

TFYP WG REPORT No.81/2001

REPORT OF

THE WORKING GROUP ON

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**RURAL POVERTY ALLEVIATION
PROGRAMMES**

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FOR

THE TENTH FIVE YEAR PLAN

(2002-2007)

**PLANNING COMMISSION
GOVERNMENT OF INDIA
DECEMBER-2001**

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Chapter-1

Background

1.1 The Planning Commission, vide their letter No. M-12018/1/2000-RD dated December 15,2000 constituted a Working Group under the Chairmanship of Secretary, Rural Development, Government of India on Poverty Alleviation Programmes for the formulation of the 10th Five Year Plan for the Country. The Members of the Group comprised of Government functionaries dealing with rural development and poverty alleviation Programmes both from the Centre and the States, experts and academicians in the field, RBI, NABARD, RMK and reputed NGOs. Smt. Nirmala Buch, former Secretary in the Ministry of Rural development, Shri Mohan Kanda Additional Secretary, D/o Land Resources, Dr. J. S. Sarma, Joint Secretary (RC), and Secretary (RD), Government of Tamil Nadu, were later on co-opted as members of the Group by the Chair.

1.2 The terms of reference of the Working Group on Rural Poverty Alleviation Programmes are as follows:

- (i) To appraise the rural poverty alleviation Programmes specifically the recently restructured Programmes and examine their efficacy and impact on the rural poor and suggest measures for effectively overcoming the major shortcomings and constraints faced in their implementation. In this context also analyze the complimentarity of State sector poverty alleviation Programmes.
- (ii) To evaluate the effectiveness of alternative Programmes in alleviating poverty and to indicate a composite framework for poverty alleviation based on Indian and International experiences.
- (iii) To suggest an approach and strategy for poverty alleviation in rural areas encompassing capacity building of the poor including the women and disadvantaged groups through generation of self/wage employment, creation of rural infrastructure, provision of rural housing and extension of exist security benefits to the rural poor.
- (iv) To examine the role and potential for expansion of the rural non-farm sector in alleviation poverty and generation of additional employment opportunities for the rural poor.
- (v) To formulate the guidelines for Below Poverty Line (BPL) survey for the Tenth Plan and review/suggest the methodology for identification of beneficiaries and formation/revival of Self Help Groups (SHGs).
- (vi) To examine the existing administrative structure in terms of planning, execution, monitoring, technical and supervisory capabilities at the block, district and village level.

- (vii) To review the role of Panchayati Raj Institutions (PRIs) and Non-Governmental Organizations (NGOs) in the implementation of rural poverty alleviation Programmes.
- (viii) To appraise the type and quality of assets/infrastructure created by the rural poverty alleviation Programmes and also look into their durability and maintenance and their usefulness in alleviating poverty.
- (ix) To examine the issue of allocation of funds to States/Union Territories under major rural poverty alleviation Programmes.
- (x) To study the possibility of a greater integration, dovetailing and convergence of the rural poverty alleviation Programmes with sectoral Programmes.

The details regarding the composition of the Group are contained in the order enclosed at Annexure – I.

1.3 The Working Group, examined the various aspects of on-going poverty alleviation programmes in conformity with the terms of reference. The Group in its first Meeting held on 15th February, 2001, decided that the poverty alleviation programmes should be examined in three broad prospective:

- (i) Self-employment and credit linkage
- (ii) Other programmes of poverty alleviation
- (iii) Administration, Organization and delivery mechanism involving PRIs, NGOs, CBOs etc.

1.4 The Group decided that each of these areas has a distinct identity in the whole efforts for poverty alleviation in rural areas. Each one of them needs to be examined separately and in detail. The Committee, therefore, decided that each of these areas should be separately examined by a separate Sub-Group. The Committee, accordingly decided to constitute a Sub-Group for each of these areas under the Chairpersonship of Dr. Rohini Nayyar, Adviser (RD), Planning Commission, Shri Lalit Mathur, AS&FA, M/o Rural Development, Shri Mohan Kanda, AS, D/o Land Resources. The composition of the Sub-Groups is given at **Annexure-II to IV.**

1.5 The Sub-Groups dwelt at length each of the areas assigned to them in separate Meetings. The Draft Reports of the Sub-Groups were discussed in the Meeting of the full Working Group held on 14th July, 2001. The Draft Report of the Working Group was discussed by the full Working Group in its Meeting held on 6.10.2001. Some members, later on submitted Notes separately on specific issues which they had raised during the meeting of the Working Group. Other members who could not attend the Meeting of the Working Group submitted Notes with their comments on the Draft Report circulated earlier. The Report Working Group was accordingly revised on the basis of the discussion on 6.10.2001 and as per comments received from the members. ***The Report was finalized later on, in a specially convened separate meeting on 3.12.2001 of the selected members who had expressed their willingness earlier in the meeting on the 6th to participate in the finalization of the Report.***

Chapter-2

Poverty Alleviation Initiatives in Rural India in Retrospect

2.1 "Growth with Social Justice" has been the basic objective of the development planning in India since independence. At the beginning of the first Five-Year Plan, almost half of the Indian population was living below the poverty line, 80% of which lived in the rural areas. The incidence of poverty in villages was widespread. This problem was further aggravated by disparities that existed among the States, between men and women and among different social groups. The magnitude of poverty and disparities that existed between various social groups necessitated planned State intervention to provide succour and relief to millions reeling under poverty, particularly the disadvantaged and marginalised social groups, such as Scheduled Castes, Scheduled Tribes, other backward castes, women, children, the physically handicapped and the disabled.

2.2 There has been sustained effort through Government intervention to deal with the problem of poverty, in India. During the five decades since Independence, the country has made a significant stride in many areas. It is now a net exporter of food-grains. There has been significant improvement on a range of human development indicators. There has been noticeable achievements in the area of poverty alleviation as well. With the sustained efforts of Government interventions the proportion of population Below the Poverty Line (BPL) has been brought down from 54.8% in 1973-74 to 35.9% in 1993-94 and further to 26% in 1999-2000. The rural poverty during this period has also been brought down from 56.4% in 1973-74 to 37.27% in 1993-94 and 27.09% in 1999-2000.

2.3 Approach Paper to the 10th Five Year Plan envisages that poverty will be brought down to 20% by 2007 and 10% by 2012.

2.4 The point of concern, however, is that, over a quarter of the world's poor are still concentrated in India. The latest estimate by the Planning Commission (1999-2000) shows that more than 260 million people continue to live Below the Poverty Line (BPL) which is about 26% of the country's population. There is still high concentration of the poor in the rural areas. Out of the total, 193 million poor live in the rural areas which is about 75% of the total poor in the country. The poor are also concentrated mostly in backward regions like dryland, rainfed, drought prone, tribal, hill and desert areas. The concentration of the poor continues to be more among the weaker sections of society particularly among SCs, STs, backward classes.

2.5 Such a vast size of the rural population below the poverty line does have its telling effects on the country and its economy. It amounts to great wastage and underutilization of the human resources. There is also a great burden on the economy in terms of recurring relief investment at the time of drought, floods, cyclone etc. since the poor are the most vulnerable to natural calamities. It also affects greatly the potential for saving of the economy for productive investment. Poverty also breeds many socio-cultural problems, which are to be tackled separately. It also affects the image of the nation globally.

2.6 Having summarized the nature and size of the problem in the foregoing paragraphs, an attempt is being made to briefly analyze the major initiatives taken so far in the country since independence to tackle the problem of poverty in rural areas

Major Initiatives

2.7 The first such initiative was the Community Development Programme started in 1952. The programme aimed basically at integrated development at the local level through co-operation of people and convergence of technical knowledge in various fields. The Community Development Blocks which were created as local level units for this purpose across the country at that time exist even today and function as field level administrative units for many rural development programmes at present as well..

2.8 The second initiative was taken in the country by introducing the measures for abolition of intermediary institutions and systems of land holdings such as Zamindari, Jagirdars etc. The systems were highly exploitative and were responsible for a caste and land-based nexus perpetuating poverty. This was followed by a comprehensive policy of Land Reforms. The measures undertaken were based on the consideration that land was the only productive asset in rural areas. Extension of the ownership of the land to the poor was, therefore, felt to be an obvious factor to alleviate rural poverty.

2.9 The third measure adopted was the strategy of Five Year Plan for economic development. There were Plan-specific strategies towards this end. The first Five Year Plan focussed on ways and means to immediately tackle the food requirement. The second Five Year Plan emphasized on the Heavy Industries. In this context it was felt that the Public Sector would be the leader of the industrialization process in the country through acquiring the much perceived “commanding height”. It was also expected that there would be a trickle-down effect from the growth based on industrialization. During Third Five Year Plan the emphasis was again on food grain production through introduction of new technology in agriculture. The result was a very successful Green Revolution.

Impact of the earlier Initiatives

2.10 While the achievements through many of the efforts were significant, the overall impact of the efforts was far from satisfactory to tackle the problem of poverty. Abolition of intermediary system of land tenure was completed with success, but land reform which is still an on-going process has not yielded desired results in terms of either growth or social justice. The success of the Green Revolution was limited to specific areas and the crops. Green Revolution resulted in inter-crop, inter-personal and inter-regional disparities across the country. The economy of the country grew over the years showing significant increase in agricultural and industrial production. The growth, however, did not contribute meaningfully to the betterment of the life of the rural poor. The trickle down effect of the development did not work in India’s context. Thus, despite growth, a significantly high percentage of the rural population continued to live Below the Poverty Line. The poor, including those in the rural areas, got marginalized in the development process. Poor economic condition,

subsistence living and low bargaining power, unstable and undurable employment opportunities, distress migration to urban areas etc. continued to be the characteristic features of the poor in India.

2.11 The Community Development Programme also, which aimed community participation in development, gradually got replaced by more and more of piece-meal programmes with bureaucratic bias.

A Re-thinking and attempt to attack Poverty directly

2.12 There was, therefore, a re-thinking on the need for re-conceptualization of the programmes and policies. The need for direct attack on poverty was finally felt particularly during the Fourth Plan period. The 1970s are a significant decade in this context. Many new programmes including the Rural Works Programmes (RWP), the Drought Prone Areas Programme (DPAP), the Desert Development Programme (DDP), the Food for Work Programme (FWP), Programmes for Small & Marginal Farmers (Small Farmers Development Agency-SFDA, Marginal Farmers & Agricultural Labourers Agency-MFAL) were all tried in rural areas. The programmes basically had objectives to provide **three-pronged attack on the poverty** i.e. (i) in terms of creating an income generating asset base for self-employment of the rural poor, (ii) by creating opportunities for wage employment for the poor and (iii) area(land)development activities(programmes) in backward regions like dry-land, rain-fed, drought prone, tribal, hill and desert areas. Subsequently, there were also programmes for providing basic infrastructures for better quality of life in rural areas and also programmes for social security of the poor and destitute. In addition, policy prescriptions were also made and statutory provisions introduced for the empowerment of the people and their participation in the development process.

2.13 The implementation and achievements of all these programmes are reviewed in the subsequent Chapters. Keeping in view the scope of the Working Group, however, the area development programmes and those relating to Drinking Water supply have not been dealt in this Report. Similarly the working Group did not go into the details of the PRIs and NGOs as the decentralization aspect is being looked after by a separate Working Group. ***The Working Group also did not examine the aspects of BPL survey since the Ministry of Rural Development has assigned the task to a separate expert group under the Chairmanship of Dr. P. L. Sanjeeva Reddy, former Secretary, Department of Rural Development, Government of India. In the following Chapters i.e. in Chapters 3 – 5 of the Report, it has been attempted to briefly summarize achievements under various poverty alleviation Programmes which have been under implementation so far. This is followed by a resume of the reports of the Sub-Groups in Chapter-6. In Chapter-7, the Working Group has made an attempt to spell out the strategy that may be followed under various Poverty Alleviation Programmes during the Tenth Five Year Plan. Finally, the Working Group has made its recommendations in Chapter-8.***

Chapter-3

Programmes for Self-Employment

3.1 The Integrated Rural Development Programme (IRDP), was the first major self-employment Programme under implementation up to 31st March, 1999.

3.2 The concept of Integrated Programme for Rural Development based on local needs, resources and potentials was first mentioned in the Budget Speech of the Finance Minister in 1976. The programme was initially started in 20 selected districts on Pilot Project basis, but extended as the Integrated Rural Development Programme (IRDP) in 1978-79 to 2300 Blocks of the country. From 2nd October, 1980, it was extended to all Blocks of the country.

3.3 The programme aimed at providing assistance to the beneficiaries in the form of Bank credit and Government subsidy so as to help them sustainable income generating assets. The target group of the programme consisted of families Below the Poverty Line (BPL) in rural areas comprising those landless and small and marginal farmers, agricultural labourers, rural artisans etc.

3.4 With the objective of further strengthening the IRDP, there were few allied/sub Programmes as well. The scheme for Training of Rural Youth for Self Employment (TRYSEM), (started in August, 1979) was intended to take care of the training requirement of the people who were selected and assisted under the IRDP. There was a programme to focus particularly on the rural poor women namely, Development of Women & Children in Rural Areas (DWCRA) (started in 1982-83). Another sub-scheme namely, Supply of Improved Toolkits to Rural Artisans (SITRA) (started in July, 1992) was there to look after the modernization and improving the efficiency and productivity of the poor rural artisans. In order to focus on the land-based activities particularly the irrigation requirement of the small and marginal farmers another sub-scheme of the IRDP known as Ganga Kalyan Yojana (GKY) was introduced in 1996-97. The GKY, however, had some operational problems in its implementation and was discontinued from 1998-99.

3.5 *The year-wise financial and physical achievements under the IRDP and its allied Programmes namely TRYSEM, DWCRA, SITRA & GKY, since the inception of each, are given in Annexure-V – IX respectively.*

3.6 The achievements show that more than 54 million families had benefited under the IRDP till March, 1999 since the inception of the programme. Total credit mobilized during this period was Rs.22.542 crores. The total investment including subsidy was Rs.33953 crores. Similarly, under the TRYSEM 45.56 lakhs youths had been trained from 1980-81 to 1998-99 and 2.73 lakh groups were formed with 41.45 lakh members under the DWCRA during 1982-83 to 1998-99. A total of 10.61 lakh toolkits were also distributed under the SITRA during 1992-93 to 1998-99.

3.7 The results of the last Concurrent Evaluation revealed that 14.8% of the beneficiaries assisted under the IRDP could cross the revised poverty line of

Rs.11,000/- (1991-92 prices). Despite criticism and difference of opinion on the efficiencies in its implementation, there are no two opinions on the programme's success, albeit limited, in reducing poverty in India. The recovery performance under the programme, however, was relatively poor (41% as on March 1996). The programme also led to debilitating effect on the health of the financial institutions due to increasing proportion of non-performing assets and resulting defaults in loan payments.

3.8 The overall impact of the self employment programmes mentioned above, however, was much less than what was expected of them. The programmes were conceived as complementary to each other in achieving the larger objective of alleviation of rural poverty. But over the years each programme started operating as a separate individual programme. The desired linkage among the programmes were missing. Integration of different agencies in the implementation of anti-poverty programmes was essential but never available. There was no effort for project appraisal of any kind. Loans were sanctioned without any attention to the viability of the project. There was no follow up either by the banks or governmental agencies. Because of missing guidance there was temptation among the beneficiaries to misutilize the assistance as well. The efforts made for the self-employment of the rural poor gradually proved to be self-defeating.

3.9 The programmes, alongwith the wage-employment programmes were reviewed by a Committee constituted by the Planning Commission in February, 1997 under the Chairmanship of Prof. H.R. Hashim, Member, Planning Commission. The Committee in its report submitted in April, 1997, recommended for a single self-employment programme for the rural poor. It also suggested that efforts should be made to move away from individual beneficiaries approach to group approach in implementation of the programme. The Committee had also recommended for preference to group activities and cluster approach. *(Regarding the wage employment programmes, the Committee had recommended for a similar single wage employment programme namely, the Employment Assurance Scheme (EAS), which was under implementation since October, 1993. The other wage employment programme that was the Jawahar Rozgar Yojana (JRY) was recommended by the Committee to be devoted exclusively for creation of village level infrastructures).*

3.10 The Swarnjayanti Gram Swarozgar Yojana (SGSY) has, accordingly been launched as a single self employment programme in place of the earlier programmes with effect from 1st April 1999. The important features of the Programme are as mentioned below:

- SGSY is conceived as a holistic programme of micro enterprise development in rural areas;
- Social mobilization of poor in rural area is an important feature of the SGSY. SGSY believes in social mobilization of the poor before providing them assistance to take up economic activities.
- The programme covers all aspects of self-employment viz. organization of the rural poor into self-help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing;
- SGSY has an in-built strategy to get rid of the deficiencies of the earlier self-employment programmes through integration of various agencies – DRDAs,

banks, line departments, PRIs, NGOs and other semi-governmental organizations – which are required to work together.

- The focus of the SGSY is on Key Activities, Activity Clusters and Self-Help Groups of the poor which make it significantly different from the earlier programmes and which are expected to produce the desired results in a time bound manner.
- The programme provides special safeguards for the weaker sections. 50% of the groups formed should be exclusively of women. 40% of the Swarozgaris assisted should also be women. Similarly, SC/ST constitute 50% and disabled should constitute 3% of the Swarozgaris assisted.
- The subsidy allowed under the programme is uniform at the rate 30% of the project cost subject to a maximum of Rs.7500/- per individual Swarozgari, 50% of the project cost subject to a maximum of Rs.10,000/- in case of ST & Sc Swarozgaris. 50% of the cost of the scheme subject to a ceiling of Rs.1.25 lakhs for group project. Monetary ceiling on subsidy is not applicable to irrigation projects.
- The funds for the SGSY are shared on 75:25 ratio between Central & State Governments.

SGSY during 1999-2000

3.11 The Central allocation to the States under the Programme during 1999-2000 was Rs.1105 crore. Against this, releases made were Rs.869.55 crore. The total fund available, including the opening balance and State releases, was Rs.1907.66 crore. The funds utilized against this was Rs.959.86 crore, which was about 50% of the total available fund. The credit mobilization during the year was Rs.1056.46 crore against the target of Rs.3205 crore, which was about 33% of the target. The credit subsidy ratio during the year was 1.95:1 against the target of the 3:1. The achievements in respect of per family investment was Rs.17,113/- against the target of Rs.25,000/-. A total of 2.92 lakh SHGs were formed during the year. Out of this, only 29017 could take up economic activity. The total Swarozgaris assisted were 9.34 lakh out of which individual swarozgaris were 5.86 lakhs.

SGSY during 2000-2001

3.12 The Central allocation under the Programme during 2000-2001 was Rs.1000 crore. Total allocation was Rs.1332.50 crore including States' share. The total available fund including opening balances, Central & State releases was Rs.1479.44 crore against which funds utilized were Rs.1115.28 crore. The utilization was 73.44% of the available fund. The credit disbursed during the year was Rs.1445.30 crore against the target of Rs.3205 crore. The achievement was 45.10% of the target. The average per family investment was Rs.20,787/- & the credit subsidy ratio was 2.08. Upto the end of the financial year, since launching of the SGSY in April, 1999, a total of 4.93 lakh Self Help Groups were formed. Out of this, the number of SHGs which could take up economic activities during 2000-2001 were 27,205. The total Swarozgaris assisted, comprising 6.87 lakh as members of the SHGs and 3.43 lakh individual Swarozgaris was 10.30 lakh.

An assessment of the performance of the SGSY during first two years

3.13 The overall progress of the programme during the first years of its operation has been rather very slow. In spite of shift in the emphasis from individual oriented assistance to assistance on group basis, individual assistance continued to be a dominating feature under the Programme. The level of utilisation of funds, credit disbursement per family investment and credit subsidy ratio were also low. The factors which accounted for this were mainly delayed start of the Programme during 1999-2000 and initial preparatory works. There was time involved in sensitization of the functionaries at various level, bankers etc. before effective grounding of the programme. On the other hand, there are essential requirement in the implementation of the programme like formation of the SHGs, their capacity building, gradation of the groups which take about a year's time before a group becomes eligible for assistance to start any economic activity. Because of these factors, the implementation of the programme obviously was slow in 2000-01 as well. On the other hand, the DRDAs, in order to avoid parking of funds at their level, continued to assist individual Swarozgaris more than the members of the SHGs during these years.

3.14 Regarding Bank credit, it may be mentioned that its flow has also not been smooth during these years particularly for group activities. Utilization of subsidy under the Programme, depends on the availability of the credit. Besides, inadequate appreciation of the objective of the SGSY and advantages of group finance by the field level Bankers, inadequate delegation of power to the Bank Branches to sanction loans beyond a certain amount has been another obstructing factor in the progress of the SGSY. Another related problem is the insistence by some banks for collateral security for loan beyond Rs.50,000/-. With emphasis on group approach the size of group loan/investment has increased. A group now may require an investment of more than Rs.2-3 lakhs for sustainable self-employment of its members. While the modus operandi of providing collateral security for group loans should be clarified, there is also a need to enhance the loan limit for collateral security in view of the increase in the size of investment on group activities. Inadequate availability of credit has adversely affected average per family investment and credit subsidy ratio during first two years of the Programme.

Emerging Issues

3.15 It is little over two years that SGSY has been under implementation. The implementation of the programme, however, has shed wide range of experiences at different levels. Meanwhile, there were occasions to review the programme and get feedback about its implementation. The most important experience sharing exercise was done through the National Conference of the State Ministers on the SHG movement in the country and the SGSY on 23rd 24th June, 2001 at NIRD, Hyderabad. The participants in the Conference included Chief Ministers, State Ministers of Rural Development/Panchayat Raj, Lt. Governor, NGOs, Senior Officers & Field Level Functionaries dealing with Rural Development, Deputy Governor, RBI, Chairman, NABARD, other Senior Bankers and Self Help Group Leaders & Members. **Some of the issues that were highlighted in the Conference for the smooth implementation**

of the Programme are as follows:

- (i) Relaxation in regard to the number of the key activities per Block/District.**
- (ii) Relaxation in regard to the size of Self Help Group**
- (iii) Relaxation regarding the minimum time involved for gradation of the groups, first for Revolving Funds and then for assistance to take up economic activities.**
- (iv) Restoration of the open dug-well component in the line of erstwhile Million Wells Scheme (MWS) for irrigation purposes under the SGSY.**
- (v) Enhancement of the loan limit for collateral security both for individual and group loans**
- (vi) Enhancement of size of the Revolving Fund**
- (vii) Bankers accountability in implementation of the SGSY,**
- (viii) Involvement of NGOs in social mobilization of the poor**
- (ix) Regular sensitize of all partners in the implementation of the SGSY**
- (x) Enhancement of training allowances and making training free of cost for the Swarozgaris**
- (xi) Gradual shift from individual finance to group finance and ultimately making group finance 100% under the programme.**

3.16 Sometime suggestions are also made that, in the interest of the SGSY, subsidy should be done away with. Decisions have already been taken in some of these suggestions. The training allowances have been enhanced. The role of NGOs and the incentives for them in social mobilization of the poor have been spelt out. The Ministry of Rural Development have been examining the other suggestions for suitable decisions, in consultation with other Ministries/Organization, wherever necessary.

3.17 The Working Group had also occasion to examine the suggestions keeping in view the need for formulating a strategy for better implementation of the programme in future. The views of the Sub-Group-I, in this context, are summarized in Chapter-6 of the Report.

Chapter –4

Programmes for Wage Employment

4.1 As has been mentioned earlier, the incidence of poverty in villages has been widespread. The magnitude of poverty and disparities that exist between various social groups necessitated planned State intervention to provide succour and relief to millions reeling under poverty, particularly the disadvantaged and marginalised social groups, such as Scheduled Castes, Scheduled Tribes, other backward castes, women, children, the physically handicapped and the disabled.

4.2 National Sample Survey's (NSS) estimates of unemployment are based on three concepts namely usual, weekly and daily status. In usual status approach, the reference period is 365 days preceding the date of survey. In weekly status approach, the reference period is 7 days preceding the date of survey and in daily status approach, the reference period is each day of the 7 days preceding the date of survey. According to the usual status approach, a person is classified as unemployed if he/she was not working but was either seeking or was available for work for a relatively longer time during the reference period of 365 days. A person is classified as employed if he/she was engaged for a relatively longer period during the reference period, and all others are classified as 'not in labour force'. This approach identifies those who are chronically unemployed and their proportion in total labour force is taken as the rate of usual status (Chronic) unemployment.

4.3 The weekly status approach classifies a person as unemployed if he/she has not worked for at least one hour on any one day of the week but had been seeking work or had been available for work at any time during the week. All those who have worked at least for one hour on any day during the week (even if they were idle for rest of entire period), are classified as employed. Thus, this approach seeks to capture only the week long full (open) unemployment.

4.4 According to the daily status approach, each person is assigned one or at the most two activity status on each day of the week. A person is considered employed for the entire day if he/she worked four hours or more on the day. However, if he/she worked for an hour or more but less than four hours, he/she is considered employed for the half day and unemployed or 'not in labour force' for the other half of the day depending on whether he/she was seeking/available for work or not on the day. On the other hand, if a person was not engaged in any gainful work even for one hour on the day but was seeking/available for work for four hours or more, he/she was considered unemployed for the entire day. But, if he/she was available for work for less than four hours, he/she was considered unemployed for half day and 'not in labour force' for the other half of the day. A person, who had neither any gainful work to do nor was available for work even for half of the day, was considered 'not in labour force' for the entire day.

4.5 As per the 55th round of National Sample Survey (NSS) on Employment and unemployment in India 1999-2000 showed that in the rural areas, self-employed accounted for 55% and 57% of the employed males and employed females respectively. About 36% of employed males and 40% of employed females were

employed as casual labourers. Only 9% of employed males and 3% of employed females were regular employees. It could be seen that about 36% to 40% rural population still required casual/wage employment.

4.6 The Planning Commission has projected that at the beginning of the financial year 1990-91, there was a backlog of unemployment of 13 million persons by the usual status criteria, 16 million on the basis of weekly status criteria and about 20 million on the basis of daily status criteria. The Planning Commission, in its Working Paper (Employment-Past Trends and Prospects for 1990), has projected all increase in labour force by about 37 million during 1995 and 41 million during 1995-2000 A.D. Thus, the total number of persons requiring employment would be 106 million over the decade in 1990-2000 A.D. and the employment has to grow by about 3% compound per annum to achieve the full employment by 2000 A.D.

Wage Employment Programmes in Retrospect

4.7 For quite sometime, it was thought that economic growth will result in increased employment opportunities and that accelerated rate of economic growth will be able to meet substantially the employment requirements of the growing labour force. This, however, did not happen, as trickle down effects remained limited. Government, therefore, placed increasing emphasis on taking up schemes for providing additional employment opportunities and various special schemes of employment generation were taken up right from 1960.

4.8 The Rural Manpower Programme was taken up towards the end of 1960-61 in 32 Community Development Blocks on a pilot basis for utilising rural labour force. The coverage was extended to thousand blocks by end of 1964-65 and continued till the end of 1968-69. The programme aimed at providing employment for 100 days to at least 2.5 million persons by the last year of the Third Plan especially in areas exposed to pronounced seasonal unemployment. The resource constraints limited the scope of the scheme and only little over 20% of the originally envisaged outlay of Rs. 150.00 crores, could be provided. The programmes ended in 1968-69 resulting in generating 137 million man-days of employment.

4.9 During the Fourth Five year Plan, the Crash Scheme for Rural Employment (CSRE) was launched for a period of three years from April, 1971 with an annual outlay of Rs. 50 crores. The two-fold objectives of the scheme were to provide employment to at least 1000 persons in each of 350 districts of the country every year through labour intensive works and creation of durable assets. Although the scheme achieved its immediate objective of providing employment opportunities (actual employment generation was 315.9 million man days against a requirement of 315 million man days) the benefits both in terms of direct employment and assets creation were found to be too widely scattered. There was considerable lack of planning with preponderance of road. Most of the assets were of non-durable nature.

4.10 The implementation of RMP and CSRE, led to the realisation that more concerted efforts needed to be made at least in some selected areas to bring about clearly the impact of a scheme providing for full employment which in turn, would give useful lessons for future programmes. Thus along with CSRE, a Pilot Intensive

Rural Employment Programme (PIREP) was started in November 1972 in 15 selected CD blocks for a three years period. The basic objectives of PIREP were providing additional employment opportunities for unskilled labour, creation of assets which have a multiplier effect on new job opportunities on a continuing basis. The project completed its full term of three years and generated 18.16 million man-days of employment. The project was reviewed by a committee which expressed the view that the entire development strategies should be based on labour intensive technologies so that the maximum labour absorption takes place through the regular development process.

4.11 The Drought Prone Area Programme (DPAP) was started as Rural Works Programme (RWP) in 1970-71 in 54 DPAP units spread over 13 States in the country. It was initially aimed at mitigating the severity of scarcity conditions by organizing labour intensive and production oriented works so as to generate considerable employment in rural sectors. Towards the end of the Fourth Five-year Plan, the programme changed to Area Development Scheme. The task force on Integrated Rural Development Programme, 1973 suggested radical restructuring of the programme with an emphasis on the area development along with the development of the rural poor.

4.12 Other important schemes though not specially employment oriented but directed to small and marginal farmers and agricultural labourers with a view to improving their economy, were SFDA and MF&AL. The emphasis in both the schemes was on self-employment through diversification of farm economy. In addition, there was a limited road works component of the schemes for marginal farmers and agricultural labour. The scheme operated in about 85 districts in the Fourth Five-Year Plan and the coverage expanded to 160 districts in the Fifth Plan.

4.13 It was in April 1977, a definite step was taken by the Government in which Food for Work Programme (FWP) was started as a non-plan scheme to augment the funds of State Governments for maintenance of public works on which large investment had been made in the past by utilising available stocks of foodgrains. The programme did not make much headway in the beginning due to certain constraints inherent in the scheme itself. On review of this Programme and the difficulties experienced by the States, the schemes was liberalised to include all on-going plan and non-plan works and new items of public and community works. The basic objectives of FWP were: -

- (i) To generate additional gainful employment to large number of unemployed and under-employed persons both men and women in the rural areas which will improve their incomes and consequently their nutritional levels;
- (ii) To create durable community assets and strengthen the rural infrastructure which will result in high production and better living standard in rural areas;
- (iii) Utilisation of surplus foodgrains for development of human resources.

4.14 A total employment of 979.32 million man-days was generated during the year 1977-98 to 1979-80 (September). The programme became very popular in the rural areas and was recognised as a major instrument of rural employment generation.

However, a number of deficiencies were noticed in implementation of this programme. These included erratic disbursement of foodgrains as wages, a delay in measurement of earth work, non-durability assets created under the programme, inadequate technical supervision of works and lack of supervision which led to dilution of technical requirement of the projects.

4.15 Besides the above deficiencies, there were three major counts on which the programme suffered a set back. First the programme continued on a year to year basis. In the context of uncertainty, the State Governments were not able to provide needed technical and administrative support for effective planning and to monitor the programme. Secondly, there was no attempt by the States to formulate the [shelf-of-projects](#), which could take into account the local needs and could also fit in with over-all priority for the blocks/districts where the programme was implemented. Thirdly, for want of financial provision in many States to finance the material component of works and also to give part of wages in cash, the tendency was to take up Kacha roads on a large scale, which were non-durable of nature. Hence, it was decided to revamp and restructure the programme and accordingly it was renamed as National Rural Employment programme.

4.16 The National Rural Employment Programme, which was, launched in October 1980 which was the culmination of previous experience in this field. The programme became a part of 6th Five-Year Plan from April 1981 and was implemented as a Centrally Sponsored Scheme on 50:50 sharing basis between the Centre and the States. The Programme was having three fold objectives of generation of additional gainful employment, creation of durable community assets and raising of nutritional standards of the rural poor. The programmes envisaged an outlay of Rs. 1620.00 crores including State's matching share during the 6th Plan period to generate additional employment opportunities to the extent of 300 to 400 million man days per year, simultaneously creating durable community assets.

4.17 During the 6th Plan the total expenditure on implementation of NREP was Rs. 1873.00 crores against the outlay of Rs. 1620 crores including the State share. The target of employment generation as envisaged under the Plan was also achieved. The total employment generation during the period was 1775.18 million man-days. The mid-term appraisal of the 6th Plan pointed out that hard core of rural poverty, particularly pertaining to employment opportunities for landless during the lean agriculture periods, when work is scarce had to be tackled in more direct and special manner. It was aimed that at least one member from each landless household should be provided employment upto 100 days in a year. With this end in view, the Rural Landless Employment Guarantee Programme (RLEGP) was launched in August 1983. This Programme was fully funded by the Central Government. The programme was also implemented in addition to National rural Employment Programme and covered the entire country.

4.18 Under these two programmes about 2631.94 million man-days were generated with the total expenditure of Rs. 5351.85 crores. While these programmes have been able to exceed the financial and physical targets, it has not been possible to provide 100 days of employment to at least one member of each landless household in a year as was envisaged under RLEGP.

Jawahar Rozgar Yojana (JRY)

4.19 The JRY as an independent scheme came into operation from April 1989 (i.e. last year of the 7th Plan) when two wage employment programmes namely the National Rural Employment Programme and the Rural Landless Employment Guarantee Programme were merged to form the Jawahar Rozgar Yojana. The primary objective of the JRY was to generate additional gainful employment for the unemployed and under-employed persons both men and women in the rural areas through creation of rural economic infrastructure, community and social assets, particularly, in favour of rural poor and more so, with an aim at improving quality of life in the rural areas. The scheme was implemented with a funding pattern of 80:20 between the Centre and State. In case of Union Territories, the entire resources under the scheme were provided by the Centre.

4.20 Wage employment programmes have been an important component in the strategy of poverty alleviation in India. Initially the Indira Awaas Yojana (IAY) and the Million Wells Scheme (MWS) were part of the JRY. However, in January 1996, the IAY and the MWS were made independent schemes. The IAY aimed at providing a dwelling unit free of cost to the beneficiary. Similarly, MWS aimed at providing an open dug-well free of cost to the beneficiary for irrigation purposes.

4.21 The JRY was launched in 1989-90 with the objective to provide gainful employment through creation of useful durable community assets. People below the poverty line were the target group and preference was given to Scheduled Castes and Scheduled Tribes and freed bonded labour. Thirty percent of employment opportunities were reserved for women. JRY has since been restructured w.e.f. 1999 and the new scheme is named as Jawahar Gram Samridhi Yojana (JGSY). The primary objective of the scheme is to provide demand-driven community & village infrastructure and the secondary objective is creation of supplementary employment for the unemployed poor. Under erstwhile JRY, some of the basic activities and assets created since inception of the programme till 1998-99 are indicated as under:

- ❖ Over 8.56 lakh Kms. of rural roads have been constructed involving an expenditure of Rs. 4568.60 crore.
- ❖ Over 8.40 lakh hectare have been covered under Social Forestry involving an expenditure of Rs. 735.94 crore.
- ❖ Over 1.27 lakh village Tanks/Ponds have been excavated involving an expenditure of Rs. 393.00 crore.
- ❖ Over 10.97 lakh hectare Land has been developed involving an expenditure of Rs. 135.37 crore.
- ❖ Over 6.55 lakh Drinking Water wells have been dug involving an expenditure of Rs. 530.21 crore.
- ❖ Over 2.45 lakh school buildings have been constructed involving an expenditure of Rs. 1108.50 crore.

- ❖ Over 0.71 lakh Panchayat Ghars have been constructed involving an expenditure of Rs. 350.65 crore.
- ❖ Over 1.75 lakh hectare have been covered under Soil Conservation activities involving an expenditure of Rs. 143.13 crore.

Year-wise details of financial and physical achievements under the JRY/JGSY and the MWS (upto 1998-99) are given in Annexures-X & XI respectively. (Details in respect of the IAY are provided in Chapter-5).

Employment Assurance Scheme (EAS)

4.22 The Employment Assurance Scheme (EAS) was introduced w.e.f. 2nd October, 1993 in the rural areas of 1778 blocks of the country situated in drought prone areas, desert, tribal and hill areas. Over the years the Scheme was extended to all the Rural Blocks of the country. Prior to 1.4.99 it was a demand driven scheme. With effect from 1.4.99 it has been made an allocation-based Scheme.

4.23 The primary objective of the EAS is creation of additional employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. A secondary objective is the creation of durable community, social and economic assets for sustained employment and development. The Scheme is open to all the rural poor residing in the area covered by the Scheme. A maximum of two adults per family would be provided wage employment

4.24 The Employment Assurance Scheme is in operation in all the Rural Districts of the country, except in Delhi and Chandigarh. The Scheme envisages to provide assured wage employment, along-with other Central and State Programmes to the rural poor who are in need and seeking employment.

4.25 Resources under the Scheme are shared between the Centre and the States in the proportion of 75:25. The Central share is allocated on the basis of proportion of rural population in a State to the total rural poor in the country. Allocation of funds to the Districts is based on an index of backwardness namely the proportion of SC/ST population of the District and the inverse of agriculture production per agriculture worker. Equal weightage is given to both these indicators.

4.26 The Central Assistance under the Scheme is released directly to the District Rural Development Agency (DRDAs)/Zilla Parishads. DRDAs will release 30% of the district allocation to Zilla Parishads and 70% to the Panchayat Samitis. 30% of the funds reserved at the district level are required to be utilised in the areas affected by endemic labour exodus/ areas of distress. The matching share of the States to DRDAs/ZPs is required to be released within a fortnight of the release of the Central share. A district can apply for Second Instalment after achieving utilisation of more than 60% of the available funds.

4.27 The Scheme does not permit diversion of funds from one district to another and, similarly, from one Panchayat Samiti.

4.28 The Zilla Parishad is the 'Implementing Authority' for the funds released to both Zilla Parishad & Panchayat Samitis and is responsible for the overall co-ordination and supervision of the works taken up with the Panchayat Samiti component. The Programme is to be implemented through the DRDAs in those States where Zilla Parishads do not exist.

4.29 The Implementing Authority of the district has to prepare an Annual Action Plan every year. The Zilla Parishad has to obtain list of works from Panchayat Samitis for 70% portion of funds. Similarly they may formulate proposals at the district level for the 30% portion. Based on these proposals the Zilla Parishad would prepare an Annual Action Plan, separately for 70% of funds allocated to Panchayat Samitis and for 30% of the funds for the distress areas of the district, after consultations with the MPs of the district. In the absence of Elected Bodies, a Committee comprising of local MPs and MLAs and other elected representatives can be constituted for selection of works.

4.30 All works under the EAS are to be executed departmentally only by the respective Implementing Agencies and in no case contractors can be engaged in the execution of these works by Implementing Agencies.

4.31 The works to be undertaken under the Scheme, should reflect the felt need of the people, which can, normally, be completed within a period of two years. All works started under the EAS have to be labour intensive works having a wage material ratio of 60:40. No works can be taken up under employment Assurance Scheme unless it forms part of Annual Action Plan.

4.32 Priority is to be accorded to the works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structures, works related to watershed schemes (not watershed development), construction of Rural Roads (linking villages with other villages/block headquarters) and roads linking the villages with agricultural fields, drainage works, forestry.

The following works are not to be taken up under the Programme:

- (1) Building for religious purposes etc.
- (2) Monuments, Memorials, Statue, Idols, Arch Gate/Welcome gate.
- (3) Big Bridges.
- (4) Government Office buildings, Panchayat Buildings, compound walls.
- (5) Building for higher secondary schools, colleges.

4.33 Zilla Parishads/Panchayats Samitis are permitted to spend upto a maximum of 15% on maintenance of the assets created under the Scheme. Each Panchayat Samiti (for its Samiti areas) has to maintain an Employment Register for works under the panchayat Samiti component, which would contain the number of persons employed including number of SC/ST, gender of the worker and the number of mandays generated for each work under the Employment Assurance Scheme (EAS). The Zilla Parishad has similarly to maintain the Employment Register for entire District.

4.34 Minimum wages fixed by the State authorities are paid under the Employment Assurance Scheme (EAS), both for unskilled and skilled labour. The wages are paid in cash. Equal wages are to be paid under the programme.

Monitoring & supervision

4.35 The State Level Co-ordination Committee (SLCC) for the rural Development Programmes is made responsible for the overall supervision, guidance and monitoring of Employment Assurance Scheme (EAS) in accordance with the guidelines at the State level.

4.36 Instructions have been issued to all the States/UTs to constitute Monitoring and Vigilance Committee at the State/District and Block levels for all the programmes of this Ministry including Employment Assurance Scheme (EAS). At the State level the Chief Secretary heads this Committee. The Members of the Committee are heads of major departments, representative of Govt. of India, representatives of NGOs and one representative of each National Party recognised by the Election Commission of India. MPs, MLAs are also members of the Committees at District and Block levels. At the Central level, the Employment Assurance Scheme (EAS) is monitored through monthly, half-yearly and Annual Reports which the State Government are required to furnish to the Ministry.

4.37 The Ministry has also an Area Officers Scheme as per which Senior Officers visit allotted State(s) and obtains feedback on the implementation of the various Schemes including EAS.

Year-wise Performance under the EAS/SGSY

4. 38 Year-wise financial and physical achievements under the EAS since inception of the scheme, are given in Annexure-XII.

4.39 Issues

- It is felt that the Scheme is thinly spread in all the Blocks of the country and has not been able to provide employment on an average not more than 8 to 9 days in a year. Keeping in view the wide spread drought in the Country, supply of foodgrains could be considered for providing wages in the rural areas as additionality over and above the present allocation.
- The requirement of wage employment is not uniform in all the States. It is to be considered whether the scheme should be implemented uniformly in all the States or in the selected Districts/Blocks on the basis of requirement of wage employment in the States.

Food for Work Programme

4.40 The Food for Work Programme was started in 2000-2001 as a part of the EAS in eight notified drought affected States Viz. Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan & Uttaranchal. The programme aims at augmenting food security through wage employment in drought affected rural areas as notified by Department of Agriculture & Co-operation.

4.41 Under the Scheme foodgrains are to be supplied to States free of cost as an additionality. The cost of the foodgrains is being borne by the Government of India with a view to enabling the State govt. to provide additional wage employment opportunities to the needy rural poor in the affected areas. Cash component of the wage and material cost are to be met from the Scheme under which the programme is being implemented.

4.42 The allotment of foodgrains to the States under Food for Work Programme is made after obtaining district-wise proposal of requirement of foodgrains from the State Govt. concerned which is scrutinised by the Ministry of rural Development and recommended to the Department of Food & Public Distribution for release of foodgrains district-wise. The eligibility criteria for employment has been relaxed so as to include both B.P.L. and A.P.L. families.

Payment/Release of funds

4.43 At the beginning, funds were released to districts for making payment to F.C.I. against actual lifting of foodgrains allocated to them. This system, has however, slightly been changed. Now the Ministry of Rural Development will make payment directly to F.C.I. against lifting of foodgrains by States, on submission of bills by the F.C.I. to the Ministry duly verified by Collector/Relief Commissioner of the State Govt./DRDAs.

Supervision & Monitoring

4.44 For monitoring the smooth functioning of the Scheme, the Relief Commissioner/Collector/DRDAs of the State will submit the Utilisation Certificate to the Ministry of Rural Development and Department of Agriculture & Cooperation. A format for submitting the Monthly Progress Report showing the works completed/uncompleted mandays generated (District-wise/Scheme-wise) under Food for Work Programme has been devised and provided to Commissioner/Collector/DRDAs with the instruction to furnish this report by the 10th of every month.

Problems

4.45 It has been noticed that lifting of Foodgrains from F.C.I. godown is very slow. During the year 2000-2001 & 2001-2002, foodgrains to the extent of 15,88,280 tonnes was allocated against which foodgrains of only 10,25,225 tonnes has been lifted by the drought affected States, till now.

4.46 During the current year 2001-02, based on the demand from drought affected States, the Ministry has already allocated foodgrains to the tune of 2.26 million

tonnes. The value of this foodgrains at the BPL cost comes to Rs.1091.74 crores against earmarked provision of Rs.300 crores.

Jawahar Gram Samridhi Yojana(JGSY)

4.47 Rural poverty is inextricably linked with low rural productivity and unemployment including under-employment. While the normal process of growth in it self has to generate increased productive employment opportunities, there is a continuous need for special employment programmes and creation of sustained employment opportunities for securing a certain minimum level of employment and income for the rural poor. With this philosophy, Jawahar Rozgar Yojana was launched in the year 1989. Since then the programme has been providing wage employment at the village level on a sustained basis. Under JRY, over 73750 lakh mandays were generated till 1998-99. During this period an amount of Rs. 30155.65 crore were utilised under the programme.

4.48 However, in the recent past it was felt that though the programme was providing wage employment in a sustained manner but the quality of life in the rural area has not made desired improvement. It was felt that without strengthening the rural infrastructure at the village level and greater financial autonomy to the PRIs, the desired improvement in the quality of rural life can not be achieved. Keeping this in view, the programme of erstwhile JRY has been restructured w.e.f. 1.4.99 and renamed as Jawahar Gram Samridhi Yojana (JGSY). The programme aims at creating need-based rural infrastructure at the village level to boost rural economy in general and improvement in the quality of life in particular. Priority will be given to develop infrastructure for SC/ST habitations, education and public health. The programme, not only develop rural infrastructure, but also provides individual assets to the poorest of the poor SCs/STs families, as 22.5% funds are earmarked for them. The 100% of JGSY funds are provided to the Village Panchayats to devolve greater financial autonomy. The Panchayats are empowered to take up works upto Rs. 50,000/- independently with the approval of Gram Sabha to ensure active people's participation at the grass-root level. 15% of the allocated funds have been earmarked for maintenance of assets created under the programme for greater durability.

4.49 Main Features of JGSY

- ❖ The main emphasis is on creation of rural infrastructure.
- ❖ The programme is being implemented by the Village Panchayats.
- ❖ Special safeguards have been provided to the weaker sections of the community by earmarking 22.5% of funds for SCs/STs individual beneficiary schemes.
- ❖ 3% of the funds would be utilised to create barrier free infrastructure for disabled persons.
- ❖ 7.5% or Rs.7500/- whichever is less is earmarked for administration/contingency at the Village Panchayat level for technical guidance.

- ❖ 60:40 wage-material ratio has been allowed to relax suitably so as to enable the built up of demand driven rural infrastructure.
- ❖ Village Panchayats are permitted to spend up-to a maximum of 15% of funds on maintenance of assets.
- ❖ The Panchayats have been given the power to execute works/schemes upto Rs.50, 000/- with the approval of Gram Sabha. No technical/administrative approval would be required.
- ❖ The programme is being implemented through the Village Panchayats who will be responsible for planning and execution of the schemes.
- ❖ In order to ensure social control of JGSY the provision of social audit has been made. The meetings of the Gram Sabha shall be held every quarter on a fixed date to discuss the issues regarding planning, execution, monitoring and supervision of the programme.
- ❖ The wages to be paid to the workers are either minimum wages or higher wages fixed by State Government.
- ❖ The Gram Sabha shall appoint a vigilance committee for each village under its jurisdiction to oversee, supervise and monitor implementation of each work under the programme.

Financial & Physical performance under the JGSY

4.50 The Financial and physical performance under the JGSY including the erstwhile JRY are given in **Annexure- X**.

4. 51 Broad Physical Achievements under the JGSY

- The JGSY has been launched w.e.f. 1.4.99. Since then a total of 15.7 lakh works have been completed upto March 2001.
- A total of 5.41 lakh works were under progress.
- A total of 5.98 lakh works have been completed under Individual Beneficiary Scheme meant for SCs/STs.
- A total of 0.26 lakh works have been completed for disabled.

Issues

4.52 Presently, some Gram Panchayats are getting as low as Rs. 5,000/- per annum as per the criteria of allocation under the JGSY guidelines. With this meagre amount, it is impossible to create any meaningful infrastructure at the village level. In order to create tangible and meaningful infrastructure it is necessary that the

Gram Panchayats at least get an allocation of Rs. 50,000/-. Accordingly, it has been proposed to fix a minimum floor limit of Rs. 50,000/- per Gram Panchayats without effecting any change in the allocation of the surplus States.

4.53 A new programme of DRDA Administration has been introduced in order to meet the expenses of the administrative infrastructure at the DRDA level by pooling up of funds of the various programmes meant for the purpose. The 2% funds meant for administrative expenses under the erstwhile JRY were also pooled under the DRDA Administration. The entire funds under the DRDA Administration are utilised by the DRDAs. There is practically no funds left for the Administrative Infrastructure of the Zilla Parishads/Panchayats. Under the restructured programme, the entire funds are utilised by the Gram Panchayats, it has been noticed that monitoring at the ZPs level has not been upto the desired level. The Zilla Parishads/Panchayat authorities face difficulties in getting the feedback and other required Reports from the Gram Panchayats since they have no funds to support their administrative infrastructure for the purpose. In this regard, the JGSY Division is of the view that for successful and effective implementation of any programme, vigilant and effective monitoring is equally important. It is, therefore, essential that Zilla Parishads/Panchayat authorities should be given some funds for administrative infrastructure in order to maintain a Monitoring Cell specifically for the JGSY which would be responsible for timely transfer of Central and State share and for taking the feedback, other Reports from the Gram Panchayats and getting the accounts audited timely. This would make ZPs more responsive and simultaneously improve their effectiveness.

Evaluations of Wage Employment Schemes

4.54 The JRY has been independently evaluated by the Programme Evaluation Organization (PEO) of the Planning Commission and through concurrent evaluations, by the independent agencies funded by the Ministry of Rural Areas & Employment. A few Micro-level studies are also available from some individuals and Institutions.

Concurrent Evaluation of JRY-1992

4.55 The main findings of the concurrent evaluation of the JRY (reference period January – December 1992) giving strengths and weaknesses of the programmes are as under:

4. 56 Positive Points

(i) It has been observed that a major part of the available funds, i.e. nearly 73% were spent by village panchayats for undertaking community development projects under the JRY at the All-India level. Some of the States like J&K, Sikkim, Tripura, Andaman & Nicobar Islands, Delhi and Pondicherry utilised more than 100% of the available funds at their disposal.

(ii) In terms of creation of assets, it has been observed that construction of rural link roads, panchayat ghar, school buildings, community centers etc. received the

highest priority by the village panchayats related to these type of activities. Besides, providing infrastructure facilities to the village community through these type of assets, the village panchayats could create more employment opportunities to the rural poor.

(iii) As per the guidelines, the average wages paid per man-day under JRY works to the unskilled workers should be as per the prescribed minimum wages under the State Minimum Wages Act. The survey results revealed that in almost all the State/Uts except Punjab, the average wages paid per man-day to the unskilled workers were more or less equal to the minimum wages prescribed under the Act. Besides, the wage rates paid to the unskilled workers during the off/lean season were close to the prescribed minimum wage rates. However, in certain States like Bihar, Madhya Pradesh and Orissa, local wage rates in off/lean season was slightly less than the prescribed minimum wage rates. In all other States, it was slightly higher to close to the prescribed minimum wage rates.

(iv) The survey results revealed that the wage and non-wage component of the expenditure of JRY works undertaken by the village panchayats was of the order of 53:47 at the all-India level viz-a –viz 60:40 and many States could satisfy the norm.

(v) In regard to the periodicity of payment of wages, the survey results revealed that in majority of the cases, 60% payment to JRY workers were made on daily basis. However, in some States the periodicity of payment of wages was irregular.

(vi) The survey revealed that in 84% cases, muster rolls were maintained and available with the village panchayats. This is very encouraging as muster roll is an important documents of assessing the employment generation.

(vii) The survey revealed that of the total assets created under the programme, roughly 74% were found to be good/satisfactory; 8% poor and remaining 18% were found to be either incomplete or not according to the laid down norms.

(viii) It has been observed that a JRY worker roughly got 4 man-days of employment during the reference period. Besides, roughly one man-day of employment was received by other members of his family. Thus, for the family as a whole, the average number of man days of employment generated at the all India level was of the order of 5 man days, during the last 30 days preceding the date of survey which is quite low in terms of their requirements. However, it is gratifying to note that in certain States like Assam, Goa, Orissa and Lakshadweep the average man days of employment generated was much higher (more than 10) than that at the all India level, for instance, in the State of Orissa, where there is high incidence of poverty, the JRY worker got employment to the extent of 12.32 man days on an average during the reference period. Similarly, in Assam, Goa, Orissa and Lakshadweep the corresponding figure of employment generation was 10.72 and 22.06,22.10 man days during the last 30 days preceding the date of survey.

(ix) Assets created were found to be maintained in majority of the cases (58%) by village panchayats. However, in about 17.5% cases, they were not maintained by any agency.

(x) JRY workers were almost unanimous in reporting that assets created were useful for the poor people. About 74% of the workers were also satisfied with the benefits received under the JRY. However, more than one third opined that wage rate should be increased, as it was low.

4. 57 Areas of Concern

(i) The survey revealed that out of 3081 Heads of elected panchayats, at all India level, only 39% were exposed to training level for implementation of JRY works. This is not in conformity with the guidelines laid down for village panchayats for handling JRY works. There is need for more orientation of Heads of Village Panchayats through training programme.

(ii) Of the total employment generated, the share of women was only 20%. As per the guidelines, 30% of the employment opportunities should have been earmarked for women.

(iii) In certain States like Assam, J&K, Tripura, Dadra & Nagar Haveli, Delhi, Lakshdweep and Pondicherry, the Annual Plans were not discussed at all in the Gram Sabha meetings as laid down under the guidelines. This is a serious reflection on the working of village panchayats.

(iv) The survey probed various reasons for delay in completion of works by village panchayats. The most prominent reason attributed by village panchayats for non-completion of works was " Shortage of funds". Roughly, 43% of the works were delayed on account of shortage of funds at the all India level. In some of the States like Goa, Haryana, J&K, karnataka, Manipur etc. roughly 80% to 100% of the works could not be completed due to shortage of funds.

(v) Generally village panchayats are expected to utilise locally available material for various works undertaken by them. However, the surveys have revealed that the use of locally available material was not very appreciable.

(vi) Survey results revealed some disparity in the average wages paid per manday to a male and female unskilled worker. As per the guidelines, there should be no disparity in the average wages paid per man-day to be a male or female unskilled worker. The survey results have shown that in certain States like Andhra Pradesh, Kerala, Maharashtra, Tamil Nadu and Pondicherry, there was disparity in average wages paid per man-day to a male and female unskilled worker.

(vii) As per the guidelines, rural poor below the poverty line constitute the target group. However, the survey results have revealed that of the total workers who participated in JRY works, roughly 57% had an annual income of Rs.6401/- and above and only 43% had an annual income below Rs.6400/-. Thus, it would be seen that a major proportion of JRY workers who belonged to the ineligible category took advantage of JRY programme.

Concurrent Evaluation of JRY (1993-94)

4.58 The findings of the provisional report of the concurrent evaluation (1993-94) are as under:

- (i) About 77.18% of the works, the panchayats functionaries were the executing agency and only 2.02% of works were executed by the contractors.
- (ii) Quite substantial amount of JRY funds has been spent on roads and buildings.
- (iii) Wage and Non-wage ratio has been 52.84:47.16.
- (iv) 47.16% of employment is generated for SC/ST and 36.25% for landless labourers.
- (v) Quality of majority of assets were found to be good and only 0.41% of assets were not useful. 86.65% of the assets were reported to be durable.
- (vi) 70% of the assets created were maintained by the Panchayats. However, 13.03% of assets were not maintained at all.
- (vii) *On an average employment generated under JRY in 30 days preceding the date of survey has been 11.06 days.*

Quick Study by P.E.O.

4.59 The findings of the quick study undertaken by PEO, Planning Commission are as under:

- (i) Under JRY the utilisation of funds is only around 50% only during the last quarter of the year when major works undertaken.
- (ii) About 40% of the total population at the panchayat level are available for employment; of these only about 15.3% are actually employed. It means the scheme has provided negligible employment during the first half of the year and major work was left to be done during the second half.
- (iii) At the beneficiary level, the study also found that all the selected beneficiaries did not get employment in all the years under study.

Evaluation Study on Employment Assurance Scheme(EAS) (2000)

4.60 At the instance of the Planning Commission, the Programme Evaluation Organization (PEO) undertook the evaluation study on Employment Assurance

Scheme (Employment Assurance Scheme (EAS) reference period 1995-97 to assess the performance, the appropriateness of implementation methods adopted by the States and the extent of coverage of target group and the impact of Employment Assurance Scheme (EAS) on the beneficiaries.

Main Findings

- The provisions in the guidelines relating to the preparation of shelf of projects, identification/registration of people seeking wage employment, issuance of family cards and constitution of co-ordination Committees at different levels were not adhered to in a large majority of the cases.
- The utilisation of Employment Assurance Scheme (EAS) funds is extremely low. Lack of planning, untimely release of funds, both from the Centre to DRDAs and from DRDAs to blocks and other factors, such as inability of the States to generate matching resources are the important factors that have contributed to low utilisation of Employment Assurance Scheme (EAS) funds.
- The coverage of villages and the target group is extremely low. A maximum of 32% of the villages and 5% of the target group in a block are estimated to have been covered annually.
- A large part of the Employment Assurance Scheme (EAS) funds has been used in activities that are less labour intensive and more capital intensive. The normative capital labour ratio has not been generally adhered to. As a result, the cost of employment generation becomes absolutely high in a few states.
- The majority of Employment Assurance Scheme (EAS) beneficiaries received less than 30 days' wage employment in a year. Non-poor households were also found to have been the beneficiaries of Employment Assurance Scheme (EAS). The income from the Employment Assurance Scheme (EAS) was not enough to enable the poor households to cross the poverty line. Most of the Employment Assurance Scheme (EAS) beneficiaries got employment in one out of the four years of its operation.

Chapter - 5

Other Programmes of Rural Development

I. Rural Housing

Background

5.1 Shelter and development are mutually supportive. In Government's strategy for employment generation and poverty alleviation, provision of shelter is a critical component. The Global Shelter Strategy adopted by the United Nations in November 1988 called upon all Governments to formulate respective National Housing Policies. The Government of India tabled in both Houses of Parliament in May 1988, the Draft National Housing Policy and it was approved by the Rajya Sabha. But in the light of developments in the national and international arena after the presentation of the draft National Housing Policy and in the context of the formulation of the VIIIth Plan, it had become necessary to elaborate and restate the National Housing Policy. The same was adopted in 1994.

5.2 Habitat is a matter of universal concern, especially in the wake of the Habitat II Conference convened by the United Nations at Istanbul, Turkey in 1996. The Istanbul Declaration was a vocal statement of the commitment of the global community to create sustainable habitat for every human being. Habitat is not just about providing a roof over the head of an individual or a family, it has a wider significance. It covers all aspects of man in relation to nature.

5.3 Soon after, in the transformed context of a burgeoning population, growing gap between demand and supply of housing an increasingly liberalized and globalized trade regime and relatively vibrant and open capital markets, together with the formulation of the IXth Plan an imperative to once again re-articulate the National Housing Policy, recognizing and giving special emphasis to the need for forging partnerships with the private sector, encourage cost sharing, community, voluntary sector and co-operative societies. More importantly, there is a growing recognition and sensitivity of the expanded needs and meaning of shelter to include the habitat, provision of adequate sites and services, local source of energy needs and a wholesome and healthy environment. The National Housing and Habitat Policy was adopted in 1998.

National Housing and Habitat Policy 1998- Highlights

- Progressive shift from a subsidy based housing scheme to cost sharing or cost recovery cum subsidy schemes for rural housing.
- Progressive shift of rural housing strategies from target orientation to demand driven approach.

- Empowering of the Panchayati Raj Institutions and village cooperatives to mobilize credit for adding to the housing stock and also basic amenities in the rural areas.
- Using technology for modernising the housing sector to increase efficiency, productivity, energy efficiency and quality. Technology would be particularly harnessed to meet the housing needs of the poor and also specific requirements of rural housing.
- Forging strong partnerships between private, public and co-operative sectors to enhance the capacity of the construction industry to participate in every sphere of housing and habitat.
- Involving women at all levels of decision making and enabling them in the formulation and implementation of housing policies and programmes.
- Development of villages in a manner which provides for a healthy environment, increased use of renewable energy sources and pollution free atmosphere with a concern for solid waste disposal.
- Providing quality and cost effective housing and shelter options to all citizens particularly the vulnerable and the poor.
- Ensuring that all housing units have easy access to drinking water and sanitation.

IXth Plan Achievements- An Action Plan for Rural Housing

5.4 The Government has set the goal of providing Housing for All and the Government is making an all out effort to facilitate the construction of 25 lakh dwelling units in the rural areas annually, giving special emphasis to the poor and the deprived. The intention was to end all shelterlessness by the end of the IXth Plan period and ensure the conversion of all unserviceable kutcha houses into pucca by the end of the Xth Plan period. Towards this end, an Action Plan for Rural Housing has been approved and is now under implementation. The Action Plan for Rural Housing has the following components:

- (i) Indira Awaas Yojana(IAY)
- (ii) Pradhan Mantri Gramodaya Yojana(PMGY): Gramin Awaas
- (iii) Credit cum Subsidy Scheme for Rural Housing
- (iv) Samagra Awaas Yojana(SAY)
- (v) Rural Building Centres(RBC)
- (vi) Innovative Stream for Rural Housing and Habitat Development
- (vii) National Mission for Rural Housing and Habitat

Indira Awaas Yojana(IAY)

5.5 Indira Awaas Yojana (IAY) was launched during the year 1985-86 with the objective of providing assistance for construction of dwelling unit to the below poverty line (BPL) rural households belonging to the Scheduled Castes, Scheduled Tribes and freed bonded labourers categories. Since 1993-94 its scope has been extended to cover below poverty line Non-Scheduled Castes and Scheduled Tribes rural households, subject to the condition not less than 60% of the total allocation under the Scheme is utilized for Scheduled Caste/Scheduled Tribe BPL families. 3% of the funds have been earmarked for the benefit of rural below the poverty line physically and mentally challenged persons. The Gram Sabha has been empowered to select the beneficiaries under the Scheme. Allotment of dwelling units is to be done in the name of female member of the beneficiary household. Alternatively, allotment can be in the name of both husband and wife. A maximum assistance of Rs.20,000/- in plain areas and Rs. 22,000/- for hilly/difficult areas is provided for construction of the house including sanitary latrine, smokeless chulha and infrastructure and common facilities. Construction of the house is the responsibility of the beneficiary. The beneficiary is free to select design and materials. The house is not to be constructed and delivered by any external agency.

Year-wise financial and physical performance under the IAY, since its inception has been given in **Annexure-XIII**.

5.6 From the year 1999-2000, 20% of the total funds allocated under IAY is being utilised for the conversion of unserviceable kutcha houses into pucca/semi-pucca houses of the BPL rural households. A maximum assistance of Rs. 10,000/- per unit is being provided under the upgradation component. The provision of a sanitary latrine and a smokeless chulha is mandatory.

5.7 The Action Plan for Rural Housing was prepared in consultation with the Planning Commission and it was anticipated that that by the end of 2001-2002, 109.53 lakh additional housing units would be constructed under the Indira Awaas Yojana in the rural areas. The document also projected that at the start of the Tenth Plan a residual gap of 78.17 lakh units would remain to be covered in addition to any gap which arose due to the increase in population growth.

5.8 An analysis of whether the goals identified while preparing the Action Plan for Rural Housing have been achieved during the IXth Plan Period, suggests that there have been shortfalls in the Indira Awaas Yojana. Thus instead of ensuring the construction of 109.53 lakh between 1997-98 to 2001-2002, in fact only around 32.61 lakh houses (as per last reports) have been constructed till 2000-2001. The Table below may indicate that there have been shortfalls in the financial allocations as well.

**Table: Rural Housing: Budget Details during IXth Plan Period
(Rs. in Crores)**

Year	Demand	B.E.	R.E.
1997-98	2000.00	1190.00	1143.75
1998-99	2400.00	1600.00	1532.00

1999-2000	2500.00	1710.00	1659.00
2000-2001	2500.00	1710.00	1710.00
2000-2001	2500.00	1725.00	*

- This will be finalized towards the end of the financial year 2001-2002

5.9 It is anticipated that this will perhaps increase to a maximum of 45 lakh houses by the end of the IXth Plan Period if sincere efforts are made during the current financial year. Further the funds that were projected to be given for Rural Housing also proved to be only a chimera. The shortfall has been indicated in the table below. The allocation under the IAY for 2001-2002 is around Rs 1618 crore.

**Table: Funds for Indira Awaas Yojana during IXth Plan Period
(Rs. in Crore)**

Year	As per Action Plan Requirement	Actual Receipt
1997-98	1190.00	1153.00
1998-99	1492.00	1484.00
1999-2000	1782.00	1599.99
2000-2001	1732.00	1613.69
2000-2001	1732.00	1618.00

5.10 The Indira Awaas Yojana is one of the most successful programmes being implemented by the Ministry of Rural Development and also one of the programmes where the asset created is clearly visible in the field and the benefit actually accruing to the beneficiary. Access to a 'pucca' dwelling not only provides basic housing and adequate shelter for the poor, it enables access to a better environment for better health and sanitation as well as safe storage space for foodgrains, seeds etc. Ultimately it could also create substantial opportunities for additional employment and economic activity for the household, if the space is utilized for a home based industry. Above all, a pucca building raises social status, self esteem and self confidence of the members of the household.

5.11 The Indira Awaas Yojana despite several shortcomings can be described as a successful public programme for the poor. A number of factors such as targeting basic needs and deserving beneficiaries, a strategy of social inclusion rather than exclusion, positive gender and social discrimination and above all a strategy confirming trust in people have contributed to the success of the IAY. The policy of inclusion for the erstwhile socially excluded groups inherent to the IAY has helped marginalized groups acquire a better status within their own village. In view of the above, it would be imperative to substantially hike the allocation under the Indira Awaas Yojana and also ensure that the Scheme is not transferred to the States/UTs. However some weaknesses persist. Design and implementation of the Scheme remain supply driven, based on the Planners perceived demand for dwelling units by poor rural families. While the programme must be singled out for having faith in the beneficiary, yet, contractors are playing an increasing role. This needs to be checked. Correctives such as ensuring transparency in the selection process through the convening of the Gram Sabhas, elimination of back door selection by

influential persons and contractors in the construction process however would require to be made.

Pradhan Mantri Gramodaya Yojana : Gramin Awaas (PMGY:GA)

5.12 The Pradhan Mantri Gramodaya yojana – Gramin Awaas (PMGY-GA) has been launched only from 2000-01. Ministry of Rural Development is the nodal Ministry for the implementation and monitoring of the programme Pradhan Mantri Gramodaya Yojana- Gramin Awaas (PMGY-GA), whose Guidelines have been circulated to all States/UTs. The Scheme is based on Indira Awas Yojana. States/UTs are required to send us project proposals for release under PMGY:GA. Releases are being made by the Ministry of Finance on the recommendation of this Ministry.

5.13 A total amount of Rs 286.84 crore was disbursed to various States/Uts under the PMGY:GA in 2000-2001.

5.14 Since the PMGY:GA has been substantially cast in the image of the IAY, all suggestions made to improve the implementation of the IAY would apply mutatis mutandis to the PMGY:GA

Credit-cum-Subsidy Scheme for Rural Housing

5.15 All rural households having an annual income upto Rs.32,000/- are eligible to receive assistance under this Scheme. The total subsidy to be given under this Scheme has been pegged at Rs. 10,000/- per household. The upper limit of construction loan admissible under the Scheme is Rs.40,000/-per household. The Scheme is being implemented through Scheduled Commercial Banks, Housing Finance Institutions or Housing Boards depending on the choice of the States/UTs. The Central funds released during 1999-2000 and 2000-2001 were Rs. 60.68 crore and Rs. 26.99 crore respectively. The funds utilised during 1999-2000 was only Rs. 17.77 crore against the total availability of Rs. 80. 91 crore. Similarly funds utilised during 2000-01 were Rs. 24.80 crore against the total availability of Rs. 68. 90 crore. The number of houses constructed were 23,229 and 18,897 respectively (provisional for both the years) during these years. The allocation under the credit cum subsidy scheme for Rural Housing for 2001-2002 is Rs. 38 crore.

5.16 If the Scheme has not found acceptability to the desired extent in the rural areas, one reason among many is the application of lending norms acceptable in the urban context to the rural areas. While a house is a fungible asset in the urban areas, the same does not hold true for the rural areas. Pegging lending to stipulations such as collateral or personal guarantee of the borrower seems unrealistic and inflexible in the rural context particularly as the poor often do not have assets to mortgage. There is a possibility of ensuring the success of this Scheme, by marketing it among Self Help Groups. However it would not suffice to promote only horizontal structures, some investment would have to ultimately made in vertical structures too.

Samagra Awaas Yojana (SAY)

5.17 To address the issue of ensuring the development of sustainable and wholesome rural human settlements, Government has in 1999-2000 launched the Samagra Awaas Yojana. This Scheme attempts to breach the limited shelter concern of 'four wall and a roof' and ensure the convergent provision of drinking water, sanitation housing and common drainage facilities. 25 blocks (1 block each in 25 Districts of 24 States and 1 UT) are being taken up during the first phase. An amount of Rs 4.02 crore has been disbursed to 17 Projects under the Samagra Awaas Yojana since inception of the Scheme (1999-2000 & 2000-01).

5.18 After evaluation of the pilot phase it would be necessary to take a view on the continuance of the Scheme.

Innovative Stream for Rural Housing and Habitat Development

5.19 To encourage the use of cost effective, environment friendly scientifically tested and proven indigenous and modern designs, technologies and materials, an Innovative Stream for Rural Housing and Habitat Development has been launched. Under this Scheme, project based assistance to governmental organisations, institutions and NGOs working in and for the rural areas is being provided. An amount of Rs 11.89 crore has been disbursed under the Innovative Stream since the inception of the Scheme in 1999-2000. Rs 10 crore has been allocated under this Scheme in 2001-2002.

5.20 Tracking of innovations on a sustained basis is not merely desirable but increasingly a necessity. In this context the efficacy of traditional /local structures would need to be understood.

Rural Building Centres (RBCs)

5.21 To address the primary objectives of technology transfer, information dissemination, skill up-gradation through the training of rural masons etc., and environment friendly building materials, a network of Rural Building Centres across the country is being set up. All States/UTs are being covered under the Scheme of Rural Building Centres. These can be set up both by Governmental and Non-Governmental Agencies. For setting up of each Rural Building Centre, one time grant of Rs. 15 lakh is being provided. An amount of Rs 2.40 crore has been disbursed under this Scheme since inception in 1999-2000 and 2000-01. Rs 3 crore has been allocated for Rural Building Centres in 2001-2002.

Equity support to Housing and Urban Development Corporation of India limited.

5.22 To meet the requirement of Economically Weaker Section (EWS) and LIG groups in rural areas and to improve the outreach of housing finance in rural areas, the equity support to HUDCO by the Ministry of Rural Development has been raised

from Rs.5 crore to Rs.355 crores during the Ninth Five Year Plan period. Rs 50 crore, Rs 150 crore and Rs 100 crore have been released in 1998-99; 1999-2000 and 2000-2001 respectively by the Ministry of Rural Development as its equity contribution to HUDCO. Another Rs 50 crore will be released to HUDCO in 2001-2002.

National Mission for Rural Housing and Habitat

5.23 A National Mission for Rural Housing and Habitat has been set up by the Ministry of Rural Development to facilitate the induction of science and technology inputs, on a continuous basis, in the Sector and to provide convergence to technology, habitat and energy-related issues in order to provide affordable shelter for all in the rural areas, within a specified time-frame, and through community participation. Towards this end, an Executive Council under the Chairmanship of the Minister of Rural Development and an Empowered Committee under the Chairmanship of Secretary (Rural Development) have been constituted. A Working Group has been constituted to prepare an Action Plan for the National Mission for Rural Housing and Habitat. Rs 1 crore has been made available under the Mission Head for 2001-2002.

The main recommendations which have been made by this Working Group and accepted by the Empowered Committee are as follows:

- (i) Preparation of a State of the Art Report on Rural Housing**
- (ii a) Improving the outreach of formal institutional housing credit in the rural areas:** A High Level Committee of housing finance experts Bankers, rural development specialists etc. should be to examine the matter and make specific recommendations.
- (ii b) Development of a self sustaining delivery system for Rural Housing:** A Study may be commissioned through NCAER (National Council for Applied Economic Research), which has a newly constituted Rural Infrastructure Wing. Time frame 3-6 months.
- (iii) Rural Housing Designs, Materials and Technologies:**
 - a) **Awards:** The Housing & Urban Development Corporation (HUDCO) may be asked to prepare the Protocol for the proposed Rural Housing Awards by the end of 2001.
 - b) **Setting up of a National Housing and Habitat Museum:** The Ministry of Rural Development can take the lead in this regard along with HUDCO and the Building Materials & Technology Promotion Council (BMTPC).
 - c) **National Bio-mass Renewal Strategy:** A sustainable bio-mass renewal strategy would require to be evolved. BMTPC in partnership with the Centre of Science and Environment can be asked to develop an Action Plan. (Time frame 3 months).
 - d) **Documentation of Indigenous Knowledge Systems of Rural Housing Designs, Materials and Technologies:** The BMTPC should be commissioned to undertake the complete documentation of all indigenous knowledge systems in the spheres of building materials, designs and

- technologies, indicating the structural efficacy off each of these and their relevance today. (Time frame 6 months)
- e) **Ensuring that all housing in the rural areas is structurally sound to withstand natural calamities:** The BMTPC in association with HUDCO should identify the appropriate techno-legal and techno-financial regime on region specific basis for the rural areas of the country. (Time frame 6 months)
- f) **Creation of an institutional mechanism for skill upgradation and technology transfer on a national scale:** The Rural Building Centres Scheme and the Innovative Stream for Rural Housing and Habitat Development, as is currently being implemented is in a fledgling state and requires to be given a big push.
- (iv) **Management Information System for Rural Housing:** The MIS can be developed in concert with the National Informatics Centre or any other body deemed fit by them.
- (v) **Land:** A beginning should be made for a scientific and reliable assessment of the extent of shortage through consultation with the States/ UTs as land is State subject. Alternatively an institution should be identified which can undertake this exercise on behalf of the Ministry of Rural Development.
- (vi) **Information, Education and Communication:** The Mission should, among other things, address these communication gaps through an innovative, focused, peoples' based, programme specific IEC strategy.
- (vii) **The Model Villages Scheme:** This approach which emphasises the development of sustainable habitats, needs to be further deepened and expanded.

Rural Housing Sector: Issues and Assessment

5.24 The current emphasis on targets and norms encourages excessive investment on subsidy driven schemes, undermines efficiency and deters the responsibility for operation and maintenance by institutions/ persons responsible for their ownership. The weak incentive structure, an orientation towards beneficiary constructing the house without strengthening the supply lines for building designs, materials and technologies had only served to heighten the perceived risk to the private sector and curtailing their potential involvement. The Action Plan for Rural Housing with its emphasis on creation of of an institutional framework for skill up gradation, transfer of technology etc., is a big leap forward, but each of these components will require to be given further momentum in the Xth Plan Period.

5.25 One of the impacts of the sector's target driven objective has been the inadequate planning and assessment process to investment. No attempt has been made for example to assess the extent and status of the privately financed houses and allocation of household expenditure for the up gradation of houses, expansion or even the construction of a new house. This inspite of the well known fact that private funding constitutes the major source of financing in the rural housing sector. Neither has consumer preference and willingness to pay for different levels of service been ascertained. Effective planning has been severely hampered by the inherent

institutional incentives to build through subsidy, rather than affordable appropriate accessible and acceptable houses on a cost sharing basis. Monitoring and evaluation of central and state financed programmes by and large have been limited to ensuring that central government funding is allocated as required. While the National Mission for Rural Housing and Habitat has been set up, greater focus will be required to help it evolve as a major tool for policy making in the Rural Housing sector in the Xth Plan period.

5.26 According to the recent 73rd Amendment, the States are devolving powers and responsibilities for the development of the Panchayati Raj institutions. In IAY the flagship rural Housing Scheme of the government of India, this has meant that selection of beneficiaries is entirely the prerogative of the Gram Sabhas. Construction and selection of designs materials and technologies is anyway been left to the beneficiaries with the laudable intention of excluding a role for the contractors. But simultaneous to this decentralisation the decision making process and responsibilities have been devolved across different agencies without strengthening of inter agency co-ordination mechanisms. Thus, there has been a weakening of accountabilities. State level agencies have virtually no role in technology selection, scheme sanctioning , monitoring and training. Thus houses are being constructed with no attention to issues such as the need to opt for scientifically validated technologies, designs and materials and provision of sites and services. The over emphasis on 'pucca' structures as opposed to those based on intermediate technologies only renders lesser value for the money spent and far greater strain on an already fragile ecology. More importantly such a strategy implies a growing hiatus between the people and the production process. The greater the hiatus the lesser the control of the people over the development process. In the Xth Plan Period, capacities within States/ Uts and their DRDAs/ ZPs and other PRIs' will require to be strengthened to facilitate this.

5.27 Though individual beneficiaries themselves are ostensibly responsible for the construction of houses and are required to make supposedly informed choices on technology, design and materials, infact this does not happen. This is above all because of absence of meaningful managerial autonomy due to lack of access to the available options, lack of information on compatibility of given technology options with agro climate and the susceptibility of the location and technology choice to natural hazards and the lack of attention to the strengthening of supply side parameters in a cost effective material scarce situation. The net result is that rural areas are slowly becoming poor imitations of their urban cousins without the concern for styling comfort and aesthetics. What is most disturbing is the continued dependence on central and state funding, high politicization in the selection of beneficiaries because of scarce resources being thinly spread and the defacto dependence o the petty contractor. The Xth Plan Period should provide for adequate space for development of an effective Rural Housing sector through specific IEC Campaign.

5.28 Over time the significant gains in extending the subsidy based IAY has not been matched with a simultaneous increase in coverage because of increasing construction cost in a scenario characterized by the failure to integrate strategies for the transfer of technologies and expansion in the knowledge base of people. Keeping in view the recommendation of the National Housing and Habitat Policy

1998, we need to shift from a high/ full subsidy regime to a cost sharing one. In this context the IAY will require to be repositioned.

5.29 Achieving rural housing sector objectives requires steps beyond mere pumping of more funds into a grant based programme such as IAY. Significant improvement in the efficiency of government spending will not be sufficient since the way it is being currently channeled is itself questionable. Given fiscal deficit reduction goals and competing government priorities, substantial increases in government allocation are also unlikely. Possibilities of direct investment by the private sector are severely limited due to high risk and low profitability of the sector since rural housing continues to be perceived as an uneconomic asset. Yet given plateauing investments by government, supplementary financing from the private sector or capital markets could and will likely need to be more forthcoming. However, private funding is likely to enter only if sector operations are elevated to a commercial level through a well-designed package of fiscal concessions. The Working Group set up by the Empowered Committee of the National Mission for Rural Housing and Habitat is already seized of this issue.

5.30 The broader concept of financial sustainability for the rural infrastructure sector has yet to assume salience in India. Housing is a sector is on the threshold of being included in the infrastructure sector. This is welcome and profits from one area can be used to compensate the higher risks associated with housing in the long term. Institutional financing through loan recovery is likely to be difficult to implement, but it could be achieved with appropriate policy and political support and a general shift in institutional and public perceptions regarding the economic viability of cost effective environment friendly housing accompanied by a reorientation of consumer preferences and perceptions to one where they desire to pay for good quality services rendered and can afford. The Working Group set up by the Empowered Committee of the National Mission for Rural Housing and Habitat is already seized of this issue.

5.31 A better organizational/ institutional response to facilitate repair, upgradation/ improvement and extension has to emerge- this includes both finance and other supports such as materials, easy access to technologies etc.

5.32 Strong encouragement and support to the private sector in Rural Housing is required. This would be a function of economic growth and savings. The need to develop a housing market in the rural areas through the mobilization of small contractors is imperative.

5.33 If delivery systems have to evolve, it would be necessary to increasingly restrict access to subsidy. The main hindrance to credit based strategies has been non recovery of loans. An important task to take up in the Xth Plan period would be to analyse how recovery mechanisms can be put in place as a means of improving delivery systems.

5.34 It is imperative that Government constructions should adopt innovative technologies. PWD norms must reflect an appreciation of these cost effective technologies, designs and materials. In short the paradigm of Government construction has to change for a lasting impact

Need for a strategy shift in the Rural Housing sector in the Xth Plan

5.35 The following strategic shifts are considered essential in the Rural Housing sector during Xth five year plan:

- a. An enabling environment i.e. policy framework that politically legally and institutionally supports the strategic shift
- b. Establishment of institutional sustainability by clarifying and rationalizing the roles and responsibilities of various sectoral agencies; strengthening facilitation or implementation capacity of existing agencies or setting up of a new agency where necessary; supporting the decentralization process further by involving NGOs in a bigger way; setting up institutional mechanisms for the transfer of technologies, designs and materials on a continuous basis and achieving full participation of rural communities in sector decision making and project implementation.
- c. Establishment of financial viability and sustainability by implementing policies and actions which expand the outreach of housing finance in the rural areas offer a menu of financing options and achieve full cost recovery.
- d. Resources management to ensure adequate quantities and quality supply of building technologies materials and designs. Several factors can hinder this process of strategic shift. These include a general unwillingness to charge for a good whose provisioning has been conventionally treated as a government responsibility and the pace and drive with which a reluctant bureaucracy is willing to effect the shift. The aim should be to phase out dependence on government subsidies within a given time frame and the target driven approach and phase in a demand driven approach and full cost recovery (except in the case of BPL households). Only a highly advanced and evolved communications strategy can convince policy makers and development practitioners alike of the gains to be had from making and implementing difficult cost sharing and cost recovery decisions. Implementations of a participatory demand driven approach will ensure that consumers have a role in influencing the level and amount of service they desire and can afford and full cost recovery will ensure financial viability. Finally institutional strengthening and change in the mindsets will ensure long term sustainability.

National Social Assistance Programme (NSAP)

5.36 The National Social Assistance Programme (NSAP) which came into effect from 15th August 1995 represents a significant step towards the fulfillment of the Directive Principles in Article 41 and 42 of the Constitution. It introduced a National Policy for Social Assistance benefit to poor households in the case of old age, death of primary bread-winner and maternity. The Programme accordingly had three components namely-

- National Old Age Pension Scheme (NOAPS)
- National Family Benefit Scheme (NFBS)

➤ **National Maternity Benefit Scheme (NMBS)**

5.37 However, on the recommendation of a Committee of Group of Ministers, the NMBS now stands transferred to the Ministry of Health & Family Welfare w.e.f. 1-4-2001 for ensuring better linkage with the nutrition and national population control programmes.

National Old Age Pension Scheme (NOAPS)

5.38 The NSAP Schemes were partially modified in 1998 based on the suggestions received from various corners and also on the basis of the feedback received from the State Governments. The salient features of the modified present NSAP Schemes are as below:

- Age of the applicant (male or female) is 65 years or more.
- The applicant is a 'destitute' in the sense of having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources.
- The amount of old age pension is Rs.75/- per month for the purpose of claiming Central assistance.

National Family Benefit Scheme (NFBS)

5.39 Central assistance is available under this Scheme in the form of a lump sum family benefit to households living below the poverty line, on the death of the primary breadwinners in the bereaved families subject to the following conditions:

- The 'primary breadwinner' is the member of a household, male or female whose earnings contribute substantially to the total household income.
- The death of such a primary breadwinner occurs while he or she is more than 18 years and less than 65 years of age.
- The bereaved household qualifies as one below the poverty line according to the criteria prescribed by the Government of India.
- The amount of benefit is Rs.10,000/- irrespective of the cause of death – natural or accidental, of the primary breadwinner. The family benefit is paid to such surviving member of the household of the deceased who after local enquiry, is determined to be the head of the household.

5.40 The NSAP is a 100% Centrally Sponsored Programme. The Programme aims at ensuring minimum national standard of social assistance in addition to the benefit that the States are currently providing or might provide in future. The intention in providing 100 per cent Central assistance is to ensure that social protection to the beneficiaries everywhere in the country is uniformly available without interruption. It is therefore, aimed that the Central assistance does not displace States' own expenditure on social security schemes and that the States/UTs may expand their own coverage of social assistance independently wherever they like to do so.

Financial achievement under NSAP since inception

5.41 The financial and physical achievements under the three NSAP schemes since inception are indicated in the Tables below:

Table: National Old Age Pension Scheme (NOAPS) (Rs. in Crores)

Year	Budget	Releases	Expenditure	No. of Beneficiaries (Nos.)
1995-96	295.51	216.15	109.88	2937677
1996-97	361.94	373.82	319.55	4760327
1997-98	335.99	386.29	365.19	5087830
1998-99	420.38	420.81	467.15	5080821
1999-2000	447.00	447.97	456.25	5017542
2000-2001	447.00	439.88	476.66	5148226
2001-2002 (upto 3.12.2001)	465.00	238.28	163.90	4044620

Table: National Family Benefit Scheme (NFBS) (Rs. in Crores)

Year	Budget	Releases	Expenditure	No. of Beneficiaries (Nos.)
1995-96	153.97	104.86	43.44	284260
1996-97	110.00	106.86	92.00	166090
1997-98	100.00	117.60	130.56	218456
1998-99	160.64	160.64	188.02	266411
1999-2000	193.00	192.45	194.98	215815
2000-2001	193.00	187.32	200.93	202999
2001-2002 (upto 3.12.2001)	167.90	80.95	41.82	49326

Table: National Maternity Benefit Scheme (NMBS) (Rs. in Crores)

Year	Budget	Releases	Expenditure	No. of Beneficiaries (Nos.)
1995-96	84.02	58.47	24.50	657891
1996-97	70.00	67.57	52.63	1282025
1997-98	46.74	49.58	54.70	1557292
1998-99	56.36	56.56	70.43	1562072
1999-2000	67.38	67.38	73.40	1299719
2000-2001	73.00	71.37	83.90	1456079

NB. Budget provision reported is as at RE stage.

Implementation during 2001-02

5.42 During the current year (2001-02) the Budgetary provision for NSAP is Rs. 635 Crores. Out of this, the amount earmarked for NOAPS is Rs. 464.99 Crores. The amount earmarked provisionally for NFBS is Rs. 100 Crores. No financial provision for NMBS has been made since the scheme stands transferred to the Ministry of Health & Family Welfare. The latest position of release and reported expenditure during the current year, is indicated below :

(Rs. in Crores)

Scheme	Releases made	Reported Expenditure*
NOAPS	181.99	1.96
NFBS	43.96	0.11

Evaluation Studies on NSAP

5.43 Evaluation studies are conducted on the implementation of the NSAP schemes from time to time. The Evaluation Study conducted by M/s Operation Research Group (ORG) in 1998-99 in 8 bigger States of the country viz., Andhra Pradesh, Bihar, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Orissa and West Bengal comments that the benefits of the schemes have indeed reached the people for whom they are intended.

Annapurna Scheme

5.44 The Annapurna Scheme, which was launched with effect from 1st April 2000 aims at providing food security to meet the requirement of those senior citizens who though eligible, have remained uncovered under the National Old Age Pension Scheme (NOAPS). The scheme is currently targeted to cover in the first instance, 20% of persons eligible to receive pension under NOAPS (i.e. 13.762 lakh). As per the guidelines of the programme, the beneficiaries should not be in receipt of pension either under the NOAPS or any State Pension Scheme. The beneficiaries are given 10 Kg. of foodgrains per month free of cost. The beneficiaries must be 65 and above and is destitute i.e. having no regular means of subsistence from his/her own source of income or through financial support from family members or other sources.

5.45 Funds are currently released to the States who in turn release the funds to the respective State Departments of Food & Civil Supplies (F&CS). At the State level, the Food & Civil Supplies Departments purchase the foodgrains from the Food Corporation of India (FCI), who supply foodgrains at District Level from their designated depots. At District level, the scheme is implemented by the District Collector/Chief Executive Officer (CEO) of the Zilla Panchayat. The Collector/CEO arranges for distribution of the foodgrains through a network of Fair Price Shops under the Targeted Public Distribution System. The beneficiaries under the scheme are selected by the Gram Sabhas and the Gram Panchayat distribute the entitlement cards to the beneficiaries, which would enable them to receive the foodgrains.

5.46 Initially, the scheme envisaged the State Government procuring the foodgrains from the FCI at economic cost, but this was later converted w.e.f. 1.11.2000 to BPL price (price applicable to below poverty line family).

5.47 Based on the monthly progress reports to be sent by the Districts, the State Governments/UTs would forward to the Ministry of Rural Development consolidated reports every quarter. Committees will be constituted at State and District levels headed by Secretary, Food & Civil Supplies Department and District Collector respectively to monitor and evaluate the implementation of the scheme in the States.

Physical Achievement Since Inception

5.48 Under the scheme, as per reports received from the FCI upto 31.3.2001, foodgrains amounting to a total of 18,963 MT.(8,523 MT of wheat and 10,440 MT of rice) have been lifted by 10 states. These are Himachal Pradesh, Rajasthan, Uttar Pradesh, Uttaranchal, Orissa, Mizoram, Meghalaya, Tripura, Andhra Pradesh and Kerala.

5.49 The State of Sikkim has reported lifting of foodgrains and have utilised the funds fully. However, 6 States like Punjab, Gujrat, Madhya Pradesh, Karnataka, Tamil Nadu and Haryana have desired some modifications to the scheme before implementing it.

Performance in the year 2000-01

5.50 During the year 2000-01, an amount of Rs.99.05 (full allocated amount) crores was released to the 32 States/UTs. The three states of Haryana, Karnataka and Tamil Nadu were not released funds for the scheme as they refused to implement the scheme in the current form. As explained above, the total quantity of foodgrains lifted during the year by 10 States is 18,963 MT. As most of the other States have not lifted the foodgrains, the percentage of utilisation of expenditure is only 11% upto March 2001. This was mostly because, a number of States have not been prompt in releasing funds to the State Departments of Food & Civil Supplies for the purchase of foodgrains from FCI. The off take of foodgrains was also slow as the scheme was implemented for the first time and the State Governments were in the process of gearing up their machineries for implementation of the scheme.

Plan Of Action for the year 2001-02

5.51 A budget provision of Rs.100 crores has been made for the Annapurna scheme during the year 2001-02. The State-wise allocation has been prepared on the basis of overall allocation and depending on the requirement of the States.

5.52 Funds are being released in one instalment to States/UTs based on their requirement and utilisation (75%) of funds during the previous year. So far, an amount of Rs.23.26 crores has been released to the states of Andhra Pradesh, Chhattisgarh, Rajasthan, Orissa, Uttranchal and Sikkim during the current year as per details enclosed.

5.53 As per the budget allocation, the total number of beneficiaries proposed to be covered during the year 2001-02 are 13,47,443.

Chapter-6

Review of Programmes by the Sub-Groups

I. The Sub-Group on Self - Employment Programme and Credit Linkage in Poverty Alleviation – Sub-Group I

6.1 The Sub-Group was constituted under the Chairmanship of Dr. (Mrs.) Rohini Nayyar, Advisor (RD), Planning Commission to examine various aspects of the Self-Employment Programme and Credit Linkages thereof in Poverty Alleviation efforts. The composition of the Group is at **Annexure-II**.

6.2 The importance of Credit as an effective means of tackling the problem of poverty has been recognised World over by now. Both Governmental and Credit Institutions recognise this. In India traditional craft/skill-based village enterprises are all pervasive in rural areas. Many of these enterprises are directly linked to agriculture. However, they are located far away from the main urban centres. One of the factors that has affected the growth of these enterprises is lack of adequate capital. Capital is required both for acquiring inputs and sale of the output.

6.3 While, rural credit has been a priority area of investment in the Banking sector of the economy, particularly after the nationalization of the Banks in 1969, specific institutions like the National Bank for Agricultural & Rural Development (NABARD) (1982) have also been set up to support and promote agricultural and rural development in an integrated manner and in an institutionalized fashion. The mission of the NABARD has been to “promote sustainable and equitable agriculture and rural prosperity through effective credit support, related services, institutional development and other innovative initiatives”. Micro credit is at present the thrust areas of the NABARD. The NABARD is also supporting various credit delivery innovations like replication of “Gramin Bank of Bangladesh”, NGO Networking, SHG Federations, Credit Unions etc.

6.4 By now, in India the Banking structure has spread in every nook and corner of the country. It is estimated that there are about 1,25,000 rural credit outlets at present. However, despite impressive gains made by the rural credit delivery system in terms of resource mobilization, geographical coverage and functional reach during the last three decades, there has been deterioration in the credit delivery mechanism and quality of lending. Over the years, the emphasis on achievements of quantitative targets has resulted in wrong selection of projects. In other cases it has resulted in under-financing. In some cases it has also created instances of wilful default. In the process, an impression has been created in the Banking system that the poor do not have the ability to make productive use of the credit provided to them and to repay as well.

6.5 A rethinking, therefore, is necessary to establish an effective and trust-worthy linkage between the rural poor and the Credit delivery system in the country. Social mobilisation of the poor through the Self Help Groups (SHGs) can be considered to be an effective means to establish this linkage. The NABARD, as the premier Credit Organisation for the rural areas has initiated and lent its support to the approach, even to organisations involved in promoting SHGs in rural areas.

6.6 The focus of the major self-employment programme at present for the rural poor i.e. the Swarnjayanti Gram Swarozgar Yojana (SGSY) is on the SHG. The SGSY also envisages social mobilization through the SHGs and to provide a credit linkage through them for self-employment of the poor in rural areas.

6.7 The SGSY is a new programme and is under implementation w. e. f. 1.4.1999. Before that the programmes for self employment of the rural poor were Integrated Rural Development Programme (IRDP), Training of Rural Youth for Self Employment (TRYSEM), Development of Women & Children in Rural Areas (DWCRA), Supply of Improved Tool Kits to Rural Artisans (SITRA). All these programmes were originally conceived as supplementary to each other to achieve the larger goal of poverty alleviation. For instance, those who were selected under the IRDP for assistance, were also expected to be trained under the TRYSEM. The persons trained under the TRYSEM were also expected to be given priority for assistance under the IRDP. In actual practice, however, this did not happen. Each of these programmes, in due course of time, got implemented independently without any relation to the other, as if each one of them was a separate individual programme. The focus of each programme was more on achievement of the individual programme target rather than the overall goal of poverty alleviation. Obviously, the overall impact of all these programmes towards poverty alleviation was much less than what was expected of them. The operation of the programmes, therefore, was reviewed and a restructured programme namely the SGSY was launched in their place.

6.8 As has been indicated earlier a major area of focus of the SGSY is social mobilisation of the poor through Self Help Groups (SHGs). It is drawn from the experience over the years and across the world that SHG is an effective instrument for successful operation of various poverty alleviation programmes.

6.9 The Sub-Group in its meetings examined and considered the various aspects of the SGSY, SHGs and credit linkages for poverty alleviation in rural India.

6.10 The Sub-Group noted that there has been a definite change in rural areas towards Self Help Group (SHG) movement, particularly due to the efforts of the Ministry of Rural Development and other Organizations like the NABARD, the RMK and some NGOs. Self Help Groups can be a handy instrument for Poverty Alleviation Programmes like the SGSY. The SHG concept has been catching the imagination of the rural poor gradually, but definitely. SHG movement encourages and develops thrift and credit activities among the rural poor. It, thus helps the poor to be self-reliant in emergency situations and to free themselves from the likely exploitation by the vested interests in rural areas. Social mobilization is an integral part of SHG movement. SHG approach and social mobilization help the poor realize the strength and advantages of group behaviour. It improves collective bargaining power of the poor. It also helps in their awareness development towards health and sanitary conditions, small family norms, advantages of literacy etc. It also leads to empowerment of women. Many of the group advantages have already been established in some States, particularly in the South and among women, where the progress of SHG movement has been noteworthy.

6.11 SHG movement also provides a scope for micro-credit route for self-employment of the poor. Interrelation between micro-credit and micro enterprise for a sustainable self-employment of the poor in rural areas is getting established. The SGSY is an important reflection of this emerging reality.

6.12 The NABARD and the RMK have been involved in Self Help Group movement. The Banks have to be willing partners along with other non-Governmental Organizations in making the movement a success.

6.13 The Sub-Group considered that, to begin with, micro-finance rather than micro-enterprises needs to be focussed upon in rural areas. The sub-group also considered the possibility of alternative approaches including the most appropriate model of SHG that could be adopted for poverty alleviation during Xth Plan. In this context, the sub-group considered the following aspects regarding Self Help Groups and Credit Linkages:

- Possibility of designating SHGs as groups for micro-finance and/or enterprise development.
- SHGs to promote thrift and credit activities only among the members?
- Whether bank assistance should be encouraged for SHGs, and if so, whether it is for thrift and credit activities only or for setting up of micro-enterprise as well. A realistic assessment has also to be made regarding the size of loan, which could bring a family above the poverty line.
- Whether financing for economic activity should be on the basis on of SHG alone or financing individual swarozgaris should continue simultaneously.

6.14 While considering all these aspects of SHGs and Credit Linkage Programme, the following were brought to the notice of the Sub-Group:

- (i) The Credit Linkage programme for the SHGs adopted by the NABARD comprises of women from poor families and mainly on thrift and credit activities among the members. The loans to SHGs, which are given initially for consumption purposes can be, at later stages, provided for taking up productive activities as well. The NABARD does not insist on enterprise development among the members but such activities can be taken up if they are so inclined. However, the NABARD provides about Rs. 1500 to NGOs/VOs for formation of each group. The average size of a loan is around Rs. 15,000/-. There is no subsidy under the Credit Linkage programme of the NABARD.
- (ii) The SHGs in Andhra Pradesh have also become popular due to their awareness development effort and thrift and credit activities among the members. There is also a great deal of involvement of NGOs in the formation of SHGs in Andhra Pradesh.
- (iii) In Northern States the grounding of the SHGs would take a little more time to be effective. The Ministry of Rural Development has already issued circular indicating the involvement of NGOs and incentives to them to work as Self

Help Promotional Institutions (SHPIs). There is a need for paying focussed attention to these States including the North-Eastern States for popularizing and effective grounding of the Institution of SHGs for thrift and credit activities and for self employment.

- (iv) The Sub-Group felt that while thrift and credit activities are key elements of the SHGs, the Group corpus is an empowering factor. The Group corpus makes a group eligible for accessing bank credit. It was suggested that Revolving Fund should be used to supplement the group corpus and to enhance the thrift and credit activities of the group.
- (v) The Sub-Group considered the suggestions by some Members for mixed SHGs comprising Members from APL and BPL families. The presence of the APL Members in some Groups may be unavoidable since adequate number of BPL Members may not be available everywhere. APL Members may also be a source of motivation and self confidence to BPL Members for self-employment. It was, however, agreed that there is a risk of an SHG being hijacked by APL Members if they are in majority. The benefit of subsidy should not also be allowed to the APL Members. It was, therefore, suggested that upto 20% of the size of a Group APL members can be inducted into an SHG. The APL Members should not also be office bearers. Nor should they be entitled for subsidy or interest free loans.
- (vi) It was also considered whether RF can be given as one time help to a group to build its Corpus or it should be based on some proportion to the savings made by the group. Revolving Fund is a very critical component and its proper use encourages the group members to even manage economic activities of adequate size. It was, therefore, suggested that the operation/use of Revolving Fund should be made a continuous process. At any point of time, a group can draw as loan from Revolving Fund (both subsidy and Bank credit) any amount upto the entitled amount. The entire amount drawn, however, has to be repaid. The interest charge will be made only on the amount exceeding the subsidy entitlement of the group. The amount of RF may be linked with the size of the corpus of an SHG.
- (vii) In Tamil Nadu Women's Development Corporation is actively involved in mobilizing groups, building cohesiveness among the members, providing credit linkage and marketing support etc. Leather products are a successful activity and are being taken up by SHGs in the state successfully.
- (viii) NGOs should be involved to undertake capacity building of SHGs and other linkages. NGOs are already working with the Rashtriya Mahila Kosh (RMK) in capacity building of the poor and other linkages. There is no subsidy component for the groups under the RMK. In some States where NGOs are not in existence, facilitators are being encouraged for taking up SHGs formation under the RMK scheme.
- (ix) The sub-Group suggested that for the States where the NGOs are not in existence the possibility of the selection of Mother NGOs may be explored. These Mother NGOs may in turn train and motivate other NGOs to function as

facilitators for SHGs. An Apex Body at the National level may be constituted with the representation from the NABARD, the SIDBI and the RMK etc. The Apex body may identify 100 NGOs.

- (x) It was also suggested that the Planning Commission may consider allocation of funds to the SIDBI, the NABARD, the RMK and Mother Institutions for the promotion of SHGs.
- (xi) If NGOs are not available, there should be a provision for getting individuals trained by the selected NGOs as animators/motivators. These trained motivators/animators can be made use of by DRDAs for social mobilisation. Remuneration for such work by motivators/animators can be decided as it has been done for NGOs. The selection of individuals to be trained as animators or motivators can be done by the DRDAs with the help of the NGOs, which will train them.
- (xii) In addition to the existing credit delivery mechanism, other financial institutions like Regional Rural Banks (RRBs), Cooperative Banks and Primary Agricultural Cooperative Societies (PACs) which have been presently working effectively for Self Help Groups, SHG-Bank linkage by these financial institutions as well may be considered on larger scale in different parts of the country.
- (xiii) As it is today, there are three stages involved in the process up to financing of the group namely, formation stage, linkage stage and micro enterprise stage. Let there be one more stage introduced between linkage and micro enterprise stages namely, micro-finance stage. It will be 100% general type of loan linked to the size of the corpus of the group. This loan will enable the group to take up economic activities of a higher level than what was possible at the linkage stage i.e. Revolving Fund stage and will make the group more confident for micro enterprise.
- (xiv) Earmarking of the allocation comes in the way and leads to faulty implementation of the scheme. Various States and Districts are in different stages of the implementation of the SGSY. Flexibility should be allowed to States/Districts to decide their own priorities so far as social mobilisation, training, Revolving Fund, subsidy are concerned. But all activities should be related to Groups (SHGs). For infrastructures, the fixed percentage as it is today should continued.
- (xv) Skill development training wherever necessary, should be provided free of cost.

6.15 Some other observations that came during discussion of the Sub-Group -I were as follows:

- (i) .Different parts of the country are in different stages of development and at different levels of social development on which the new SGSY based on. Groups based activities may not function well in areas of divisive social formations on the basis of gender, class and caste. Therefore, an option should exist for individual

beneficiaries to be extended loans for certain activities such as dairy, on-land irrigation, chakbandy, digging of personal wells, purchase of land etc.

(ii) An over-emphasis on the group model where group cohesiveness and group identity formation is only now being recognised as an acceptable economic and social category, should not be the only model of rural financing under the SGSY.

(iii) For the sake of consistency and administrative expediency and also in order to foster a genuine micro credit movement in the country, there must be uniformity for all micro finance schemes of different departments such that the subsidy element does not attract and wean away individuals from other genuine savings and thrift groups.

(iv) There must be a provision for the compulsory capacity building and training of the individual or group being targeted before the loan is sanctioned rather than after the sanction of loan. Targeted capacity building as well as the formation of SHGs should be taken up in the weaker states on a priority basis and funded separately through either NGOs or MFIs by giving them outright grant for this purpose. Training and capacity building should not be a part of the loan portfolio but should be seen as separate.

(v) The regions where infrastructure is poor, basic services are poor, education and skill levels are low and the environment is highly degraded. These regions perhaps need wage employment programmes more, which can provide work to the poor and build up infrastructure, protect environment and regenerate the ecology so as to create conditions for further economic growth. The SGSY should be implemented in those areas where opportunities for wage employment opportunities are more.

(vi) The subsidy component of the SGSY should be utilised for common utilities such as capacity building, skill training, infrastructure development, marketing and technology support etc. A stage of micro finance may be introduced into the Scheme without subsidy. Subsidy may continue only for the micro-enterprise stage.

(vii) There is a need for micro level planning to identify key activities/livelihood. The DRDAs which are supposed to undertake work, are ill equipped to do this. In order to identify appropriate livelihood opportunities and bottlenecks there in, a District Livelihoods Enhancement Action Planning (LEAP) Task Force should be set up in each district with P.D., DRDA as the convenor and members drawn from NABARD, Lead Banks, line departments, NGOs and 2-3 persons who have established themselves in Trade and Industry. A few model plans may also be prepared by engaging specialised institutions and selected NGOs with such specialisation to ensure that District Leap Task Forces work well.

(viii) To ensure committed and competent NGOs at the District level, the selection of NGOs should be entrusted to a State level Empowered Committee of Self Employment comprising Secretary, Rural Development, Vigilance Commissioner, Bankers, Representatives from All India NGO Association, NABARD & other Bankers. There should be appropriate criteria for selection of the NGOs. The selection process should be duly advertised in advance and transparency

ensured. Complaints, if any, regarding selection of the NGOs should be handled by a National Committee on Self-Employment (NCSE) presided over by the Secretary (RD). In case, there are not enough good NGOs, which is very common in some of the poorer States/Districts, the solution can be provided through a “ Consultative Group” at the national level. The formation and support of SHGs can also be done by Self Help Promotion Institutions (SHPI), which would be specialised entities such as Banks, Micro Finances Institutions or NGOs engaged only in this work. The incentives/remuneration to the NGOs and SHPIs, may be suitably devised.

(ix) Skill and entrepreneurial abilities are learned over a long period of time spread over years, not weeks. Short term, campus based programmes can only be a beginning of the process. The real training comes from apprenticeship by the Swarozgaris, which can be in the farms and firms of non-poor farms and micro-entrepreneurs. A practical solution to the problem can be designed by creation of a Self-Employment Training Institute (SETI) through NGOs or private farm by suitably providing them a one-time assistance. Selection of the SETI should be entrusted to the State Level Empowered Committee on Self-Employment (ECSE) and SETI should work in close collaboration with the District Level Agencies.

(x) Creation of adequate infrastructure both at the individual Swarozgaris level (Micro- infrastructure) and at the SHG or federation of SHG level (common infrastructure is a major requisite for the success of the self-employment programme).

(xi) Market linkages are another very important element in the entire gamut of self-employment promotion. In fact, the success of the programme would finally depend on the availability of the market for the goods produced. Selection of key activities to promote self employment of the poor should have a basis of providing marketing linkages viz. Local, District level, State level, National Level and International level Market. It would require establishment and strengthening of village market (Hatts) by allotting permanent spaces, construction of internal pathways, toilets, semi-pucca sheds, storage go-downs, cold storages, bus stands, luggage vans/truck parks and rentable spaces for privately run STD booths, IT kiosks, tea shops, Dhabas, Banks and MFI branches etc. The National Level marketing facilities could be mostly in the form of promotion through exhibitions at regular interval in selected places including metropolitan cities in the country. Such exhibition also provides scope for promoting exports of the products.

(xii) One important point suggested about the self-employment programme is regarding the experiment with new livelihoods. This is to facilitate the Swarozgaris over a period of time to diversify from a narrow choice of local skill and trade like livestock rearing, petty trading small cultivation to high risk commercial activities and production on a larger scale. The task definitely needs to be experimented during 10th Plan, at least on Pilot Project basis in selected Districts. The task can be performed by collaborative effort of specialized NGOs and other institutions like CSIR, ICAR and SETI etc.

(xiii) There should be an explicit recognition that not all groups will want to, or be judged suitable for, moving on to the fourth stage of setting up full fledged micro-

enterprises. Such groups should be linked to the banks as in the general programme.

(xiv) Subsidy for micro-finance or enterprise should be done away with. Scarce resources devoted to subsidies should be spent instead on (a) enhancing expenditure on the infrastructure and support services envisaged under SGSY, much of which will be of benefit also to the general micro-finance programme and (b) on organizing and training and providing handholding support to the groups at each of the four stages both directly by the DRDAs and by NGOs and individual facilitators.

(xv) The SGSY should define itself as a quality and process oriented micro-finance and micro-enterprise programme for the poor. There should be no pressure of targets or rigid time limits for groups to move on from one stage to the next.

(xvi) The Gram Sabha should also be made an effective forum for selection of right type of scheme for right persons. There should be adequate effort to educate, enlighten the poor about the anti-poverty programmes. A committed cadre of propaganda worker may be created to provide basic guidance and training in the operation of the micro-enterprises by the people in rural areas. The anti-poverty Programmes should also be linked to the health programmes and supported by adequate insurance coverage.

(xvii) The focus of the 10th Five-Year Plan is on the eradication of the poverty of the families below poverty line. The focus of the 10th Plan and the programmes, therefore, should be on the families below poverty line.

Recommendations of the Sub-Group-I

6.16 There was consensus and differences among the members of the Sub-Group on various suggestions made by individual members. The following are the recommendations agreed to by all members of the Sub Group:

- (i) *The SGSY should be implemented with greater emphasis on social mobilisation and formation of SHGs. Even if the SHG is not ready to take up employment generation activity, it definitely helps the poor in strengthening their economic position by reducing their dependence on and exploitation by vested interest in rural areas like local moneylenders. It also improves their collective bargaining power. There should be an explicit recognition that not all groups will want to, or be judged suitable for, moving on to the stage of setting up of full fledged micro-enterprises. Such groups should be linked to the banks as in the general programme. The SGSY should define itself as a quality and process oriented micro-finance and micro-enterprise programme for the poor. There should be no pressure of targets or rigid time limits for groups to move on from one stage to the next.*
- (ii) Thrift and credit activities are key elements of the SHGs. The Group corpus is an empowering factor. The Group corpus makes a group eligible for accessing bank credit. Revolving Fund should be used to supplement the group corpus and to enhance the thrift and credit activities of the group.

- (iii) Mixed groups should be allowed under the SGSY where APL members can be up to 20% of the members in a group. The APL members, however, should not be office bearers of the SHGs, nor should they be entitled for subsidy or interest free loans.
- (iv) Revolving Fund is a very critical component and its proper use encourages the group members to even manage economic activities of adequate size. The operation/use of Revolving Fund should be made a continuous process. At any point of time, a group can draw as loan from the Revolving Fund (both subsidy and Bank credit) any amount upto the entitled amount. The entire amount drawn, however, has to be repaid. The interest charge will be made only on the amount exceeding the subsidy entitlement of the group.
- (v) *Social mobilisation is considered to be the natural field for the NGOs and they should be involved in this process. If NGOs are not available, there should be a provision for getting individuals trained by the selected NGOs as animators/motivators. These trained motivators/animators can be made use of by DRDAs for social mobilisation. Remuneration for such work by motivators/animators can be decided as it has been done for NGOs. The selection of the individuals to be trained as animators or motivators can be done by the DRDAs with the help of the NGOs, which will train them. In order to ensure committed and competent NGOs, the selection of NGOs should be entrusted to a State level Empowered Committee of Self Employment comprising Secretary, Rural Development, Vigilance Commissioner, Bankers, Representatives from All India NGO Association, the NABARD & other Bankers. There should be appropriate criteria for selection of the NGOs. The selection process should be duly advertised in advance and transparency ensured. Complaints, if any, regarding selection of the NGOs should be handled by a National Committee on Self-Employment (NCSE) presided over by the Secretary (RD). In case, there are not enough good NGOs, which is very common in some of the poorer States/Districts, the solution can be provided through well-established important NGOs which can be entrusted the task of "Facilitators" for promotion of other suitable NGOs. The formation and support of the SHGs can also be done by Self Help Promotion Institutions (SHPI), which would be specialised entities such as Banks, Micro Finances Institutions or NGOs engaged only in this work.*
- (vi) A Consultative Group at the National level may be constituted for selection of NGOs which would impart training to other NGOs for social mobilisation of poor and for formation of SHGs.
- (vii) In addition to the existing credit delivery mechanism, other financial institutions like Regional Rural Banks (RRBs), Cooperative Banks and Primary Agricultural Cooperative Societies (PACs) which have been presently working effectively for Self Help Groups, SHG-Bank linkage by these financial institutions as well may be considered on larger scale in different parts of the country.
- (viii) As it is today, there are three stages involved in the process up to financing of the group namely, formation stage, linkage stage and micro enterprise stage.

There should be one more stage between linkage and micro enterprise stage namely, micro-finance stage. It will be 100% general type of loan linked to the size of the corpus of the group. This loan will enable the group to take up economic activities of a higher level than what was possible at the linkage stage i.e. Revolving Fund stage and will make the group more confident for micro enterprise.

- (ix) Earmarking of the allocation comes in the way of the progress of the implementation and could lead to faulty implementation of the scheme. Various States and Districts are in different stages of the implementation of the SGSY. Flexibility should be allowed to States/Districts to decide their own priorities so far as social mobilisation, training, Revolving Fund, subsidy are concerned. But all activities should be related to Groups (SHGs). For infrastructures, the fixed percentage as it is today should continue.
- (x) An option should exist for individual beneficiaries to be extended loans for certain activities such as dairy, on-land irrigation, digging of personal wells, etc.
- (xi) For the sake of consistency and administrative expediency and also in order to foster a genuine micro credit movement in the country, there must be uniformity for all micro finance schemes of different Departments such that the subsidy element does not attract and wean away individuals from other genuine savings and thrift groups and programmes.
- (xii) There must be a provision for the compulsory capacity building and training of the individual or groups being targeted before the loan is sanctioned rather than after the sanction of loan. Training and capacity building should not be a part of the loan portfolio but should be seen as separate. Skill development training to swarozgaris, wherever necessary, should be provided free of cost.
- (xiii) The regions where infrastructure and basic services are poor, education and skill levels are low and the environment is highly degraded, wage employment programmes, which can provide work to the poor and build up infrastructure, protect environment and regenerate the ecology so as to create conditions for further economic growth, would be required more. ***The SGSY should be implemented in areas where self-employment opportunities are more.***
- (xiv) ***The subsidy component of the SGSY should be utilised for public utilities such as capacity building, skill training, infrastructure development, marketing and technology support etc. A stage of micro-finance may be introduced into the scheme without subsidy. The system of subsidy, however, should continue for the micro-enterprise stage.***
- (xv) There is a need for micro level planning to identify key activities/livelihood. In order to identify appropriate livelihood opportunities and bottlenecks, a District Livelihoods Enhancement Action Planning (LEAP) Task Force could be set up in each district with Project Director, DRDA as the convenor and members drawn from the NABARD, Lead Banks, line departments, NGOs and 2-3 persons who have established themselves in Trade and Industry. In order to ensure that

District Leap Task Forces work well, a few model plans may be prepared engaging specialised institutions and selected NGOs with such specialisation.

- (xvi) The incentives to the NGOs and SHPIs may be suitably devised.
- (xvii) Skill and entrepreneurial abilities have to be learned over a long period of time spread over years, not weeks. Short term, campus based programmes can only be beginning of the process. The real training comes from apprenticeships by the Swarozgaris, which can be in the farms and firms of non-poor farms and micro-entrepreneurs. A practical solution to the problem can be designed by creation of a Self-Employment Training Institute (SETI) through NGOs or private farm by suitably providing them a one-time assistance. Selection of the SETI should be entrusted to the State Level Empowered Committee on Self-Employment (ECSE) and SETI should work in close collaboration with the District Level Agencies.
- (xviii) Creation of adequate infrastructure both at the individual Swarozgaris level (Micro- infrastructure) and at the SHG or federation of SHGs level (common infrastructure) is a major requisite for the success of the self-employment programme.
- (xix) Market linkages are another very important element in the entire gamut of self-employment promotion. Selection of key activities to promote self employment of the poor should have a basis of providing marketing linkages viz. Local, District level, State level, National Level and International level Market.
- (xx) One important point suggested about the self-employment programme is regarding the experimenting with new livelihoods. This is to facilitate the Swarozgaris over a period of time to diversify from a narrow choice of local skill and trade like livestock rearing, petty trading small cultivation to high risk commercial activities and production on a larger scale. The task definitely needs to be experimented during 10th Plan, at least on Pilot Project basis in selected Districts. The task can be performed by collaborative effort of specialised NGOs and other institutions like CSIR, ICAR and SETI etc.
- (xxi) The Gram Sabha should also be made an effective forum for selection of right type of scheme for right persons. There should be adequate effort to educate, enlighten the poor about the anti-poverty programmes. A committed cadre of propaganda worker may be created to provide basic guidance and training in the operation of the micro-enterprises by the people in rural areas. The anti-poverty programmes should also be linked to the health programmes and supported by adequate insurance coverage.
- (xxii) The focus of the 10th Five-Year Plan is on the eradication of the poverty of the families below poverty line. The focus of the 10th Plan and the Programmes, therefore, should be on the families below poverty line.

II. Other Programmes of Poverty Alleviation- Review by the Sub-Group-II

6.17 The Sub-group was headed by Shri Lalit Mathur, AS & FA in the Ministry of Rural development. *The Composition of the Group is at Annexure-III.*

6.18 The views of the Sub-Group and its recommendations in respect of the on-going programmes of the Ministry of Rural Development have been as mentioned in the subsequent paras.

6.19 The experience of the schemes during the 9th Five Year Plan, as outlined in the previous Chapters, is the foundation upon which the future policy towards a national rural employment programme, Village Infrastructure development programme, to provide houses to shelterless and social security for the poorest of the poor has to be evolved.

6.20 Agriculture, which is the major employment source for rural India, has not been able to absorb increasing labour force. Strategy for storage of food-grains and to utilise the surplus buffer stock of food-grains for providing the employment opportunities to the poor has to be evolved.

6.21 Government at the centre has now emphasised the need to continue the reform process but at the same time lays importance to protect the interests of the poor. The Question, therefore, arises on the size of target group for the national programme on wage employment during the 10th plan. The estimate of the planning commission indicates that the percentage below the poverty line in 1999-2000 comes to 27.09% (Rural) and 23.6% (Urban) with 26.1% (All India). The Planning Commission has targeted to reduce poverty to 20% by 2007 and to 10% by 2012. To meet these targets the national wage employment programme is to be designed for the 10th Plan to provide wage employment to 36 to 40% of the population.

6.22 Agriculture is the main source of employment in rural India, but employment opportunities in agriculture are seasonal in nature. It would thus be ideal to presume that the duration of lean season will be between 120-150 days in a year. Roughly, it is estimated that if the rural poor are provided 100 days of additional employment, he will be able to sustain his family. Keeping the requirement of about 100 days of wage employment for a person of BPL family, we are to provide employment to about 50 million BPL families and the Government need to generate about 5000 million man-days every year under different programmes. A wage employment programme in the rural areas will, therefore, have to be designed to cater to this demand of 5000 million man-days every year. As per the estimate of the Planning Commission up to the year 1999-2000, the total number of persons requiring employment in the rural areas were about 106 million. This means that we need to provide 100 days employment at least to two members of a BPL family. For this the Government require to design much bigger programme to provide wage employment @1000 million man-days per year. To supplement the Government efforts, investments in the rural areas required to be increased in the infrastructure sector. The private & public sector companies should play a major role in it.

Guarantee, Assurance or without Commitment

6.23 The other basic issue in the context of rural employment during the 10th plan is, whether employment in the rural India could be guaranteed or assured or without

committing anything, to have a programme of employment on the pattern of EAS. The three different scenarios i.e. guarantee/assurance/non-committal will have different financial implication. Guarantee of employment at the minimum wage to all people below poverty line will require huge money: even if we reduce the (unemployment) compensation amount to the barest minimum.

6.24 Assurance for employment imposes a relatively less commitment on the Government where financial implication will be less than that under guaranteed employment policy. Presently, if we take EAS as a model example, then job takers are only about 20 million people, as against the total rural population of about 106 million who required employment. Financial implication for this would be somewhat less.

6.25 Unlike a regime of guaranteed or assured employment policy, which are demand driven, a non-committal employment programme like EAS is an example of supply driven programme where size of employment generation depends upon the budget provision on specified minimum wage. (The 10th Five Year Plan should focus on assured on non-committal wage employment depending on the availability of resources).

Sampoorn Gramin Rojgar Yojana (SGRY)

6.26 The sub group took a note of the announcement made by the Prime Minister for launching a new scheme named, "Sampoorn Gramin Rojgar Yojana" in his Independence Day address to the nation on 15th August, 2001. Under this scheme, part of the wages will be paid in the form of food grains and the balance in cash. The food grains will be provided by the Central Government to the States free cost. This scheme has since been launched on 25th September 2001.

Funds Requirement

6.27 To meet the requirement of housing, infrastructure and employment opportunities, there is a need to mobilise adequate additional resources during the 10th five year plan.

Broad Strategy in the 10th Plan

6.28 The broad strategy for implementation of these programs is proposed as under:

- (a) EAS is proposed to be implemented throughout the country for providing employment to all those who need and seek employment. The primary objective of Employment Assurance Scheme (EAS) would remain as employment creation with an element of assurance of employment.
- (b) A new Scheme of Food for Work Programme may be launched throughout the country to make best use of the surplus food-grains and to provide supplementary employment to the rural poor.
- (c) JGSY should continue to be implemented throughout the country by the Gram panchayats to provide need based rural infrastructure at the Village level by providing higher allocation to each Gram Panchayat. This would be a step

forward empowering the PRIs and will help in building up economic & social infrastructure in the rural areas.

- (d) As regards rural housing programmes, to avoid multiplicity the entire existing rural housing programme may be merged into a single integrated programme to be implemented throughout the country on uniform basis. Keeping in view, the overall price increase, the cost of each dwelling unit may be increased. and accordingly higher allocation may be made for the integrated rural housing programme.
- (e) The NSAP may be made an open-ended programme in which there is no ceiling on the number of beneficiaries, specially the Old Age Pension scheme. Along with the removal of the ceiling, the budgetary allocations should be made on the basis of actual number of beneficiaries. There should be no cut on these allocations, as it should be treated as committed liabilities.

6.29 Some other observations / suggestions about Wage Employment and Housing Programmes and NSAP that came up for discussion of the Group were as follows:

(i) Wage employment programmes are not needed in all the regions. There is a need to focus these programmes in limited areas. Programmes focusing on (wage) employment should cover only the backward and poor districts where there is demand as well as supply of labour. Such districts can be selected on the basis of some set norms.

(ii) Providing a guarantee of work, at least in environmentally degraded and infrastructurally backward regions is absolutely essential. Such a guarantee (a) ensures a minimum employment and incomes to the poor, (b) reduces the stranglehold of the rich on the poor, (c) gives the poor an opportunity to develop their collective strength, and (d) develop the region so as to generate sustainable employment opportunities for the poor subsequently.

(iii) Regarding Rural Housing it needs to be noted that a greater part of the total Poverty Alleviation Programme funds is spent on construction of houses for the rural poor. It would be useful if housing is given only to those who are (a) shelterless and (b) who live in non-serviceable Katcha houses that are dilapidated. There is of course a need to fine tune the definition of non serviceable katcha houses as not all such houses are useless. In fact, the katcha houses that use local material and local technology are indeed very desirable. The idea of giving free shelter to all BPL families (with a preference to SC/ST households) therefore is not a sound proposition because not all BPL households are shelterless or not all of them live in dilapidated houses. Housing grants should be restricted only to those BPL families who are homeless or who live in dilapidated houses. Also, efforts should also be made to improve targeting so as to reduce leakages and corruption. The rest of the poor could be given housing loans if they so demand.

(iv) Social security schemes like Old Age Pension Scheme, Family Welfare Scheme etc. are primarily meant for empowerment of the poor. The present small and scattered social security schemes are not likely to achieve this goal even if a few schemes are made open ended. There is a need to develop a social empowerment

strategy that promotes social protection in a way that the sources of vulnerability and exploitation of the poor in our society are plugged and the poor are enabled to stand on their own feet.

Recommendations of the Sub-Group-II

6.30 The Sub-Group has made the following recommendations in respect of Wage Employment Programmes, Housing and National Social Assistance Programmes:

Wage Employment and Infrastructure Development Programmes

(i) There should be better targeting of the districts for the wage employment (Programme).

(ii) Panchayati Raj Institutions (PRIs) should prepare need based Long Term Planning and accordingly Action Plan and Shelf of Projects should be prepared and implemented depending upon the resource availability.

(iii) There should be three categories of employment generation programmes:

- Food grains should be linked with the wage employment programme. Employment generation work could be taken up for calamity relief such as drought/flood/cyclone proofing to prevent migration in the distress situation due to shortage of work. State Government should enact legislation to provide guaranteed employment to the rural workers who are in need of and desire to work.
- Employment generation programme should focus on the most needy districts / blocks of the country with reference to the lack of employment opportunities to provide food security to the rural poor.
- A part of the wage employment Programme should continue to be implemented through Gram Panchayat to create need based infrastructure which may include common property resources, particularly for fuel and fodder and land development for disadvantaged sections like SC, ST and other BPL families.
- In severely drought prone areas where migration of population is acute, guarantee of employment should be provided in the pattern of Employment Guarantee Scheme (EGS) in Maharashtra and with necessary legislation.

(iv) The Gram Panchayats may be asked to make some contributions to the scheme and also prepare Long Term Action Plan i.e., at least for five years on the basis of expected resource mobilisation and prepare annual action plan for taking up works on priority basis as approved by the Gram Sabha.

Rural Housing

(v) Under IAY 100% subsidy for Houses should be provided to BPL families belonging to SC/ST only and Other BPL families should be provided houses under a suitable credit-cum-subsidy scheme.

(vi) Better targeting should be based on the need/ housing shortage and identification of beneficiaries should be made on the basis of data available under BPL Census.

(vii) For allocation of funds under IAY, more weightage should be given to housing shortage.

(viii) A Housing unit should be provided as a package with the provisions of rain water harvesting, sanitation and habitat development with clean environment through plantation in the habitat.

(ix) Habitation should be selected on the basis of housing shortage and saturated to the extent possible under IAY. Habitat development work should be taken up in the habitations where more than 10 IAY houses are likely to be constructed.

(x) There should be no collateral guarantee in respect of credit-cum-subsidy based schemes and loan should be provided on differential rate of interest.

(xi) Nationalised banks should earmark a certain percentage of loan for rural housing.

(xii) Multiplicity of the schemes should be reduced by merging IAY, PMGY etc.

(xiii) The layout, size and type design of the IAY dwelling units should continue to be in accordance with the desire and preference of the beneficiary/beneficiaries, keeping in view the local conditions.

(xiv) The rural building centres should provide technology to the beneficiaries that should be user friendly, cost effective and calamity proofed.

(xv) Strengthening of institutional mechanism for transfer of technology.

(xvi) There is need for paradigm shift in delivery mechanism. The new orientation, apart from target/ project focus, should be more process oriented. Monitoring mechanism, accordingly is also required to be strengthened.

(xvii) The allocation under the Rural Housing should be increased in accordance with the increase in cost of the dwelling units and actual annual requirement of dwelling units.

National Social Assistance Programme (NSAP)

(xviii) As regards different schemes under NSAP it was felt that these schemes are quite useful programmes aimed at benefiting the old aged and destitute etc and there should be continued. However, as these programme are basically social welfare schemes and have very little to do with the rural development programmes, the Sub-Group felt that the Department of Social Justice & Empowerment would be the appropriate Ministry to administer these programmes. This is also one of the recommendation of the Expenditure Finance Commission.

(xix) The nationalized Banks may be issued instructions to open the bank accounts in the name of the NSAP beneficiaries.

Monitoring

6.31 Monitoring and evaluation are important phases of programmes implementation in order to ensure successful programme implementation, monitoring needs to be strengthened from time to time.

6.32 The existing monitoring system is based upon reports and returns from the field agencies to state level organisations and then to Central Government. The existing system could be further strengthened through computerisation. The NICNET facility is existing throughout the country linking with district headquarters. The 10th Plan should focus on computerised system of monitoring rural development programmes. Secondly, the evaluation of the employment programme should be undertaken from time to time and the findings of the evaluation studies need to be considered by the State as well as the Central Government reshaping the policy, programme design and implementation of the programme. Thirdly, the social control over the programme management needs to be ensured through social audit, popular participation etc. Fourthly, more micro level studies should be undertaken to have closer view about the implementation of these schemes.

III. Poverty Alleviation Programmes: Their Administration, Organisation and Delivery Mechanism including PRIs and CBOs – Review by the Sub-Group III

6.33 The sub Group was constituted under the Chairmanship of Shri Mohan Kanda, Additional Secretary (LR). The other members of the groups are indicated in the list at Annexure-IV.

6.34 The sub-group III met twice i.e. on 10 April, 2001 and 27th June, 2001 and had a detailed discussion regarding the administrative, organisational and delivery mechanism of the various on-going rural development and poverty alleviation programmes including involvement of people & PRIs and other community based organizations. The subgroup felt that the present anti poverty programmes especially SGSY, IAY, EAS, JGSY, NASP, IWDP suffer from numerous defects including sub-critical investment. The programmes therefore appear unviable. The institutional capabilities to manage the programmes, particularly at the field level also appear to be wanting in many respects. There is a missing link between programme managers and the possibility of utilizing local experts. The target group of the programmes i.e. the rural poor who are illiterate, always scared, passive and

marginalized hardly have any cope of understanding the programmes which are bureaucratically managed. Even PRIs continue to play a secondary role in managing these programmes in many States. In case of the self-employment and wage employment programmes, high transaction cost, complex procedure, corruption, poor recovery, wrong selection of beneficiaries, absence of linkages among different components of the programme, inadequate employment generation, fudging of records, implementation of the programme through contractors etc. Have been responsible for denying the programmes from optimizing their results. Apart from this, there is delicacy of efforts, lack of clear-cut instructions and administrative set up for implementing of the programmes and vacancy of posts at the DRDA/Zilla Parishad level. Resultantly, the benefit of the scheme does not reach the target group at the desired level. However, the working group observed that in spite of these shortcomings, the anti-poverty programmes of the Ministry of Rural Development along with the Programmes of other Ministry and the State governments, have helped greatly in the poverty alleviation efforts in rural areas as can be seen from the decline rural poverty from 54.93% in 1973-74 to 37% in 1993-94 and 27% in 2000-01 (estimated). The sub-group therefore recommended that although there are some drawbacks, these schemes should continue during 10th Five Year Plan as well. What is needed, the group feels is a strengthened and properly oriented (trained) DRDA/ZP and improved monitoring mechanism. The group has also laid great emphasis on the role of PRIs (Gram Sabha), NGOs/voluntary organizations and people's participation in implementation of these programmes. The Sub-group felt that there is immediate need for strengthening the Gram Sabhas

6.35 A suggestion was made in one of the Meetings of the full Working Group that a new cadre out side the mainstream bureaucracy should be constituted to look after the poverty alleviation programmes. However, the Working Group felt that the likely new cadre may very soon turn out to be the same as the old cadre and ask for the same benefits and terms of employment that the government administration gets. A better alternative may be to create space for experienced experts like professionals, NGO representatives etc in the development administration in order to de-bureaucratise the bureaucracy. Appointments should be made of highly motivated professionals and workers at the different levels in administration. This could be done on an exchange basis or on temporary basis. It would also be appropriate to allow and create scope for concerned officers of the development administration to spend some time with prominent NGOs. Special training should be organised, through professionals, for sensitising the officers at all the levels. Development Administration in any case, should be made accountable for their performance.

Recommendations of the Sub-Group-III

6.36 The sub-group felt that at present the delivery mechanism is mostly centred around utilisation of the funds rather than the outcome of the funds utilized. The delivery mechanism should be equally responsible for the results to be achieved physically for the benefit of the rural poor to improve their quality of living. The following are, therefore, the basics, which should be adhered to while devising an effective delivery mechanism:

- (i) Total transparency in implementation of the programmes;
- (ii) Accountability by the implementing agencies;
- (iii) A system of permissible social audit;
- (iv) Involvement of PRIs in implementation of the programmes;
- (v) People's participation in implementation in implementation of the Programmes;
- (vi) In-built monitoring and in-built mechanism to assess the impact;

6.37 The existing delivery systems i.e. DRDA/ZP at the district level and the Block Panchayats are far from meeting all these requirements. The delivery system is mostly bureaucratically controlled. The government functionaries continue to behave like merciful givers and people as ever-grateful receivers. The information regarding the schemes and funds available with the implementing agencies is hardly wilfully shared with the people. Even public representatives like MPs and MLAs complain that such information are hardly shared with them by the district and block level functionaries. On the other hand the implementing agencies are more interested in utilizing the funds, rather than for producing results. In fact, there is no compelling reason for them to be concerned towards the results. On the other hand, PRIs, although in position many states/UTs, they hardly have any power or authority or control over funds to do a job locally in the interest of the rural people. Unfortunately, PRIs continue to function in subservient manner to the bureaucracy, which otherwise should have the other way around. There is, therefore, an immediate need for the drastic revamping of the delivery mechanism as follows :

6.38 The DRDA should be merged with Zilla Parishad without any further delay. Wherever Zilla Parishads do not exist the state govt. may be urged to set up the Zilla Parishads urgently. The DRDA should form a part and function as the secretariat of the Zilla Parishad. The functioning of the Zilla Parishads may be reviewed once again and modifications may be brought in.

6.39 The role of Panchyati Raj Institutions at all the three levels may be identified clearly and necessary linkages among three tiers may be established of the proper function. The Gram Sabha has greater role to play in identification of the selection of the projects and beneficiaries and it should be mandatory to hold the Gram Sabha meeting at least twice a year, failing which the funds to the Gram Panchayat should not be released. There should be transparency in implementation of the programmes. This could be ensure through display boards at the Panchayat Ghar and at the work sites and through open discussion of the budget and funds received in the Gram Sabha. The social audit in terms inspection of the works and records by the members of the Gram Sabha should also be ensured.

6.40 In formulating the Annual Action Plan the bottom up approach may be adopted based on the technical and ground reality without having any interference by the MP/MLA.

6.41 The State Government should ensure timely release of State share. The present procedure should be changed. The State government should first approve their budget and release their share in the month of April equivalent to their first instalment and intimate the same to the ministry of Rural Development for the release of the Central Share under respective schemes. At the time of release of

second instalment similar procedure should be followed. This will not only help in improving the implementation of the programmes, but will also help in reduction in the Opening Balance.

6.42 It should be made mandatory on the banks and other institutional funding agencies including NABARD to provide micro credit to the Self Help Groups under SGSY and others scheme wherever it is applicable.

6.43 Central Government should switch over to the macro planning such as research environmental scanning, organisation of massive national effort in areas such as HRD and the pooling and sharing of experiences and international co-operation. The micro level planning should be left with the Zilla Parishad in each state.

6.44 Another overriding imperative today is an effective massive nation wide human resource development that will generate awareness, motivation and participation at all level i.e. from the grass root level to the ministry level in a time bound manner- duly crediting role space for the important players in the effort. The Press and the media have a specific role to play in this regard. The role should be clearly defined for the NGOs and the PRIs, and Gram Sabha.

6.45 To ensure the better participation of the people at the grass root level it is suggested that the preference should be given to those villages which contribute a minimum amount of 10-15% in cash or in kind in plane areas and 5-10 % in tribal areas/poor blocks. The efforts should also be made to seek voluntary contribution from NRIs /others people belonging to that area and corporate sector.

6.46 Training of the official and members of the PRIs should also be made mandatory. Whosoever is posted in the DRDA/ZP/Block or elected to the ZP/Block Panchayat or Gram Panchayat should be provided training immediately after assumption of the office.

6.47 The personnel policy enunciated in the DRDA Administration Guidelines should be strictly followed. Specific tenure should be fixed for the official functionaries of the DRDA/ZP/ Block to provide continuity in discharging their duties. The minimum period must be three years.

6.48 Milestones should also be chalked out for monitoring the implementation of the schemes. In order to ensure quality, private or reputed institutional agencies should also be involved in monitoring of the programmes.

6.49 Evaluation and Impact assessment Studies: There should be an in-built monitoring and evaluation mechanism to have the feed back about the implementation of the programmes on concurrent basis. Such evaluation and impact assessment can be got conducted through reputed and independent institutes.

Chapter –7

Poverty Alleviation Programmes- Strategy for the Tenth Five Year Plan

7.1 The experience of the schemes during the 9th Five Year Plan, as outlined in the previous Chapters, is the foundation upon which the future policy towards rural Poverty Alleviation Programmes can be laid. While economic development of the country provides a lasting solution to the problem of poverty in rural areas, the target oriented intervention through different programmes to deal with the problem of poverty can not be dispensed with immediately. Obviously self-employment Programmes would account for a major role in the government's effort for poverty alleviation in the country. If they succeed, it is obvious that they also provide a sustainable solution to the problem. The programmes therefore need to be strengthened during the tenth Five-Year Plan as well. But, keeping in view the size of the problem and the constraint of resources and regional variation in the nature of intervention required to deal with the problem, programmes for immediate relief in the form of wage employment can not also be dispensed with. What is needed is that the focus of the programme. The Wage Employment Programme should be on the areas of distress i.e. drought prone, desert, hilly, backward areas which suffer from seasonal migration of the labour force in search of wage employment elsewhere. In order to ensure that the Programme serves its purpose, it is necessary that districts should be identified which need the Programme most badly.

7.2 Similarly the programmes which help in creation of basic infrastructure at the village level, provide houses to the shelterless and social security to the poorest of the poor have to be continued.

7.3 Agriculture, which is the major source of employment for rural India, has not been able to absorb increasing labour force. Strategy for storage of food-grains and to utilise the surplus buffer stock of food-grains for providing the employment opportunities to the poor has also to be evolved.

7.4 The economic reform process in the country is in progress. The process should continue but the interest of the poor should have also to be protective. The Question, therefore, arises as to what should be the size of the national programme on self-employment, wage employment, social security and to provide shelters during the 10th plan. As has already been mentioned elsewhere in this Report, the estimate of the planning commission indicates that the percentage below the poverty line in 1999-2000 comes to 27.09% (Rural) and 23.6% (Urban) with 26.1% (All India). The target by the Planning Commission is to reduce poverty to 20% by 2007 and to 10% by 2012. To meet these targets the burden has to be shared mainly between the national self-employment and wage employment Programmes. The 10th Plan should have to be so designed to provide wage employment to 36 to 40% of the targeted population. The self-employment Programme i.e. SGSY can cover about 30% of the poor (BPL families) in rural areas covering the five years time period of the Tenth Plan which is in conformity with the strategy envisaged in the Programmes

Guidelines. The balance of the employment need can very well be met from other central and State sector Programmes, besides, Agriculture and other non-farm activities in private sector.

7.5 The strategy for poverty alleviation to be adopted during the 10th Five-Year Plan should also take note of the fact that poverty is both a multi dimensional and local problem. Implementation of the programmes on a uniform pattern all over the country does not make sense. It should be discontinued. There is a need for holistic livelihood assessment in each area vis-à-vis poor. Poverty alleviation measures require sectoral involvement of all schemes and line departments as well.

Strategy for Wage- employment Programme

7.6 As has been said already, agriculture is the main source of employment in rural India. The employment in agriculture, however, is seasonal in nature. It would be ideal to presume that the duration of lean season will be between 120-150 days in a year. Roughly, it is estimated that if the rural poor is provided 100 days of additional employment, he will be able to sustain his family. Keeping the requirement of about 100 days as target for the lean season, and about 30 million families below the poverty line, if two members of each BPL family are to be provided employment then the need would be to generate about 3000 million man-days every year. A wage employment programme in the rural areas will, therefore, have to be designed to cater to this demand of 3000 million man-days every year. The Government at the centre is committed to continue the reform process but at the same time protect the interest of the poor as well.

7.7 The broad strategy for implementation of the Wage Employment Programme during 10th Five Year Plan is as indicated below:

- (a) Wage Employment Programme should be more focussed in respect of the Target Group and Target Areas.
- (b) Wage Employment Programme should also be able to take care of situation arising out of natural calamities.
- (c) Since the country has surplus stock of foodgrains, it should be used as part of wage payment under the Wage Employment Programme.

7.8 The implementation of the Wage Employment Programme should also be designed, as far as possible, keeping in view the following:

- Women SHGs should be involved in the implementation of the Wage Employment Programme.
- The strategy of infrastructure development through wage employment programme should continue.
- Wage Employment Programme should also have the provision of zoning, as all aspects of guidelines may not be applicable uniformly to all areas of the country.

Strategy for Self Employment Programme

7.9 It is estimated that nearly 10 million new persons enter into the workforce of the country every year. The need accordingly is to generate and enhance additional livelihood opportunities for about 50 million rural poor households, besides the already existing one, during 10th Plan period, which itself establishes the essentialities of effective implementation of the self-employment programme.

7.10 As has been indicated above, the strategy under self-employment programme i.e. the SGSY should be to cover 30% of the rural poor (families) during the five years time period of the Tenth Plan. The implementation of the erstwhile IRDP and its allied programmes has provided a learning experience to restructure the self-employment programmes and the launching of the SGSY from April, 1999. The programme envisages an umbrella approach to facilitate sustainable self-employment of the assisted Swarozgaris. The umbrella approach envisages a range of activities i.e. mobilization of the poor and their formation into Self Help Groups (SHGs), basic orientation of the group members to realize the strength and advantages of group life, skill training as and when they intend to take up any economic activity for self employment, facilitating the group to avail assistance (subsidy, bank credit etc.) and if necessary providing marketing and technology support to the group. Its basic departure from the earlier programmes is the Self Help Group approach that it adopts for the social mobilization of the poor.

7.11 The strategy for implementation of the programme during 10th Plan should focus on the social mobilization of the poor for self-employment. Social mobilization is process oriented. It envisages organization of the poor (rural) and their formation in to SHGs and build their capacity, make them self-confident, give them a voice and motivate them for sustainable self-employment. The implementation of the SGSY, therefore, has to be process oriented. It must be mentioned that there should not be over emphasis on quicker results, lest, the SGSY like its earlier programmes, might, meet the same fate. The beginning of the social mobilization process is, mobilizing the savings of the poor and promotion of thrift and credit activities among them. Once this is accomplished the other vital processes i.e. awareness building, education, organization, empowerment and linking the groups to formal financial institutions become smooth.

7.12 There is however a limitation to applying the Self Help Group approach uniformly across the country. Some of the factors which discourage such uniform application have been discussed in the previous chapter. The strategy for self-employment adopted during 10th plan, therefore, focus on group approach, but would not at the same time discontinue the individual approach (in financing for economic activities) altogether.

7.13 Social mobilisation of the poor is a regime of the NGOs, as it is a known fact that Government agencies are not well equipped for the task. The involvement of the NGOs, therefore, would be very essential in ensuring the success of the self-employment programme during the 10th Plan.

7.14 Keeping in view of the past experience the strategy of the 10th Plan regarding the self employment programme should also be to ensure the required training, marketing, technology and infrastructure facilities. In fact, quite a sizeable member of the Working Group believe that major portion of the funds available under the SGSY should be invested on these facilities rather than on the subsidy to the SHGs/ Swarozgaris.

7.15 The Working Group while deliberating on the self-employment programme took note of the National Conference on the Self Help Group movement and the SGSY held at Hyderabad on 23rd and 24th June, 2001. The Working Group endorsed the decision taken in the Conference to form at least one SHG in each habitation of the country by 2004. The responsibility of this, however, can not be solely of the SGSY. It would be a combined effort of the SGSY and other Central and State sector programmes and those of NGOs, NABARD and other Bankers.

7.16 The other points regarding the SGSY and administration of the Poverty Alleviation Programmes that were noted by the Working Group in its last meeting on 06.10.2001 for focus during 10th Five Year Plan are as follows:

- The DRDAs should be adequately equipped for the implementation of the self-employment programme in particular and other programmes in general to achieve the sustainable growth. There is need for a strong Capacity Building Team in each DRDA.
- As far as, the SGSY is concerned DRDAs should have the flexibility to nurture groups in consultation with the NGOs. If NGOs are not available, DRDA should be able to support a cadre of animators/facilitators or mother NGO, who would help in social mobilisation of the poor and their formation into Self Help Groups etc.
- The SHG movement should help in institution building in rural areas like federation of SHGs (Mutually Aided Co-operative Society (MACS) in Andhra Pradesh). Such institutions may gradually take over all financial transactions and perform the task of social mobilisation/capacity building of the groups as well. Under the SGSY, there should also be provision for SHGs themselves to further organise poor and promote their capacity building etc. SHGs for youth should also be developed.
- The SGSY should be implemented as a collective process oriented programme. Its implementation should, therefore, be spread over time. It should not be reduced to the allocation based – annual achievement – system. The practice of assessment of achievements on the basis of annual performance should also be discontinued. There should be relaxation as well in earmarking of the funds under the programme.
- NABARD's refinancing scheme should be extended to federation of the SHGs. Commercial Banks and NABARD should play pro-active role in the implementation of the SGSY.
- The guidelines should also have the provision of zoning, as all aspects of guidelines may not be applicable uniformly to all areas of the country.
- The SHG formed and nurtured should be watched for a particular period of time. Information on the number of SHGs in each State can help the Bankers to make their plan in advance. There is a need to work out a system to bring more and more Bank inside to implement the SGSY. The Controlling Officers of the Banks should visit their SHGs on a regular basis.

- The Micro Finance Development Fund (Rs.100 crores) created for promotion of SHGs, should be open to NGOs by formulating suitable Guidelines at the earliest.
- Primacy to self-employment and desired credit linkage through SHGs has been the focus for poverty alleviation strategy these days. The lending should be necessarily both for individuals and SHGs. The mono-culture practice could be dangerous at the end.
- The practice of lending can also vary from place to place. North Eastern States have their own way of social mobilisation and thus lending as well. There has to be methodological multiplicity in the financing under the SGSY across the country.
- The subsidy component under the SGSY should be discontinued. The subsidy should be only for the public goods like social mobilisation, capacity building, awareness development, identification of key activities, livelihood planning, training of DRDA functionaries, skill training for beneficiaries, infrastructure development, marketing and institution building etc. District Resource Centre may be set up for training purposes.
- In order to ensure success of the SGSY there is also a need for proper Market linkage through creation of new hats (local markets) in the pattern of DWCR Bazar in AP with credit linkages and insurance coverage. Marketing is a key component for the success of the SGSY and should be given equal thrust.
- A Self-Employment Programme like the SGSY should also have provision for creation of District Resource Centre for providing training to the officials, NGOs and even members of SHGs.
- Before extending credit, the needs of a family should be assessed and assistance provided accordingly. The other needs of the family can be met by ensuring convergence of benefits from other related schemes.

Rural Housing Programme.

7.17 Over the years there has been multiplicity of the rural housing programmes, the line of distinction between one and other being very thin. This creates confusion and duplication at the level of implementation and monitoring. An important step required during the 10th Plan is to merge all the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis.

7.18 A strategic shift is also required in the Rural Housing sector during 10th Plan period. It would require an enabling environment comprising policy framework which would politically, legally and institutionally support the strategic shift. The actions are required urgently in the following area:

- (i) Establishment of institutional sustainability by clarifying and rationalizing the roles and responsibilities of various sectoral agencies; strengthening facilitation or implementation capacity of existing agencies or setting up of a new agency where necessary; supporting the decentralization process further by involving NGOs in a bigger way, setting up institutional mechanisms for the transfer of technologies, designs and materials on the continuous basis and achieving full participation of rural communities in sector decision making and project implementation.
- (ii) Establishment of financial viability and sustainability by implementing policies and actions which expand the outreach of housing finance in the rural areas offer a menu of financing options and achieve full cost recovery.

- (iii) Resources management to ensure adequate quantities and quality supply of building technologies materials and designs.

7.19 The Working Group in its final meeting also made the following suggestions regarding Rural Housing and NOAPS to be adopted during 10th Five-Year Plan.

- The supply driven programmes like Rural Housing, NOAPS, should be continued to improve the quality of life in rural areas. The demand driven programme like the JGSY (for infrastructure development as per felt needs locally) should be evolved from the PRIs. Similarly, the SGSY could encourage groups with occupational homogeneity for its success.
- Grant-based housing should be restricted to shelterless only.
- Though the credit-cum-subsidy scheme under the Rural Housing has not been able to make much headway and benefits are also provided to APL members, the scheme need to be continued.

The NSAP

7.20 NSAP being a social security Programme should continue during 10th Plan as well. It should, however, be made an open-ended programme and the ceiling on the number of beneficiaries, specially in respect of the Old Age Pension scheme so long as beneficiaries are eligible as per the criteria, should be done away with. Budgetary allocations, accordingly, should be made on the basis of actual number of beneficiaries. Budgetary allocations under NOAP should also be treated as committed liabilities.

Funding pattern

7.21 The working Group felt that the present funding pattern of 75:25 between the Centre and the States for all the Centrally sponsored schemes should continue.

Monitoring

7.22 Monitoring and evaluation are important phases of implementation of any Programme. The monitoring system followed at present – through period reports, field visits of Area Officers, review of the Programmes in the Meetings of the State Secretaries and Projects Directors, DRDAs etc. – is although elaborate but still not scientifically comprehensive to establish a direct co-relation between what is reported and the extant field situation under various Programmes.

7.23 One important weak link in the system of the monitoring followed is that those who are associated with implementation of the Programmes at different levels and in various capacities, themselves are in – charge of monitoring of these programmes. Implementation and monitoring should not be the combined responsibility of the same agency/individual, as it is likely to overestimate the achievements and hide its failures. This system of monitoring of the Programmes, however, has been practiced since long in India. While, the Implementing Agencies are responsible for the impact

of the programmes and should equally be responsible for their monitoring, the task of monitoring should be assigned to independent agencies for various Programmes. The agencies could be NGOs or other Government Departments. Each agency can be responsible for one or a few Districts at the same time. In order to avoid the possibility of developing vested interest, no agency should be assigned the same Districts for monitoring of the programmes for more than two years. The existing system could be further strengthened through computerization. Another area through which monitoring of the programmes can be improved is computerization and extension of the NICNET facility to the District and Block Headquarters. In fact, such facilities can be extended upto the Village Panchayat Level. The 10th Plan should focus on the monitoring mechanism, besides existing system, to involvement of independence agencies and extension of computer and nicnet facilities to the District, Block and Panchayat Headquarters. Secondly, the evaluation of the programme should be undertaken from time to time and the findings of the evaluation studies need to be considered by the State as well as the Central Government while reshaping the policy, programme design and implementation of the programme. Thirdly, the social control over the programme management needs to be ensured through social audit, popular participation etc. Fourthly, more micro level studies should be undertaken to have closer view about the implementation of these schemes.

Funds Requirement

7.24 To meet the requirement of self-employment housing, infrastructure and employment opportunities, there is a need to mobilize additional resources atleast three times the present allocation.

Other areas

7.25 One area which needs renewed attention is people's participation. The need to strengthen the local self-government cannot be overemphasized. Since these institutions are run by elected representatives, there is greater accountability to the people. The country is now proud of about 2.28 lakh Panchayats at the village level, 5906 Panchayats at the Intermediate level and 474 Panchayats at the District level. These Panchayats are being manned by about 34 lakh elected representatives of the Panchayats at all levels. Women have been given a greater role in the management of these Panchayats. 30% of the elected members of the PRIs have to be women. The PRIs, therefore, provide greater scope for empowerment of women, which the 10th Plan should strive in other areas as well, particularly by focussing on the SHGs exclusively of women.

7.26 There is, however, a need to provide greater autonomy to this third tier of the PRIs, in order to facilitate them to design and implement rural development programmes more meaningfully. It should be able to bear the responsibility in case of non-performance and even raise taxes to meet part of the development expenses. The present constitutional amendment has made the third tier of governance statutory but its span of activities is yet not adequately defined. The need of the hour is to strengthen the localized elected base with greater devolution of power to them, in contrast to the bureaucratic base.

7.27 The Non-Government Organizations (NGOs) also play a very important role at the grass root level to empower people and act as catalysts in the larger development effort.

7.28 These issues are, however, dealt in greater detail by a separate Working Group constituted for the purpose.

Chapter-8

Recommendations of the Working Group

8.1 The Working Group largely endorsed the views of the Sub- Groups on various Poverty Alleviation Programmes and different aspects of their implementation. The following are the views and recommendations of the Working Group:

Self - Employment Programme and Credit Linkage in Poverty Alleviation

8.2 Over the years, the emphasis on achievements of quantitative targets has resulted in wrong selection of projects. In other cases it has resulted in under-financing. In some cases it has also created instances of wilful defaulting. In the process, an impression has been created in the Banking system that poor do not have the ability to make productive use of the credit provided to them and repay as well. (6.4)

8.3 A rethinking is necessary to establish an effective and trust-worthy linkage between the rural poor and the Credit delivery system in the country. Social mobilisation of the poor through the Self Help Groups (SHGs) can be an effective means to establish this linkage. It is drawn from the experience over the years and across the world that SHG is an effective instrument for successful operation of various poverty alleviation programmes. (6.5 & 6.8)

8.4 The SHG movement provides a scope for micro-credit route for the self-employment of the poor. The interrelation between the micro-credit and micro enterprise for a sustainable self-employment of the poor in rural area is gaining momentum. The SGSY is an important reflection of this emerging reality.(6.11)

8.5 The Banks have to be willing partners along with other non-Governmental Organisations in making the movement a success. (6.12)

8.6 (i) *The SGSY should be implemented with greater emphasis on social mobilisation and formation of SHGs. Even if the SHG is not ready to take up employment generation activity, it definitely helps the poor in strengthening their economic position by reducing their dependence on and exploitation by vested interest in rural areas like local moneylenders. It also improves their collective bargaining power. There should be an explicit recognition that not all groups will want to, or be judged suitable for, moving on to the stage of setting up full fledged micro-enterprises. Such groups should be linked to the banks as in the general programme. The SGSY should define itself as a quality and process oriented micro-finance and micro-enterprise programme for the poor. There should be no pressure of targets or rigid time limits for groups to move on from one stage to the next.*

(ii) Thrift and credit activities are key elements of the SHGs. The Group corpus is an empowering factor. The Group corpus makes a group eligible for accessing bank credit. Revolving Fund should be used to supplement the group corpus and to enhance the thrift and credit activities of the group.

(iii) Mixed groups should be allowed under the SGSY where APL members can be up to 20% of the members in a group. The APL members, however, should not be office bearers of the SHGs, nor should they be entitled for subsidy or interest free loans.

(iv) Revolving Fund is a very critical component and its proper use encourages the group members to even manage economic activities of adequate size. The operation/use of Revolving Fund should be made a continuous process. At any point of time, a group can draw as loan from the Revolving Fund (both subsidy and Bank credit) any amount upto the entitled amount. The entire amount drawn, however, has to be repaid. The interest charge will be made only on the amount exceeding the subsidy entitlement of the group.

(v) *Social mobilisation is considered to be the natural field for the NGOs and they should be involved in this process. If NGOs are not available, there should be a provision for getting individuals trained by the selected NGOs as animators/motivators. These trained motivators/animators can be made use of by DRDAs for social mobilisation. Remuneration for such work by motivators/animators can be decided as it has been done for NGOs. The selection of the individuals to be trained as animators or motivators can be done by the DRDAs with the help of the NGOs, which will train them. In order to ensure committed and competent NGOs at the District level, the selection of NGOs should be entrusted to a State level Empowered Committee of Self Employment comprising Secretary, Rural Development, Vigilance Commissioner, Bankers, Representatives from All India NGO Association, the NABARD & other Bankers. There should be appropriate criteria for selection of the NGOs. The selection process should be duly advertised in advance and transparency ensured. Complaints, if any, regarding selection of the NGOs should be handled by a National Committee on Self-Employment (NCSE) presided over by the Secretary (RD). In case, there are no enough good NGOs, which is very common in some of the poorer States/Districts, the solution can be provided through well-established which can be entrusted the task of "Facilitators" for promotion of other suitable NGOs. The formation and support of the SHGs can also be done by Self Help Promotion Institutions (SHPI), which would be specialised entities such as Banks, Micro Finances Institutions or NGOs engaged only in this work.*

(vi) A Consultative Group at the National level may be constituted for selection of NGOs which would impart training to other NGOs for social mobilisation of poor and for formation of SHGs.

(vii) In addition to the existing credit delivery mechanism, other financial institutions like Regional Rural Banks (RRBs), Cooperative Banks and Primary Agricultural Cooperative Societies (PACs) which have been presently working effectively for Self Help Groups, SHG-Bank linkage by these financial institutions as well may be considered on larger scale in different parts of the country.

(viii) As it is today, there are three stages involved in the process up to financing of the group namely, formation stage, linkage stage and micro enterprise stage. There should be one more stage between linkage and micro enterprise stage namely, micro-finance stage. It will be 100% general type of loan linked to the size of the corpus of the group. This loan will enable the group to take up economic activities of a higher level than what was possible at the linkage stage i.e. Revolving Fund stage and will make the group more confident for micro enterprise.

(ix) Earmarking of the allocation comes in the way of the progress of the implementation and could lead to faulty implementation of the scheme. Various States and Districts are in different stages of the implementation of the SGSY. Flexibility should be allowed to States/Districts to decide their own priorities so far as social mobilisation, training, Revolving Fund, subsidy are concerned. But all activities should be related to Groups (SHGs). For infrastructures, the fixed percentage as it is today should continued.

(x) An option should exist for individual beneficiaries to be extended loans for certain activities such as dairy, on-land irrigation, digging of personal wells, etc.

(xi) For the sake of consistency and administrative expediency and also in order to foster a genuine micro credit movement in the country, there must be uniformity for all micro finance schemes of different Departments such that the subsidy element does not attract and wean away individuals from other genuine savings and thrift groups and programmes.

(xii) There must be a provision for the compulsory capacity building and training of the individual or groups being targeted before the loan is sanctioned rather than after the sanction of loan. Training and capacity building should not be a part of the loan portfolio but should be seen as separate. Skill development training to swarozgaris, wherever necessary, should be provided free of cost.

(xiii) The regions where infrastructure and basic services are poor, education and skill levels are low and the environment is highly degraded, wage employment programmes, which can provide work to the poor and build up infrastructure, protect environment and regenerate the ecology so as to create conditions for further economic growth, would be required more. ***The SGSY should be implemented in areas where self-employment opportunities are more.***

(xiv) ***The subsidy component of the SGSY should be utilised for public utilities such as capacity building, skill training, infrastructure development, marketing and technology support etc. A stage of micro-finance may be introduced into the scheme without subsidy. The system of subsidy, however, should continue for the micro-enterprise stage.***

(xv) There is a need for micro level planning to identify key activities/livelihood. In order to identify appropriate livelihood opportunities and bottlenecks, a District Livelihoods Enhancement Action Planning (LEAP) Task Force could be set up in each district with Project Director, DRDA as the convenor and members drawn from the NABARD, Lead Banks, line departments, NGOs and 2-3 persons who have established themselves in Trade and Industry. In order to ensure that District Leap Task Forces work well, a few model plans may be prepared engaging specialised institutions and selected NGOs with such specialisation.

(xvi) The incentives to the NGOs and SHPIs may be suitably devised.

(xvii) Skill and entrepreneurial abilities have to be learned over a long period of time spread over years, not weeks. Short term, campus based programmes can only be beginning of the process. The real training comes from apprenticeships by the

Swarozgaris, which can be in the farms and firms of non-poor farms and micro-entrepreneurs. A practical solution to the problem can be designed by creation of a Self-Employment Training Institute (SETI) through NGOs or private farm by suitably providing them a one-time assistance. Selection of the SETI should be entrusted to the State Level Empowered Committee on Self-Employment (ECSE) and SETI should work in close collaboration with the District Level Agencies.

(xviii) Creation of adequate infrastructure both at the individual Swarozgaris level (Micro- infrastructure) and at the SHG or federation of SHGs level (common infrastructure) is a major requisite for the success of the self-employment programme.

(xix) Market linkages are another very important element in the entire gamut of self-employment promotion. Selection of key activities to promote self employment of the poor should have a basis of providing marketing linkages viz. Local, District level, State level, National Level and International level Market.

(xx) One important point suggested about the self-employment programme is regarding the experimenting with new livelihoods. This is to facilitate the Swarozgaris over a period of time to diversify from a narrow choice of local skill and trade like livestock rearing, petty trading small cultivation to high risk commercial activities and production on a larger scale. The task definitely needs to be experimented during 10th Plan, at least on Pilot Project basis in selected Districts. The task can be performed by collaborative effort of specialised NGOs and other institutions like CSIR, ICAR and SETI etc.

(xxi) The Gram Sabha should also be made an effective forum for selection of right type of scheme for right persons. There should be adequate effort to educate, enlighten the poor about the anti-poverty programmes. A committed cadre of propaganda worker may be created to provide basic guidance and training in the operation of the micro-enterprises by the people in rural areas. The anti-poverty programmes should also be linked to the health programmes and supported by adequate insurance coverage.

(xxii) The focus of the 10th Five-Year Plan is on the eradication of the poverty of the families below poverty line. The focus of the 10th Plan and the Programmes, therefore, should be on the families below poverty line. **(6.16)**

8.7 The strategy for implementation of the programme during the 10th Plan should focus on social mobilisation of the poor for self-employment. Social mobilisation is process oriented. It envisages organisation of the poor (rural) and their formation in to SHGs and build their capacity, make them self-confident, give them a voice and motivate them for sustainable self-employment. The implementation of the SGSY, therefore, has to be process oriented. It must be mentioned that there should not be over emphasis on quicker results, lest, the SGSY like its earlier programmes, might, meet the same fate. The beginning of social mobilisation process is, mobilising the savings of the poor and promotion of thrift and credit activities among them. Once this is accomplished the other vital processes i.e. awareness building, education, organisation, empowerment and linking the groups to formal financial institutions become smooth. (7.11)

8.8 There is however a limitation to applying the Self Help Group approach uniformly across the country. The strategy for self-employment adopted during the 10th

plan, would be focused on group approach, but would not at the same time discontinue the individual approach (in financing for economic activities) altogether. (7.12)

8.9 Social mobilisation of the poor is a regime of the NGOs, as it is a known fact that Government agencies are not well equipped for the task. The involvement of the NGOs, therefore, would be very essential in ensuring the success of the self-employment programme during the 10th Plan. (7.13)

8.10 Keeping in view of the past experience the strategy of the 10th Plan regarding the self employment programme should also be to ensure the required training, marketing, technology and infrastructure facilities. In fact, quite a sizeable member of the Working Group believe that major portion of the funds available under the SGSY should be invested on these facilities rather than on the subsidy to the SHGs/ Swarozgaris. (7.14)

8.11 (a) The DRDAs should be adequately equipped for the implementation of the self-employment programme in particular and other programmes in general to achieve the sustainable growth. There is need for a strong Capacity Building Team in each DRDA.

(b) As far as, the SGSY is concerned DRDAs should have the flexibility to nurture groups in consultation with the NGOs. If NGOs are not available, DRDA should be able to support a cadre of animators/facilitators to be trained by Mother NGOs, who would help in social mobilisation of the poor and their formation into Self Help Groups etc.

(c) The SHG movement should help in institution building in rural areas like federation of SHGs (Mutually Aided Co-operative Society (MACS) in Andhra Pradesh). Such institutions may gradually take over all financial transactions and perform the task of social mobilisation/capacity building of the groups as well. Under the SGSY, there should also be provision for SHGs themselves to further organise poor and promote their capacity building etc. SHGs for youth should also be developed.

(d) The SGSY should be implemented as a collective process oriented programme. Its implementation should, therefore, be spread over time. It should not be reduced to the allocation based – annual achievement – system. The practice of assessment of achievements on the basis of annual performance should also be discontinued. There should be relaxation as well in earmarking of the funds under the programme.

(e) The NABARD's refinancing scheme should be extended to federation of the SHGs. Commercial Banks and the NABARD should play pro-active role in the implementation of the SGSY.

(f) The guidelines should also have the provision of zoning, as all aspects of the guidelines may not be applicable uniformly to all areas of the country.

(g) The SHG formed and nurtured should be watched for a particular period of time. Information on the number of SHGs in each State can help the

Bankers to make their plan in advance. There is a need to work out a system to bring more and more Bank inside to implement the SGSY. The Controlling Officers of the Banks should visit their SHGs on a regular basis.

- (h) The Micro Finance Development Fund (Rs.100 crores) created for promotion of SHGs, should be open to NGOs by formulating suitable Guidelines at the earliest.
- (i) Though primacy to self-employment and desired credit linkage through SHGs are has been the focus for poverty alleviation strategy these days, lending should be necessarily both for individuals and SHGs. The mono-culture practice could be dangerous at the end.
- (j) The practice of lending can also vary from place to place. North Eastern States have their own way of social mobilisation and thus lending as well. There has to be methodological multiplicity in the financing under the SGSY across the country.
- (k) The subsidy component under the SGSY should be discontinued. The subsidy should be only for the public goods like social mobilisation, capacity building, awareness development, identification of key activities, livelihood planning, training of DRDA functionaries, skill training for beneficiaries, infrastructure development, marketing and institution building etc. District Resource Centre may be set up for training purposes.
- (l) In order to ensure success of the SGSY there is also a need for proper Market linkage through creation of new hats (local markets) in the pattern of DWCRA Bazar in AP with credit linkages and insurance coverage. Marketing is a key component for the success of the SGSY and should be given equal thrust.
- (m) A Self-Employment Programme like the SGSY should also have provision for creation of District Resource Centre for providing training to the officials, NGOs and even members of SHGs.
- (n) Before extending credit, the needs of a family should be assessed and assistance provided accordingly. The other needs of the family can be met by ensuring convergence of benefits from other related schemes.
(7.16)

Other Programmes of Poverty Alleviation

Wage Employment and Infrastructure Development Programmes

8.12 (i) There should be better targeting of the districts for the wage employment. Wage employment programmes are not needed in all the regions. There is a need to focus these programmes in limited areas. Programmes focusing on (wage) employment should cover only the backward and poor districts where there is

demand as well as supply of labour. Such districts can be selected on the basis of some set norms.

(ii) Panchayati Raj Institutions (PRIs) should prepare need based Long Term Planning and accordingly Action Plan and Shelf of Projects should be prepared and implemented depending upon the resource availability

(iii) Employment generation programmes may be three categories:

- Food grains should be linked with the wage employment programme. Employment generation work could be taken up for calamity relief such as drought/flood/cyclone proofing to prevent migration in the distress situation due to shortage of work. State Government should enact legislation to provide guaranteed employment to the rural workers who are in need of and desire to work.
- Employment generation programme should focus on the most needy districts / blocks of the country with reference to the lack of employment opportunities to provide food security to the rural poor.
- A part of the wage employment Programme should continue to be implemented through Gram Panchayat to create need based infrastructure which may include common property resources, particularly for fuel and fodder and land development for disadvantaged sections like SC, ST and other BPL families.
- In severely drought prone areas where migration of population is acute, guarantee of employment should be provided in the pattern of Employment Guarantee Scheme (EGS) in Maharashtra and with necessary legislation.

(iv) The Gram Panchayats may be asked to make some contributions to the scheme and also prepare Long Term Action Plan i.e., at least for five years on the basis of expected resource mobilisation and prepare annual action plan for taking up works on priority basis as approved by the Gram Sabha. (6.30)

8.14 While economic development of the country provides a lasting solution to the problem of poverty in rural areas, the target oriented intervention through different programmes to deal with the problem of poverty can not be dispensed with immediately. Obviously self-employment Programmes would account for a major role in the government's effort for poverty alleviation in the country. If they succeed, it is obvious that they also provide a sustainable solution to the problem. The programmes therefore need to be strengthened during the tenth Five-Year Plan as well. But, keeping in view the size of the problem and the constraint of resources and regional variation in the nature of intervention required to deal with the problem, programmes for immediate relief in the form of wage employment can not also be dispensed with. What is needed is that the focus of the programme. The Wage Employment Programme should be on the areas of distress i.e. drought prone, desert, hilly, backward areas which suffer from seasonal migration of the labour force in search of wage employment elsewhere. In order to ensure that the Programme serves its purpose, it is necessary that the districts which need the Programme most badly should be identified. (7.1)

8.15 Similarly the programmes which help in creation of basic infrastructure at the village level, provide houses to the shelterless and social security to the poorest of the poor have to be continued (7.2)

8.16 A suitable strategy for storage of food-grains and to utilise the surplus buffer stock of food-grains for providing employment opportunities to the poor has also to be evolved. (7.3)

8.17 (a) There is a need for holistic livelihood assessment in each area vis-à-vis the poor. Poverty alleviation measures require sectoral involvement of all schemes and line departments as well.

- (b) Wage Employment Programme should be more focussed in respect of the Target Group and Target Areas.
- (c) Wage Employment Programme should also be able to take care of situation arising out of natural calamities.
- (d) Since the country has surplus stock of food-grains, it should be used as part of wage payment under the Wage Employment Programme.
- (e) Women SHGs should be involved in the implementation of the Wage Employment Programme.
- (f) The strategy of infrastructure development through wage employment programme should continue.
- (g) Wage Employment Programme should also have the provision of zoning, as all aspects of guidelines may not be applicable uniformly to all areas of the country. (7.7 & 7.8)

Rural Housing

8.18 (a) Under the IAY 100% subsidy for Houses should be provided to BPL families belonging to SC/ST category only and Other BPL families should be provided houses under a suitable credit-cum-subsidy scheme.

- (b) Better targeting should be based on the need/ housing shortage and identification of beneficiaries should be made on the basis of the data available under BPL Census.
- (c) For allocation of funds under the IAY, more weightage should be given to the housing shortage.
- (d) A Housing unit should be provided as a package with the provisions of rain water harvesting, sanitation and habitat development with clean environment through plantation in the habitat.
- (e) Habitation should be selected on the basis of housing shortage and saturated to the extent possible under the IAY. Habitat development work should be

taken up in the habitations where more than 10 IAY houses are likely to be constructed.

- (f) There should be no collateral guarantee in respect of credit-cum-subsidy based schemes and loan should be provided on differential rate of interest.
- (g) Nationalized banks should earmark a certain percentage of loan for rural housing.
- (h) The layout, size and type design of the IAY dwelling units should continue to be in accordance with the desire and preference of the beneficiary/beneficiaries, keeping in view the local conditions.
- (i) The rural building centres should provide technology to the beneficiaries that should be user friendly, cost effective and calamity proof.
- (j) Strengthening of institutional mechanism for transfer of technology.
- (k) There is need for paradigm shift in delivery mechanism. The new orientation, apart from target/ project focus, should be more process oriented. Monitoring mechanism, accordingly is also required to be strengthened.
- (l) The allocation under the Rural Housing should be increased in accordance with the increase in cost of the dwelling units and actual annual requirement of dwelling units. (6.30)

8.20 Over the years there has been multiplicity of the rural housing programmes, the line of distinction between one and other being very thin. This creates confusion and duplication at the level of implementation and monitoring. An important step required during the 10th Plan is to merge all the existing rural housing programmes into a single integrated programme to be implemented throughout the country on a uniform basis.

(7.17)

8.21 A strategic shift is also required in the Rural Housing sector during the 10th Plan period. It would require an enabling environment comprising policy framework which would politically, legally and institutionally support the strategic shift. The actions are required urgently in the following areas:

- (a) Establishment of institutional sustainability by clarifying and rationalizing the roles and responsibilities of various sectoral agencies; strengthening facilitation or implementation capacity of existing agencies or setting up of a new agency where necessary; supporting the decentralization process further by involving NGOs in a bigger way, setting up institutional mechanisms for the transfer of technologies, designs and materials on the continuous basis and achieving full participation of rural communities in sector decision making and project implementation.
- (b) Establishment of financial viability and sustainability by implementing policies and actions which expand the outreach of housing finance in the rural areas by offering a menu of financing options and by achieving full cost recovery.

(c) Resource management to ensure adequate quantities and quality supply of building technologies materials and designs.

(7.18)

8.22 Grant-based housing should be restricted to the shelterless only. Though the credit-cum-subsidy scheme under the Rural Housing has not been able to make much headway and benefits are also provided to APL members, the scheme need to be continued.(7.19)

National Social Assistance Programme (NSAP)

8.23 The NSAP being a social security Programme should continue during the 10th Plan as well. It should, however, be made an open-ended programme specially the Old Age Pension scheme to cover all eligible beneficiaries as per the criteria. Budgetary allocations, accordingly, should be made on the basis of actual number of beneficiaries.

(7.20)

8.24 As regards the different schemes under the NSAP it was felt that these schemes are quite useful programmes aimed at benefiting the old aged and the destitute etc. and that they should be continued. However, as these programme are basically social welfare schemes and have very little to do with the rural development programmes, the Group felt that the Department of Social Justice & Empowerment would be the appropriate Ministry to administer these programmes. This is also one of the recommendations of the Expenditure Finance Commission. The nationalised Banks may be issued instructions to open the bank accounts in the name of the NSAP beneficiaries. (6.30)

Poverty Alleviation Programmes: Their Administration, Organisation and Delivery Mechanism including PRIs and CBOs

8.25 The present delivery mechanism is mostly centred around utilisation of the funds rather than the outcome of the funds utilised. The delivery mechanism should be equally responsible for the results to be achieved physically for the benefit of the rural poor to improve their quality of living. The following are, therefore, the basics, which should be adhered to while devising an effective delivery mechanism:

- (i) Total transparency in implementation of the programmes;
- (ii) Accountability by the implementing agencies;
- (iii) A system of permissible social audit;
- (iv) Involvement of PRIs in implementation of the programmes;
- (v) People's participation in implementation of the Programmes;
- (vi) In-built monitoring and inbuilt mechanism to assess the impact;

(6.36)

8.26 The DRDA should be merged with Zilla Parishad without any further delay. Wherever Zilla Parishads do not exist the state govt. may be urged to set up the Zilla Parishads urgently. The DRDA should form a part and function as the

secretariat of the Zilla Parishad. The functioning of the Zilla Parishads may be reviewed once again and modifications may be brought in. (6.38)

8.27 The role of Panchyati Raj Institutions at all the three levels may be identified clearly and necessary linkages among three tiers may be established for proper functioning. The Gram Sabha has greater role to play in selection of the projects and in identification of the beneficiaries. It should be mandatory to hold the Gram Sabha meeting at least twice a year, failing which the funds to the Gram Panchayat should not be released. There should be transparency in implementation of the programmes. This could be ensured through display boards at the Panchayat Ghar and at the work sites and through open discussion of the budget and funds received in the Gram Sabha. The social audit in terms inspection of the works and records by the members of the Gram Sabha should also be ensured.(6.39)

8.28 Central Government should switch over to the macro planning such as research environmental scanning, organisation of massive national effort in areas such as HRD and the pooling and sharing of experiences and international co-operation. The micro level planning should be left with the Zilla Parishad in each state. (6.43)

8.29 An overriding imperative today is an effective massive nation-wide human resource development that will generate awareness, motivation and participation at all levels i.e. from the grass root level to the ministry level in a time bound manner- duly crediting role space for the important players in the effort. The Press and the media have a specific role to play in this regard. The role should be clearly defined for the NGOs and the PRIs, and Gram Sabha.(6.44)

8.30 Training of the official and members of the PRIs should also be made mandatory. Whosoever is posted in the DRDA/ZP/Block or elected to the ZP/Block Panchayat or Gram Panchayat should be provided training immediately after assuming charge. (6.46)

8.31 The personnel policy enunciated in the DRDA Administration Guidelines should be strictly followed. Specific tenure should be fixed for the official functionaries of the DRDA/ZP/ Block to provide continuity in discharging their duties. The minimum period must be three years. (6.47)

8.32 Milestones should also be chalked out for monitoring the implementation of the schemes. In order to ensure quality, private or reputed institutional agencies should also be involved in monitoring of the programmes.(6.48)

8.33 There should be an in-built monitoring and evaluation mechanism to have the feed back about the implementation of the programmes on concurrent basis. (6.49)

8.34 The working Group felt that the present funding pattern of 75:25 between the Centre and the States for all the Centrally sponsored schemes should continue. (7.21)

8.35 The task of monitoring should be assigned to independent agencies for various Programmes. (7.23)

8.36 One area which needs renewed attention is people's participation. The need to strengthen the local self-government cannot be overemphasised. (7.25)

8.37 There is a need to provide greater autonomy to the third tier of the PRIs, in order to facilitate them to design and implement rural development programmes more meaningfully. It should be able to bear the responsibility in case of non-performance and even raise taxes to meet part of the development expenses. (7.26)

Annexure-I

Composition of the Working Group on Rural Poverty Alleviation for the 10th Five Year Plan.

- | | | |
|----|---|-----------------|
| 1. | Shri Arun Bhatnagar,
Secretary,
Ministry of Rural Development,
Krishi Bhavan,
New Delhi. | Chairman |
| 2. | Dr. Rohini Nayyar,
Adviser (Rural Development)
Planning Commission,
New Delhi. | Member |
| 3. | Mrs. Nirmala Buch,
Centre for Women Development Studies,
25, Bhai Vir Singh Marg , Near Gole Market,
New Delhi/E.4/17 Arera Colony,Bhopal,
(M.P.) | Member |
| 4. | Shri Lalit Mathur, | |

Additional Secretary & Financial Adviser, Member

Ministry of Rural Development,
Krishi Bhavan, New Delhi.

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| 5.. | Shri Mohan Kanda ,
Additional Secretary,
Department of Land Resources ,
Nirman Bhavan,New Delhi. | Member |
| 6. | Dr. Pronab Sen,
Adviser (Perspective Planning Division),
Planning Commission,New Delhi. | Member |
| 7. | Dr. S.P.Pal,
Adviser(Programme Evaluation Organisation),
Planning Commission,
New Delhi. | Member |

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|-----|--|--------|
| 8. | Shri Shekhar Aggarwal,
Joint Secretary,
Department of Banking, Ministry of Finance,
Jeevan Deep Building,
Parliament Street,
New Delhi. | Member |
| 9. | Mrs.Aodiiti Mehta,
Executive Director(Rashtriya Mahila Kosh),
Department of Women & Child Development,
Ministry of Human Resources,
I-Abul Fazal Road, (Near Bangali Market)
New Delhi. | Member |
| 10. | Shri Satish Chandra,
Joint Secretary (Rural Housing),
Ministry of Rural Development,
Krishi Bhavan ,New Delhi. | Member |
| 11. | Mrs. Sudha Pillai,
Joint Secretary(National Social Assistance Programme),
Ministry of Rural Development,
Krishi Bhavan, New Delhi. | Member |
| 12. | Dr. J.S.Sarma,
Joint Secretary (RC),
Department of Rural Development,
Krishi Bhavan, New Delhi. | Member |
| 13. | Ms Deepali Pant Joshi,
General Manager,
Reserve bank of India,
Mumbai. | Member |
| 13. | Shri S.K.Mitra,
Chief General Manager,
Member
National Bank for Agriculture & Rural Development,
Sterling Centre Dr. A.B.Road,
Worli,
Mumbai. | |

15. Secretary (Rural Development), Government of Karnataka, Bangalore.	Member
16. Secretary (Rural Development), Government of Tripura, Agartala.	Member
17. Secretary (Rural Development), Government of Uttar Pradesh, Lucknow.	Member
18. Secretary (Rural Development), Government of Andhra Pradesh, Hyderabad.	Member
19. Secretary (Rural Development), Government of West Bengal, Kolkatta.	Member
20. Secretary (RD), Government of Tamil Nadu, Chennai.	Member
21. Prof. Prabhu Ghate, A-7 Nizamuddin (East), New Delhi.	Member
22. Ms Renna Jhabvala, Self-Employed Women Association (SEWA) Ahemdabad, Gujarat.	Member
23. Shri Vijay Mahajan, Managing Director, BASIX, 403,Nirmal Tower, Dwarkapuri Colony, Hyderabad-500082.	Member
24. Shri Harsh Mander, Action Aid, C-6 &7, Sector C, Pkt 6&7 6322-Vasant Kunj, New Delhi.	Member
25. Prof. Indira Hirway, Director & Professor of Economics, Centre for Development Alternatives, E-71 Akash, Near Chief Justice Bunglow, Bodakdev, Ahemdabad.	Member

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|-----|--|---------------|
| 26. | Dr. Ravi S. Srivastava ,
Professor of Economics,
Centre for the Study of Regional Development,
Jawaharlal Nehru University,
1328,Poorvanchal, JNU Campus, New Delhi. | Member |
| 27. | Sr. S. Mahendra Dev,
Director,
Centre for Economic & Social Studies,
Nizamiah observatory Campus, Begumpet,
Hyderabad. | Member |
| 28. | Prof. Pradeep Bhargava,
Senior Fellow,
Institute of Development Studies,
8-B, Jhalana Institutional Area,
Jaipur. | Member |
| 29. | Prof. S.K. Thorat,
Centre for the Study of Regional Development,
Jawaharlal Nehru University,
New Delhi. | Member |
| 30 | Shri N. Sanjeeva Rao,
LIG H-2,
AP Housing Board Quarter,
Erravanthena,Amalapuram,
East Godavari District,
Andhra Pradesh.
Tele.No. 3345368. | Member |
| 31. | Smt. Jhansi Ranee Vanam,
1-9-295/31/E/2/1.
Achyutha Reddy Marg,
Vidyanagar,
Hyderabad-44. | Member |
| 32. | Shri Wilfred Lakra,
Secretary
Joint Secretary (PA),
Ministry of Rural Development ,
Krishi Bhavan, New Delhi. | Member |

Annxure-II

CONSTITUTION OF SUB GROUPS FOR THE WORKING GROUP ON RURAL POVERTY ALLEVIATION PROGRAMMES FOR 10TH FIVE YEAR PLAN.

Sub Group – I on Self-Employment Programme and credit linkage in Poverty Alleviation.

1. Dr.Rohini Nayyar, Adviser, Planning Commission, Yojana Bhavan, New Delhi to **Chair** the Sub Group.
2. Other **Members** of this Group to include,
3. Shri Shekhar Aggarwal, Joint Secretary, Department of Banking, Ministry of Finance, Jeevan Deep Building, Parliament Street, New Delhi.
4. Mrs. Aoditi Mehta, Executive Director (Rashtriya Mahila Kosh), Department of Women Child Development, Ministry of Human Resources, 1-Abul Fazal Road (Near Bengali Market) New Delhi-1.
5. Mrs Deepali Pant Joshi, General Manager, Reserve Bank of India, Mumbai.
6. Shri S.K.Mitra, Chief General Manager, National Bank for Agriculture & Rural Development, Sterling Centre, Dr. A.B.Road, Worli, Mumbai.
7. Secretary (Rural Development) ,Government of Andhra Pradesh, Hyderabad.
8. Prof. Prabhu Ghate, A-7 Nizamuddin (East), New Delhi.
9. Shri Wilfred Lakra, Joint Secretary (PA), Ministry of Rural Development ,Krishi Bhavan, New Delhi.
10. Secretary (RD), Government of Tamil Nadu, Chennai.
11. Shri Vijay Mahajan, Managing Director, BASIX, 403, Nirmal Tower, Dwarkapuri Colony, Hyderabad-500082.
12. Sh.Srikara Naik, Director(SGSY), Department of Rural Development-**Convenor**.

Annexure-III

Composition of the Sub Group -II on other programmes of Poverty Alleviation- JGSY, EAS, NSAP, IAY

1. Shri Lalit Mathur, Additional Secretary & Financial Adviser, Ministry of Rural Development, Krishi Bhavan, New Delhi to **Chair** the Sub Group.

Other **Members** of this Group to include,

2. Dr. Pronab Sen, Adviser (Perspective Planning Division), Planning Commission, New Delhi.
3. Shri Satish Chandra, Joint Secretary (Rural Housing), Ministry of Rural Development, Krishi Bhavan, New Delhi.
4. Mrs. Sudha Pillai, Joint Secretary (National Social Assistance Programme), Ministry of Rural Development, Krishi Bhavan, New Delhi.
5. Secretary (Rural Development), Government of Karnataka, Bangalore.
6. Secretary (Rural Development), Government of Tripura, Agartala.
7. Secretary (Rural Development), Government of West Bengal, Calcutta.
8. Prof. Pradeep Bhargava, Senior Fellow, Institute of Development Studies, 8-B, Jhalana Institutional Area, Jaipur.
9. Shri N. Sanjeeva Rao, LIG H-2, AP Housing Board Quarter, Erravathena, Amalapuram, East Godavari District, Andhra Pradesh.
10. Sh. Avtar Singh, Director (JGSY)-**Convenor**.

**Composition of the Sub Group –III on Poverty Alleviation Programme:
Their Administration and Organization and delivery mechanism including
PRIs NGOs & CBOs.**

1. Shri Mohan Kanda , Additional Secretary, Department of Land Resources , Nirman Bhavan, New Delhi to **Chair** the Sub Group.

Other **Members** of this Group to include,

2. Dr. J.S.Sarma, Joint Secretary (RC), Department of Rural Development, Krishi Bhavan, New Delhi.
3. Dr. S.P.Pal, Adviser (Programme Evaluation Organization), Planning Commission, New Delhi.
4. Secretary (Rural Development), Government of Uttar Pradesh, Lucknow.
5. Ms Renna Jhabvala, Self-Employed Women Association (SEWA) Ahemdabad,Gujarat.
6. Shri Harsh Mander, Action Aid,C-6 &7, Sector C,Pkt 6&7 6322-Vasant Kunj, New Delhi.
7. Prof. Indira Hirway,Director & Professor of Economics, Centre for Development Alternatives,E-71 Akash, Near Chief Justice Bunglow, Bodakdev, Ahemdabad.
8. Dr. Ravi S. Srivastava ,Professor of Economics, Centre for the Study of Regional Development, Jawaharlal Nehru University, 1328,Poorvanchal, JNU Campus, New Delhi.
9. Sr. S. Mahendra Dev, Director, Centre for Economic & Social Studies, Nizamiah Observatory Campus, Begumpet, Hyderabad.
10. Smt. Jhansi Ranee Vanam,1-9-295/31/E/2/1. Achyutha Reddy Marg, Vidyanagar, Hyderabad-44.
11. Sh. M.S.Virdi, Director (EAS) Department of Rural Development – **Convenor**.

FINANCIAL AND PHYSICAL PROGRESS UNDER IRDP SINCE INCEPTION (1980-81 to 1998-99)

PHYSICAL	(Lakh Families)			FINANCIAL PROGRESS (Rs. in Crore)															Sector-wise Coverage (%)	Primary	Secondary	Tertiary
	Total	SC/ST	% of	Women	% of	Total	Central	Central	Total	% of	Credit	Subsidy	Credit	Total	Family Investment (In Rs.)	Subsidy	Total	Credit				
YEAR	Families	Families	SC/ST		Women	Allocation	Share	Release	Expenditure	Expdtr.	Target	Disbursed	Disbursed	Investment	Subsidy	Credit	Total	Credit Ratio				
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
1980-81	27.27	7.81	28.64	N.A.		250.55	127.80	82.58	158.64	63.32	400.88	158.64	289.05	447.69	582	1060	1642	1.82	93.56	2.32	4.12	
1981-82	27.13	10.01	36.90	N.A.		300.66	153.36	128.45	264.65	88.02	481.06	264.65	467.59	732.24	975	1724	2699	1.77	83.02	4.92	12.06	
1982-83	34.55	14.07	40.72	N.A.		400.88	204.48	176.18	359.59	89.70	641.41	359.59	713.98	1073.57	1041	2067	3107	1.99	67.70	16.70	15.60	
1983-84	36.85	15.37	41.71	N.A.		407.36	207.72	194.23	406.09	99.69	651.78	406.09	773.51	1179.60	1102	2099	3201	1.90	59.89	13.02	27.09	
1984-85	39.82	17.38	43.65	N.A.		407.36	207.72	206.96	472.20	115.92	651.78	472.20	857.48	1329.68	1186	2153	3339	1.82	54.50	15.70	29.80	
Total	165.62	64.64	39.03	0.00	0.00	1766.81	901.08	788.40	1661.17	94.02	2826.91	1661.17	3101.61	4762.78	1003	1873	2876	1.87	71.73	10.53	17.73	
1985-86	30.60	13.23	43.24	3.03	9.90	407.36	205.93	207.10	441.10	108.28	651.78	355.02	730.15	1085.17	1172	2403	3575	2.06	48.62	17.18	34.20	
1986-87	37.47	16.80	44.84	5.67	15.13	543.83	277.31	279.67	613.38	112.79	870.12	510.73	1014.88	1525.61	1478	3033	4511	1.99	45.30	18.55	36.15	
1987-88	42.47	18.99	44.71	8.30	19.54	613.38	310.60	299.72	727.44	118.60	981.41	603.78	1175.35	1779.13	1526	2944	4470	1.95	41.16	18.54	40.30	
1988-89	37.72	17.50	46.39	8.74	23.17	687.95	345.00	330.84	768.47	111.70	1076.72	623.65	1231.62	1855.27	1718	3350	5068	1.97	41.81	19.32	38.87	
1989-90	33.51	15.45	46.11	8.59	25.63	747.75	375.00	347.92	765.43	102.36	1164.40	614.85	1220.53	1835.38	1845	3663	5508	1.99	43.05	19.39	37.56	
Total	181.77	81.97	45.10	34.33	18.89	3000.27	1513.84	1465.25	3315.82	110.52	4744.43	2708.03	5372.53	8080.56	1590	2979	4569	1.98	43.68	18.66	37.66	
1990-91	28.98	14.46	49.90	8.95	30.88	747.31	374.56	346.59	809.49	108.32	1195.70	668.15	1190.03	1858.18	2289	4133	6422	1.78	47.76	18.91	33.33	
1991-92	25.37	12.96	51.08	8.41	33.15	703.61	352.66	321.31	773.09	109.87	1125.78	657.73	1147.34	1805.07	2613	4528	7141	1.74	49.97	18.67	31.36	
1992-93	20.69	10.64	51.43	6.91	33.40	662.22	331.65	336.69	693.08	104.66	1059.50	579.68	1036.80	1616.48	2808	5081	7889	1.79	50.65	18.41	30.94	
1993-94	25.39	13.46	53.01	8.54	33.64	1093.43	547.61	537.70	956.65	87.49	1530.80	800.82	1408.44	2209.26	3171	5575	8746	1.76	53.22	16.56	30.22	
1994-95	22.15	11.03	49.80	7.51	33.91	1098.22	550.00	546.10	1008.32	91.81	1757.15	818.30	1450.58	2268.88	3719	6594	10313	1.77	53.53	17.04	29.43	
1995-96	20.89	10.14	48.54	6.99	33.46	1097.21	549.50	514.22	1077.16	98.17	1930.00	870.20	1701.33	2571.53	4166	8144	12310	1.96	52.98	17.20	29.82	
1996-97*	19.24	8.95	46.52	6.44	33.47	1097.21	549.50	512.40	1139.55	103.86	2142.20	905.94	1969.16	2875.10	4709	10235	14943	2.17	53.99	15.78	30.23	
Total	108.36	54.22	50.04	36.39	33.58	5048.29	2528.26	2447.11	4874.76	96.56	8419.65	3974.94	7566.31	11541.25	3668	6983	10651	1.90	52.87	17.00	30.13	
1997-98*	17.07	7.92	46.40	5.86	34.33	1133.51	567.68	545.02	1109.54	97.89	2700.00	863.11	1996.64	2859.75	5056	11697	16753	2.31	52.26	16.30	31.43	
1998-99*	16.77	7.76	46.27	5.77	34.41	1456.28	729.15	625.63	1162.29	79.81	3200.00	881.63	2174.06	3055.69	5257	12964	18221	2.47				
Total All	543.94	243.93	44.85	99.71	18.33	13856.08	6967.23	6539.31	13706.16	98.92	24212.47	11414.76	22548.52	33963.28								

Annexure-VI

TRYSEM SINCE INCEPTION

PERIOD	Target	PHYSICAL (IN LAKHS NUMBERS)						FINANCIAL (RS. IN LAKHS)					
	(No. of Youth to be trained)	YOUTH TRAINED	TRAINED SELF EMPLOYE	YOUTH WAGE EMPLOYED	TOTAL EMPLOYED	%AGE	SC/ST TRAINED	%AGE	WOMEN TRAINED	%AGE	RECURRING EXPENDITURE	RELEASES * UTILISATION	Trg. Infrst. Cent. Rel.
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1.SIXTH PLAN	10.099	10.146	4.783	1.021	5.804	57.2	3.339	32.9	3.427	33.8	387.90		5754.50
2. SEVENTH PLAN		9.979	4.640	1.311	5.951	59.6	4.221	42.3	4.595	46.0	12884.71		5754.50
3. ANNUAL PLAN													
1990-91	4.253	2.361	1.237	0.415	1.652	70.0	1.054	44.6	1.166	49.4	3260.93		441.00
1991-92	4.253	3.070	1.199	0.475	1.674	54.5	1.598	52.1	1.598	52.1	4879.31		400.00
4.EIGHTH PLAN													
1992-93	3.000	2.759	0.993	0.421	1.414	51.3	1.164	42.2	1.349	48.9	4703.96	4750.07	600.00
1993-94	3.500	3.038	1.079	0.43	1.509	49.7	1.452	47.8	1.539	50.7	8944.67	5501.54	795.55
1994-95	3.184	2.818	0.864	0.449	1.313	46.6	1.269	45.0	1.378	48.9	7403.25	6846.21	899.42
1995-96	3.540	3.016	0.977	0.484	1.461	48.4	1.397	46.3	1.299	43.1	7500.57	9882.60	1396.31
1996-97	2.901	3.643	1.308	0.517	1.825	50.1	1.735	47.6	1.955	53.7	7011.25	10027.01	1393.00
TOTAL VIII th PLAN	16.125	15.274	5.221	2.301	7.522	49.3	7.017	45.9	7.520	49.230	35563.70	37007.43	5084.280
NINTH PLAN													
1997-98	3.041	2.514	0.734	0.394	1.128	44.9	1.184	47.1	1.328	52.8	6807.55	8074.14	893.01
1998-99 **	2.856	2.224	0.718	0.334	1.052	47.3	1.07	48.2	1.155	51.9	6477.28	7479.26	0.00
GRAND TOTAL	40.627	45.568	18.532	6.251	24.783	54.4	19.484	39.8	20.789	45.6	70261.379	52560.828	18327.290

Targets are fixed by States/UTs.

* CENTRAL AND STATE RELEASES

Annexure-VII

PHYSICAL AND FINANCIAL ACHIEVEMENTS UNDE DW CRA SINCE INCEPTION

(Rs. in lacs)

	TARGET (No. of Groups)	ACHIEVEMENT (No. of Groups)	WOMEN BENEFITTED	CENTRAL ASSISTANCE RELEASED	EXPENDITURE
SIXTH PLAN	6035	3308	52170	298.53	
SEVENTH PLAN					
1985-86	5000	6008	101056	630.70	414.85
1986-87	7500	5545	96132	786.33	756.05
1987-88	7500	4959	83589	607.29	439.57
1988-89	7500	5968	98636	738.21	699.69
1989-90	7500	5551	90294	901.00	788.85
VII Plan Total	35000	28031	469707	3663.53	3099.01
ANNUAL PLAN					
1990-91	7500	7139	109557	898.00	500.66
ANNUAL PLAN					
1991-92	7500	9378	208012	962.72	784.18
EIGHTH PLAN					
1992-93	7500	9029	128744	1548.17	978.61
1993-94	11000	15483	268525	2365.00	1882.25
1994-95	13400	37964	592026	3100.00	5419.91
1995-96	30000	37576	697088	6365.00	5859.27
1996-97	30000	41462	581944	5696.00	8313.73
VIII Plan Total	91900	141514	2268327	19074.17	22453.77
NINTH PLAN					
1997-98	30000	36436	460409	4145.43	7385.97
1998-99*	61850	46916	576523	9947.79	8025.27
IX Plan Total	91850	83352	1036932	14093.22	15411.24
GRAND TOTAL	239785	272722	4144705	38990.17	42248.85

*Releases made in 1998-99 includes amount released for CCA, CAPART & IEC.

Annexure-VIII

FINANCIAL AND PHYSICAL PERFORMANCE SINCE INCEPTION UNDER THE SCHEME OF SUPPLY OF IMPROVED TOOLKITS TO RURAL ARTISANS (SITRA)

Eighth Five Year Plan

(Rs. in crore)

(No. in lakhs)

YEAR	ALLOCA- TION	RELEASE	EXPENDI- TURE	TARGET	ACHI.
1992-93	16.85	16.85	13.86	0.98	0.83
1993-94	23.22	23.22	18.60	1.29	1.09
1994-95	29.00	29.00	22.91	1.61	1.25
1995-96	40.00	40.00	28.69	2.22	1.54
1996-97	40.00	40.00	36.02	2.22	1.81
1997-98	35.00	30.82	34.27	1.94	1.62
1998-99	59.00	59.50	55.57	3.28	2.47
Total	243.07	239.39	209.92	13.54	10.61

ANNEXURE-IX

**STATEMENT SHOWING RELEASE OF CENTRAL FUNDS, UTILISATION AND PHY. COVERAGE
UNDER GANGA KALYAN YOJANA (GKY) DURING 1996-97 AND 1997-98**

RS.IN LAKHS

S.NO	STATES/ UTS	CENTRAL RELEASES		TOTAL	TOTAL UTILISA- TION	NO.OF BOREWELLS/ TUBEWELLS	
		1996-97	1997-98			INDIVIDUAL	GROUPS
<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
1	ANDHRA PR.	743.600	780.615	1524.215	NIL	NIL	NIL
2	ARUNACHAL	55.530	56.670	112.200	NIL	NIL	NIL
3	ASSAM	244.950	426.220	671.170	716.460	2777	1372
4	BIHAR	1445.870	1531.150	2977.020	102.77	1524	2
5	GOA	13.030	12.895	25.925	NIL	NIL	NIL
6	GUJARAT	273.230	286.590	559.820	NIL	NIL	NIL
7	HARYANA	65.340	68.850	134.190	8.710	62	NIL
8	HIMACHAL P	21.740	22.485	44.225	NIL	NIL	NIL
9	J & K	82.000	90.820	172.820	NIL	NIL	NIL
10	KARNATAKA	498.660	524.105	1022.765	NIL	NIL	NIL
11	KERALA	181.800	190.655	372.455	NIL	NIL	NIL
12	MADHYA PR.	941.790	989.160	1930.950	NIL	NIL	NIL
13	MAHARASHT	810.050	850.960	1661.010	3.21	21	NI
14	MANIPUR	40.260	40.870	81.130	3.200	4	22
15	MEGHALAYA	42.470	43.410	85.880	NIL	NIL	NIL
16	MIZORAM	0.000	18.345	18.345	22.095	194	NIL
17	NAGALAND	29.430	30.515	59.945	45.34	247	140
18	ORISSA	603.160	633.225	1236.385	NIL	NIL	NIL
19	PUNJAB	46.790	48.960	95.750	13.955	153	NIL
20	RAJASHTAN	390.890	410.990	801.880	NIL	NIL	NIL
21	SIKKIM	5.460	5.085	10.545	NIL	NIL	NIL
22	TAMIL NADU	0.000	257.950	257.950	NIL	NIL	NIL
23	TRIPURA	70.000	112.980	182.980	177.805	1160	NIL
24	UTTAR PRAD	1809.650	1846.790	3656.440	NIL	NIL	NIL
25	WEST BENG	666.300	699.575	1365.875	NIL	NIL	NIL
26	A & N ISLAND	0.000	0.000	0.000	NIL	NIL	NIL
27	D & NAGAR H	0.000	2.725	2.725	NIL	NIL	NIL
28	DAMAN & DIU	0.000	5.085	5.085	NIL	NIL	NIL
29	LAKSHADWE	0.000	1.270	1.270	NIL	NIL	NIL
30	PONDICHERR	0.000	10.550	10.550	NIL	NIL	NIL
	TOTAL	9082.000	9999.500	19081.500	1093.545	6142	1536

The Central releases were made during March, 1997, thus, no utilisation was made during 1996-1997.

The utilisation of funds could made during 1997-98. However, in case of Assam the utilisation of funds include the expenditure of Rs. 321.96 lakh incurred during 1998-99.

NI denotes that the scheme could not be implemented by the States/Uts due to operational problems.

The unutilised funds under the scheme have been pooled with the new scheme of Swarnjayanti Gram Swarozgar Yojana (SGSY) with effect from 1.4.1999.

Annexure-X

FINANCIAL PROGRESS UNDER JRY SINCE INCEPTION

(RS. CRORES)

Year	Unspent Funds	ALLOCATION			RELEASE			Total Availability	Expenditure	%age Expenditure
		Central	State	Total	Central	State	Total			
1989-90	534.91	2106.07	524.60	2630.67	2139.12	545.45	2684.57	3219.48	2458.08	76.35
1990-91	761.40	2103.74	524.06	2627.80	2000.95	537.69	2538.64	3300.04	2588.52	78.44
1991-92	709.90	2097.77	523.13	2620.90	1815.57	531.38	2346.95	3056.85	2663.23	87.12
1992-93	412.29	2536.45	632.60	3169.05	2524.88	657.45	3182.33	3594.62	2709.59	75.38
1993-94	884.54	3248.56	810.86	4059.42	3229.66	653.43	3883.09	4767.63	3878.71	81.36
1994-95	1047.55	3502.56	874.36	4376.92	3497.53	873.14	4370.67	5418.22	4268.33	78.78
1995-96	1184.83	3879.99	968.71	4848.70	3686.59	920.48	4607.07	5791.90	4466.91	77.12
1996-97	535.01	1790.00	446.79	2236.79	1639.10	409.28	2048.38	2583.39	2163.98	83.77
1997-98	446.24	2000.00	499.21	2499.21	1941.07	484.72	2425.79	2872.03	2439.38	84.94
1998-99	490.73	2078.44	518.59	2597.03	2050.96	495.57	2546.53	3037.26	2525.61	83.15
1999-2000	552.71	1655.00	550.58	2205.58	1685.28	557.89	2243.17	2795.88	2035.27	72.80
2000-01(Prov)	592.66	1645.50	547.46	2192.96	1327.57	441.90	1769.47	2362.13	2217.69	93.89
2001-02 (Oct.)	357.28	1870.60	622.41	2493.01	931.26	309.97	1241.23	1598.51	699.07	43.73
Total		30514.68	8043.36	38558.04	28469.54	7418.35	35887.89	44397.94	35114.37	79.09

PHYSICAL PROGRESS UNDER JRY SINCE INCEPTION

(Lakh Mandays)

Year	EMPLOYMENT GEN.		% age Achievement	Sectoral Achievement				
	Target	chievemen		SC	ST	Others	Landless	Women
1989-90	8757.25	8643.87	98.71	3263.74	1477.05	3903.08	3963.62	1905.57
1990-91	9291.04	8745.59	94.13	3179.59	1585.08	3980.92	4197.30	2146.01
1991-92	7354.35	8092.01	110.03	3040.50	1502.60	3548.91	3589.59	1989.99
1992-93	7537.95	7821.02	103.76	2985.31	1445.51	3390.20	3544.63	1931.13
1993-94	10383.26	10258.40	98.80	3800.53	1940.84	4490.95	4650.88	2577.75
1994-95	9865.45	9517.07	96.47	1978.15	3299.69	4216.57	4080.16	2539.00
1995-96	8480.05	8958.25	105.64	3360.93	1680.87	3911.43	4058.89	2604.62
1996-97	4141.37	4006.32	96.74	1381.63	668.35	1608.23	1599.45	1106.84
1997-98	3864.90	3955.89	102.35	1400.95	742.53	1788.36	1613.69	1145.35
1998-99	3966.57	3766.41	94.95	1345.49	728.00	1650.31	1557.45	1071.82
1999-2000	0.00	2683.08		936.07	497.57	1133.22	1036.36	754.98
Total	73642.19	76447.91		26672.89	15568.09	33622.18	33892.02	19773.06

NOTE: Includes 1st & 2nd Stream of JRY from 1993-94 to 1995-96.

PHYSICAL PROGRESS UNDER JGSY

Year	Total Mandays Generated	Status of Works (in Nos.)				
		Works completed	Works under progress	Total Works	Works excl. for SC/STs	Works Disabled
1999-2000	2683.08	698448	262409	960857	256405	7753
2000-01(Prov)	2683.17	884652	279681	1164333	342819	18755
2001-02 (Oct)	860.79	262704	414476	677180	98894	4106

Note - No targets have been fixed under JGSY as the objectives of the programme have been shifted to infrastructure development.

Annexure-XI**Planwise/Yearwise Resources Allocated/Utilised and Wells Constructed under Million Wells Scheme (MWS)**

Year	Allocation (Central + State)	Expenditure	No. of Wells constructed
SEVENTH PLAN			
1988-89	271.44	132.99	50345
1989-90	0.00	108.16	87634
VII Plan Total	271.44	241.15	137979
ANNUAL PLAN			
1990-91	524.63	279.74	56433
ANNUAL PLAN			
1991-92	524.63	495.19	172328
EIGHTH PLAN			
1992-93	605.33	534.05	180995
1993-94	954.37	639.74	151673
1994-95	1049.61	776.18	158780
1995-96	559.07	538.29	142685
1996-97	559.07	502.33	108897
VIII Plan Total	3727.45	2990.59	743030
NINTH PLAN			
1997-98	559.07	495.61	103499
1998-99	561.10	474.35	95164
IX Plan Total	1120.17	969.96	198663
GRAND TOTAL	6168.32	4976.63	1308433

INDIRA AWAAS YOJANA
PLAN WISE / YEAR WISE PHYSICAL AND FINANCIAL PROGRESS
SINCE INCEPTION TO DATE

(Rs. in lakhs)

Year	Allocation			Releases			Utilisation	Nos of Houses	
	Central	State	Total	Central	State	Total		Targetted	Constru cted
1	2	3	4	5	6	7	8	9	10
1- SEVENTH FIVE YEAR PLAN (1985-86 TO 1989-90)									
1985-1986	10553.84	2632.58	13186.42	10553.84	2632.58	13186.42	5793.29	144080	51252
1986-1987	13214.80	3296.18	16510.98	13214.80	3296.18	16510.98	14918.30	158270	160197
1987-1988	13216.40	3296.58	16512.98	13216.40	3296.58	16512.98	23536.90	158270	169302
1988-1989	11178.02	2788.13	13966.15	11178.02	2788.13	13966.15	14964.86	134705	139192
1989-1990	12579.82	3138.47	15718.29	12579.82	3138.47	15718.29	18849.49	151323	186023
TOTAL	60742.89	15151.94	75894.83	60742.89	15151.94	75894.83	78062.84	746648	705966
2- ANNUAL PLAN (1990-91 AND 1991-92)									
1990-1991	12582.29	3141.77	15724.05	12582.29	3141.77	15724.05	21307.45	122016	181800
1991-1992	12582.29	3141.77	15724.05	12582.29	3141.77	15724.05	26300.80	120542	207299
TOTAL	25164.58	6283.53	31448.11	25164.58	6283.53	31448.11	47608.25	242558	389099
3- EIGHTH FIVE YEAR PLAN (1992-93 TO 1996-97)									
1992-1993	17921.10	4475.19	22396.29	17921.10	4475.19	22396.29	23883.51	117133	192585
1993-1994	25460.00	6352.24	31812.24	25460.00	6352.24	31812.24	48099.95	280363	372535
1994-1995	35025.66	8743.65	43769.31	35025.66	8743.65	43769.31	50038.38	353353	390482
1995-1996	109499.00	27335.33	136834.33	117077.76	29224.99	146302.75	116636.44	1147489	863889
1996-1997	114000.00	28460.58	142460.58	117936.22	29439.38	147375.60	138592.42	1123560	806290
TOTAL	301905.76	75366.98	377272.74	313420.74	78235.44	391656.18	377250.70	3021898	2625781
4- NINTH FIVE YEAR PLAN (1997-98 TO 2001-2002)									
1997-1998	115300.00	28785.22	144085.22	111711.14	27887.73	139598.87	159147.85	718326	770936
1998-1999	148400.00	37062.44	185462.44	147794.72	36925.01	184719.73	180388.45	987466	835770
1999-2000	160000.00	53234.67	213234.67	143838.56	47923.02	191761.58	190763.86	1271619	925679
2000-2001	161369.00	53691.33	215060.33	152193.66	50672.34	202866.00	218580.64	1244320	1170926
2001-2002	161800.00	53825.47	215625.47	90802.63	30204.28	121006.91	68756.08	1293753	347054
TOTAL	746869.00	226599.13	973468.13	646340.71	193612.37	839953.08	817636.89	5515484	4050365
GRAND TOTAL	1134682.22	323401.5849	1458083.806	1045668.91	293283.28	1338952.20	1320558.68	9526588	7771211

Provisional