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## UNIT 4 RURAL DEVELOPMENT IN INDIA

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### 4.0 OBJECTIVES

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After studying this unit, you should be able to:

- describe the different approaches to rural development as they have evolved over time;
- explain the form, content and important features of the major rural development schemes introduced during the last 5 decades;
- critically comment on the rationale for and the context in which they were formulated;
- identify the strengths and the weaknesses of each programme; and
- outline the emerging challenges and draw your own conclusions regarding the possible appropriate approaches to rural development in the present economic scenario and in the future

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### 4.1 INTRODUCTION

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Rural development has been one of the important objectives of planning in India since Independence (*see Boxes 1 & 2*). Intervention of the Government in rural development is considered necessary in view of the fact that a sizeable population continues to reside in rural areas despite growing urbanization. It is also required, as the market forces are not always able to improve the welfare of the rural masses because of certain structural rigidities and institutional deficiencies existing in these areas. As a result, there is a danger of large sections of the rural population to remain outside the ambit of market driven growth processes. To enable the poorer sections of the rural population to participate more effectively in the economic activities has, therefore, remained the prime objective of Indian planning and the basic underlying theme of rural development programmes.

This *unit* aims to familiarize you with the various approaches to rural development in the post-Independence phase. We will cover the evolution of various programmes and schemes from the 1<sup>st</sup> Five Year Plan to the 10<sup>th</sup> Five Year Plan (1951-2007), in order to understand how these have been changed/modified over time to respond to the emerging needs and situations.

**Box 1**

**What is rural development?**

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

**Box 2**

**Need for Rural Development at the Time of India's Independence**

At the time of Independence, India was predominantly an agrarian economy with roughly 85 per cent of the population residing in rural areas and deriving livelihood from agriculture and allied activities. Agriculture growth in the first half of the 20<sup>th</sup> Century was merely 0.3 per cent per annum. Illiteracy was as high as 84 per cent. Public health services were inadequate to face epidemics such as *malaria, cholera and small pox*. The mortality rate remained high at around 27 per 1000 in 1947.

Though agriculture was the mainstay of the people, the colonial government took little interest in the improvement of cultivation practices except in the case of export crops such as cotton, jute and tea. Bullock carts were the common mode of transport, wooden ploughs were the common implements used in cultivation, spinning wheels the common device in cottage industries, thatched huts the common type of residence. The railway system was built only for connecting the ports with production centres and import markets; all other infrastructural facilities were lacking. There was an adverse impact on the artisan sector under the British rule. The old crafts were left to languish and decay - ill prepared to modernize. The extremely narrow base of industrialization remained confined to a very few cities and states with little linkages with rural areas. Exports comprised mainly the primary commodities leading to transfer of cheap raw materials to the metropolitan cities of U.K. The imports of finished products were out of reach for the common man, as more than half the population was below the poverty line.

**Check Your Progress I**

**Note:** a) Use the space provided for your answers.

b) Check your answers with the possible answers provided at the end of this unit.

1) Was there a need for Government intervention in rural development after independence?

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## 4.2 THE COMMUNITY DEVELOPMENT PROGRAMME

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The *Community Development Programme (CDP)* was the first major rural development programme launched after Independence in October 1952 with the following main objectives:

- 1) To secure total development of the material and the human resources in rural areas;
- 2) To develop local leadership and self governing institutions;
- 3) To raise the living standards of the rural people by means of rapid increase in food and agricultural produce; and
- 4) To ensure a change in the mind-set of people instilling in them a mission for higher standards.

The CDP was conceived as an instrument to transform the social and economic life of the village community as a whole cutting across cast, religious and economic differences. Initially, it covered 55 projects with a wide range of programmes for developing agriculture, animal husbandry, rural industries, education, housing, rural communication, etc. It was, however, soon realized that covering the entire country under CDP was not possible due to shortage of funds and personnel. *The National Extension Service (NES)* was launched in October 1953 with a reduced number of personnel and more modest financial provision, so that development work could proceed on the basis of self-help efforts. The NES was initially launched for a period of three years with the provision of 4.5 lakhs per block with stress on agriculture, animal husbandry, rural communication and social education schemes. After three years, the blocks covered under NES were to be converted into CDP blocks with the provision of 15 lakhs for three years for more intensive development work in agriculture and other activities such as cooperation, health and sanitation, rural industries, housing, etc. It was presumed that the blocks covered in the first two phases would have attained the desired self-sufficiency and therefore, the quantum of special Government grants could be reduced. The major contribution in financial and technical assistance came from the United States of America under a scheme of technical cooperation. Funds were also drawn from the Central and State Governments to meet the local expenditure on the implementation of the CDP.

The main achievements of the CDP programmes were as follows:

- For the first time an organized administrative setup was established at the national, state, district, block and village levels. Its developmental functions were totally different from the revenue collection functions of the existing administrative machinery.
- Development was considered to be people centric.
- Due recognition was given to the importance of planning and inter-disciplinary approach to development.
- Recognition was also given to recruitment of trained personnel and the introduction of technical and technological inputs.
- It introduced modern technologies in agriculture with a view to demonstrating that they could perform better than traditional technology.
- It resulted in the establishment of institutions such as agriculture credit societies, primary schools, hospitals and dispensaries, maternity and child welfare centres, etc.

Despite the above achievements, the CDP had some limitations:

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- The facilities created under the programme benefited mainly the rich farmers and could not bring any significant changes in the living standard of marginal farmers and agricultural labourers.
- The objective of self-reliance and people’s participation could not be achieved given the inadequate attention to the development of responsive leadership.
- The programme failed to bring about changes in people’s ideas, attitude and outlook with the majority of people having no understanding of social education.
- Efforts to promote rural industries and cooperatives did not take off.
- Administrative weaknesses, bureaucratic red tape, problems of coordination, inter-departmental rivalries, absence of clear cut functional responsibilities at various levels were the other weaknesses of this programme.
- The plan outlay for this programme was spread very thinly over a wide range of projects, as a result of which the impact of the programme was quite limited.

Despite the above shortcomings, the CDP was instrumental in laying the foundation for the development of rural economy and defining rural development strategies and approaches. It recognized the need for investing in men/women and material as a means of bringing about social change in rural areas.

**Check Your Progress II**

**Note:** a) Use the space provided for your answers.  
           b) Check your answers with the possible answers provided at the end of this unit.

1) What were the main objectives of CDP?  
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### 4.3 GREEN REVOLUTION PHASE

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The end of the *Second Five Year Plan (1956-61)* was characterized by stagnating agricultural production and emerging food shortages. The report of the Ford Foundation Team –1959 (entitled *India’s Food Crisis and the Steps to deal with it*) outlined the need for agrarian reorganization. The report also recommended that to increase agricultural production, improved practices and services should be extended mainly to the progressive farmers drawn from districts with the largest potential for immediate and appreciable increase in production. The approach of rural development thus took a new direction in the Third Five Year Plan (1961-66) with greater emphasis on agricultural production. This led to a technocratic phase of rural development leading to the introduction of the *Intensive Agricultural Development Programme (IADP)* and the *Intensive Agricultural Area Programme (IAAP)* and the *high yielding variety programmes*. The IADP was introduced in 1961 and the IAAP was launched in 1964 on a pilot basis. The IADP was launched selectively in three districts and later extended to 16 districts in 15 states. The programme concentrated mainly on three components, namely high investments in agricultural production, higher prices for agricultural produce and modern technological inputs. Additional BDOs and extension officers per block were provided for specific areas. Once again, a major draw back of the above programme was that it helped mostly the farmers with large holdings in selected districts while poor farmers remained virtually uncovered.

Though IADP and IAAP contributed to good crop yields, the crop variety used in these two programmes had a low response to fertilizers. At the same time, two successive droughts in 1965-66 and 1966-67 increased the concern for feeding India's growing population. The slowing down of growth in the cropped areas also created speculation and apprehensions in the minds of Indian planners regarding the possibilities of increasing food production.

In 1963, adoption of high-grade seeds registered progress with the introduction of *Mexican varieties of wheat and Taichung native variety of paddy seeds*. The Mexican seed was found capable of producing up to 10 tons per hectare of irrigated land compared with the 1.2 tons of yield from the existing varieties. Another breakthrough came with the introduction of IR 8 Rice and High Yielding Variety (HYV) of cereals such as Jowar, Bajra and Maize.

The HYV seeds were designed to be responsive to the use of water and fertilizers. These seeds, however, necessitated the use of pesticides as they were critically vulnerable to pests and weeds. The above inputs had to be administered in the correct proportion to get the best results. The results of using of HYV seeds were also dependent on the time when the inputs were administered. Any delay in the application of inputs or inadequate or disproportionate use of inputs affected the yield adversely.

*The HYV package* had an overall impact on the cost of cultivation. It significantly increased the cost per unit of land but not necessarily the cost per unit of output. The technology also resulted in a shift towards non-labour market with the use of commercial inputs.

The green revolution by its very nature was a selective and target specific strategy. It was primarily directed towards regions with favourable "initial conditions", such as irrigation facilities. Furthermore, the technology of wheat conservation was more successfully adapted to Indian conditions than for rice and other food-grains. The strategy was also initially directed towards the better off farmers who were able to invest in the new technologies. Bigger farmers also had better access to credit for purchase of inputs. The HYV package required more labour inputs as well during the peak time of sowing and harvesting. This encouraged larger farmers to go in for mechanization by using tractors and combined harvesters. Hence, the use of new technology had both labour augmenting and labour displacing impact. In Punjab and Haryana, the increase in the seasonal demand for labour was met through migration of labour from the Central and the Eastern parts of the country.

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

The uneven spread of the green revolution led to the growth of marketable surplus in certain pockets of the country such as Punjab, Haryana and Western U.P. Marketable surplus was made possible also through the output pricing policy which was designed to make it attractive for farmers to sell part of their output in the market. At the same time, a number of inputs required for the HYV package such as fertilizers, seeds, pesticides, diesel (for tube wells and tractors) were subsidized so that farmers could be encouraged to use these inputs. This led to accumulation of buffer stocks through which the Government could implement its policy of public distribution system.

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The green revolution was initially confined to wheat and then it spread to rice. The high yielding varieties could not be replicated with the same success in pulses and oilseeds, nor in coarse cereals such as Maize, Jowar and Bajra. This introduced certain imbalances in the nutritional intake, especially as the pulses are the main source of proteins in the Indian diet. The relative increase in the prices of coarse grains consumed mostly by the rural poor affected them adversely. The low yield of oilseeds led to dependence on imports for meeting domestic requirements. However, the spread of HYV technology to rice led to a wider coverage of area under the new crop in the central and the eastern parts of India, which are known to be the most poverty ridden. The reduction in rural poverty during the eighties and the nineties is related, to some extent, to this factor.

Though the green revolution was *scale neutral* it was not *resource neutral*. The rich farmers having better access to inputs such as irrigation and credit for purchasing fertilizers, pesticides, etc, benefited more through the adoption of HYV packages than the small and marginal farmers. The growing dependence on purchased inputs coupled with the need to borrow money for financing the input requirements led to growing vulnerability of small and marginal farmers to fluctuating yield and output. The latter in turn were forced to supplement their incomes *working as hired labourers*, an activity which eventually became their main source of income. Though real wages increased in some pockets of the country, there was also a mitigating influence as a result of the influx of migrant workers both seasonal and permanent from the more backward areas.

Over the years, the yield of HYV seeds has tapered off as a result of the following factors:

- 1) High prices of certain inputs resulting in lower consumption and imbalances in input usage.
- 2) Excessive use of certain inputs having low user charges such as water and electricity (for pumping water) resulting in water logging, problems of salinity, etc.
- 3) Resistance of pests to chemical insecticides.
- 4) Ecological imbalance.

Despite the above shortcomings, however, the Green Revolution phase, especially the period marked by the extension of the HYV technology to rice cultivation in the Central and the Eastern parts of the country, has been one of the most important factors responsible for poverty alleviation in some of the most backward regions of the country. This, accompanied by growing buffer stocks of food-grains has enabled the establishment of a food security system unrivalled the world over in its size and range. The Green Revolution also exposed farmers to scientific agricultural practices leading to commercialization of agricultural operations.

**Check Your Progress III**

**Note:** a) Use the space provided for your answers.

b) Check your answers with the possible answers provided at the end of this unit.

- 1) What, according to you, is the long-term impact of the Green Revolution in India?

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#### 4.4 SPECIAL PROGRAMMES FOR AREA DEVELOPMENT AND POOR FARMERS

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You have seen in the previous section that intensive agricultural practices relying heavily on water, chemical fertilizers and pesticides resulted in the degradation of land over a period of time in some parts of the country. The pressure on land was also aggravated on account of the drastic changes in the proportion of land utilized *for agricultural activities, urbanization and industrial development. At present, India has only 2.4% of world's geographical area, but supports 16% of world's population. It has 0.5% of world's grazing area, but over 18% of world's cattle population.* Given the inter linkages of crop production, live stock economy and environment, development of waste and degraded lands has emerged as an important issue in rural development.

The *Drought Prone Area Programme (DPAP)* introduced in 1973-74 was the first major programme aimed at soil and moisture conservation in drought prone areas. The programme was designed to combat the adverse effect of drought on crop production, livestock and land productivity. The primary objective of the programme was the promotion of overall economic development and mainstreaming of marginalized vulnerable sections of the rural population.

The *Desert Development Programme (DDP)* was introduced in 1977-78 with the objective to restore the ecological balance, conservation of soil and water to erase the formation of desert through planning. *The Integrated Waste Land Development Programme (IWDP)* was started in 1989-90 to develop Government's Waste Land and common property resources (CPR), based on village/micro water shed plans. In 1993-94, the *Technology Development, Extension and Training (TDET)* scheme was launched for demonstrating the technologies meant for developing wastelands. The investment promotion scheme (IPS) was launched in 1994-95 to promote participation of the corporate sector and financial institutions in the development of non-forest wastelands. The scheme was restructured during the 9<sup>th</sup> Plan and the thrust was on the development of degraded land belonging to small and marginal farmers including Scheduled Castes and Scheduled Tribes. *The National Water Shed Development Project for Rain Fed Areas (NWDPR)* was initiated in 1990-91 with the twin objectives of improving agricultural production in rain fed areas and to restore ecological balance. For channeling greater resources to rain fed areas, the water shed development fund (WDF) was set up in 2000-2001 at the NABARD with a corpus of Rs. 200 crores. The fund was to be used for integrated water shed development in 100 priority districts across 14 states in a phased manner through participatory approach.

The programmes of land development were formulated for specific areas suffering from water, soil and ecological problems. The major weaknesses in their implementation are as follows:

- Lack of people's participation.
- Unfamiliarity of field staff with participatory approaches.
- Limited time for preparatory activity.
- Lack of transparent criteria for selecting areas and villages.
- Weak horizontal linkages among various agencies at the district levels.
- Plethora of water shed programmes with different (sometimes conflicting) guidelines and cost norms.

In view of the shortcomings of area development programmes, the Central Ministries evolved common guidelines for the different schemes in order to bring about

convergence of these schemes for greater impact. Efforts were also made to build human resources and capabilities in local bodies and involve non-governmental organizations (NGOs), community groups and extension functionaries. Financial resources were broad based through inter institutional credit linkages. An offer was made to build suitable institutions for long-term sustainable development.

The Planning Commission set up a committee in 1997 to prepare a 25 year perspective plan for the development of rain fed areas. The plan made a strong plea for a participatory approach through water shed development and the use of appropriate technology in micro water shed. In addition, it emphasized agricultural diversification in different zones and the need for a coordinated approach. The creation of a Management Information System (MIS) under the National Management Information System for the management of national resources is being given top priority under the current approach to area development.

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#### 4.5 DIRECT ATTACK ON RURAL POVERTY (BENEFICIARY APPROACH)

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Alongside the area development schemes another stream of programmes were evolved to directly benefit the poorer sections of rural population consisting mainly of marginal farmers, agricultural and non-agricultural labourers. As already mentioned in the previous sections the CDP as well as the IADP and the IAAP followed by the Green Revolution failed to generate equitable benefits for the rural population leaving a growing number of the rural population to subsist in poverty. It was, therefore, thought fit that if rural poverty was to be reduced there should be a more direct, beneficiary oriented approach for rural development schemes. In 1971, therefore, two new programmes namely *the Small Farmers Development Agency (SFDA) and Marginal Farmers and Agricultural Labourers Agency MFAL* were introduced on the recommendations of the All India Credit Review Committee (1969). The main objective of these schemes was to benefit a numerically larger, economically poor class of rural society. To implement these schemes specialized agencies were constituted to act as catalysts in the process of rural development.

The role of SFDA was primarily to identify beneficiaries to enroll themselves as members of cooperative and for them to avail themselves of the credit and inputs supply facility that were provided at concessionary rates through these cooperatives. The agencies provided liberal subsidies for buying production assets, like cattle, bullocks, farm implements, etc. The strategy relied on financial incentives to the beneficiaries and detailed identification mechanisms to prevent leakages. The main function was to identify and assess beneficiaries to raise their living standard through improved agricultural practices, better farming, multiple crops, soil conservation, adoption of dry farming practices, water harvesting techniques and diversifying into subsidiary activities like animal husbandry, horticulture, etc. The role of MFAL agencies was focused on marginal farmers and agricultural labourers through the generation of employment especially through the promotion of rural industries and subsidiary occupations.

During the 4<sup>th</sup> Plan (1969-74), SFDA scheme was started in 87 project areas and MFAL for additional 81 areas. During the 6<sup>th</sup> Plan (1980-85), however, these two schemes were merged with the *Integrated Rural Development Programme (IRDP)* covering 1818 blocks all over the country.

According to the Project Evaluation Organization (PEO) Report of 1979, the achievements of SFDA and MFAL were not encouraging. The average number of days of employment for the participants of programmes were only 10 per year in MFAL and 18 in SFDA. Only in 14% of the projects, the income of the beneficiaries of such programmes exceeded Rs. 300. There was also scope for improving the



identification procedures for beneficiaries, as the better placed farmers were cornering most of the benefits. The actual impact of assistance was, therefore, of doubtful significance.

Seeking to improve upon the SFDA and MFAL schemes, while at the same time retaining their essential flavour of benefiting a target group of poor beneficiaries through provision of productive assets, the Integrated Rural Development Programme (IRDP) was introduced in selective blocks in 1978-79. The programme was universalized on 2<sup>d</sup> October 1980. The basic objective of the programme was to provide assistance in the form of subsidy and bank credit for purchasing assets leading to the creation of self-employment opportunities among the identified Below Poverty Line (BPL) families. Subsequently, *Training of Rural Youth for Self Employment (TRYSEM)*, *Development of Women and Children in Rural Areas (DWCRA)*, *Supply of Improved Tool Kits to Rural Artisans (SITRA)* and *Ganga Kalyan Yojna (GKY)* were introduced as special programmes of IRDP to take care of the specific needs of rural populations.

Evaluations of the IRDP show that the projects undertaken under the programme suffered from numerous defects. These were as follows:

- The level of investment required for raising the living standard of the poor family above the poverty line was inadequate / sub-critical.
- The projects were unviable on account of:
  - i) Lack of technological and institutional capabilities in design and execution;
  - ii) Illiterate and unskilled beneficiaries with no experience in managing an enterprise;
  - iii) Indifferent delivery of credit by banks (high transaction cost, complex procedure, corruption, one-time credit and poor recovery);
  - iv) Overcrowding of lending in certain projects such as *dairy projects*.

Other weaknesses of the programme included:

- Poor targeting and selection of non-poor beneficiaries;
- Absence of forward and backward linkages (veterinary and marketing facilities for animal husbandry activities);
- Lack of continuing relationship between borrowers and lenders;
- Lack of desired linkages between IRDP and its sub-schemes, i.e., TRYSEM, DWCRA, SITRA, etc.

The marginal impact of self-employment programme led to the constitution of a Committee in 1997 to review self-employment and wage-employment programmes. It was found that the various sub-schemes of IRDP were implemented as '*stand alone*' programmes without desired linkages. This detracted from their effective implementation. Consequently, on the recommendations of this committee, the IRDP and allied programmes including the Ganga Kalyan Yojna (GKY) were merged into a single programme known as the *Swaran Jyanti Gram Swayamrozzgar Yojana (SGSY)* in 1999. The SGSY was conceived as a holistic plan for encouraging micro enterprise, organization of the rural poor into self-help groups with capacity building, selection of activity clusters, infrastructure support, technology, credit and marketing linkages as essential ingredients built into the programme. It also sought to promote a network of agencies namely the District Rural Development Agencies (DRDAs), line departments of State Governments, banks, NGOs and Panchayati Raj Institutions (PRIs).

The SGSY recognizes the need to focus its key activity and the importance of activity clusters. The programme also has in-built safeguards for the weaker sections, women

and SCs/STs. It insists that 50 per cent of the benefits should flow to SCs and STs. There is also a provision for disabled beneficiaries. The programme is credit driven and the subsidy is back-ended. The credit and subsidy ratio is pegged at 3:1. The subsidy is fixed at 30 per cent of the project cost subject to a maximum of Rs.7,500 per individual beneficiary for those in the general category and 50 per cent of the project cost subject to a maximum of Rs.10,000 in the case of SCs/STs. In the case of group projects, the subsidy is 50 per cent of the project cost subject to a ceiling of Rs.1.25 lakhs. The new approach to self-employment has made a significant contribution to the empowerment of beneficiaries in certain parts of the country as revealed by evaluation studies.

**Check Your Progress IV**

**Note:** a) Use the space provided for your answers.

b) Check your answers with the possible answers provided at the end of this unit.

1) What do SFDA and MFAL stand for? What were the main objectives of these two schemes?

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2) Why were wage employment programmes introduced and with what objective?

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**4.6 WAGE EMPLOYMENT PROGRAMMES**

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Wage employment programmes form an important component of the anti-poverty strategy aimed at providing employment opportunities during lean agricultural season and also in times of flood and drought and other natural calamities. These programmes fulfil the twin objectives of creating rural infrastructure to support further economic activity and to create additional demand for labour market wages in times when there is maximum unemployment.

The *National Rural Employment Programme (NREP)* and the *Rural Landless Employment Guarantee Programme (RLEGP)* were started in the 6<sup>th</sup> and the 7<sup>th</sup> Plans. These two programmes were merged in April 1989 with the *Jawahar Rozgar Yojana (JRY)*. The JRY was meant to generate meaningful employment opportunities for the unemployed and the underemployed in rural areas through the creation of economic infrastructure and community and social assets. Initially the JRY also included the *Indira Awas Yojna (IAY)* and the *Million Wells Scheme (MWS)*. Both these schemes were made two independent schemes in 1996.

The JRY along with its sub schemes resulted in the generation of increased wage employment in rural areas, an upward pressure on real wages and the creation of useful community assets. A major proportion of funds was spent on roads and buildings. Unlike the IRDP, it is a self-targeting programme benefiting the lower sections of the population. Over 47 per cent of the employment generated benefited SCs/STs. The share of the landless labourers among the beneficiaries was 36 per cent. However, its efficacy was limited by lower central allocations during the nineties, increasing the cost of creating employment, thin spread of funds (given its universal coverage) with many panchayats getting less than Rs.10,000 per annum.

A major proportion of JRY was renamed on 1<sup>st</sup> April 1999, as *the Jawahar Gram Samridhi Yojna (JGSY)*. It now became a programme for the creation of rural economic infrastructure with employment generation as a secondary objective.

The *Employment Assurance Scheme (EAS)* was launched on 2<sup>nd</sup> October 1993 in drought prone areas and basically tribal and hill area blocks. It was later extended to all the blocks in 1997-98. The EAS was designed to provide employment in the form of manual work in the lean agricultural season. The works taken up under the programme were expected to lead to the creation of durable economic and social infrastructure and to address the felt needs of the people. The scheme also provided for the maintenance of assets created in the past under the scheme. Initially, the scheme was demand driven, but since 1999 resources were allocated to states based on the incidence of poverty.

*The Food for Work programme* was started in 2000-01 as a component of the EAS in 845 drought affected areas of the country. The programme aimed at augmenting food security through wage employment.

The wage employment programmes described above did benefit the rural areas through the following activities:

- Creation of rural infrastructure;
- Creation of demand for labour;
- Assurance for paying minimum wages;
- Exertion of upward pressure on real wages;
- Protection of the consumption patterns of the rural poor during natural calamities including drought;
- Strengthening of the finance of panchayats; and
- Promotion of better coordination between the village community and the government departments.

However, there were some areas of concern, such as:

- Inadequate employment and thin spread of resources;
- Violation of material-labour norms of 60:40;
- Fudging of muster rolls;
- Non payment of minimum wages / lower wages to women workers; and
- Implementation of schemes through contractors who hired outside labour at lower wages.

The above mentioned weaknesses led to revamping of the wage employment schemes towards the end of the 9<sup>th</sup> Plan and the beginning of the 10<sup>th</sup> Plan as elaborated in the next section.

## 4.7 CURRENT STATUS OF THE RURAL DEVELOPMENT PROGRAMMES AND THE EMERGING CHALLENGES

Towards the end of the Ninth Five Year Plan (1997-2002) and the beginning of the Tenth Five Year Plan, it became evident that the Centrally Sponsored Schemes (CSSs) for rural development had proliferated enormously. In the terminal year of the Ninth Plan there were as many as 360 CSSs and 2247 Central Schemes. Many of these had similar objectives and targeted the same population. Certain generic components, like information, education and communication (IEC) were repeated in a number of schemes. This also led to multiplicity of the implementing machinery and lack of synergy and coordination (see Box 3).

### Box 3

#### Fallout of Multiplicity of Schemes

A large number of schemes having common objectives and meant for the same beneficiary groups invariably get diluted in terms of impact. Excessive compartmentalization of the executive into Ministries/Departments ensures that such programmes are not only spread over a host of Ministries that encourages a narrow sectoral approach to conceiving, formulating and implementing schemes, but also prevents mutual synergies that are inherent in most social sector programmes to benefit the plan initiatives. The duplication of delivery structures and the procedural hurdles invariably curtail the flow of assistance to the targeted beneficiaries.

In view of the shortcomings mentioned above a large number of rural development schemes were rationalized and merged. Given the complementarity of the JGSY, the EAS and the Food for Work programme, they were revamped and merged under the new *Sampoorna Grameen Rozgar Yojana (SGRY)* w.e.f. September 2001. The basic aim of the scheme continued to be the generation of wage employment, creation of durable economic infrastructure in rural areas and the provision of food and nutrition security to the poor. The SGRY has three streams, one to address the need for rural infrastructure in all states, the other to provide special attention to areas facing endemic poverty and a third stream to respond to natural calamities.

The benefit of amalgamating the wage employment programmes was that it led to augmentation / consolidation of resources, thus addressing the problem of thin spread of resources in the earlier programmes. Integration of the schemes is also expected to result in better planning and monitoring of the projects in accordance with the needs of the people and the norms laid down by the Government. The three streams of SGRY would also be able to address the diverse needs of the rural areas at different points of time with greater flexibility and efficacy.

We have already seen in one of the previous sections that the self-employment programmes were also rationalized and integrated. After a review and restructuring of IRDP and its allied schemes (TRYSEM, DWCRA and SITRA) *the Swarnajayanti Gram Swarozgar Yojana (SGSY)* was launched in April 1999. This is the only self-employment programme currently being implemented in rural areas. The objective of SGSY remains to bring the poor above the poverty line by providing them income generating assets through bank credit and Government subsidy.

The success of the rural development programmes and anti-poverty strategy can be gauged from the decline in rural poverty levels from 37.27 per cent in 1993-94 to 27.09 per cent in 1999-2000. In absolute terms, the number of rural poor fell below

the 200 million mark for the first time since 1973-74. However, despite the continuing efforts of the Government to address the challenges of rural development, the incidence of unemployment and underemployment still persists along with poverty. Land and forest degradation in the rural areas and over-exploitation of groundwater is seriously threatening sustainability of food production. Owing to resource constraints at the Centre, state's public investment in agriculture in general, and in irrigation in particular, has fallen. Development and dissemination of agricultural technologies, diversification of agriculture into animal husbandry including dairying and poultry, development of processing and marketing arrangements, rural connectivity, etc. are the other areas which will demand greater attention in the coming years while formulating new strategies for rural development. Some of the concerns seen while chalking out future strategies are highlighted in Box 4.

#### **Box 4**

##### **Issues in Rural Development – Chalking Future Strategies**

###### **Avoiding Multiplicity of Objectives, Programmes and Sub-Programmes:**

Multiplicity of objectives and large numbers of programmes and sub-programmes diffuse focus, cause a strain for managerial resources, render monitoring and evaluation difficult and lead to sub-optimal utilization of resources. There is, therefore, need to ensure convergence among the sub-programmes around a few, clearly identifiable themes and objectives, and also geographically.

###### **Partnerships for Synergy and Long-term Sustainability**

Partnerships and alliances need to be built at several levels in order to bring about synergies in collaborative efforts and long-term sustainability of programmes. Special attention needs to be given for building closer partnerships with the State Governments, District Administrations, Panchayati Raj Institutions (PRIs) and NGOs. The strengths of the voluntary sector, namely their advocacy skills, organizational skills and being closer to the people should be used to the advantage of all concerned.

###### **Approaching Development Holistically**

A uni-dimensional intervention will not ensure results in the long-term. It is, therefore, essential to adopt a holistic approach to rural development with suitable inter-sectoral linkages for maximising impact.

###### **People's Participation**

People must feel a sense of ownership of such plans/programmes and must participate and even contribute towards them. The trend of expecting the government to do everything for them must come to an end. Programmes and schemes where people participate have been known to be much more successful. This could be done by involving the people through PRIs, local bodies, self-help-groups, user groups, associations, trade unions, etc.

###### **Right to Information**

To a great extent, the task of the development administration would become easier if steps are taken to make information available, as a matter of right, to the citizens. The right to information is so important, because very often people do not even know what programmes and schemes are available and what they are entitled to. Also, policy and procedural reforms can be effective only when people know that such changes have been made.

**Social Mobilization**

People should not develop *over dependence* on programmes sponsored by the government. Instead, they should learn to rely more on self-help-groups. While designing programmes and working out the time schedule for their implementation, it should be kept in view that social mobilization is a complex process and requires time.

**Monitoring and Evaluation**

In the absence of adequate monitoring and evaluation of rural development schemes, there could be a considerable amount of wastage and leakages leading to a less than optimal use of the scarce public resources in the development process. The existing mechanisms for monitoring and evaluation have to be adequately used by the agencies responsible for implementing various programmes and effort has to be made to improve and strengthen these mechanisms over time.

**Check Your Progress V**

**Note:** a) Use the space provided for your answers.

b) Check your answers with the possible answers provided at the end of this unit.

1) Why were various schemes under the self-employment programme merged together and what are the objectives of the current self-employment programme?

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**4.8 LET US SUM UP**

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This unit must have given you some idea of the challenges faced by the country in the field of rural development and the different approaches evolved to meet these challenges since Independence. As you already know by now, the first major rural development programme launched by the Government was the Community Development Programme (CDP). This programme approached the problem of rural development from a holistic perspective of bringing about overall economic and social change in the community at large. The programme created the necessary administrative infrastructure and institutions for the implementation of future rural development schemes but could not tackle the problem of stagnating agricultural yields and emerging food shortages.

Responding to the problem of food shortages in the mid-sixties the emphasis of rural development shifted to area intensive programmes for implementing new technology in agriculture to enhance crop production. The Green Revolution technology supported by agricultural price policy and input subsidies, both explicit and implicit, succeeded in not only overcoming food shortages but in generating food-grain surplus as well. The benefits of both CDP and the Green Revolution, however, were far from equitable.

Rural poverty continued to persist and increase in absolute numbers. This led to the formulation of target/beneficiary oriented schemes in the seventies and the eighties with the objective of creating self-employment opportunities for those below the poverty line. Attention was also given to wasteland development, creation of community assets and rural infrastructure through area based and infrastructure development programmes which generated wage employment as well.

You know already that the sustainability of some of the rural development strategies including the price and subsidy policy for agriculture came to be doubted in the early nineties when the country faced an acute resource crunch and embarked on new economic reforms. By the turn of the millennium, most of the rural development schemes were reviewed and modified in order to make them more effective.

There is now growing evidence of significant reduction in rural poverty that took place during the eighties and the nineties. It can be attributed in no small measure to rural development interventions of the Government. New challenges, however, have emerged demanding further attention. This only confirms that rural development is an on-going process requiring new approaches to be evolved in tune with the changing requirements. By now you must have a fair idea of the major issues in implementing rural development strategies and the areas that require further attention.

## 4.9 KEY WORDS

**Resource Neutral** : When variation in resources is not an impediment in achieving particular outcome.

**Scale Neutral** : When variation in skills is not an impediment in achieving a particular outcome.

## 4.10 REFERENCES AND SUGGESTED READINGS

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## 4.11 CHECK YOUR PROGRESS – POSSIBLE ANSWERS

### Check Your Progress I

- 1) There is need for government interventions in rural development even today, mainly because a large section of the population continues to reside in these

areas. Furthermore, despite progress in various fields large tracts of rural areas lack basic infrastructure facilities and employment opportunities necessary to bring people above the poverty line. Growing pressure of population has resulted in adverse land–man ratio, thereby depleting natural resources and raising doubts about the sustainability of the development process itself. Weak institutions have implications for effective governance. Unless a larger segment of the rural population makes a productive contribution to the growth process, it may retard the development prospects of the country. Given the large spillover effects of public sector investment the need for government intervention is strengthened even further.

### **Check Your Progress II**

- 1) The main objectives of CDP were:
  - Secure total development of the material and human resources;
  - Develop local leadership and self-governing institutions;
  - Raise the living standards of the rural people;
  - Bring changes in the mental outlook of the people concerned.

### **Check Your Progress III**

- 1) The *green revolution* was intended to provide a breakthrough in agricultural production and yield. It was primarily directed towards regions with favourable initial conditions. The main success was achieved in the wheat growing regions in the North West of the country. However, by its very nature, it was selective and a target specific strategy. The experience shows that the growth rate of production of all crops, except wheat, fell during the initial 10 to 15 years of the green revolution period. Finally, the uneven spread of the green revolution also led to growth of marketable surplus in certain pockets of the country.

### **Check Your Progress IV**

- 1) SFDA stands for Small Farmers Development Agency and MFAL stands for Marginal Farmers and Agricultural Labourers Agency. The main objectives of these two schemes were to benefit economically poor classes of the rural society and to act as catalysts in the process of rural development.
- 2) The wage employment programmes were introduced to provide employment opportunities to those below the poverty line during the lean agricultural season and also in times of floods and droughts and other natural calamities. The main objectives of these programmes were to create rural infrastructure to support further economic activity and also to create additional demand for labour in times when unemployment is at its peak.

### **Check Your Progress V**

- 1) There were a number of self-employment schemes having common objectives and meant for the same groups of beneficiaries. The impact used to get diluted in view of excessive compartmentalization in the process of implementation. In order to avoid this and also the duplication of delivery structures, these schemes were restructured and merged into one scheme called Swarnajayanti Gram Swarozgar Yojna. The basic objective of this, the only self-employment programme, is to bring the rural poor above poverty line by providing them with income generating assets through bank credit and government subsidies.



