well and grow within that environment. Availability of raw-materials and skills required for the industry should also be taken into consideration.
- Industrial cooperatives can help a lot in the running of small cottage industries. The individual producer may face many difficulties regarding management of finance, raw-materials, marketing etc. but, when individual producers are organized through cooperatives such difficulties can be minimized.
- We are already aware of the fact that small cottage and rural industries basically depend on old traditional methods which sometimes lower their performance. Therefore, various committees have suggested these industries to improve the skills and use modern methods of production. For that research and training institutions should be established which will help the producers to get knowledge regarding the usefulness of modern technologies. Moreover, for the use of modern technologies new and modern equipments are also required. Therefore, it is also important to provide those machineries and equipments to these industrial sector at a subsidized rate.
- Another suggestion put forwarded by the expert committee is improvement in the quality of new designs. It is essential that their production methods should be improved to improve the quality of the products. Moreover, taking in to consideration the needs and tastes of the consumers, the producers should also make experiments with new designs. Therefore, there is a need for standardization of certain products, guarantee of the quality of these goods and promotion of the sale of certified goods of quality.
- Again, there is a need to provide industrial education and training. The producers and workers engaged in rural cottage industries should be trained in respect of various production activities. There is also need of provision for adequate credit by special institutions like Cooperatives, Commercial Banks and the government. But

producing commodities will not be the ultimate task of the rural cottage industries. They also need markets to sell their products which ultimately will contribute to their growth. The newly designed products with higher quality at a reasonable price may attract consumers. The rural industrial sector should also explore new markets beyond the boundary of domestic markets. Organization of co-operative marketing can also help the rural industries in this regard.

- To protect the rural industries and their products, steps should also be taken to demarcate the field of production of rural small industries and large-scale industries. The rural industries should be given the opportunity to produce certain products exclusively so that they do not face competition from the large-scale industries. Thus, policies should be framed in such a way that instead of competition, the rural small scale cottage industries and large-scale industries can work in co-operation with each other.

For the development of rural industry as well as for the growth of the economy of the country it is necessary to take the above mentioned steps. It is found that the government has been taking certain steps for the betterment of this sector as suggested by various expert committees. However, these steps have not covered the entire rural industrial sector as a result of which we find a very dismal picture of this sector.

**Check Your Progress:**

1. Discuss briefly the major problems faced by the rural cottage industries.
2. Write a note on the measures adopted by the government for the development of cottage industries in India.
3. Discuss some remedial measures for the betterment of cottage industries in India.

**1.8 Summing Up**

After reading this unit you are now in a position to discuss the meaning and importance of rural industrialization in a developing economy. You have

also learnt that small cottage industries like *khadi*, leather, silk, cotton, wool, handloom, sericulture, handicrafts, Coir etc. play important role in the process of rural industrialization. As an important constituent of rural industries, cottage industries significantly contribute towards the economy by providing employment opportunities, increasing per-capita income and utilizing unused abundant resources. Moreover, for the establishment of these industrial less capital is required. Realizing the positive impacts of rural cottage industries on economy, the Indian government has emphasized this sector in different Plan periods. This unit has also helped you in understanding the problems faced by the rural cottage industries as well as the measures adopted for their development.

### **1.9 References and Suggested Readings**

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## **Unit 2**

### **Planning at Different Levels: Community Development and Co-operatives**

#### **Contents:**

- 2.1 Introduction
- 2.2 Objectives
- 2.3 Meaning of Planning
- 2.4 Major Features of Planning in India
- 2.5 Planning at National, District and Block Levels
  - 2.5.1 History of Decentralized Planning in India
- 2.6 Meaning of Community
- 2.7 Measures for Community Development
- 2.8 Role of Co-operatives in Community Development
- 2.9 Summing Up
- 2.10 References and Suggested Readings

#### **2.1 Introduction**

Planning is effective in accomplishing any task within a stipulated period of time. Planning gives directions as well as sets goals for the individuals concerned in different fields. For running the administration the government has to make different plans in different areas. Economic planning has now become an important tool of governance in many countries for economic growth and development. Realizing its effectiveness, many countries of the world and particularly the socialist countries have adopted the planning method. Depending upon the type of the government, planning may be centralized or decentralized.

In this unit, an attempt is made to introduce you to the concept of planning. Since India adopts a decentralised planning system, you will be given some ideas about planning at different levels like —— national, state and block levels. Besides, the unit will introduce you to the concept of community and various measures for community development. Lastly, the unit will focus on the role of co-operatives in community development.



## 2.2 Objectives

Planning aims at achieving growth and development to a certain extent within a period of time. It helps in balancing development in different areas and different sectors. After reading this unit you will be able to:

- *discuss* the meaning of planning
- *examine* the planning at national, state, district and block levels
- *discuss* the meaning of community
- *analyse* the measures of community development
- *describe* the role of co-operatives in community development

## 2.3 Meaning of Planning

The term 'Planning' can be used to denote a number of meanings. Planning may be referred to as country or town planning. It also connotes the amount of money the government will spend in the future. Again, planning sometimes refers to the setting of targets for the economy as a whole. In this unit, the term Planning is used to denote economic planning Economic planning means laying down the targets for some public or private enterprise. At times, planning implies the system whereby the government enforces upon private enterprises certain targets which it determines for them. Thus, economic planning has been used in economic literature to describe widely different types of economic reforms.

Planning has to take into account the development of the nation. A planned economy may consist of state-owned enterprises, private enterprises directed by the state or a combination of both. In the present time, planned economy exists only in countries like Cuba, Libya, North- Korea.

It needs to be mentioned here that planning may be centralized or decentralized. Centralized planning is an old phenomenon. In fact it is said that planning of economy started with centralized planning in socialist countries. Later, many developing and under-developed countries also adopted the policy of planning to have a planned and balanced development. The centralized plans are comprehensive in the sense that it takes in to account the entire inputs and outputs of the economy. Moreover, it also mentions all the details regarding the resources, factors, commodities and

services. Hence, it is observed that besides the socialist countries, the non-socialist countries have also resorted to a comprehensive centralized planning in order to have a holistic development.

In decentralized planning, decision-making process is dispersed at different levels. As a result, restrictive and controlled nature of centralized planning is absent here. The prime objective of decentralized planning is dispersal of planning both in respect of formulation of plans and their implementation. In India also decentralized planning has been adopted for balanced development of all the regions.

#### **2.4 Major Features of Planning in India**

Indian economy was devastated during the British Rule. There was constant drainage of wealth from our country. So, there was rampant poverty and quality of life was very poor. One of the major challenges before the newly formed government in the post-independence period was to restructure the economy. With an objective to raise the level of income and status of the people, the government undertook the policy of planning through five-year plans since 1951. The major objectives of planning in India are ——

- One important feature of Indian planning is development of the economy: the method of planning was adopted for increasing the productive capacity of the country. Planning also helps to plan for large projects on the basis of larger available resources. Again, we know that India is a vast country in terms of geographical area and all the regions of the country are not equally developed. In this situation, planning helps in the balanced regional development.
- It helps in overcoming the obstacles to development of the economy. Through planning of the economy, government can play the entrepreneurial role to fill the gaps in development.
- Planning helps in undertaking major tasks which needs much attention and effort. Planning may aim at raising the per-capita income as well as national income to a certain level within a stipulated period of time. Again, economic planning in a developing and welfare country like India also takes into account welfare activities. For example, planning in India makes plans regarding provision of water, food and clothing to its people.

- Immediately after independence, planning undertook the job of solving many difficult and unprecedented problems arising out of partition of the country. Partition created the refugee problem. Again, after partition India lost many of the raw-material producing areas. In such resource-starved, devastated economy government had to play a significant role by planning the economy.
- Planning gives direction to the economy especially when the society is divided into various sections and groups. Planning can help in the development of all the sections and groups of the society.
- It raises efficiency as the economy moves in a planned direction. Institutional arrangements were made to finance development. Economic planning in India besides aiming at growth of the economy also wants to establish equity. Therefore, it also takes into account various social service sectors like education, health facilities, rural development and elimination of poverty etc.
- Another significant feature of Indian planning is that it is mainly public sector planning. These plans also provide for various sources of financing like taxes, borrowings, external assistance etc.
- Again, Indian planning system is of decentralized nature. Because of the adoption of decentralized model, the planning process involves the common people both in preparation and implementation of the plans. The experts in consultation with the common people and their representatives make plans. The planning machinery in India is comprised of the planning commission at the centre, the planning boards/departments at the state level, and experts at the level of local governments like Panchayati raj or municipalities. These plans can again be scrutinized or modified by different agencies or institutions. For example, the National Development Council constituted of representatives from the centre and the states operate at the national level.
- Lastly, it must be mentioned that India's planning can be termed as mixed economy planning. It is because India's economy is a mixture of public and private sector and planning system covers the both.

**SAQ:**

Do you think that Economic Planning embarked in the post-independence period has helped India to achieve development to the desired extent? Discuss. (50 words).

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**Stop to Consider:**

**Basic Objectives of Planning System in India:**

Each Five-Year plan of India has listed basic objectives which are considered as the guiding principles of India's planning. Though each plan has different objectives, there are certain objectives common to plans or the whole planning system all-together. These objectives can be categorized as under:

a) *Growth*: the chief objective of planning of Indian economy is growth of economy. Infact, immediately after independence emphasis has been put on planning of economy to raise the per-capita income which was very narrow at the time of independence. The target growth rate in all the plans has been around 5 percent of national income.

b) *Modernisation*: at the time of independence Indian economy was an agrarian economy and even now a huge chunk of the population depends on agriculture. The FiveYear Plans aim to modernize the economy by bringing certain institutional and structural changes in the economic activities to change the feudal and colonial economy into a progressive and modern economy. Emphasis has been put on industrialization so that a large portion of national income can come from industrial products instead of agriculture. It is also aimed to establish new industries in the fields of engineering, chemicals, petroleum etc to develop a diversified economy. Moreover emphasis is also put on some agrarian reforms.

c) *Self-reliance*: through these plans it is aimed to make Indian economy a self-reliant economy and reduce its vulnerability to international pressures or eternal forces. Thus, it aims at reduction and ultimate elimination of foreign aids as well as import of certain commodities.

d) *Social justice*: another significant objective of planning of India is to provide social justice to the poorer section of the society. The plans also aim at improving the living standards of the economically weaker sections. It also tries to reduce the inequalities in the distribution of goods and services between different sections of people particularly in the rural areas. Moreover, it also makes provision for social employment programmes for the poor, land reforms provision of subsidies etc.

## **2.5 Planning at National and State, District and Block Levels**

Decentralized planning aims at providing basic services to the people of all sections and all regions of the country. It also aims at satisfying the urgent needs of the people. It is already mentioned that decentralized planning takes place both at the formulation and implementation levels. Decentralized planning is made within the framework of national and state plans. Therefore, the objectives, priorities and policies of the decentralized planning must be in accordance with the state and national levels.

We all know that India adopted decentralized planning and therefore planning takes place at both central and state levels. There is also the provision of state governments giving some of the planning responsibilities to the lower level governments of districts, blocks and villages or to the Panchayati Raj institutions. Planning for districts, community development, blocks and villages are prepared for their respective jurisdictions by the Zila Parishads, the intermediate level institutions and village panchayats in rural districts. Thus, decentralized planning gives the common people an opportunity to take part in the planning process. It also seeks involvement of social action groups who can present socio-economic picture of weaker sections of the society. Since it takes into account local knowledge, decentralized planning proves to be more efficient in the use of local resources. Decentralized planning covers a number of areas like — market policies, framework of prices and other incentives to guide both public and private activity, investment on infrastructure like roads, education and health facilities. Moreover, it also makes plan to safeguard environment from pollution, to eradicate poverty and deprivation and to reduce the gap of income and wealth of different sections.

Plans for districts, community development, blocks/talukas/mandals and villages are prepared for their respective jurisdictions by the Zila Parishads, the intermediate level institutions, samitis and the village panchayats in rural areas. In regard to the urban areas of the country, the municipal bodies like municipal corporations, municipal committees, notified area committees etc. play important role in planning under their jurisdiction. In the large metropolitan cities development authorities play important role in development planning.

### **2.5.1 History of Decentralized Planning in India**

If we trace the history of decentralized planning, it is found that during the term of Second Five Year Plan in the mid-fifties, district plans were formulated by the Planning Commission. The planning started with the phrase 'planning from below'. Thus, from Second Five Year plan onwards districts and blocks have been recognized as important planning units. Moreover, formulation of planning for them has been recognized as an integral part of the national planning process as well as important function of Panchayati Raj institutions. In the Third Five Year and Fourth Five Year Plans also planning for district and block levels were formulated.

In the early 90s of twentieth century heavy emphasis was put on formulation of district plans by all political parties. There was also an urge for revitalization of Panchayati Raj Institutions and urban local bodies which were not in operation for long periods in certain states. In states like Karnataka, West Bengal and Kerala; Panchayati Raj institutions were established with increased powers and functions during 1980s. These institutions are encouraged to formulate development plans for their respective areas. Plans for districts and lower level units should also include a programme for employment generation. These Plans should also aim at alleviation of poverty by providing employment opportunities.

However, in the time of formulation of district plans certain difficulties emerged. These problems can be cited as —————

- I. The tendency towards formulation of plans without adequate regards for resources.
- II. The tendency to attain immediate goal than to have longer term resource development.
- III. Absence of accurate and adequate factual data.
- IV. Problem of appointing a sufficient technical staff for survey and plan formulation.

Local planning is important for community development. Within the framework of local planning priorities for different programmes and skills are chalked out at the State levels. In the present situation, the Panchayati Raj Institutions primarily function as allocating or distributing agencies.

Plans for districts, villages and intermediate units can be formulated through planning from below or also through planning from above. Planning from below refers to the formulation of plans by panchayats or villages or multi-village circles in consultation with the village people. Usually, these plans are formulated taking into consideration the local needs, development potential, local resources as well as the constraints. Decentralized planning can be considered successful if it meets the needs of the local people by utilizing the locally available resources. Moreover, in the system of planning from below, the common people also get the opportunity to take part in the planning process.

However, planning from below is not an easy process. This process sometimes becomes time consuming since it takes the views of local people and agreement of all the leaders and groups involved in preparation of the plan for a village or a group of villages. Besides, the common people may not have all the technical knowledge for preparing a plan and therefore, people with such knowledge have to be deputed during the preparation of plan.

On the other hand, planning from above means breakdown by districts and smaller units of state level targets, allocation of resources of finance, technical personnel etc. These Plans are mainly formulated by district and lower level officials of various technical departments on the basis of their assessment of the needs of the area and also the development potential of the area within their jurisdiction. Hence, under this system, it is found that agricultural, industrial, educational, medical and public health as well as social welfare plans are formulated by the respective departments. We can sum up the major advantages of planning from above as follows:

- Technical knowledge of different departments is available as technical personnel and officials are involved in this planning.
- No problem of adjustment of district and lower level plans with the state plan.
- These plans are expeditious.

As stated in the Second Five Year Plan, main constituents of district plan are:—

- a) the community development and national extension programme
- b) social welfare extension projects

- c) agricultural production programme and allied activities in the field of rural development.
- d) development of cooperatives
- e) village panchayats
- f) village and small industries
- g) schemes for utilizing resources developed through State projects for irrigation, electricity, communications, industrial development etc.
- h) housing and urban development
- i) small savings
- j) aiding construction projects through labour cooperatives
- k) programmes in rural and urban areas relating to social services like expansion of education, health units, health education, sanitation, family planning etc.
- l) utilizing and assisting voluntary organizations engaged in constructive social work
- m) land reform
- n) prohibition work
- o) dissemination of information about programmes of national, state, regional and local development.

(Planning Commission: Second Five Year Plan, 1956, p.156 and 158)

Fourth Five Year Plan also put emphasis on district planning. According to this Plan, 'A district development plan should comprehend various activities envisaged in the State Five Year Plan for execution at the district level without respect to the nature of the sponsoring authority or the location of the budget provisions. Some activities undertaken in a district are provided for in the plans of the Zila Parishad and the Panchayat Samitis, others in the plans of Departments at the State level. This latter fall technically outside the field of Panchayati Raj institutions.' The following are the principal sectors in which the local initiatives and participation have to be carried as far as possible and can be developed around programmes embodied in the Five Year Plan:—

- a) agriculture ( includes animal husbandry, dairying, fisheries, poultry, horticulture, forestry, minor irrigation etc.)
- b) co-operatives
- c) village and small industries
- d) elementary and social education



- e) elementary and social education
- f) rural water supply and sanitation
- g) rural health and medical services and family planning
- h) district and rural roads including village approach roads
- i) work programme for the fuller utilization of rural manpower
- j) development of focal points of growth like market centres
- k) social welfare, including welfare of weaker sections
- l) voluntary organizations

(Planning Commission, 1965, pp 80-81)

**Stop to Consider:**

**Advantages of Decentralized Planning:**

Decentralized planning is favoured all over the world as it provides opportunity to all sections of the society to take part in the planning process. The major advantages of decentralized planning are as follows:

- a) *it increases efficiency*: Decentralized planning is more efficient in promoting resources. The bureaucracy plays a very insignificant role in planning resources for which it can be utilized in the proper way.
- b) *it is flexible*: it allows flexibility. Within a plan adjustments can be made in response to changes and developments. The adjustments can be made in the form of changes in allocations, productions, exports and imports.
- c) *participation of the people*: another advantage of decentralized planning is that it gives opportunity to the common people to take part in the planning process for their own development. Under this system, people can take part in the time of preparation of plans as well as in their implementations. Devolution of planning functions help in preparing realistic plans that can cater to the needs of the common people and utilize local resources.

**SAQ:**

Do you think that decentralized planning has got any relationship with the panchayati raj institutions? Discuss. (50 words).

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## 2.6 Meaning of Community

Community is usually defined as a social group of any size whose members resides in a specific locality, share government, and often has a common cultural and historical heritage. Thus a community may be defined as a social, religious, occupational or other group sharing common characteristics or interests. Usually such group considers itself different from rest of the society which surrounds it. One can find collective participation of individuals in a community.

A community is characterized by participation of different members. While discussing human association, German sociologist Ferdinand Tonnies in his work *Gemeinschaft and Gesellschaft* has talked about two types of such associations. *Gemeinschaft* here refers to the community and *Gesellschaft* means society or association. According to Tonnies *Gemeinschaft* or community is a more cohesive entity than *Gesellschaft*.

Usually communities have territorial base. People develop attachment to the area or region where they reside. Thus, 'we-feeling' develops amongst the members of a locality. Again, every member of a community has to play his/her role living within the community. Members of the community are dependent on each other for satisfying their different needs. R. S. Lynd and H.M. Lynd in their work *Middletown: A Study in American Culture* have pointed out six major areas on which impact of community can be seen to a large extent. They are ——— a). getting a living b). making a home c). training the young d). using the leisure on various forms of play, art and so on e). engaging in religious practices f). engaging in community activities.

Communities can be broadly divided into two — rural and urban community. According to P.A. Sorokin and C.C. Zimmerman, the major factor that distinguishes rural communities from urban communities are — occupation, size, density of population, mobility, differentiation as well as stratification. Hence, a rural community is defined as the community consisting of people living in a limited physical area who share common interests and common ways of satisfying them. So, we find that territorial base is vital to the formation of a rural community. Moreover, there is strong psychological bond among the members of a rural community. It is observed that social homogeneity, dominance of primary relations, presence of informal social control, occupational homogeneity, dominant role of family and neighbourhood and

strong religious faith are the major characteristics of rural communities. It needs mention here that rural communities can again be sub-divided into two—— agricultural rural community and industrial rural community.

On the other hand, urban communities refer to the communities formed in urban areas. In contrast to the characteristics of rural communities discussed above, urban communities are characterized by social heterogeneity, secondary relations etc.

### **Stop To Consider:**

#### **Advantages of Community:**

There are various benefits of being a member of a community. Individuals feel protected within a community and they get moral and psychological support within a community. The following are the major advantages of community life:

- It provides security and protection to its members. Moreover, members gain strength as they are united.
- Community life provides for co-operation of the members. It makes individuals more efficient. In regard to economic aspect also, community helps individual to improve their status.
- Communication among members is very important for a community life. Communication takes place through the senses, emotions, sentiments and ideas, written and spoken languages. Such processes have helped in the advancement of civilization.
- Communities provide platform to the individuals to show their talents and abilities. It makes individuals responsible to the other members of the society and develops nobler feelings like service-mindedness, selflessness, self-sacrifice, kindness, compassion, patience, perseverance, benevolence etc.

## **2.7 Measures for Community Development**

Community development is a continuous process of social action. Usually through the process of community development a community defines their common and group needs and organizes themselves for democratic action in a formal or informal way. It aims at executing plans for utilizing the community's resources. Carl Tylor has defined community development as 'a method by which people in villages are involved in helping to improve their own economic and social conditions and thereby they became effective

working groups in the programme of their national development'. From the definition it is clear that community development helps in the improvement of economic and social conditions as well as makes individuals active members of the society.

After independence India adopted federal form of government with strong central government to unify the whole country. Because of the pluralities and diversities existing in Indian society it is difficult to administer the country from a single centre. Therefore, federalism is the best form to solve the problems of different regions of the country. But, on the other hand there is a need of strong central agency to unify this heterogeneous society.

Over the years it has been observed that federal government has faced many problems in implementing and enforcing the policies throughout the country. Diversities and regional disparities have stood as obstacles in the path of implementation of those programmes. It is a stupendous task for the governments at the centre and at the state levels to reach to the rural areas of the country. We all know that India is a country of villages and almost 80 percent of Indian population still live in villages. Since, the nature and the necessities of over 600,000 villages existing in India are different from each other, this creates problems for the administration to identify the problems and formulate policies for all. Because of this gap between the government and the citizens, the latter suffer problems relating to health care, schooling and other primary services of the community.

Local governments try to address the above mentioned problems and ensure social justice in the society. Many non-governmental organizations working in rural areas have helped the successful operation of local governments by pointing out the problems of different communities. These organizations focus on community development through community co-operation by focusing on road construction and development of communication network, rights of migrant labourers and improvement in waste management etc. The NGOs also create awareness about the rights of the villagers. The NGOs form village level seminars and provide training programmes to the villagers to create awareness on various issues.

India being a welfare country aims at the welfare of all sections of the society. Indian planning system aims at alleviation of poverty to bring all-round development. After independence, it was realized that development becomes

meaningful only when people are given the chance to take part in their development process through planning. With such a noble objective, an organization called community Project Management was introduced in India on 31<sup>st</sup> March, 1952 under the Planning Commission to administer the programmes under community development. Accordingly, Community development programme was inaugurated in India on 2<sup>nd</sup> October, 1952. This programme aimed at bringing improvement in agricultural production, improving rural communication network, health and hygiene and education in rural areas. community development programme consisted of programmes relating to agriculture, animal husbandry, irrigation, co-operation, public wealth, education, social education, communication, rural and cottage industries. At the end of First Five Year plan in 1956 it was observed that there were 248 blocks in the whole country. Again after the completion of Second Five Year Plan it was found that the number of blocks has increased to 3000 covering almost 70 percent of the rural population. By 1964 the entire country was covered.

The community development programme in India is based on felt needs of the common people. These programmes give due consideration to the wishes and values of the common people. Therefore, it gives opportunity for group discussions, co-operation, self-initiative, social responsibility and leadership etc. It is based on the assumption that people want to decide on various aspects of their lives like economic, religious, political etc. These programmes consider people as the greatest resource who can contribute to the all-round development of the community.

Objectives of community development programme in India are as follows:

- Aims at alleviating poverty
- Improvement in the production of agriculture, animal husbandry, living conditions, health and education of the people.
- Bringing positive changes in the lives of women and youth
- Development of farm, village community.

## **2.8 Role of Co-operatives in Community Development**

The major aim behind the establishment of co-operatives is self- help and community development. Usually, the membership of the cooperatives is voluntary. The co-operatives are organized on democratic principles where all members enjoy equal rights and opportunities. And very significantly,

cooperatives do not only take into account the economic aspect of its members but also social and political aspects. Draft Fifth Plan states that, 'Cooperation represents institutionalization of the principle and impulse of mutual aid. It has the merit of combining freedom and opportunity for the small man with the benefit of large-scale management and organization. Cooperation is, therefore, conveniently suited to bring about the desired socio-economic changes in the context of the existing conditions in the country' (Draft Fifth Plan, Vol.II, P.78).

In common parlance, cooperation is understood as 'to work together'. However, here cooperative refers to village co-operatives. M.T. Herrick defines cooperation as the act of poor persons voluntarily united for utilizing reciprocally their own forces, resources or both under their mutual management, to their common profit or loss.

Again, the Cooperative Planning Committee constituted in 1946 has defined the cooperatives in the context of Indian peasantry. It observes:—

*Cooperation is a form of organization in which persons voluntarily associate together on the basis of equality for the promotion of their common interest.*

There are different types of co-operative societies in India. These can be categorized as under:

- *Credit Co-operative societies*: credit societies are the first type of co-operative societies. These are voluntary and can be termed as mutual aid associations. It provides credit on personal security or on the basis of nominal security to its members.
- *Consumer societies*: these societies are constituted of agricultural workers and the middle class people. Usually, the members of the society are not wholly dependent on the societies for income. However, the societies help in better utilization of their income. Hence, the major aim of these societies is to lower the cost of living of the members as well as to provide better quality goods at reasonable prices.
- *Producers' societies*: these societies are organized for production of goods and services based upon common ownership and management. These societies also help in reducing the gap between the employees and the employers.

If we trace the history of co-operative movement in India we find that it dates back to the period of the Second World War. During the British period, middle men used to play an important role in Indian economy. In the absence of cooperatives middle men took the advantage. The economically poor, hard-working peasants used to suffer because of absence of cooperatives. As a result of such scenario, it is experienced that Indian peasant is born in indebtedness, lives in indebtedness and dies in indebtedness. During the colonial period too, the intermediary traders used to play important role. In the post-independence period, Government of India took steps to establish cooperatives for improving the economic status of the poorer section of the society. Eminent Indian sociologist A. R. Desai stressed on the importance of co-operatives in India for the development of rural society. In his words:

*The government is attempting to bring about a directed social change based on certain postulates. It has been trying to overcome the debacle of the agrarian social order caused by the British rulers. Alongwith land reforms.....the government has been encouraging co-operation, building up various kinds of village institutions and has been trying to resurrect cottage industries. It is also endeavouring to create a new kind of administrative machinery which can reorganize the rural social system. (Desai, .....)*

*(A.R.Desai, Rural Sociology in India, p:247)*

During the war period, various post-war plans were drawn up in India emphasizing the role of co-operative movements. In the post-independence period, leaders like Nehru and Gandhi emphasized establishment of cooperative societies. Despite all efforts, cooperative societies are successful only in few states, viz, Gujarat and Maharashtra. Many scholars are of the view that the presence of caste system stands in the way of successful operation of co-operative system.

Cooperatives play important role in the development of the community. They can be regarded as the organizations meant for the poorer classes of the society. The individuals with poor economic background may find it easier to work with mutual help and sharing rather than exploiting one another. Generally, in market competition the wealthier section enjoys the benefits.

But, cooperatives give strength to the economically and socially backward sections of the society by providing them the platform to stand together and enjoy the benefits.

Cooperatives can curb the evils of bureaucracy. In countries where market is regulated by government, the bureaucracy plays a vital role. Because of bureaucratic red-tapism, people are not motivated to work hard. Cooperatives on the other hand create an atmosphere where bureaucracy has a lesser role to play since under it the investors, workers, producers sit together to decide the matter.

Here we can cite the names of some important co-operative societies which have come to assume importance at the national level. These co-operative societies are ——

- Agricultural Credit and Multipurpose Societies
- Farmers' Service Societies
- Co-operative Marketing and Processing Societies
- Large-Scale Agriculture Multipurpose Societies (LAMPS)
- Milk Supply Societies and
- Sugar Co-operatives

It has been observed that co-operative movements have been playing significant role in many states like Gujarat, Maharashtra and Karnataka. These co-operatives face many problems in their operation. If these obstacles can be removed, co-operatives are definitely going to play vital role in Indian economy.

**Check Your Progress:**

1. Discuss the meaning of planning? What are the features of planning in India?
2. Discuss the history of decentralized planning in India.
3. Discuss the meaning of Community and assess the different measures for community development.
4. Discuss the role of co-operatives in the community development process.



## **2.9 Summing Up**

After reading this unit you are now in a position to discuss the meaning of planning, both centralized and decentralised. This unit has also given you the idea of major features of planning. Besides, you have learnt that in India, planning operates at various levels. While at one hand we opt for centralized planning, on the other hand, there is the system of decentralized planning too. Again, this unit has discussed the meaning of community and measures of community development in India. Lastly, the unit has helped you in understanding the role of co-operatives in community development.

## **2.10 Reference and Suggested Readings**

Agrawal, A. N. *Indian Economy: Problems of Development and Planning*, Viswa Prakashan, New Delhi, 2005.

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## **Unit 3**

### **Democratic Decentralisation : Panchayati Raj and Rural Development**

#### **Contents:**

- 3.1 Introduction
- 3.2 Objectives
- 3.3 Concept of Democratic Decentralization
- 3.4 Meaning of Panchayati Raj
- 3.5 Structure and Constitution of Panchayati Raj Institutions
- 3.6 Functions of Panchayati Raj Institutions
- 3.7 Role of Panchayati Raj Institutions in Rural Development
- 3.8 Summing Up
- 3.9 References and Suggested Readings

#### **3.1 Introduction**

This unit tries to explain to you the concepts of ‘democratic decentralisation’ and ‘Panchayati Raj Institutions’. To begin with, ‘Democratic decentralisation’ is a combination of two words – ‘democratic’ meaning that form of polity, where utmost importance is given to the people. In fact, the best definition of ‘democracy’ being government of the people, by the people and for the people is well appreciated. So, people’s welfare is the prime focus of attention in a democracy. On the other hand, ‘decentralisation’ means real devolution of power, thereby allowing the people at the grassroots level to participate in the governing process. India, since independence has adopted parliamentary democracy. Also, with the passage of time, decentralization has been emphasized in India. In fact, without decentralization of power, democracy cannot be successful in the real sense of the term. Unless and until people have a share in the governing process, the true spirit of democracy does not come out. In this unit, you will also study about panchayati raj in its totality. Actually, experience has taught us the fact that if people are given autonomy to tackle their local problem themselves at the grassroots level, then the problems get easily solved. So, in this unit, you will study in detail about these concepts, without which democracy becomes meaningless.

### 3.2 Objectives

This unit deals with the concepts of ‘democratic decentralisation’ and ‘Panchayati Raj system’. After reading this unit, you will be able to

- *understand* the concepts of ‘democratic decentralisation’ and ‘Panchayati Raj’ system
- *know* in detail about the provisions of 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendments Act
- *explain* how panchayats play vital role in rural development
- *understand* the powers and functions assigned to the panchayats
- *examine* how local problems can be best tackled at the local level itself
- *discuss* the background of these institutions in India

### 3.3 Concept of Democratic Decentralization

The concept of ‘democratic decentralisation’ is in consonance with the concept of good governance. Actually, democracy becomes more meaningful if the powers are decentralized, because decentralization enables the people to participate in the process of decision-making. With the passing of the 73<sup>rd</sup> and 74<sup>th</sup> amendments to the Indian Constitution in 1992, decentralization came into its own in the Indian polity. The process of decentralization helps to deepen the democratic foundations of the Indian state. This process actually implies that people should be given a say in how their communities would develop. Decentralization thus empowers people to look after themselves in a democracy. But the fact is that the 73<sup>rd</sup> and 74<sup>th</sup> amendments have been implemented only in form, not in substance. Therefore, the weaknesses in the functioning of these bodies reflect not on decentralization itself, but on the stunted form in which it has been practiced.

Recently, the World Bank undertook an interstate study of “decentralization in the Indian states” that is detailed and comprehensive in its scope and coverage. The states covered were Andhra Pradesh, Karnataka, Kerala, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh. These World Bank studies looked at decentralization in political, administrative and fiscal terms.

In order to understand the concept of 'democratic decentralisation' properly, it will have to born in mind that the concept incorporates within itself both the concepts of decentralization and democratic local governance. Decentralization is the transfer of authority, responsibility and accountability from central to local governments. This term is also known by other terms like devolution, delegation of powers. Decentralization has several dimensions, such as administrative, financial and political. In a decentralized democratic polity, local governance enjoys autonomy, vested with authority and resources. It functions in a democratic manner. These local bodies are accountable and transparent, and involve citizens at the very grassroots level in the decision-making process. In this system, the people decide and do things for themselves.

The five main characteristics of democratic decentralization are like –

- (a) devolution of power to the grassroots level.
- (b) increasing local government's ability to act.
- (c) increasing local government's accountability, transparency and responsiveness.
- (d) enhancing the role of the civil society, and,
- (e) improving the quality of life.

The very objective of the concept of 'democratic decentralisation' is actually to broaden legitimacy, transparency and accountability within the political system.

The concept of 'sustainable development' can be achieved only if the powers are really decentralized. A total centralized plan aiming at sustainable development is less likely to succeed. But, in decentralized planning, where the responsibility is entrusted to the local bodies, it is possible to attain sustainable development in the real sense of the term. It is because if the responsibility is entrusted to the central government, then it will have to collect the information from all the localities, aggregate these information and then process it to arrive at a plan, which is not at all an easy task. To combat any problem facing the society, people's co-operation is a must criteria. For example-problems of sanitation, corruption etc. cannot be eliminated and contained by the mere seminal discussions held in the public forum. It necessitates an action-frame and also honest individuals to carry

out the actions. It is therefore, necessary that local body institutions must be given powers and autonomy to tackle their problems themselves. However, the success of these institutions necessitates an array of actions, like –

- (a) Awareness creation among the people about the new Panchayati Raj system;
- (b) Enhancing the capacity of the newly elected leaders to discharge their functions; and,
- (c) Resource identification and resource transfer to local bodies.

Actually, there are certain problems associated with centralized polity, such as, irrelevance of projects, programmes and policies, to the local needs and conditions, under-utilization of the local resources etc. Moreover, in a vast country like India, it is not at all possible to solve all the problems of the country from the centre. Centralized polity also leads to inadequate maintenance of the local areas. The alternative to such problems came in the form of democratic decentralization. Decentralization is a long term political process. It is not a one-shot affair, and thus it requires time and commitment of the country's top leadership. It also involves democratization i.e., involving the people at the very grassroots level in their own development process.

Thus, from the above discussion, it is clear to you that democratic decentralization, if implemented in the right direction, can go a long way in eradicating poverty and other related problems. Here, it may be noted that for the success of democratic decentralization, there must be actual devolution of political, administrative and financial powers to the people so that they can effectively control their own destiny and thus, render the whole process sustainable. There must be devolution of three F's – functions, functionaries and funds. However, studies undertaken in this respect by different groups show that the real picture is something else. Though there has been devolution of the functions to some extent, there is no devolution of funds and it is a known fact that in the absence of funds, works cannot be done. The transfer of functions without corresponding transfer of funds does not make much of a sense. Actually, 29 items mentioned in the 11<sup>th</sup> Schedule must be transferred to the lower levels. But, very few states have actually taken this

step. However, states like Kerela, Karnataka and Sikkim have taken some positive steps in this direction.

The above discussion has made it clear to us that democratic decentralization stands for strengthening the concept of participatory democracy. People generally suffer from a wrong idea that government gives and public takes the benefits provided by the government. But, if the people are given a chance in the governing process, it will be easier to combat different problems facing society. Problems like environmental degradation, sanitation problem, etc. can be better tackled by the local people.

However, certain problems have been noticed which stand as obstacles in the path of smooth working of democratic decentralization. For example, a large number of CSS i.e., Centrally Sponsored Schemes pose a threat to democratic decentralization. Also, the rise of different parallel bodies, criminalization of electoral process, lower participation of women, absence of required quorum in the meetings etc. always act as challenges in the path of democratic decentralization. If these problems are tackled, then democratic decentralization can go a long way in fostering the process of national development.

**SAQ:**

Do you think that the concept of ‘democratic decentralisation’ helps in attaining sustainable development? If so, how? Elaborate with examples. (80 words).

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**3.4 Meaning of Panchayati Raj**

Panchayats constitute the historical bedrock of democracy in India and have vital role to play in Indian democracy. In order to understand the meaning of Panchayati Raj properly, and the role played by it in different periods, we will have to look back into Indian history. During the ancient

period, they used to play a very significant role. During the Vedic period, the times of Ramayana and Mahabharata, the villages were autonomous units. During Mauryan times, even when India had a strong central government, the village autonomy remained intact. The village administration underwent a slight change during the later period.

The Panchayat system lost its vitality and significance during the early days of the British rule. It was only during Lord Mayo's regime that some solid steps were taken in the direction of self-government. The next step was taken during the viceroyalty of Lord Ripon rightly called the father of local self-government in India. He directed the provincial governments to maintain and extend a network of local boards in every district and also that the boards should have independent sources of income. His scheme thus was a landmark in the growth of municipal institutions in India. Ripon's scheme and policy, however, was not carried out by his successors. The progress in this direction became slow. But, things improved under the act of 1935 which granted autonomy to the provinces. The system of local administration thus drifted along without any radical change till the advent of independence in 1947.

But, after independence, since the Panchayati Raj did not find favour with the eminent members of the Constituent Assembly, hence, the only reference made in this direction was in Art. 40 of the Constitutional Charter.

The concept of Panchayati Raj did not find favour even with the eminent members of the Constituent Assembly. Dr. Ambedkar totally rejected the idea. Even, Pt. Jawaharlal Nehru had earlier dismissed the idea of Gram Raj. Hence the only reference that was made in the Constituent Charter was in Article 40 embedded in the chapter on the Directive Principles of State Policy. It says that the state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government.

The Panchayati Raj programme was introduced in the late 1950s and 60s. but, it was in a very diluted form, with quite inadequate powers for self-government. The experiment just did not take off, principally because politicians were unwilling to shed control or power, and, bureaucrats were unwilling to co-operate.

From the above discussion, we already got a fair idea about the working of panchayats during earlier days in India. Now, in order to know its meaning properly, we may refer to the sayings of some important thinkers. Shri Jayaprakash Narain observed, “Panchayati Raj institutions should act as the units of self-government at the village, block and district levels. In acting as the units of self-government, they will undertake responsibilities which they can discharge within the framework of their resources and requirements. It would mean that what the Panchayat cannot undertake will be accomplished by the samiti and what the samiti cannot do by itself will be transferred to the next higher unit. It should be stated that in a few years’ time these institutions should be enabled to flourish and function on their own as governments at their respective levels.”

So, from the above discussion, we can understand the meaning of panchayati raj. Panchayati Raj is simply, a system of grass-roots democracy, which aims to make democracy real by bringing the millions into functioning of democracy. It is essential to build up the panchayat as a dynamic organization which can look after all the facets of life of the village community. It has to draw its strength and sanction from the village people as a whole, simultaneously working in close co-operation with self-governing bodies at higher levels in an organic set-up. The entire approach and meaning of panchayati raj is a growing concept and there is no finality or rigidity about the pattern or system evolved at any time. The concept is shaped and determined in accordance with the local conditions. Panchayati raj, has thus, revolutionized administration and called for new codes of administrative relationship and behaviour. A scholar of eminence, professor V.M. Rao is of the view that panchayats are the integral parts of the state. These are units of local self-governance. They are the state at the local level, and are well positioned to fulfil certain responsibilities of the state.

Actually, we will have to keep in mind that, today with the neo-liberal democratic perspective, presently, there has been emphasis on the concept of ‘good governance’. In this neo-liberal paradigm, emphasis has been given on panchayats, as they can play a decisive role in driving ‘good governance’ to the grassroots. Panchayats can be instrumental in institutionalizing the process of democratic decentralization by ensuring visible political participation and other crucial ingredients of ‘good governance’ such as transparency and accountability at the operational plane. Therefore,



panchayat in its true meaning and content, provides an opportunity to the poorer section of the rural mass including the hitherto disadvantaged sections to assert themselves politically through representation in the decision-making, and, hence in getting their share of the resources. It can therefore significantly help in sustaining the process of socio-economic development.

**SAQ:**

Do you think that the concept of Panchayati Raj enhances the concept of good governance. Explain. (50 words).

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**3.5 Structure and Constitution of Panchayati Raj Institutions**

In India, the Panchayati Raj is a culmination of the recognition given by our Constitution to the role of Panchayats. One of its Directive Principles enjoins that the state shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government. The devolution of powers is an implementation of this directive.

But, the credit for launching the Panchayati Raj institutions must go to Pt. Jawaharlal Nehru who, despite considerable doubt and cynicism, gave whole-hearted support to the decision of democratic decentralization. Pt. Nehru was not fascinated by Gandhiji's idea of Gram-swaraj. He had dismissed the idea long before India's independence. It was in the mid-fifties, after the community development programme conceived in administration terms had failed, that Nehru gave a second thought to Gandhiji's idea of making use of Panchayats in rural administration. This led to the appointment of Balwant Rai Mehta Committee to go into the question of democratic decentralization. It brought out its report in 1957. its main recommendations were as under :-

- (a) There should be administrative decentralization for effective implementation of development programme.

- (b) the decentralized administrative system should be under the control of the elected bodies.
- (c) as regards the organizational structure, the committee recommended the setting up of three-tier pattern – the village panchayat, the block panchayat samiti, and zilla parishad drawn into a co-ordinated network of developmental personnel, functioning from state downward and the village upward.
- (d) there should be genuine transfer of power and responsibility to them.
- (e) adequate resources should be transferred to the new bodies to enable them to discharge these responsibilities.

Both the union and the state governments accepted the recommendations of the report, but it was left to each state to introduce its own legislation and to set up panchayati raj institutions of its own choice according to local conditions and needs. But, certain basic principles were to be observed so as to give a measure of uniformity to it.

The Mehta Committee report was implemented first in Rajasthan in 1959, and after that it has also been introduced in Andhra Pradesh, Assam, Gujarat, Tamil Nadu, Maharashtra, Karnataka, Orissa, Punjab, Haryana, U.P., Bihar, Madhya Pradesh, West Bengal, Delhi and Himachal Pradesh. The Panchayati Raj institutions, with all their shortcomings, succeeded in supplying and distributing agricultural inputs, constructing tanks and other minor irrigation works. In some states, provisions were made for primary health centres, schools, drinking water etc.

Despite these beneficial results of the system, it saw its official burial soon after the death of Nehru who had described it 'a mighty experiment'. During Indira Gandhi's regime (1967-77), the panchayati raj institutions practically ceased to function except in one or two states like Maharashtra and Gujarat.

#### **Ashoka Mehta Committee's Recommendations :-**

The Janata Party, in its election manifesto had promised to revive panchayati raj institutions in the true sense by decentralizing power. Soon after it came into power, it appointed a committee headed by Ashoka Mehta to study the existing panchayati raj institutions and make its own recommendations. The Janata government set up this committee in 1977, which made the

following important recommendations in 1978 to revitalize the Panchayati Raj :-

This Committee favoured the creation of two-tier system of Panchayati Raj in place of three-tier structure – one was to be at the district level and the other at the mandal level. The mandal panchayat is to consist of 15 members directly elected on village-cum-population basis, representatives of farmer's service societies and two women. Seats for scheduled castes and scheduled tribes are to be reserved on the basis of their population. Its president is to be elected by the directly elected members from amongst themselves.

The Zila Parishad is to consist of six types of members. Seats are to be reserved for S.C and S.T. on the basis of population. The chairman of the Zila Parishad is to be elected by the members from amongst themselves.

Thus, the committee made specific recommendations about the composition of the various tiers of Panchayati Raj, each level with a combination of elected, nominated and co-opted elements.

Ashoka Mehta's report was particularly significant in so as it shed abundant light on the important causes responsible for the decline of the Panchayati Raj institutions (PRIs). These included the lukewarm attitude of the political elites at higher level towards strengthening of the democratic process at the grassroots level, usual ills of bureaucracy like corruption and delay in execution etc.

Rajiv Gandhi gave special attention to revamping the Panchayati Raj system in the Seventh plan, and introduced the Constitution (64<sup>th</sup> Amendment) Bill in the Lok Sabha. The Bill attributed the failure of panchayati raj institutions in many states to a variety of reasons, including the failure to hold regular and periodical elections, inadequate representation of the weaker sections, lack of financial resources and inadequate devolution of powers and responsibilities on them.

### **The 73<sup>rd</sup> Constitutional Amendment Act**

Keeping in view the inadequacies in the existing system, and the Directive Principles of State Policy enshrined in Art. 40 which aims at enabling panchayats to function as units of self-government, a new part was added to the Constitution relating to the Panchayats, by the passing of Constitutional

73<sup>rd</sup> Amendment Act, 1992, which inserted Part IX in the Constitution, containing Articles 243-243O.

1. Part IX of the Constitution envisages a three-tier system of Panchayats, namely,-
  - (a) the village level;
  - (b) the district panchayat at the district level;
  - (c) the intermediate panchayat; which stands between the village and district panchayats in states where the population is above 20 lakhs.
2. Part IX provides that all the seats in a Panchayat shall be filled by persons chosen by direct election.
3. Article 243 D provides that seats are to be reserved for – (a) scheduled castes, and (b) scheduled tribes. The reservation shall be in proportion to their population. Out of the seats so reserved, not less than 1/3<sup>rd</sup> of the seats shall be reserved for women belonging to S.C and S.T. respectively.
4. Not less than 1/3<sup>rd</sup> of the total number of seats to be filled by direct elections in every panchayat shall be reserved for women.
5. Regarding duration of Panchayat, the Act provided that every Panchayat shall continue for 5 years from the date of its first meeting. But, it can be dissolved earlier in accordance with the procedure prescribed by state law. Elections must take place before the expiry of the above period. In case it is dissolved earlier, then the elections must take place within six months of its dissolution.
6. Regarding qualification for membership, Art. 243F provides that all persons who are qualified to be chosen to the state legislature shall be qualified to be chosen as a member of a Panchayat. The only difference is that a person who has attained the age of 21 yrs. will be eligible to be a member, while in case of state legislature the prescribed age is 25 yrs.
7. Regarding powers, authority and responsibilities, it is laid down in Arts. 243G-243H that they may be entrusted with the responsibility of – (a) preparing plans for economic development and social justice, (b) implementation of schemes for economic development and social justice, and, (c) executing matters listed in the 11<sup>th</sup> Schedule (inserted

by 73<sup>rd</sup> Amendment Act). The list contains 29 items, eg., land improvement, minor irrigation, animal husbandry, fisheries, education, women and child development etc. The 11<sup>th</sup> Schedule thus, distributes powers between the state legislature and the panchayat just as the 7<sup>th</sup> Schedule distributes powers between the union and the state legislature.

8. The Act provided for the constitution of Finance Commissions. Within one year from 25<sup>th</sup> april, 1993, i.e., the date on which the Constitutional 73<sup>rd</sup> Amendment Act came into force and afterwards every 5 years, the state government shall appoint a finance commission to review the financial positions of the panchayats. This commission shall make recommendations as to – what taxes, duties, tolls and fees may be assigned to the panchayats, and also decides regarding grants-in-aid to the panchayats.
9. Article 243K is designed to ensure free and fair elections to the panchayats. This Article provides for the constitution of a state Election Commission which should have the powers of superintendence, direction and control of elections to the Panchayats.

### **Stop To Consider :-**

#### **Key Characteristics of the Panchayati Raj System :-**

The new operational framework of the Panchayati Raj system has the following key characteristics :

1. It is a constitutional entity;
2. It has the characteristics of a government except law-making;
3. It has got a three-tier system;
4. Gram Sabha is the basic unit of the system for people's participation;
5. District Planning Committee is the constitutionally regionalized unit for micro level planning;
6. State Finance Commission to suggest modalities to share resources between the state and the Panchayats;
7. One-third reservation of seats in all positions in all the three tiers for women;
8. Reservation of seats in all positions in all the three tiers for SC/ST proportionate to their population;
9. Allocation of 29 subjects in the 11<sup>th</sup> Schedule to Panchayats;
10. Constituting an Election Commission to conduct the election periodically;
11. Election to Panchayati bodies every five years is mandatory.

### 3.6 Functions of Panchayati Raj Institutions

The functions of the village Panchayats may be classified under three categories :—

- (i) civic amenities.
- (ii) social welfare activities.
- (iii) development work.

Sanitation, public health, street lighting, maintenance of village roads and schools, supply of drinking water etc. come under the civic functions of the panchayats and are considered obligatory functions of the panchayats.

Other functions of the panchayats are optional. Social welfare activities include maintenance of burning and burial grounds, keeping the statistics of births and deaths, establishment of child welfare and maternity centres, control of cattle-pounds, propagation of family planning and promotion of agriculture.

The development activities of the panchayat include the construction of roads, public buildings, wells, tanks, schools, panchayat houses, establishment of libraries, reading rooms, promotion of co-operative societies and cottage industries, looking after minor irrigation works, organizing collective farms etc.

Here it may be noted that the distribution of powers between the centre, the state and local bodies is not based on any rigid principles. It is difficult to define their respective scopes. Gilchrist thus, observes : “it can be described but not defined, for a definition requires limits and local government and central government cannot always be clearly demarcated. As a rule, subjects that concern the whole country, viz., defence, external affairs, currency, inter-state commerce and customs are administered by the centre. Education, jail and revenue are managed by the state governments. Subjects like primary education, sanitation, drainage, street light and registration of births and deaths are handled by the local bodies.” Leacock has also observed, “the distinction between local and central government lies partly in their relative constitutional positions and partly the nature of public services performed.”

While evaluating the functioning and performance, the governing clause of the 73<sup>rd</sup> Constitutional Amendment 243(G) has to be taken into account. 243(G) states that economic development and social justice are the twin objectives of the new panchayati raj system.

From the above study, we already have the idea as to what powers and functions are assigned to the Panchayats :-

- (a) Construction, repair and maintenance of public roads.
- (b) Lighting of public roads and public places.
- (c) Providing drainage facilities.
- (d) Cleaning of streets.
- (e) Construction and maintenance of elementary schools.
- (e) Preventive and remedial measures connected with any epidemic.
- (f) Providing burial and burning grounds.
- (g) Providing water for washing and bathing purposes.
- (h) Maintenance of statistics related to births and deaths.
- (i) Improvement of agriculture and agriculture stock.
- (j) Promotion and encouragement of cottage industries.
- (k) Other duties and responsibilities entrusted to Panchayats by the government through government notification.

### **3.7 Role of Panchayati Raj Institutions in Rural Development**

Today, there is too much centralization of power, with the result that almost everything of consequence is decided in Delhi; the rest in the state capitals and very little at the lower levels. This arrangement is responsible for the building up of various pressures. For, the more centralized the structure of a polity is, the less responsive it is likely to be to popular demands.

According to V.R. Mehta, India can effectively develop and modernize itself only by turning away from its centralized model, and by decentralization of power. Now, there is a strong feeling that correctly handled and organized, democratic decentralization can diffuse tension all round. Once power is given to the people to order their lives in more meaningful ways, they are

likely to create less problems and tensions for the central and state governments.

Moreover, panchayati raj institutions may be called the cradle for democracy. They provide the best training in good citizenship. It opens the door for the rural weak and poor to influence the development process and ultimately broaden the base of our democratic system.

Also, in the complicated political structure of today, the three vital organs of the government remain burdened with duties of different types. Local problems demand on- the-spot enquiry and quick solutions. This demand is met best by the local institutions. Besides relieving the pressure on the government, the local bodies serve some other useful purposes. They bring awakening in the people of the locality and arouse their active interest in problems which concern them vitally. Thus, the importance of the panchayats should not be judged merely in terms of improving the local administration but also by factors such as their role in political education and training.

Thus, the role of panchayati raj institutions in rural development can be nicely understood under the following points :-

- (i) To provide a broad base to democracy in the country by transferring powers from the centre and the states through districts and blocks to the villages.
- (ii) To enable the people to participate in democracy in a more effective way and thus provide the much needed training ground for future leadership in the country.
- (iii) To give the rural people an opportunity (which they never had before) to plan and administer their own affairs. To arouse and stimulate rural initiative towards the community development programme.
- (iv) To engender plan-consciousness among the villages, thus, helping them, in turn, in the proper utilization of the available manpower and other rural resources which had remained unexploited and even unutilized.
- (v) To develop a sense of community feeling, self reliance and initiative among the village people.
- (vi) To provide to the weaker sections of the community an opportunity to participate in the management of rural affairs.



- (vii) To bring the central and state ministries and development departments of district into the rural picture.
- (viii) It also aimed at ensuring quicker acceptance of new ideas in the countryside.

**Check Your Progress:**

1. Discuss the meaning of ‘democratic decentralisation’ and highlighted on its essential features.
2. Discuss the structure and constitution of Panchayati Raj institutions in India.
3. Explain the functions assigned to the Panchayati Raj Institutions at the grassroots level.
4. Discuss the role of Panchayati Raj Institutions in bringing about rural development.

### **3.8 Summing Up**

After reading this unit, you have come to know the concepts of democratic decentralization and panchayati raj institutions in detail. It is a fact that the success of any scheme or programme depends on a number of factors like, how best the schemes are operationally conceived, how best the schemes are actually perceived by the personnel who implement them and how best it is actually understood by the beneficiaries. Actually, now the need of the hour is recognition of the capacity of the people at the grassroots level. So far there was a belief that people are only the receivers of benefits from the governance. But in reality, the people, beginning from the grassroots level, have got a lot to contribute for good-governance. There is a widening belief now-a-days that to set right all the maladies in the existing system, the co-operation of the people at the grassroots level is a must. Solutions of local problems need the involvement of local people. Proliferation of government departments and officials at the centre and state levels cannot solve the local problems. This is the reason why we are witnessing the growing unrest, despite the proliferation in government departments. 73<sup>rd</sup> and 74<sup>th</sup> Amendments to the Constitution of India made the functioning of local body institutions mandatory so as to achieve economic development and social

justice. In order to perform this task, a guided structural framework has been given to all state governments, so that by going through this framework, state government can activate the local body institutions. Though there are certain defects in this Act, yet it must be noted here that the time has come to lay stress on proper decentralization of power.

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## **Unit 4**

### **Rural Development Administration**

#### **Contents:**

- 4.1 Introduction
- 4.2 Objectives
- 4.3 Administration for Rural Development
- 4.4 Administration of Special Services to the Weaker Sections
- 4.5 Gandhian Concept of Gram Swarajya
- 4.6 Summing Up
- 4.7 References and Suggested Readings

#### **4.1 Introduction**

This unit deals with the various aspects of rural development administration, i.e., administration for bringing about rural development. Actually, rural development administration is different from urban administration, because of the differing social and economic situation in rural and urban areas. Villages of today are facing many serious problems and unless these are solved through administration, there will not be any future for the rural areas. Although the government has taken up various schemes and projects for rural development from time to time, these have not reached down to the rural masses. Rural areas i.e., villages today are facing problems like poverty, sanitation problems, problem of superstitious belief resulting in evil practices, unemployment problem, housing problem etc. These problems do not need huge sum of money to be solved, but needs change in the mind set of village people. These rural problems can be solved better if rural people co-operate with the government. Otherwise, proliferation of government departments and schemes will not help to bring about rural development. Moreover, problems in the rural areas vary from area to area. So, in order to bring about rural development in the true sense of the term, the administration must be very much well acquainted with the rural problems, as to how and why these problems are occurring. This unit is an endeavour to deal with various aspects of rural development administration.

## 4.2 Objectives

This unit deals with different aspects of rural development administration. After reading this unit, you will be able to:–

- *understand* different dimensions of administration for rural development
- *explain* different problems associated with rural development administration
- *assess* different types of special services, implemented for benefit of the weaker sections
- *examine* Gandhian concept of Gram Swarajya.

## 4.3 Administration for Rural Development

For bringing about sustainable development, utmost stress must be given on eradicating all the rural problems. Rural development is the basic criteria which must be fulfilled for bringing about national development. A new leadership has to be developed in the rural areas which will be able to mobilize the people and make the people participate in the development process. While carrying out the administration for rural development, it is to be kept in mind that the rural problems do not need huge amount of money, but the involvement of the people with a commitment to solve the problems. For example, sanitation problem is a major problem in the rural areas. This problem cannot be solved merely with the programmes and schemes of the government, but can be solved only by the involvement of rural masses.

However, the problem is that people at the grassroots level are not involved in the administrative scenario. Governments departments as well as personnel have increased in number and thus, the basic functions which should be ideally discharged by the rural communities, have been taken up by government itself. This resulted in a growing gap between the people and government. Problems have multiplied with the proliferation of government departments. Moreover, due to problems like corruption, close nexus of corrupt officials with ministers and criminal groups etc., the benefits of different schemes and projects, initiated for bringing about rural development, did not reach the masses. And that is why, most of the rural areas are in deplorable conditions even today after so many years of democratic

governance in administering development. One cannot say that the villages are provided with adequate facilities to lead a decent human life.

Society in the rural areas has to be reconstructed. Weeding out the ills and adding new features to the rural community life would bring the needed development which will be sustainable in nature. In urban areas, the growth of palatial buildings, proliferation of industries, improvement in communication system, spread of educational facilities, multiplication of various government institutions have given us the impression that Indian society has achieved a lot. But, if we take into account realistic analysis, the situation is quite depressing one, and it is much more pathetic in case of rural scenario. In the rural areas, there are no minimum facilities, there are sanitation problems, rural unemployment as well as problem of poverty. These day-to-day problems of the rural areas cannot be solved by holding mere seminars and conferences, nor it can be solved from the centre. These problems need people's involvement for their solution. Also different sorts of superstition based problems can be solved only by changing the mind-set of rural people.

Today, micro finance institutions (MFIs) have been gaining in popularity among the rural population, and they are increasingly playing a bigger role in the upliftment of the condition of the poor. Over 1000 micro finance institutions (covered under the Reserve Bank of India (RBI) regulations) are operating across India. Still in its infancy, micro finance is primarily aimed at helping the poor in the rural areas by the NGOs (Non-Government Organisations) through socially-oriented projects for women. The overhead costs for nationalized banks to set up operations in rural areas are very high and this has given room for the growth of MFIs in the rural areas. (*The Hindu* 25-08-2008).

Moreover, big industries, in order to sustain their expansion, must move from cities to the villages, where majority of India's population live. (*Source: The Financial Times*).

It is a matter of concern that the over-whelming majority of farmers are economically worse off than the lowest-paid government employee. The Confederation of the Indian Farmers Associations (CIFA) has sought to highlight the steadily growing gap between income levels in the agricultural and non-agricultural sectors in India, where majority of the rural population is engaged in agricultural sector.

A cursory look at the rural scenario reveals the fact that several projects are currently pending for funding approval with the government, and these cover a wide range of sectors – from education to health, from water supply to sanitation, from irrigation to watersheds. Moreover, at times, it is also seen that the gap between the objectives of the project, which have been implemented, and the concerns of the staff in the organization widened over time. Also, cost and time overruns at times becomes the norm. Further, local people had not really been consulted in case of some projects. Thus, they did not feel the project was theirs. Their participation, when there was any, had been too little and too late. As a result, it became a programme in which the people concerned had no stakes. Thus, benefits, when there were any, went to groups other than those they were meant for. This was clearly an institutional problem. In order to solve the rural problems, extensive discussions must be held with those residing in these rural areas. There must be extensive interactions with the NGOs working there. From these detailed discussions, the local people's detailed priorities can come out. These can be placed before them again along with suggestions of what can be done to solve the identified problems. Also, every effort must be made to encourage people to participate in this exercise and this process is really very important.

The present decentralized rural strategies can go a long way in bringing about rural development. Poverty is one of the crucial problems which permeates Indian rural areas. Decentralization plays the potential role in designing improved rural development programmes. The allocation of resources between urban and rural areas is unfairly biased against the rural areas and thus rural area is economically inefficient. Without an effective policy to address this bias, it is unlikely that the high levels of poverty in rural areas will be substantially reduced.

The sources of revenues for rural governments are like – agricultural taxes, land taxes and stamp duties, user charges and fees etc. Rural areas, thus, face the problems of having insufficient revenue bases to generate resources. World Bank defines rural development as growth strategy for a particular target population – the rural poor. It involves extending the benefits of the development to those whose futures lie in the pursuit of a livelihood in rural areas.

In the rural areas, people suffer from problems of unemployment like – seasonal and agricultural unemployment. As a result of this unemployment problem, poverty becomes much more acute. Thus, problems in the rural

areas are cyclical and inter-related to one another like – unemployment leading to poverty which leads to a host of other problems like – malnutrition, illiteracy etc. R.K. Mukherjee has said in his “*Rural Economy of India*” that on an average a cultivator in North India does not remain busy for more than 200 days in a year.

Studies have revealed – of the total population in the rural areas, only 29.4% people are self supporting, 59.0% are non-earning dependents, and 11.6% are earning dependents. This means that 29.4% people not only support themselves but they also support the remaining 70.6% people as well. (Ram Ahuja in his “*Social Problems in India*” pg. 70).

Rural development can be achieved, if the following key factors are carried out properly:—

- a. Facilitating development of an institutional arrangement for people to identify their own priorities.
- b. Establishment of a legitimate institutional framework for rural development at the national, district and sub-district levels.
- c. Assessment and enhancement of the institutional and organizational capacity of the government and stakeholders to jointly and effectively engage in the rural developmental efforts.
- d. appraisal, mobilization and use of the government resources, both at national and local levels, to achieve rural development.
- e. Intervention and implementation of an effective framework for participatory rural development.
- f. Regular evaluation of expenditure outcomes and taking corrective action when and where needed, to bring about rural development.

**SAQ :**

Do you think that rural developmental administration can play a vital role in accelerating the pace of national development process? Discuss. (50 words).

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#### **4.4 Administration of Special Services to the Weaker Sections**

The concept of rendering special services to the weaker sections of the society has been an integral part of the Indian tradition. In the past, people in distress were rendered assistance by the rulers, the rich and also by the individual members of the community. Further, social institutions like the joint family, the caste organization and the Panchayats catered to the needs of the aged, the ill and the handicapped. Later on, various social reformers like Swami Dayanand Saraswati and Raja Ram Mohan Roy made significant contribution in bringing about social reforms. Other pioneers in this field were like, Dwarkanath Tagore, K.C.Sen, Justice M.G. Ranade etc. In 1905, Gopal Krishna Gokhale founded the Servants of Indian Society which was the first secular organization dedicated to social service in the country. Later on, Gandhiji took up the cause of weaker sections of the society, and after the attainment of independence, social welfare was given its due place of importance in the Constitution of India. The fathers of the Constitution had come to appreciate the role of the state in the promotion of people's welfare particularly of the disadvantaged section of the society. In pursuance of the aims and objectives as laid down in the Constitution, the Government of India has enacted various legislative measures to protect the weaker sections of the society against social injustice, appointed various commissions/committees to study their problems and make recommendations for their solution, convened conferences and seminars of eminent persons in the field of social welfare to provide forum for discussion, exchange of views etc. and set up Ministry of Social Welfare and the Department of Women and Child Development for the formulation of social welfare policies and programmes and ensuring their implementation.

Actually, there are various needs and requirements of the weaker sections of the society, like, literacy, general education, health education, freeships for primary education etc. The urgent need of the hour is to address these basic problems first and fully. Firstly, the problems faced by the weaker sections of the society must be detected and then the programmes and schemes must be designed so as to eradicate these problems. Thus, once the problems come into limelight, the programmes and schemes being designed, developed, evolved and implemented, should address these problems appropriately and fully.



Generally, the problems faced by the weaker sections of society are like :-

- (1) lack of income generating assets and resources.
- (2) lack of regular income.
- (3) lack of access to finances.
- (4) non-availability of regular employment.
- (5) low wages.
- (6) indebtedness.
- (7) shortage of food and fodder.
- (8) landlessness.
- (9) homelessness.
- (10) lack of adequate health care.
- (11) illiteracy, ignorance and superstitions.
- (12) discrimination.
- (13) non-payment of proper wages.
- (14) oppression of their communities etc.

The urgent need of the hour is to combat or mitigate the problems faced by the rural population. The government should do something special and tangible, in order to free and liberate the weaker sections from the cobwebs of oppression, marginalization and backwardness. Their living conditions should be improved, so that they are uplifted to the levels of leading a dignified human life in the world. Government of India, from time to time, has come up with a number of schemes and programmes for the benefit of the weaker sections of the society. Moreover, special provisions had also been made in the Constitution for the development of the poor and the weak in the country. Many specific provisions have been incorporated in the Constitution for the welfare, development and protection of different weaker sections of the society like, SCs, STs, Minorities, OBCs and Women. Jawaharlal Nehru, the first prime minister of India, laid great emphasis on planned development through 5 year Plans, which in turn helped in developing the conditions of the weaker sections of the society. In addition, special programmes and schemes were also taken for the welfare and development of many SCs, STs, minorities, OBCs, with special emphasis

on the development of women. All these measures helped a lot in improving the standards of living of the weaker sections of the society.

Various Constitutional provisions for bringing about welfare of the weaker sections of the society are –

- (1) the state shall endeavour to secure just and human conditions of work, a living wage, a decent standard of living and social and cultural opportunities for all workers. (Art. 43).
- (2) The state shall endeavour to raise the level of nutrition and standard of living and to improve public health. (Art. 47).
- (3) To provide free and compulsory primary education (Art. 45).
- (4) To develop cottage industries. (Art. 43).
- (5) To promote educational and economic interests of weaker sections and to protect them from social injustice. (Art. 46).
- (6) Right of both sexes to equal pay for equal work. [Art. 39(d)].
- (7) Right of children and the young to be protected against exploitation and to opportunities for healthy development, consonant with freedom and dignity. [Art. 39(f)].
- (8) Right to public assistance in case of unemployment, old age, sickness and other cases of undeserved want. [Art. 41].
- (9) Right to humane conditions of work and maternity relief. [Art. 42].
- (10) Right to a living wage and conditions of work ensuring decent standard of life for workers. [Art. 43].

Apart from the above discussed provisions, there are provisions for protection of rights of weaker sections embedded in the chapter of Fundamental Rights also. For example, Art. 15(3), 23, 24, 29, 30 etc. seek to promote the rights of the weaker sections of the society.

The Government of India has come up, from time to time, with a number of schemes and programmes for the weaker sections of the society, like –

### **Poverty Alleviation Programmes -**

Since India's independence, the Government of India has paid more attention to the problem of poverty and undertook many measures and launched

many schemes, programmes and projects for the removal of poverty. Here is a brief survey of such measures :

**(1) Integrated Rural Development Programme (IRDP) :**

The Integrated Rural Development Programme, initiated in 1978-79 was a major attempt to attack poverty. The programme is based on the local needs, resources, endowments and potentialities. In order to observe the implementation and assess the relative success or failure of this programme, institutions such as – RBI, NABARD (National Bank for Agriculture and Rural Development), IFMR (Institute of Financial Management and Research), PEO (Programme Evaluation Organisation of the Planning Commission) have made some studies and recommended a number of suggestions. But, the main problem with these studies is that they have not looked into the real utility of the programmes.

Other Poverty Alleviation Programmes are as follows :

- (1) Drought Prone Areas Programme (DPAP).
- (2) Multi-Purpose Tribal Development Blocks.
- (3) Jawahar Gram Samridhi Yojna (JGSY).
- (4) Pradhan Mantri Gramodaya Yojana 2000-01 (PMGY).
- (5) Pradhan Mantri Gramodaya Yojana – Gramin Awas (PMGY-Gramin Awas).
- (6) Pradhan Mantri Gramodaya Yojana – Rural Drinking Water Project (PMGY-RDWP).
- (7) Pradhan Mantri Gram Sadak Yojana 2000 (PMGSY).
- (8) Antyodaya Anna Yojana 2001 (AAY).
- (9) Annapurna 2000.
- (10) Indira Awas Yojana (IAY).
- (11) Valmiki Ambedkar Awas Yojana 2001 (VAMBAY).

Apart from these programmes, some **Income Generating Schemes** were also adopted from time to time, like :

**(1) National Rural Employment Programme (NREP) :**

The NREP was launched in October 1980 and it became a regular programme of our five year plan from 1981. The main purpose of NREP is to generate additional gainful employment opportunities, to create durable community assets and to improve the overall quality of life in the rural areas. This programme is implemented through DRDA (District Rural Development Agencies).

**(2) Rural Landless Employment Guarantee Programme (RLEGP) :**

This scheme was launched on 15<sup>th</sup> August 1983 aiming at providing additional employment to the poor on public works. Various schemes such as “million wells”, “Indira Awaas Yojana” and social forestry are covered under RLEGP.

**(3) TRYSEM (Training Rural Youth for Self-Employment) :**

This scheme was started on 15<sup>th</sup> August 1979 to provide technical skills to the rural youth and to help them to get employment in fields such as – agriculture, industry services and business activities.

**(4) Minimum Needs Programme (MNP) :**

The Minimum Needs Programme was taken up in 1974-75 as an integral part of the 5<sup>th</sup> Five Year Plan and it was intended to cater to the minimum needs of the people such as – rural water supply, rural health, road building, adult education, primary education, housing facility for the rural landless labourers, rural electrification, improvement of urban slums, etc.

**(5) Jawahar Rozgar Yojna (JRY) :**

The Jawahar Rozgar Yojna was introduced in the month of April 1989 with the intention of helping at least one member of each poorest family by providing employment for about 50 to 100 days in a year at his own work place or residential area. In the 8<sup>th</sup> Plan, about Rs. 30,000 crore was allotted for rural development out of which JRY gets about Rs. 18,400 crores. Apart from this central assistance, the JRY gets the state assistance of about Rs. 400 crore.

Apart from the above discussed ones, other Income Generating Schemes were like –

- (a) Village and Small Industries (VSL).
- (b) Employment Assurance Scheme (EAS).
- (c) Swarnajyoti Gram Swarozgar Yojana 1999 (SGSY).
- (d) Sampoorna Grameen Rozgar Yojana 2001 (SGRY with EAS and JGSY integrated).
- (e) Jai Prakash Rozgar Guarantee Yojana (JPRGY).
- (f) Swarna Jayanti Shahari Rozgar Yojana (SJSRY).

Also, the Indian Government set up the Planning Commission in 1950 and started the Five Year Plans, with a view to develop the country in a methodical manner. Moreover, during the period of emergency (1975-78), Indira Gandhi, the then Prime Minister of India, introduced the much publicized 20-Point Programme with the main intention of removing poverty (Garibi Hatao) and economic exploitation and upliftment of weaker sections of the society.

Thus, from the above discussion, we have already come to know that the Indian Government left no stone unturned to uplift the condition of the poor masses. But, though there are multiple numbers of Poverty Alleviation Programmes and Income Generating Programmes, in reality, the implementation and effectiveness of these programmes are found to be wanting in many respects, and as a result, the achievements and progress are too small and negligible. The main reasons for these are like –

- (1) Inadequacy of the Schemes.
- (2) Absence of appropriate technology.
- (3) Failure to evolve right strategies to implement and manage the schemes.
- (4) Poor implementation.
- (5) Absence of guidance.
- (6) Lack of monitoring.
- (7) Defects in identification of the target groups.
- (8) Faulty selection of beneficiaries.
- (9) Lack of extension work to promote and adopt profitable farm practices amongst the weaker sections and small farmers.

- (10) Lack of publicity amongst the target groups to create awareness about the programmes, particularly the details of the schemes, subsidy, government aid if any, the loan component, as well as the time of duration and repayment.

Also, the present OBC development programmes, taken up by the Government of India are as follows –

- (1) 20 Point Programme for development of the poor and weaker sections.
- (2) Special Area Programmes.
- (3) Commission for Backward Classes.
- (4) National Backward Classes Finance and Development Corporation, established in 1992 for promoting self-employment and income generation activities.

Thus, after reading about all these programmes and schemes, we are well aware of the fact that Government has really taken care to solve the problems of the rural poor and weaker sections of the society. But, the fact remains that India still is a poor country, in spite of our various developmental projects, plans and programmes. The fact is that the Governmental Agencies and instruments alone cannot fix a master solution for all these problems. People’s active involvement in the various developmental programmes is equally important. Also, we require committed civil servants, dedicated bureaucrats, strong political leaders committed to the cause of nation and a general will on the part of the people to march ahead. When all these criterias will be fulfilled, then only we can expect of attaining complete national development.

**SAQ:**

Do you think that the poverty allevation programmes launched by the government from time to time has really helped in reducing poverty? Discuss. (80 words).

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## **Stop To Consider :**

### **Rural Problems and Rural Welfare Activities :**

The rural communities have various problems of their own, and once these problems are detected, it becomes easy to sort out these problems –

1. **Economic problems** – problems like poverty, illiteracy, malnutrition etc. are faced by the rural masses. Increase in population, disintegration of the joint families, subdivision and fragmentation of land holding, heavy load on land, traditional methods of cultivation, unemployment and other factors have been responsible for poverty in the rural areas.
2. **Lack of Educational facilities** – sizeable number of rural people are uneducated and are suffering from ignorance and having superstitious beliefs. In India, many villages do not have schools, and some of the existing schools do not have teachers, and some others are not in working conditions. Lack of education has contributed to the development of a host of other problems in the rural areas.
3. **Traditionalism** – due to problems like illiteracy, ignorance, superstitions etc. rural people suffers from traditionalism.
4. **Lack of Adequate Civic Amenities** – in comparison to the cities, the rural areas are lacking in the civic amenities, such as – medical facilities, electricity, transport facilities, communication facilities, etc.
5. **Defective rural administration** – in India, the rural administrative bodies such as the panchayats have been widely criticized as inefficient, defective, corrupt and this ineffective rural administration can hardly serve the cause of the people.
6. **Social problems** - due to problems of ignorance, illiteracy and poverty, the rural people at times, become the victims of some evil habits and practices.

In order to do away with these problems of rural areas, some of the rural welfare activities have been taken up from time to time, like –

- (a) **Rural Education** – rural education is given very much importance now-a-days. Kindergartens, nurseries, primary schools, secondary schools, adult education centres etc. are being established now in the villages. Primary education has been made free and compulsory for the children below 14 years in India.
- (b) **Rural Economic Development** – various economic developmental programmes have been undertaken in rural areas from time to time. In India, through the Community Development Projects and

National Extension Services, the rural developmental work is taken in hand. The Five Year Plans have also given more importance to the rural economic development.

- (c) **Provision of Civic Amenities** – the rural communities today are provided with more and more civic facilities. Transport and communication facilities, educational and medical facilities, entertainment facilities, post and telegraph facilities etc. have now reached the villages. Good roads, bridges and railways are connecting the villages with the towns and cities. Electric facility has made the village life more interesting. Modern electric appliances have also reached the villages.
- (d) **Other Welfare Activities** – various projects and schemes have been undertaken to promote the welfare of the children, women, unemployed persons, agricultural labourers and the weaker sections of the village. Attempts are also made to maximize rural agricultural production and to develop the rural cottage industries. Various voluntary organizations have been working in the rural areas also to develop the right attitudes among the rural masses towards matters such as higher education, family planning, rural sanitation and health, cottage industries, civil rights and duties.

#### **4.5 Gandhian Concept of Gram Swarajya**

When the country was fighting for freedom under the leadership of the Indian National Congress, Gandhiji and his colleagues promised the nation a vibrant system of village self-government after India became independent. Gandhiji defined his vision of gram-swaraj thus : “My idea of village swaraj is that it is a complete republic independent of its neighbours for its own vital wants and yet interdependent for many others in which dependence is a necessity. The Government of the village will be conducted by the panchayat of five persons annually elected by the adult villagers, males and females, possessing minimum prescribed qualifications”. (*Decentralisation, Participation and Governance. By – Prabhat Datta; pg. 27-28*).

Thus, Gandhiji firmly believed that the present state was unwanted because it was a highly centralized organization. Not only this, he even condemned the state because it was based on force and is centralized and it is bound to crush individual freedom. Gandhiji felt that the modern state was becoming an end in itself but it was forgetting that an individual was an end while state



was only means to an end. Thus, from the above discussion it is clear that Gandhiji always favoured what is called village autonomy, where the villages will be combined together to form a sort of loose federation based on moral strength. There will be no need and necessity for the police or military forces. Instead of centralization, there will be complete decentralization and the way of living will be very simple. The people shall practice self-discipline and control and everybody will be most willing to perform his duties. In jails there will be reformatory houses and the criminals there will come out as reformed citizens. In this tone Gandhiji remarked : “Justice is prompt, perfect, cheap, there is freedom of worship and speech and of the press, all this is because of the reign of self-imposed law of moral restraint, such a state must be based on truth and non-violence and must consist of prosperous, lofty and self-contained villages and village communities.”

Thus, from the reading of the preceding paragraphs, it is crystal clear that Gandhiji strongly favoured that maximum authority should be given to the village community. In other words, he favoured the idea of Panchayati Raj. He favoured the abolition of the large-scale industries and their replacement by the cottage industries. He, therefore, pleaded swadeshi or the use of khadi as the first step. He genuinely felt that it was only through the system of the cottage industries that spiritual values would be properly understood and appreciated. In his own words, “Decentralisation of political and economic power provides for the working of democracy based upon individual freedom and initiative and for the individual being allowed to participate in the government of his country. It would also regulate automatically both the production and distribution of the commodities necessary to human life; and both the production and the consumption of these would be in the same locality rather than having production concentrated in particular areas only, thus necessitating regulations for the distribution of products and wealth. Decentralization would also bring about the regulation of the use of machinery.”

**Check Your Progress:**

1. Explain the need of administration for rural development.
2. Discuss the constitutional as well as extra-constitutional provisions for bringing about welfare of the weaker sections of the society.
3. Discuss Gandhian concept of Gram Swarajya.

#### **4.6 Summing Up**

From the above discussion, you all have already understood that various schemes and programmes have been launched from time to time to bring about development of the rural population. Post-colonial India, for the first time, embarked on rural development through the community development programme in 1950s. It was a multipurpose open-ended programme, which was based on the philosophy that rural life was an organic whole, and no improvement in any sector was possible unless an attack was made on all sectors simultaneously. Thereafter, the grim food situation in the 1960s triggered further search for directly production-oriented programmes, as for example, the intensive agricultural district programme. It resulted in faster growth but also resulted in regional imbalances. In the 1970s, the development thrust shifted to the various target groups, and the implementation of various programmes reinforced the role of the bureaucracy. In 1970s, the rural development bureaucracy had crossed the figure of 80,000. Moreover, the 6<sup>th</sup> Plan devised the Integrated Rural Development Programme (IRDP) as an instrument of intervention in the problem of target groups. The administration of the programme was entrusted to a new body called District Rural Development Agency (DRDA). The mushroom growth of various government registered societies and corporations for the implementation of specific centrally sponsored schemes bureaucratized the rural development process. However, it was since the mid-1980s, that the question of revitalization of participative institutions for rural development attracted the attention of the policy makers, which ultimately led to the amendment of the Constitution in 1993. So, the above discussion made you all well aware of the fact that the process for bringing about rural reconstruction has already begun. Now, the only need of the hour is to have 3 Fs – Funds, Functions as well as Functionaries and also the active involvement of the people at the grassroots level to implement effectively these schemes and programmes, which have already been launched. It is only when rural development is achieved, that we can really expect to have an all round national development.

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