

Rural Development

12.1 India's battle against rural poverty is being fought on many fronts simultaneously, with major schemes tackling one or more aspects of the challenge. The total budgetary allocation for all rural development programmes by the Government of India in 2009–10 was Rs 74,270 crore, which accounted for 31 per cent of the total Central Budget Plan provision. Rural development programmes cover employment programmes, such as the Mahatma Gandhi National Rural Employment Guarantee Act and the Swarnjayanti Gram Swarozgar Yojana, housing via the Indira Awaas Yojana (IAY), sanitation via the Total Sanitation Campaign (TSC), provision of drinking water via the National Rural Drinking Water Programme (described in the Chapter on Water Resources), watershed development via the Integrated Watershed Management Programme (described in the Chapter on Agriculture), road connectivity via the Pradhan Mantri Gram Sadak Yojana (described in the Chapter on Transport), electrification via the Rajiv Gandhi Grameen Vidyutikaran Yojana (described in the Chapter on Energy), and social security via the National Social Assistance Programme, the Indira Gandhi National Widow Pension Scheme (IGNWPS), and the Indira Gandhi National Disability Pension Scheme (IGNDPS).

12.2 This chapter reviews many of these initiatives, with special reference to the progress made in the Eleventh Plan period.

MAHATMA GANDHI NATIONAL RURAL EMPLOYMENT GUARANTEE ACT (MGNREGA)

12.3 The MGNREGA has led to the largest employment programme in human history and is unlike any other scheme in its scale, architecture, and thrust. Its bottom-up, people-centred, demand-driven, self-selecting, rights-based design is new and unprecedented. MGNREGA enjoins the state to provide a guarantee of employment for 100 days every year to each rural household that demands work. It also demands of the people that they participate actively in the design and implementation of the programme. The programme started in February 2006 in the 200 most backward districts of India. It was extended to an additional 130 districts in the first year of the Eleventh Plan (2007–08) and to the entire country in 2008–09. A brief overview of the performance of MGNREGA is given in Table 12.1.

12.4 The work undertaken through MGNREGA gives priority to activities related to water harvesting, groundwater recharge, drought-proofing, as also the problem of floods. Its focus on eco-restoration and sustainable livelihoods implies that its success should spur private investment by farmers on their lands. This would over time lead to an increase in land productivity generating a natural demand for labour, which would automatically reduce dependence on MGNREGA as a source of work. If it can strengthen Panchayati Raj, as it is meant to, MGNREGA can

TABLE 12.1
Overview of MGNREGA Performance, 2006–10

	2006–07 (200 districts)	2007–08 (330 districts)	2008–09 (615 districts)	2009–10 (till September; 619 districts)
Households employed (crore)	2.10	3.39	4.51	3.26
Man-days of employment generated (crore)	90.50	143.59	216.32	128.24
Work provided per year to households who worked (days)	43.00	42.00	48.00	39.00
Central release (Rs crore)	8,640.85	12,610.39	29,939.60	16,006.23
Total funds available (including opening balance) (Rs crore)	12,073.55	19,305.81	37,397.06	28,664.31
Budget outlay (Rs crore)	11,300.00	12,000.00	30,000.00	39,100.00
Expenditure (Rs crore)	8,823.35	15,856.89	27,250.10	15,737.40
Average wage per day (Rs)	65.00	75.00	84.00	88.00
Total works taken up (lakh)	8.35	17.88	27.75	25.21
Works completed (lakh)	3.87	8.22	12.14	6.39

have profound significance for deepening democracy and governance reforms, especially in the remote hinterlands of India where the democratic fabric has come under strain in recent years.

12.5 Over the last four years, MGNREGA's performance compares favourably with any other anti-poverty initiative that India has ever undertaken. It is estimated that in 2009–10, nearly 5 crore families would be provided around 300 crore man-days of work under the programme. This is more than three times the employment created by the rural employment programme in 2006–07. Till September 2009, the programme had provided nearly 600 crore man-days of work at a total expenditure of around Rs 70,000 crore.

12.6 The share of Scheduled Caste (SC) and Scheduled Tribe (ST) families in the work provided under MGNREGA over the previous four years ranged between 51 and 56 per cent, while 41–50 per cent of the workers were women. As many as 8.50 lakh differently-abled workers have so far been registered for work. Nearly 9 crore bank/post office accounts of the poorest people have been opened for MGNREGA payments. Around 85 per cent of MGNREGA payments are made through this route, an unprecedented step in the direction of financial inclusion.

PERFORMANCE ACROSS STATES

12.7 Table 12.2 provides a comparative picture of MGNREGA's performance across states in 2008–09,

the first year when the programme was extended across the entire country for which we have data available for the whole year. One indicator of the success of a demand-driven programme is its coverage of those asking for work. Unfortunately states have not maintained a record of those asking for work but who did not get it. This makes it difficult to judge the quality of the guarantee element in MGNREGA, its most powerful distinguishing feature. Another indicator of success is the intensity of work provided, which refers to the number of days of work given to those who got any work. The national average intensity of work was 48 days. As many as 15 states fall below the national average. Only 14 per cent worker households completed 100 days of work.

12.8 It is relevant to ask whether a relatively low provision of work reflects lack of demand or is it ineffectiveness in being able to meet the demand. In certain states, the low number of days of work is almost certainly a reflection of the universalization of the programme to the whole country which led to the inclusion of districts where the need and demand for MGNREGA work is low (Kerala and Punjab are examples of this). But there are many states where demand was expected to be high but which have not performed well, such as the high out-migration states of Orissa and Bihar, as also states, such as Uttarakhand and Karnataka, which appear to have not given the due attention to energizing MGNREGA. It would be possible to form a judgment on this if states start

TABLE 12.2
State-wise MGNREGA Performance, 2008–09

S. No.	State	Average Days of Work Provided per Households who Got Work	Man-Days of Work (lakh)		Expenditure (Rs crore)		Households Provided with Work (lakh)	
1	Rajasthan	76	4,827	22%	6,171	23%	63	14%
2	Mizoram	73	125	1%	159	1%	2	0%
3	Nagaland	68	203	1%	272	1%	3	1%
4	Manipur	64	237	1%	300	1%	4	1%
5	Tripura	60	328	2%	452	2%	5	1%
6	Madhya Pradesh	57	2,947	14%	3,551	13%	52	12%
7	Chhattisgarh	55	1,244	6%	1,434	5%	23	5%
8	Arunachal Pradesh	54	14	0%	15	0%	0	0%
9	Uttar Pradesh	54	2,341	11%	3,582	13%	43	10%
10	Sikkim	49	25	0%	44	0%	1	0%
11	Andhra Pradesh	48	2,735	13%	2,964	11%	57	13%
12	Jharkhand	48	750	3%	1,327	5%	16	4%
13	Himachal Pradesh	46	204	1%	332	1%	4	1%
14	Maharashtra	45	400	2%	338	1%	9	2%
15	Haryana	43	69	0%	110	0%	2	0%
16	Assam	40	749	3%	950	4%	19	4%
17	Meghalaya	38	86	0%	89	0%	2	1%
18	Tamil Nadu	38	1,199	6%	1,004	4%	31	7%
19	Jammu & Kashmir	36	61	0%	66	0%	2	0%
20	Uttarakhand	35	104	0%	136	1%	3	1%
21	Orissa	35	381	2%	597	2%	11	2%
22	Karnataka	32	289	1%	358	1%	9	2%
23	Punjab	31	40	0%	72	0%	1	0%
24	West Bengal	26	764	4%	911	3%	30	7%
25	Bihar	26	991	5%	1,320	5%	38	9%
26	Gujarat	25	213	1%	196	1%	9	2%
27	Kerala	22	154	1%	224	1%	7	2%
	All-India	48	21,479	100%	26,975	100%	445	100%

maintaining data on how many of those who asked for work, failed to get it.

12.9 One way of assessing the relative performance of the different states is by comparing the share of the states in man-days generated under MGNREGA with their share of rural BPL households in India. It is reasonable to assume that a state's share of man-days of work generated nationally should be commensurate with its share of rural BPL households. Such states would fall on the 45 degree line in Figure 12.1. States which lie above the 45 degree line are doing better than expected and those below this line can be said to be underperforming. On this basis, Uttar Pradesh and Bihar emerge as the worst performers as their share

in rural BPL households is about 10 per cent higher than their share in employment generated under MGNREGA. West Bengal, Orissa, Madhya Pradesh, Gujarat, and Karnataka show a similar 5 per cent gap. On the other hand, Rajasthan and Andhra Pradesh have a much higher share in the work generated under MGNREGA than their share in national rural poverty. This differential performance reflects differences in organizational and institutional capabilities, as also in attention paid to MGNREGA.

12.10 A major reason for the poor performance in states where poverty is otherwise high, could be the lack of awareness among potential MGNREGA workers regarding their entitlements and about the unique

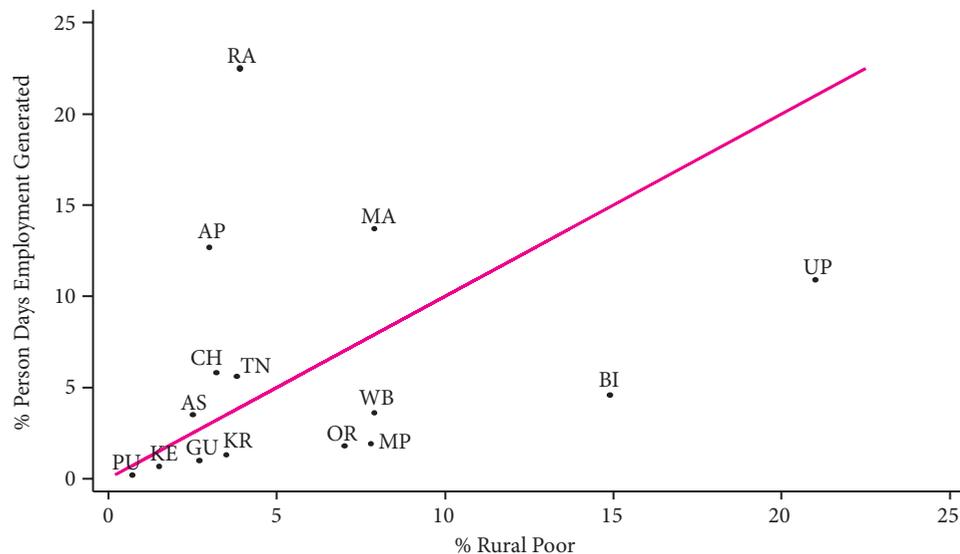


FIGURE 12.1: Share of States in Rural BPL Households vs Share of States in Man-Days of Work under MGNREGA, 2008–09

architecture of the Act. The belief among the rural poor that they will get work only when the government decides to ‘open’ work is still prevalent in many areas. Without a dedicated cadre of social mobilizers at the gram panchayat (GP) level to make people aware of the unique demand-driven character of MGNREGA, this situation will prove hard to change.

12.11 An interesting aspect of the uneven performance across states is the coverage of women. Kerala, Tamil Nadu, and Rajasthan provided more than two-thirds of their work to women (Table 12.3). On the other hand, nine states failed to meet the stipulated one-third mark for women workers. The worst performers were Jammu and Kashmir (6 per cent) and Uttar Pradesh (18 per cent).

QUALITY OF WORKS

12.12 A critical issue in evaluating MGNREGA relates to the quality of the work executed. The great hope (as reflected in the main objectives of the Act) was that greater water security and drought and flood proofing would be realized. The Act requires the choice of work to be made by PRIs in order to ensure ownership by the community and also so that the work reflects their needs and priorities. However, for the work to lead to the creation of truly productive assets it needs to be well planned with adequate technical support.

This demands a harmonious blending of plans made by PRIs with a broad framework provided by district and state-level agencies. While there have been a few successes in this regard, these remain oases of excellence.

12.13 Experience thus far suggests that the quality of work undertaken under MGNREGA has yet to come up to expectations both in terms of PRI involvement and also in terms of the technical soundness of design. Work priorities in many states tend to follow orders from the state or district level rather than reflecting the needs and aspirations of the community. The required technical input is also inadequate. Part of the problem is the lack of supporting technical staff. During 2009–10 (up to September 2009), 25.21 lakh works had already been taken up under MGNREGA, which will increase further in the course of the year. But, there are only 21,533 engineers/technical assistants (TAs) in position to execute these works. This means that an average of 117 works per engineer/TA. Managing overwhelming numbers could be one of the reasons why a high percentage of work is left incomplete. The total number of works taken up under MGNREGA from February 2006 to September 2009 was over 79 lakh but only 31 lakh, that is, 39 per cent were completed. A demanding programme like MGNREGA requires a full-time, dedicated staff.

TABLE 12.3
Coverage of Women under MGNREGA, 2008–09

S. No.	State	Women as per cent of Persons Employed
1	Kerala	85
2	Tamil Nadu	80
3	Rajasthan	67
4	Andhra Pradesh	58
5	Tripura	51
6	Karnataka	50
7	Chhattisgarh	47
8	Maharashtra	46
9	Manipur	46
10	Gujarat	43
11	Madhya Pradesh	43
12	Meghalaya	41
13	Orissa	40
14	Himachal Pradesh	39
15	Sikkim	38
16	Uttarakhand	37
17	Mizoram	37
18	Nagaland	37
19	Haryana	31
20	Bihar	30
21	Jharkhand	29
22	Assam	27
23	West Bengal	27
24	Arunachal Pradesh	26
25	Punjab	25
26	Uttar Pradesh	18
27	Jammu & Kashmir	6
	All-India	48

But it is observed that while programme officers are in place in most blocks, many of them are holding 'additional charge'.

12.14 It is also clear that without a dedicated cadre of social mobilizers, the participation of the marginalized—SCs/STs, women, and the poor—will remain peripheral to decision-making in gram sabhas and gram panchayats. While the target of one Employment Guarantee Assistant (EGA) has just about been achieved, what is required is at least one EGA per village, especially in blocks where there is high demand for MGNREGA work. In addition, one 'barefoot' social mobilizer would be needed in each village for generating awareness, facilitating demand for work, thrashing out the social aspects of micro-planning, forming and mobilizing vigilance committees, and helping in social audits, grievance redressal, and conflict resolution.

There is also a case for a barefoot engineer at the village level who would work under the guidance of TAs to help out with technical surveys and readings, worksite layouts, and maintenance of technical records.

12.15 The best way of ensuring that adequate human resources are made available is to stipulate that a definite proportion of the 6 per cent now allotted for administrative costs is spent on professional support at the block level and below. Since, on average, not more than 3 per cent of the administrative costs are being utilized currently, there is ample scope to improve performance if this money were to be properly utilized. The states should have flexibility in deciding how they spend this amount.

12.16 One way could be to deploy three cluster-level teams of sufficient personnel—both technical and those involved in social mobilization—in each cluster of roughly 30 villages (each block in India covers an average of 90 villages). Such a cluster would also correspond broadly to the boundaries of milli-watersheds and aquifers, which must become the basis of planning work under MGNREGA. Each cluster level team would service all the GPs within its cluster. It is important to hire professionals from the open market, following established procedures for high-quality recruitment. The technical personnel would:

- Make bottom-up planning more effective and support development of plans for convergence that could potentially result in improvements in agricultural productivity and creation of sustainable livelihoods on the foundation of the water infrastructure created through MGNREGA.
- Ensure that the measurement of work is more timely, thereby overcoming the major cause of delays in payment.

12.17 The social mobilizers would:

- help generate greater awareness among MGNREGA workers about their entitlements thus creating more demand for work and
- strengthen the process of social audits, thereby creating greater transparency and accountability in the programme.

CAPACITY BUILDING FOR MGNREGA

12.18 To implement these reforms it will be necessary to develop required capacities. However, we neither have enough people with requisite skill-sets available, nor do existing personnel have the necessary capacities, especially at the cutting-edge level of MGNREGA implementation. For example, we need nearly 6 lakh Employment Guarantee Assistants and over 50,000 each of social mobilizers and TAs. This requires a national effort to build capacities of MGNREGA functionaries at the block-level and below.

12.19 To build capacities, the government could seriously consider recognizing a one-year diploma course on MGNREGA, conducted by the whole range of government and non-government training institutions spread across the country. At least 1 out of the 6 per cent administrative costs need to be mandatorily earmarked for capacity building. This is the standard practice in most large programmes (The Integrated Watershed Development Programme provides 5 per cent of the total project cost). MGNREGA is perhaps the only major programme that does not stipulate a precise amount to be spent on capacity building.

12.20 In addition, the National Institute of Rural Development (NIRD) and State Institute of Rural Development (SIRD), as well as Council for Advancement of People's Action and Rural Technology (CAPART), should be revamped, so that they work in

partnership with experienced civil society institutions in order to lead the national training effort. Major inputs are required for the programme from agencies, such as the National Rainfed Areas Authority (NRAA), especially in the rainfed dry-lands of India.

DELAYS IN PAYMENTS: USE OF IT

12.21 Delays in wage payments have emerged as the most frequently heard complaint under MGNREGA. At times payments have not been made even after nine months and workers are rarely being paid compensation for the delay. The major reason for the delay is that measurement of work is not being done on time. This is mainly due to lack of adequate technical staff at the block level. Besides, there are also bottlenecks in the flow of funds through the system, at times (as in Orissa) because data on the Management Information System (MIS) is not being filled up in time.

12.22 The MIS currently used by MGNREGA is one of the best we have ever had. More than 2 crore muster rolls and nearly 9 crore job cards have been placed online. There is, however, scope for further improvement as shown by the software used in Andhra Pradesh. For instance, the present MGNREGA MIS used in most states is not able to raise an alert on delays in wage payments because data are normally updated post-facto. By contrast, wage payments in Andhra Pradesh are increasingly being made within a week of completion of the previous week's work (see Box 12.1). All states need to move in this direction.

Box 12.1**Andhra Pradesh Software Allows MGNREGA Payments within a Week**

Since the computer system in Andhra Pradesh is tightly integrated end-to-end, any work registered in the system is alive, status-visible, and amenable to tracking. Delays at any stage can be immediately identified and corrected. The system keeps track of work from when the work-ID is generated and flags delays in the payment cycle as soon as they occur. Because the network secures all levels from the ground up to the state headquarters and data are transparently and immediately available on the website, a delay at any stage is instantly noticed by the monitoring system.

By the last (sixth) day in a week's work, the measurement sheets and muster rolls of the entire week are closed and reach the mandal (sub-block) computer centre. The next day, the muster data are fed into the computer. On day eight, the pay order is generated by the computer and the cheques are prepared. By day 10, these cheques are deposited into the post office accounts of workers. The next day, cash is conveyed to the post office so that on days 12 and 13, workers are able to access their wages from their accounts. All payments to labour are made only through these accounts; there are no payments in cash. The free availability of this information on the website also facilitates public scrutiny, thus engendering greater transparency and better social audit.

SOCIAL AUDITS

12.23 Initially, it appeared that instances of corruption under MGNREGA were less frequent than in similar programmes in the past. But it appears that the 'system' has fairly quickly devised creative ways around MGNREGA safeguards. There are instances both of 'elite capture' of job cards and of fake muster rolls resulting in leakages to vested interests. The problem has been compounded because workers are unable to travel long distances to get their payments from banks/post offices (POs), where they also face harassment at the hands of undoubtedly over-worked officials. In such cases, especially common in sparsely populated tribal areas, middlemen have stepped in. They get hold of job cards of workers who are unable to travel to banks and in alleged collusion with bank officials swindle the money. Cases have also been reported where powerful middlemen have cornered ATM cards issued by banks to MGNREGA workers and drawn out cash from ATM counters. Thus, a measure to reduce corruption (ban on payments in cash and mandatory account opening of MGNREGA workers) has not yielded the expected results mainly because of inadequate density of banks/POs, as also shortage of staff in banks/POs. In other instances, there have been reports of fake and hand-written bills for materials used in MGNREGA work, exaggerated claims, use of sub-standard material, and payment by cash or bearer cheques. These represent violations of government orders outlining strict norms for sourcing supplies only through registered firms, and inviting open tenders for purchases, etc.

12.24 Some malpractices are bound to surface in a highly decentralized programme but it is necessary to evolve a multi-pronged response to put an effective end to them. The process of social audit, which is the *differentia specifica* of MGNREGA has the potential to deal with this problem effectively. Unfortunately social audit has been conspicuous by its absence in most states. The problem seems to be the deeply entrenched corruption in field bureaucracy that resists any mechanism of enforcing accountability. Where political leadership has taken the lead and developed partnerships with civil society, social audit has taken off (see Box 12.2).

12.25. The success of social audits in Andhra Pradesh results from the unique partnership between the Mazdoor Kisan Shakti Sangathan (MKSS) and the state government. Nevertheless, it remains a largely top-down approach and needs to be complemented with greater mobilization from below by civil society, which can be facilitated by organizations, such as the Andhra Pradesh Society for Social Audit and Transparency (APSSAT). Without this two-pronged approach there is a danger of a repeat of the Rajasthan experience of MKSS, where the process has been repeatedly thwarted by violent opposition from vested interests. All states need to study the Andhra experience and learn from it to replicate it in an appropriate location-specific manner.

GREATER SPACE FOR CIVIL SOCIETY ACTION

12.26 There is an urgent need to widen the space for civil society action in support of MGNREGA, whether it is helping gram panchayats to plan, implement, and conduct a social audit of MGNREGA work, or for generating greater awareness among workers about their entitlements under the Act. The best way forward on this is converting CAPART into a truly professional organization that facilitates civil society action in partnership with PRIs. This would help create greater awareness among MGNREGA workers about the provisions of the Act, preparation of better convergence plans by PRIs, improved quality of work, and strengthening the process of social audits, thereby creating greater transparency and accountability in the programme. Steps in this direction have recently been initiated.

OMBUDSMEN AT THE DISTRICT-LEVEL: GRIEVANCE REDRESSAL

12.27 An important step taken towards the end of 2009 was the appointment of persons of eminence and proven integrity as ombudsmen in every district to ensure redressal of grievances and disposal of complaints under MGNREGA. The ombudsmen are independent of the jurisdiction of the Central or state governments. The powers of the ombudsmen will include the following:

- Receiving complaints from MGNREGA workers and others

Box 12.2**Social Audit in Andhra Pradesh: A Success Story**

Social audit in Andhra Pradesh begins with the filing of applications for MGNREGA records under the Right to Information Act by district resource persons designated by the government. The rules stipulate that 'concerned officials shall provide the information requested for without fail within seven days of the receipt of the application.' In every village, teams of energetic literate youth, usually belonging to the families of MGNREGA workers themselves, are trained in social audit processes; they go from door-to-door authenticating muster rolls, check out worksites, record written statements of workers, and conduct meetings. The social audit process culminates in a public meeting in the mandal (sub-block) headquarters attended by people from every village, their elected representatives, the media, MGNREGA functionaries concerned, and senior government officers. At this meeting, village-wise social audit findings are read out, the workers testify, and the officials concerned respond to the issues raised by giving an explanation about their actions under complaint and by specifying the nature of remedial action that they will take and in what time period. A number of corrective or disciplinary actions are taken during the meeting itself. Social audit rules specify that an 'action taken report shall be filed by the Programme Officer within a month of the social audit being conducted and the same shall be communicated to the Gram Sabha.' In addition, there is a rigorous follow-up where social audit teams go back to their villages every 15 days after the mandal public meeting to ensure that the decisions taken are actually enforced.

One full round of this process has now been completed in over 50,000 habitations. In several habitations, second and third rounds have also been concluded. Around 50,000 trained village youth are conducting this social audit that has already covered nearly 20 million people. Around Rs 4 crore of misappropriated funds have been recovered. On many occasions, errant officials have 'voluntarily' returned money to workers at the mandal public meeting. The palpable impact on rural governance of such a spectacle, which invariably continues uninterrupted for 10–12 hours, is easy to imagine. Action has been initiated against thousands of officials and a number of criminal cases have been instituted. Nearly 80 lakh MGNREGA records have been publicly scrutinized under RTI. Independent studies reveal that awareness about the detailed provisions of MGNREGA has risen dramatically among workers. The setting up of the Andhra Pradesh Society for Social Audit and Transparency (APSSAT) is a major step in the direction of institutionalizing the process of social audit in Andhra Pradesh and ensuring independence of the auditor from the implementer.

- Considering such complaints and facilitating their disposal in accordance with law
- Requiring the MGNREGA official complained against to provide any information or furnish certified copies of any document relating to the subject matter of the complaint which is in his possession
- Issuing directions for conducting spot investigation
- Lodging FIRs against erring parties
- Initiating proceedings suo moto in the event of any circumstance arising within their jurisdiction that may cause any grievance
- Engaging experts for facilitating the disposal of complaints
- Directing redressal, disciplinary, and punitive actions

SPECIAL PROBLEMS OF TRIBAL AREAS

12.28 In tribal regions, degraded catchment areas needing treatment through MGNREGA tend to

fall on land, which is under the Forest Department. There has been great difficulty in working on this land and progress has been very slow. In view of growing Maoist activities in such areas, this is a matter of grave concern. Steps need to be taken to ensure that this work proceeds apace and the Forest Department provides its fullest and most expeditious cooperation in this regard. Quicker disposal of claims under the Forest Rights Act would also facilitate MGNREGA work on this land. This would foster greater involvement of tribal people in MGNREGA planning and implementation, more water and livelihood security, and genuine decentralization of governance in tribal areas, which would together constitute a powerful response to the challenge posed by the Maoists.

PARTNERSHIP WITH UIDAI AND THE BANKING CORRESPONDENT (BC) MODEL

12.29 A partnership with the Unique Identification Authority of India (UIDAI) and adopting the BC model is poised to help in tackling key problems

of MGNREGA. UID numbers are expected to start rolling out in 2011 (see Box 12.3). The UID number, coupled with a biometric identification, will solve the problem of fake job cards and muster rolls as both these documents will show the UID number of the worker. The 'non-repudiation' feature of UID will be a further check on leakages as the MGNREGA worker will biometrically confirm receipt after the payment has been made. By the end of the Eleventh Plan period, BCs should cover every GP in India not serviced by a bank.

12.30 The proposed UIDAI Civil Society Outreach Programme will facilitate a robust UIDAI-MGNREGA partnership by ensuring inclusion of the most vulnerable sections living in remote areas. It will also help roll out pilots that could build adequate safeguards to take care of teething problems and concerns of civil society and legal experts about the process.

SPECIAL NEEDS OF THE DIFFERENTLY-ABLED

12.31 MGNREGA promised an act that was friendly to the differently-abled. While 8.50 lakh differently-abled workers have so far been registered for MGNREGA work, only 19 per cent of them have actually got work. Madhya Pradesh is the only state which has moved decisively by issuing specific orders enabling people with different kinds of disabilities to be employed on MGNREGA worksites on carefully specified matching work. Other states need to follow the example set by Madhya Pradesh in this regard.

STATUTORY MINIMUM WAGES: NEW SCHEDULE OF RATES

12.32 One of the deficiencies in MGNREGA relates to reports of workers earning less than statutory minimum wages from various parts of the country. The main reason for lower than statutory wages in many states is that payments are still based on work

Box 12.3

Banking Correspondents and the UID

Banking correspondents will carry a handheld computer device and a mobile phone with biometric identification facilities. Each beneficiary will have a 'UID bank account'. The UID will maintain a translation table (with the National Payments Corporation of India), which will map the UID number to the UID bank account. This makes everyone's bank account addressable. The Government of India will direct all current and future payments, which are given directly to individuals to this UID bank account, like MGNREGA payments, pensions, JSY payments, wages paid to ASHAs, and IAY payments. The government will also encourage state governments to use the same 'pipe'. This will bring benefits (including MGNREGA wages) to the doorstep resulting in an unprecedented scale and quality of financial inclusion.

It is important here to use an open, inter-operable architecture. The lack of inter-operability between government programmes means that beneficiaries have to collect different payments from different agencies. Beneficiaries living at a distance are required to travel to various agencies for their money; in the process they incur opportunity costs as well as travel expenses. Lack of information about when payments have arrived gives rise to middlemen, who pass on this information to the beneficiaries for a fee. The costly cash handling processes, cumbersome identity verification processes, and high transaction volumes create inefficiencies across the system, delayed payments, and long waiting times. These limitations force the poor to withdraw the entire amount due to them from the bank, to avoid recurring visits.

The UID number will enable banking institutions to create UID-linked, no-frills bank accounts, which allow electronic transactions and which can be accessed through mobile phones. Such a UID-enabled micro-payments infrastructure addresses the existing challenges that we face in bringing finance to the poor. Banking institutions would be able to easily and accurately verify the identity of residents. With UID-enabled biometric authentication, such verification would be possible over the phone and also online. Aligning reduced Know-Your-Customer (KYC) requirements of no-frills accounts with UID Know-Your-Resident (KYR) standards and biometric authentication ensures that anyone with a UID is eligible for a UID-enabled bank account. The cost of customer acquisition for banking institutions would then come down dramatically. Additionally, the UID system of biometric authentication ensures that once the UID number is integrated with the BC model, only an eligible beneficiary and BC can transact on a given bank account. This simplifies and strengthens the security of transactions. A back-end switch which enables a Rs 10 transaction for a cost of say, 10 paise would help build a high-volume, low-cost model that all stakeholders benefit from.

done that is measured using outmoded schedules of rates (SoRs), which were appropriate for a contractor-led, machine-based system of implementation. In the absence of machines, the application of these SoRs inevitably leads to underpayment. Another problem is that existing SoRs make inadequate provisions for variations in geology and climate, discriminate against women, tend to underpay workers by lumping various activities together, and do not revise rates in line with increments in statutory minimum wages. Deploying the old SoRs also makes it impossible for implementers like gram panchayats to correctly cost the work undertaken by them. The result is a varying combination of malpractices—more work is shown than actually undertaken on the ground, there is poor quality of work, work is left incomplete as actual costs exceed sanctions, labour is underpaid, and bogus workers are shown as paid while machines actually do the work. Gujarat, Andhra Pradesh, Tamil Nadu, Bihar, Orissa, Karnataka, and Uttar Pradesh have undertaken fresh time and motion studies to revise their SoRs. Other states must also follow.

12.33 The Ministry of Rural Development (MoRD) notified revision of MGNREGA wages to Rs 100 per day in December 2009 for states which were below this level. Now 27 states and UTs are paying Rs 100 or more. The Department of Statistics and Programme Implementation has been asked to set up an expert group to develop a separate price index for MGNREGA wages so that the real level contributed by the Central Government could be pegged at Rs 100 per day. The SoRs also need to be indexed to the wage level, so that each rise in inflation-indexed wages is accompanied by an automatic adjustment in the SoRs.

MISSION MGNREGA

12.34 For all these reforms to be carried out effectively, we need a 'Mission MGNREGA' within MoRD. At present, just one Joint Secretary manages this massive employment programme. Coordinating and monitoring the implementation of the programme by the states should remain the function of the Department of Rural Development, although evaluation, social audit, grievance redressal, IT innovations, and human resource deployment and development demand a

full-fledged mission that works independently to support the implementer. This would enable:

- more credible and sustained studies and evaluations of MGNREGA;
- speeding up better IT innovations resulting in real-time monitoring;
- deployment of more professional human resources as also high quality capacity building, resulting in better assets and improved, enduring outcomes;
- better social audit and grievance redressal; and
- charting out a course for further MGNREGA reforms.

12.35 These 'soft' elements will determine the quality of outcomes achieved through MGNREGA work and help realize the true potential of the Act.

ULTIMATE POTENTIAL OF MGNREGA

12.36 The ultimate potential of MGNREGA lies in a renewed focus on improving the productivity of agriculture and convergence to engender allied sustainable livelihoods. Millions of small and marginal farmers are forced to work under MGNREGA because the productivity of their own farms is no longer enough to make ends meet. Among agricultural labour households in India, the percentage of those who own land is around 50 per cent in Rajasthan and Madhya Pradesh, 60 per cent in Orissa and Uttar Pradesh, and over 70 per cent in Chhattisgarh and Jharkhand. If we focus on tribals, the proportion shoots up to as high as 76–87 per cent in Chhattisgarh, Jharkhand, and Rajasthan. MGNREGA will become really powerful when it helps rebuild this decimated productivity of small farms and allows these people to return to full-time farming, thereby also reducing the load on MGNREGA.

12.37 There are many such examples to be found under MGNREGA, although they still remain small in number. For example, the First Annual Report of the National Consortium of Civil Society Organizations on MGNREGA (2009) has reported that earthen dams on common land have recharged wells of thousands of poor farmers who earlier worked as labourers to build these dams. These farmers are now busy making a series of investments to improve their own farms.

Rising incomes also improve capacity utilization and happier expectations act as incentives for more investment. Under MGNREGA, farmers have come back to the land that they had long abandoned, as increased output, in an atmosphere of renewed hope, spurs further investment. Converging MGNREGA with other programmes for rural livelihoods would carry this momentum forward in a positive upward spiral, which will broad-base the growth process via downstream multiplier-accelerator effects.

12.38 It has recently been notified that MGNREGA work will now be permitted on the land of small and marginal farmers, provided work on land of SCs/STs has been first saturated. This is a very positive step that would also help better achieve more days of work to more job card holders. New guidelines on convergence of MGNREGA with other government programmes have also been issued. Convergence can help realize the MGNREGA promise of sustainable livelihoods. Convergence can also facilitate even more flexibility in choice of work to suit the specific conditions of states, such as Bihar, for example, where earthen work may be less appropriate in flood-prone districts than stone masonry structures. However, the present guidelines are too focused on a top-down inter-departmental convergence. The danger presently is that either departments will be unwilling to converge with MGNREGA because of provisions such as social audits or they will do so in a manner that violates the radical provisions of MGNREGA. The emphasis has to be on PRI-led convergence that does not compromise the unique architecture of MGNREGA implementation.

THE WAY FORWARD

12.39 There is an urgent requirement for a clear set of guidelines on the use of the 6 per cent administrative costs provided under MGNREGA. Proper utilization of this amount holds the key to infusing MGNREGA outcomes with genuine quality.

12.40 The most important uses to which this amount must be put are as follows:

- Deployment of cluster-level teams for each cluster of around 30 villages
- Capacity building of these personnel

- Technical support for better convergence and creation of sustainable livelihoods
- Strengthening and improving IT systems
- Additional personnel for banks/POs till the BC model comes up
- Monitoring, evaluation, social audit, and grievance redressal
- Time and motion studies to revise SoRs in states where this is yet to be done

12.41 Since states are not spending more than 3 per cent on an average on administrative costs, these reforms can easily be afforded and put in place. Once proper use of the 6 per cent is achieved, the amount could be raised, with clear guidelines for use of the money across heads. These costs could also be re-designated as 'professional support costs' rather than 'administrative costs' to send out the appropriate message.

SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

12.42 The SGSY is a self-employment programme that became operational in April 1999 after restructuring and combining the Integrated Rural Development Programme (IRDP) with other allied programmes. SGSY aims to bring assisted poor families above the poverty line by supporting income-generating activities through a combination of bank credit and government subsidy. An important change from the IRDP approach was the shift away from supporting individuals towards the formation of Self-Help Groups (SHGs) and organizations of the poor at the grassroots through a process of social mobilization. Community action and group dynamics are expected to transform outcomes and also make banks recognize the rural poor as credit-worthy and financially accountable units.

12.43 Assistance under SGSY is given in the form of credit by the banks with a back-ended subsidy by the government. Emphasis is laid on the development of micro-enterprises with effective forward and backward linkages to ensure best returns on investment. Of the benefits, 50 per cent are reserved for SCs/STs, 15 per cent for minorities, and 3 per cent for differently-abled people. In addition, 50 per cent of the groups

formed in each block are expected to be exclusively for women who will account for at least 40 per cent of the swarozgaris.

12.44 The SHG-Bank Linkage (SBL) approach involves the formation of SHGs (mainly of women). These women regularly save money, which is placed in a local (generally public sector) bank account. Many studies have shown that creation of a safe avenue for savings (on which interest is earned) is an attractive feature of SHGs, which has led to significant promotion of savings. The SHGs have a set of bye-laws devised and agreed to by the members themselves. These include rules for monthly savings, lending procedures, periodicity and timing of meetings, and penalties for default. Meticulous accounts and records are maintained. The SHGs function like small banks. The groups lend money to their members. After a certain period (six months to a year) of disciplined functioning, an SHG becomes entitled to a loan from the bank where it has an account.

PHYSICAL AND FINANCIAL PROGRESS

12.45 The financial and physical performance of SGSY since its inception in 1999 is given in Table 12.4. About 35 lakh SHGs have been formed under the programme. Around 127 lakh swarozgaris have been supported with credit and subsidy, of which 82 lakh belong to SHGs. Credit mobilized by banks for SGSY beneficiaries during this period was Rs 19,600 crore. Per capita investment under the programme, which was Rs 17,000 in 1999 had risen to Rs 31,500 in 2009. The percentage of women among those assisted increased from 45 per cent in 1999 to 66 per cent in 2009. However, the attrition rate among SHGs is very high. Groups are graded on well-defined parameters of performance, such as quality of functioning, repayment of loans, and maintenance of proper accounts. Only 65 per cent SHGs graduated to Grade-I, 29 per cent to Grade-II, and 23 per cent from Grade-II to the micro-enterprise level.

ASSESSMENT OF PERFORMANCE IMPACT OF SHGS

12.46 A number of studies document the positive economic impact of SHGs on indicators, such as average value of assets per household, average net income

TABLE 12.4
Financial and Physical Performance of
SGSY, 1999–2009*

Activity	Total
SHGs formed (lakh)	35
Grade-I SHGs (lakh)	23
Grade-II SHGs (lakh)	11
SHGs economically assisted (lakh)	8
Total swarozgaris assisted (lakh)	127
Total SHGs swarozgaris assisted (lakh)	82
Total individual swarozgaris assisted (lakh)	45
Total credit mobilized (Rs crore)	19,600
Total subsidy disbursed (Rs crore)	9,500
Total investment (Rs crore)	29,100
Per capita investment in 1999 (Rs)	17,000
Per capita investment in 2009 (Rs)	31,500

Note: *Till October 2009.

per household, and employment and borrowing for income generation activities. It has been shown that SHGs help inculcate the banking habit in rural women. The running of an SHG is also a great lesson in governance. It teaches the value of discipline, both procedural and financial. Well-run SHGs are subject to external audits that enforce prudence. SHGs broaden the horizons and expand the capabilities of their members who have to interact with the outside world, including with banks, government departments, and NGOs. There are reports of SHG office-bearers being elected to panchayats and becoming more effective leaders in PRIs. Hence, it is not merely finance but empowerment that is potentially achieved in good SHGs. Thus, good SHGs can become effective instruments of empowerment.

12.47 Studies also indicate that the impressive figures of the fast growth of the SBL model hide a lot of poor quality work. So long as it remains largely a government 'pushed' model it will suffer from all the infirmities of any top-down programme, run in a target-driven way. Many of these groups largely remain on paper and suffer high rates of mortality. Groups have dissolved at a rapid rate, often disappearing with the loans that they had been provided by banks. This has led to weakening the credibility of the SBL model in the eyes of key stakeholders, including potential women members, as also bankers.

12.48 The real power of the SBL model lies in the economies of scale created by SHG Federations (comprising 150–200 SHGs each). This is evident, for example, in bulk purchase of inputs (seeds and fertilizers etc.) and marketing of outputs (crops, vegetables, milk, NTFPs, etc.). They can also provide larger loans for housing and health facilities to their members by tying up with large service or loan providers. Insurance services, including life, health, livestock, and weather insurance are also available. A study of four large SHG federations (including India's oldest one) with over 18,000 members in Andhra Pradesh and Tamil Nadu, shows that federations help make SHGs financially viable by reducing transaction and promotional costs as also default rates, provide them economies of scale, create value-added services and build local human capital. It has also been shown that doing business with SHG Federations can help public sector bank branches in remote rural areas become viable entities.

12.49 Since most SHGs are women's groups, the potential for women's empowerment is huge and a number of studies have tried to assess the impact of micro-finance interventions on women's empowerment. There is overwhelming evidence that women-run SHGs are the best managed with women showing much greater sense of responsibility as also a commitment to human development objectives, such as health and education of their families. However, much depends on the orientation and capacity of the agency facilitating the formation of groups. Where groups are mere conduits for the lending and recovery of money or when lending is to individuals, empowerment impacts are the least.

12.50 SHGs do involve high transaction costs and SHG group meetings require an investment of time and money. But if we recognize that 'governance' and not just finance is a major 'deficit' in rural India, then we must view this as an investment in empowerment of women and the poor, which is not too high a price for the state to bear. NABARD's 'promotional' costs for SHGs, if well spent, can be an invaluable and a reasonable investment for achieving this socially desirable goal. In any case, SHGs need support only

for the initial years, after which they become financially self-sustaining entities.

12.51 There is some critique of SHGs charging high rates of interest from their members. In a way, SHGs are member-run mini-banks and what they charge is also what they earn. So the interest money earned remains with the SHGs themselves.

12.52 A major problem identified by the Radhakrishna Committee on Credit Related Issues under SGSY (2009) is that most of the SHGs remain crowded in low productivity, primary sector activities. The success of the programme depends on raising their abilities to diversify into other high productive activities. Even in the better performing state of Andhra Pradesh, the income gain to a swarozgari from enterprise activities under SGSY was a mere Rs 1,228 per month. The small income gain was due to low productive, traditional activities in which they were engaged and due to low absorption of technology.

12.53 The Committee argues that while nearly two-thirds of the total funds were given out as subsidy (thus making the whole programme subsidy-driven), only 6 per cent of the total SGSY funds were utilized for training and capacity building during the past decade (Table 12.5). Ill-trained groups in SGSY would be a severe handicap in moving towards the Eleventh Plan goal of inclusive growth. Training is of vital importance in the management aspects of running both SHGs and their federations, as well as in improving existing livelihood options and also adopting new ones.

TABLE 12.5
Utilization of SGSY Funds across Heads, 1999–2009

	Percentage Utilization of Funds on:				
	Sub-sidy	Revo-lving fund	Infra-structure development	Training/ Capacity building	Others
1999–2009*	65.40	10.34	16.23	6.18	1.88

Source: Radhakrishna Committee on Credit Related Issues under SGSY (2009).

Note: *Till October 2008.

12.54 As argued by the committee, it is very important to recognize ‘that prior to SHG-Bank Linkage, substantial preparatory work needs to be done for bringing the poor together through a process of social mobilization, formation of sustainable SHGs and training them to pool their individual savings into a common pool for lending it among the needy. It also includes equipping them with skills to manage corpus fund created with their own savings, interest earned from lending and revolving fund contributed by the government.’

LOW CREDIT–SUBSIDY RATIO

12.55 The failure in the spread of the programme and the limited absorbing capacity even kept the targets of credit more or less at a constant level. The target for credit under SGSY increased very moderately from Rs 3,205 crore in 1999–2000 to over Rs 3,744 crore in 2007–08 at current prices (Table 12.6). The credit actually mobilized was only Rs 1,056 crore in 1999–2000 which rose to Rs 2,760 crore in 2007–08 but is still much below the target. The ratio of credit to subsidy was about 2 during the period and did not vary much from year to year. Thus, the credit–subsidy ratio remained much below the target ratio of 3:1. This is partly due to the failure to strengthen the demand side of the credit by improving the capacity of the poor

to absorb credit for income generating activities and due to supply side failures as well. Financial services did not have systems and procedures suited to the poor. On the whole, credit and related indicators show that the SBL is yet to take off from the perspective of credit facilitating the growth of micro-enterprises. It signifies the failure of both credit delivery systems to reach the poor as well as that of public intervention to promote credit-worthy swarozgaris.

UNEVEN PERFORMANCE ACROSS STATES

12.56 An interesting feature of SGSY is the very uneven distribution of SHGs across regions, with the southern states, which account for 11 per cent of the poor, having 33 per cent of the SHGs, while the northern and North-Eastern states, which account for more than 60 per cent of rural BPL population, having only about 39 per cent SHGs (Table 12.7). The performance of SGSY was unsatisfactory in states with high incidence of poverty, such as Assam, Madhya Pradesh, Orissa, Jharkhand, Chhattisgarh, West Bengal, and Bihar. The Radhakrishna Committee believes that the constraints underlying their poor performance mostly relate to the delivery system. In most of these states, functionaries of District Rural Development Agencies (DRDAs) and Block Development Officers (BDOs) did not possess adequate knowledge of the programme and

TABLE 12.6
Credit Mobilization and Disbursement under SGSY, 1999–2009

(Rs crore)

Year	Credit Disbursed			Subsidy Disbursed			Total Credit + Subsidy	Ratio of Credit to Subsidy
	SHGs	Individuals	Total	SHGs	Individuals	Total		
1999–2000	187	869	1,056	125	417	542	1,598	1.9
2000–01	257	1,202	1,459	168	534	702	2,161	2.1
2001–02	318	1,011	1,329	210	456	666	1,995	2.0
2002–03	459	725	1,184	283	323	606	1,790	2.0
2003–04	708	594	1,302	444	269	713	2,015	1.8
2004–05	1,028	631	1,659	586	273	859	2,517	1.9
2005–06	1,275	548	1,823	671	234	905	2,728	2.0
2006–07	1,803	488	2,291	771	200	971	3,262	2.4
2007–08	2,091	670	2,761	991	298	1,289	4,049	2.1
2008–09 (up to October 2008)	1,136	412	1,548	461	250	711	2,259	2.2
Total	9,262	7,151	16,413	4,709	3,254	7,963	24,375	2.1

Source: Radhakrishna Committee on Credit Related Issues under SGSY (2009).

TABLE 12.7
Financial and Physical Performance of SGSY Programme, Region-wise, 2007–08
(per cent of all-India)

Region	Population	Poor Persons	Swarozgaris Assisted	Total Credit	Total Subsidy	Total Credit + Subsidy	Investment per Swarozgari (Rs)
North	11.9	6.1	6.2	9.5	6.3	8.5	39,354
Central	27.3	33.8	29.8	34.6	38.5	35.8	34,518
West	11.8	10.7	11.1	10.2	11.2	10.5	27,222
South	19.5	11.3	21.3	23.4	16.3	21.2	26,810
East	25.1	34.6	21.1	16.8	20.2	17.9	24,165
North-East	4.4	2.5	9.11	5.5	7.5	6.1	19,658
All-India	100.0	100.0	100.0	100.0	100.0	100.0	28,722

Source: Radhakrishna Committee on Credit Related Issues under SGSY (2009).

also banks had little interest in it. Line departments were hardly involved in the planning, implementation, and monitoring of the programme. Consequently, very few swarozgaris could avail adequate levels of bank credit for investment. In the east and North-East, credit disbursed as a proportion of credit targeted in 2007–08 was low at about 40 per cent as against the all-India figure of 73 per cent. Consequently, investment per swarozgari (credit plus subsidy) was low at Rs 19,700 (Table 12.7).

12.57 In contrast to the eastern states, Andhra Pradesh, Kerala, and Tamil Nadu show successful implementation of the programme largely because of the existence of umbrella organizations at the state level. These organizations promote formation of SHGs, ensure thrift, establish bank linkage, and facilitate capacity building. In addition, they federate the SHGs into effective self-governing organizations with a hierarchy of appropriate functions, including ensuring coordination with the line departments. The Kudumbasree in Kerala with active linkages with the PRI and the Andhra Pradesh model which relies on Federations of SHGs have acquired the shape of effective organizations of the poor. Federations acting as financial intermediaries, which is a high-skill activity require investments in training for enhancing their skill base. This also involves institutional partnerships of SHGs/federations with the bankers. The differences in regional and state-wise performances can also be attributed to the relative strength of banking institutions.

RESTRUCTURING SGSY: NATIONAL RURAL LIVELIHOODS MISSION

12.58 Based on the lessons of the last decade of the implementation of SGSY, MoRD is currently in the process of restructuring SGSY as the National Rural Livelihoods Mission (NRLM), which is all set to be rolled out in 2010. The main features being proposed under NRLM are as follows:

- Implementation of the programme in a mission mode with greater emphasis on Federations of SHGs
- Flexibility to states for designing specific action plans for poverty alleviation through a demand-driven strategy
- Induction of professionals at various levels of the implementation machinery and facilitators-animators at the cutting-edge level of implementation
- Upward revision of financial support provided under the programme
- Introduction of interest subsidy for encouraging repayments of loans and multiple doses of credit
- Greater focus on training and capacity building efforts, including setting up of dedicated skill training institutes in each district
- Improved monitoring and evaluation through social audits, baseline studies, concurrent evaluations, and comprehensive MIS
- Upscaling the special projects component of SGSY for greater focus on skilled wage employment along with self-employment efforts

- Creating a platform that enables industries and their associations to better integrate micro-enterprises set up by SHGs/federations into the larger macro-economic environment in the country
- Facilitating marketing linkages so that SHG products are able to access global markets

Indira Awaas Yojana (IAY): Performance Review

12.59 The IAY is a flagship scheme of MoRD to provide houses to BPL families in rural areas. Since 1985, nearly 223 lakh houses have been constructed with an expenditure of about Rs 54,688 crore. In the Eleventh Plan, Rs 26,882 crore has been allocated for IAY. The year-wise physical and financial progress is given in Tables 12.8 and 12.9.

TABLE 12.8
Financial Performance of IAY during the Eleventh Plan

Year	TAF* (Rs crore)	Utilization (Rs crore)	Per cent Utilization
2007-08	6,527.17	5,464.54	83.72
2008-09	14,460.33**	8,348.34	57.73
2009-10***	9,094.44	4,927.23	54.18

Note: * Total Available Funds (TAF) includes opening balance and Centre and state releases.

** Includes Rs 3,050 crore released as economic stimulus package in February 2009.

*** Till September 2009.

TABLE 12.9
Physical Performance of IAY during the Eleventh Plan

Year	Target (lakh)	Houses Constructed (lakh)	Per cent Physical Achievement
2007-08	21.27	19.92	93.66
2008-09	21.27	21.34	100.27
2009-10*	40.52	10.96	27.05

Note: * Till September 2009.

NEW INITIATIVES DURING THE ELEVENTH PLAN

12.60 Several new initiatives were taken during the Eleventh Plan:

- From 1 April 2008, assistance under IAY for new construction has been raised from Rs 25,000 to Rs 35,000 per unit (20 sq. m. plinth) in plain areas

and from Rs 27,500 to Rs 38,500 in hilly and difficult areas.

- A beneficiary can also borrow a top-up loan of up to Rs 20,000 from any nationalized bank at a 4 per cent interest per annum under the Differential Rate of Interest (DRI) scheme
- NSS data indicate that around 7.70 million households in rural India do not have homestead sites, without which they are unable to fulfill their need for shelter and avail of the benefits under IAY. The Eleventh Plan set a target of providing homestead sites to all by 2012. A proposal for providing homestead sites to rural BPL households was approved in 2009. Beneficiaries will be selected from the Permanent IAY Waitlists as per priority in the list. Only those BPL households, which have neither land nor house site, will be eligible. In the first instance, the state governments will regularize the land as a homestead site if it is presently occupied by a BPL household and if regularization is permissible as per the existing acts and rules. If this is not the case, the state governments will allot suitable government land as homestead site to the eligible BPL household. In case suitable government land is not available for allotment as a homestead site, private land may be purchased or acquired for this purpose. Financial assistance of Rs 10,000 per beneficiary or actual, whichever is less, will be provided for purchase or acquisition of a homestead site of an area around 100-250 sq. m. Funding will be shared by the Centre and the states in the ratio of 50:50 while in the case of UTs, the Central Government will provide 100 per cent funds. The total central allocation for homestead sites for the Eleventh Plan period is Rs 1,000 crore (Rs 200 crore for 2009-10, Rs 300 crore for 2010-11, and Rs 500 crore for 2011-12). This amount is sufficient to meet about 25 per cent of the total requirement. State governments are expected to meet the remaining 75 per cent of the requirement by regularizing the presently occupied land, if any, or by allotting surplus government land, to fulfil the target set by the government for providing homestead sites to all by 2012. State governments will be incentivized through sanctioning additional houses under IAY to the extent that homestead sites are provided to landless rural BPL households.

- Proposals for providing homestead sites have been received from the seven states of Kerala, Karnataka, Bihar, Rajasthan, Sikkim, Maharashtra, and Mizoram. Funds have been released to Kerala, Karnataka, Bihar, Rajasthan, and Sikkim.

ISSUES AND RECOMMENDATIONS

QUALITY OF HOUSING

12.61 Although 'high user satisfaction' is reported under IAY, the quality of housing remains a problem. Several examples of poor quality of construction, sagging foundation, use of temporary materials for roofing, or leaving the construction incomplete because of inadequate finance have been reported. Even after contributing their labour and borrowing from local sources, a significant number of families are not able to complete their houses in all respects, and most houses remain without plastering or flooring. The steps outlined below would help improve housing quality for which a minimum set of standards needs to be adopted.

DEARTH OF TECHNICAL INPUTS

12.62 One of the merits of IAY is supposedly the fact that construction of houses is left entirely at the discretion of the beneficiaries but they might not have the resources and the technical expertise to build quality houses on their own. IAY guidelines recommend that state governments and implementing agencies should facilitate access to information on innovative technologies, materials, designs, and methods, but most states do not have any mechanism to do so. There is a clear need for developing and popularizing appropriate technology through a network of institutions, which could result in low-cost, environment friendly, and disaster resistant houses as per local cultural preferences. Developing a menu of specific designs and technology options for each region reflecting variations in environmental and cultural conditions would be the way to go forward.

INADEQUACY OF UNIT COST

12.63 The poor quality of houses constructed is partly due to the low unit cost. State governments have been asking for enhancement of unit assistance to between Rs 50,000 and Rs 70,000. This is in line with the rec-

ommendations of Housing and Urban Development Corporation Ltd. (HUDCO), the Auroville Earth Institute, Building Material & Technology Promotion Council (BMTPC), and Central Building Research Institute (CBRI) made to the Eleventh Plan Working Group on Rural Housing.

12.64 The Union Budget for 2010–11 has raised the unit cost under IAY to Rs 45,000 in plain areas and Rs 48,500 in hilly areas. Additional costs could be provided by widening the ambit of the DRI scheme and increasing the amount of loan permissible to Rs 50,000 at 7 per cent interest per annum (as against Rs 20,000 per unit at 4 per cent rate of interest currently allowed under IAY). The real challenge is to: promote the DRI scheme by radically improving its awareness and implementation. Only 10,970 IAY beneficiaries have so far availed of loans under the scheme during 2009–10. It needs to be promoted through women's SHGs and dovetailed with the NRLMs to be launched shortly.

GREATER TRANSPARENCY AND SOCIAL AUDIT

12.65 The Eleventh Plan noted irregularities in the method of selection of IAY beneficiaries. It stated that '25 to 50 per cent of the beneficiaries are not being selected through the gram sabhas. Allocation among panchayats has been influenced by PRIs/MLAs. The vocal and active segments of beneficiaries influence the selection process. The poorest among BPL households are left out and non-BPL families get selected. Besides, collection of illegal gratification of selection by PRIs is a common complaint brought out by several studies.'

12.66 One method to check corruption in the selection of beneficiaries is the creation of a Permanent IAY Waitlist based on the 2002 BPL Census. These waitlists should be painted on the walls of panchayat buildings. However, many states have been slow in doing this. Andhra Pradesh, Haryana, Kerala, Manipur, Meghalaya, Orissa, Tripura, West Bengal, Andaman and Nicobar Islands, Daman and Diu, Dadra and Nagar Haveli, and Puducherry have not yet prepared the waitlists. Uttar Pradesh, Goa, Jharkhand, Mizoram, Punjab, Sikkim, Arunachal Pradesh, and Lakshadweep have prepared the waitlists but their painting on the

walls is not yet complete. It is also necessary to have a real-time database of IAY beneficiaries. This will promote transparency and strengthen the monitoring mechanism. An IAY-MIS needs to be developed to capture and maintain a database of beneficiaries. The most effective means of ensuring transparency, as also quality of work, is social audit. This should be made an integral part of the programme and involve both physical and financial verification.

HABITAT DEVELOPMENT APPROACH

12.67 IAY must ultimately metamorphose into a larger habitat development programme. This needs to include at least a provision of domestic water, sanitation, clean fuel, and electricity and calls for much deeper convergence between various departments, currently functioning in silo mode.

RURAL SANITATION

12.68 The drive to extend sanitation services in rural areas is spearheaded by the TSC introduced in 1999, which marks a break from the past in acknowledging the need for a demand-driven approach based on behavioural change. It emphasizes the use of IEC for

awareness generation and health education. Efforts are being made to complete the implementation of TSC projects in the countryside by 2012.

12.69 As can be seen from Figure 12.2, sanitation has grown impressively in rural India following the launch of TSC; this received a special boost after the Nirmal Gram Puraskars (NGPs) were announced in 2003. More than 22,000 NGPs have been awarded so far. By September 2009, rural sanitation coverage had grown to 62 per cent of the households (Box 12.4).

12.70 A target for constructing 72.9 million individual household latrines (IHHLs) was envisaged in the Eleventh Plan, of which 27.5 million (38 per cent) IHHLs had been constructed up to September 2009 (Table 12.10). The maximum incentive offered currently is Rs 2,200 per IHHL for BPL families (Rs 2,700 in hilly areas). Another goal of the Eleventh Plan is ensuring 100 per cent coverage of rural schools with toilet facilities by March 2010. At least one toilet block will be provided in each rural school. In coeducational schools, separate toilet blocks for girls

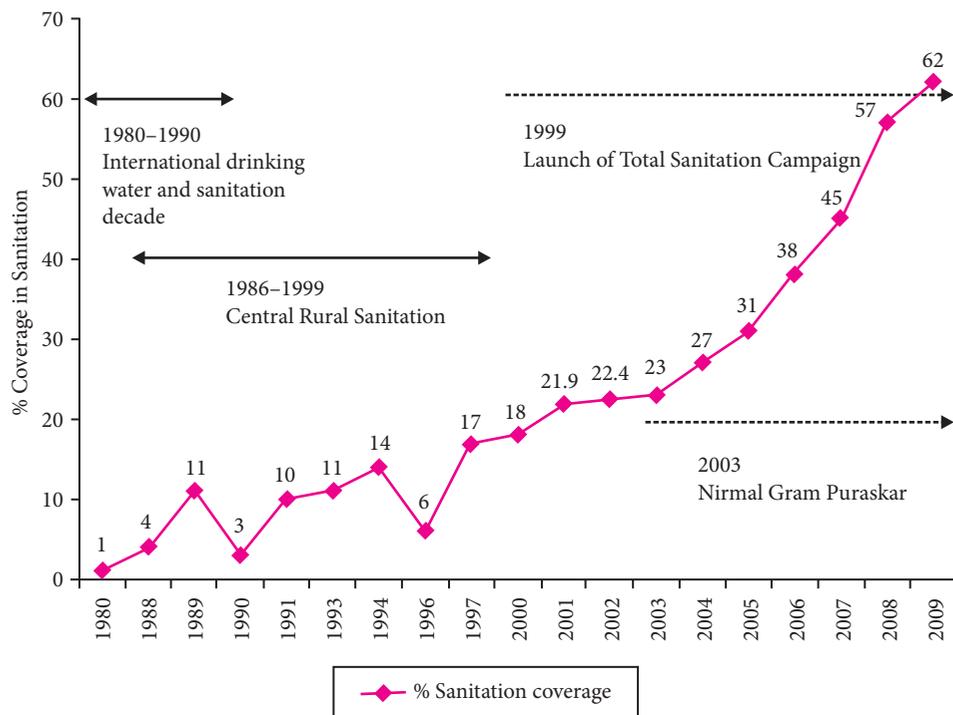


FIGURE 12.2: Rural Sanitation Coverage in India, 1980–2009

Box 12.4
Community-Led Total Sanitation (CLTS) in Haryana: A Success Story

In March 2006, Haryana shifted its implementation strategy from a conventional top-down, construction-based approach to the active involvement of village communities through PRIs, women's groups, anganwadi workers, SHGs, facilitators, motivators, and school children focusing on Behavior Change Communication. The emphasis was on capacity building for all stakeholders at the state, district and village levels and behavioural change through innovative CLTS approaches. A cadre of district-level champions (swacchta sainiks) was built up. IEC activities included joint exposure visits to model sanitation project sites, celebration of swacchta week (cleanliness week) in coordination with departments like health, women and child development, education, agriculture and animal husbandry, swacchta yatras (cleanliness rallies) involving school children, and advocacy through print and electronic media. Rural sanitary marts for supply of sanitation facilities in the state are managed by PRIs.

This innovative approach is reflected in the phenomenal and rapid increase in sanitation coverage from a mere 29 per cent in 2001 to over 95 per cent today; 990 gram panchayats and one block have been awarded the Nirmal Gram Puraskar.

In the CLTS approach, through a process of participatory facilitation, community members analyse their own sanitation status, including the extent of open defecation and the spread of fecal-oral contamination that adversely affects each one of them. Here 'Walk of Shame' is used as a powerful trigger. Going through the defecation area, walking among the feces and talking about the issues related to open defecation can have a lasting impact on people. This develops a sense of shame about the situation and often an immediate desire to change their sanitation status.

Once people are convinced about the need for sanitation, they construct latrines on their own, and more importantly, use them regularly due to a strong sense of ownership. A community-driven approach does not require high subsidies, but it does need greater understanding of the individual and collective 'triggers' or factors that motivate people to change their perceptions about the need for safe sanitation.

The CLTS campaign is driven by the following principles: facilitating communities' own analysis; motivating communities to take independent decisions and action; not top-down standard designs but bottom-up innovations; and not just hardware support but supporting people and processes.

will be constructed. This coverage increased from 30 per cent on 1 April 2007 to 76 per cent by September 2009 (Table 12.11).

TABLE 12.10
Physical and Financial Progress of Rural Sanitation in Eleventh Plan Period

Year	IHHLs Constructed (million)	Expenditure (Rs crore)
2007-08	11.5	1,060
2008-09	11.2	1,200
2009-10 (till September 2009)	4.8	531
Total Eleventh Plan	27.5	2,791

AREAS OF CONCERN

12.71 While these achievements are impressive, there remain significant areas of concern. The NGPs have undoubtedly spurred competition among PRIs to hasten toilet construction but there are also reports which indicate an undermining of TSC's demand-

driven approach. UNICEF and TARU conducted a study in 2008 of 162 NGP gram panchayats in six states (Andhra Pradesh, Chhattisgarh, Maharashtra, Tamil Nadu, Uttar Pradesh, and West Bengal), 37 of which had won NGPs in 2004-05 and 125 in 2005-06. Their survey, covering 7,100 households, found that only 4 per cent of the GPs were genuinely open defecation free. In 32 per cent of the GPs, more than 40 per cent of the people were not using the toilets built for them under TSC and were defecating in the open (Table 12.12).

12.72 The ASHWAS survey conducted by Arghyam in 17,200 households of 172 GPs across 28 districts of Karnataka came to similar conclusions. Nearly two-third of the NGP villages that they surveyed had more than 20 per cent open defecation; 20 per cent NGP villages had more than 50 per cent open defecation. Poor quality of construction and absence of behavioural change were the main reasons for the slip-back. In an ironic twist, the institution of

TABLE 12.11
Sanitation Coverage across States, 2009

State	Per cent BPL HHS Covered	Per cent of APL HHS Covered	Per cent of APL + BPL HHS Covered	Per cent of Sanitary Complexes Built	Per cent of Schools Covered	Per cent of Balwadis Covered
Andhra Pradesh	61.65	57.35	60.11	100.00	86.32	35.86
Arunachal Pradesh	20.32	14.67	19.55	10.06	87.40	66.61
Assam	21.33	8.38	16.88	1.90	50.51	20.73
Bihar	24.86	10.05	18.26	24.01	54.15	14.44
Chhattisgarh	45.24	34.97	39.71	23.46	91.75	75.22
D&N Haveli	1.49	0.00	1.49	8.33	0.00	0.00
Goa	90.50	63.98	74.47	0.00	61.01	10.60
Gujarat	76.96	84.72	80.81	100.00	100.00	94.36
Haryana	96.00	97.46	97.01	77.38	97.69	84.72
Himachal Pradesh	78.80	89.10	86.47	13.52	35.88	27.45
Jammu & Kashmir	38.56	6.78	21.41	49.39	48.04	7.02
Jharkhand	41.82	8.98	29.47	8.81	76.85	27.55
Karnataka	41.93	37.78	39.65	42.30	99.37	98.83
Kerala	98.19	100.00	100.00	72.84	93.92	65.44
Madhya Pradesh	50.15	53.78	52.12	39.18	88.17	100.00
Maharashtra	56.26	55.57	55.82	42.26	92.05	96.15
Manipur	5.29	12.57	7.18	27.20	37.13	13.24
Meghalaya	18.45	48.43	25.85	20.00	22.99	12.03
Mizoram	97.50	95.50	97.06	61.43	100.00	100.00
Nagaland	28.10	5.87	24.61	66.93	41.99	38.77
Orissa	43.17	15.30	33.01	3.06	84.44	69.70
Puducherry	12.17	0.00	12.17	0.00	0.00	100.00
Punjab	17.96	70.43	42.42	15.33	93.14	23.70
Rajasthan	27.77	36.68	34.18	22.99	73.46	41.13
Sikkim	100.00	100.00	100.00	100.00	100.00	100.00
Tamil Nadu	77.28	64.22	70.89	100.00	93.06	94.17
Tripura	95.22	94.30	95.02	71.68	86.96	76.31
Uttar Pradesh	62.96	44.72	52.03	98.38	89.85	72.57
Uttarakhand	46.52	40.00	43.25	11.28	57.63	18.43
West Bengal	89.42	48.10	70.85	47.37	45.65	28.59

TABLE 12.12
NGP Villages with Proportion of People Going for Open Defecation, 6 States, 2008

	None	<20%	20-40%	40-60%	60-80%	>80%	Total
Andhra Pradesh		5	4	1			10
Chhattisgarh				4	5	1	10
Maharashtra	6	36	4	6	7	1	60
Tamil Nadu		11	6	9	5	2	33
Uttar Pradesh		1	7	6	1		15
West Bengal		11	18	3	2		34
Total	6	64	39	29	20	4	162
Per cent of Total	4%	40%	24%	18%	12%	2%	100%

Source: UNICEF-TARU Primary Study (2008).

NGPs may have turned the clock back once again to a target-driven approach. Similar feedback from across the country has recently forced the Department of Drinking Water Supply (DDWS) to make the criteria for selection for NGP much more stringent. One simple condition that could make a big difference is giving the NGP only if one year of continuous use of toilets by all households in the GP is conclusively verified.

12.73 The NGP example merely illustrates the larger problem plaguing TSC. It is apparent that a rush to meet targets has compromised the quality and sustainability of achievements. This requires deeper reflection on the process that must guide TSC (Table 12.13).

SOFT INPUTS OF PREPARATORY PHASE CRITICAL

12.74 The powerful element of TSC is the emphasis on IEC activities to bring about behavioural change and a real demand for improved sanitation, for which it earmarks 15 per cent of the total cost. The unfortunate part appears to be that though enough resources have been made available for these activities, their execution has not been effective at the cutting-edge level of implementation. A survey in 40 GPs in 20 blocks across 10 districts in Bihar, Chhattisgarh, Haryana, Karnataka, and Tripura, conducted by Water Aid in 2008 argues that TSC is becoming increasingly state-led and target-driven. It finds that 'IEC activities have been implemented without any conscious effort to create required awareness at the community level. These activities were undertaken in a routine administrative fashion as more of a fund utilisation exercise, not organically linked to awareness creation and demand generation processes' (Indira Khurana and Romit Sen 2008: *Feeling the Pulse: A Study of Total Sanitation Campaign in Five States*). Top-down IEC strategies of posters and brochures with no individual contact have proven to be ineffective: gaps in IEC have also led to lack of awareness about technology options and related engineering aspects, hardware maintenance issues, and hand washing and hygiene awareness, both at the school and community levels. IEC involves a specialized set of activities that demand professionalism of a kind rather different from what line department personnel are normally trained for. Social mobilization for changing attitudes is not a

one-off activity. It is a complex process that takes time in the initial stages (see Box 12.5). There is a point of inflection after which the process takes off and is led by the people themselves thereafter. But this happens only after a critical mass of qualitative effort is put in. IEC cannot be a one-time affair with a rigid design. There is a need to be flexible with space for cross-learning and mid-course correction.

NEED FOR CLEAR TIME PHASING

12.75 A great deal of effort is required to sustain the gains of the adoption phase to ensure that slip-backs do not occur. Just as has been recognized in the new guidelines for the Integrated Watershed Management Programme, perhaps the time has come to develop a phased approach for the implementation of TSC. Such a phased approach would make it possible to achieve universalization with quality, based on a process truly driven by demand from a community that is committed to improved sanitation, being fully informed about its benefits and, therefore, willing to take ownership of the campaign.

BROADER MENU OF TECHNOLOGIES REQUIRED

12.76 One of the limitations of TSC is the narrow range of technology options offered in a country with such immensely diverse geographic, hydrologic, climatic, and socio-economic conditions (high water table, flood prone, rocky ground, desert/water scarce areas, and extreme low temperatures). This has led to many problems, including non-acceptance by local communities, water pollution, especially in shallow water table regions, and waste of public funds. There is a need to broaden the range of models permissible under TSC. UNICEF has supported development of cost-effective models of low cost superstructures using hollow bricks, tin sheets, bamboo, coconut leaves, palm leaves, and waste wood. These need to be more widely propagated through partnerships with civil society.

MORE IMAGINATIVE FUNDING OPTIONS

12.77 It is obvious from Table 12.14 that quality sanitation is not possible within the kind of funding that has so far been provided or encouraged for TSC. The maximum incentive offered currently is Rs 2,200 per IHHL for BPL families (Rs 2,700 in hilly areas).

TABLE 12.13
Checklist of Activities in Four Phases of TSC

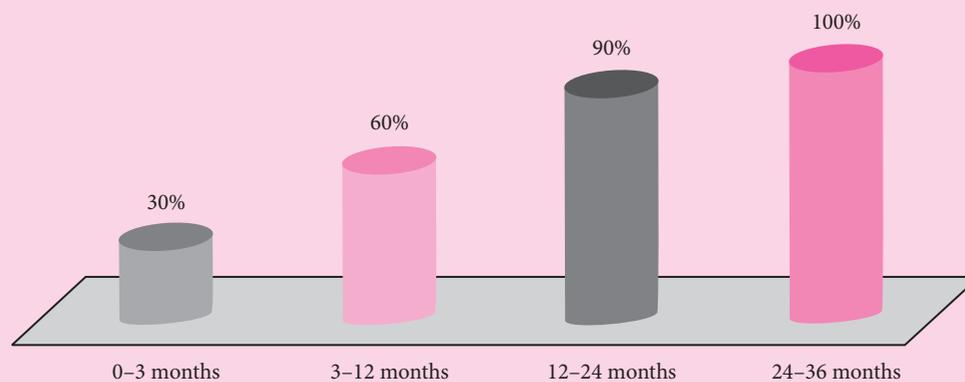
Phase I: Pre-planning (0–6 months)	Phase II: Planning and Preparatory (0–12 months)	Phase III: Programme Implementation (6–36 months)	Phase IV: Sustaining the Usage—O&M and Governance (from the 6th month)
<p>Social mobilization—entry point activities, village meetings</p> <p>Software activities—IEC, exposure visits, hygiene education, identifying training needs (needs and resources), school sanitation, menstrual hygiene</p> <p>Institutional process—gram sabha, interaction with panchayat, village institutions, SHGs, set up community monitoring systems/social pressures/triggers to ensure usage</p> <p>Programme area identification—based on demand/secondary research</p> <p>Baseline studies/needs assessment—socio-economic aspects, toilets, solid/liquid waste management, school sanitation, vulnerable and specially abled, menstrual hygiene, pregnancies</p> <p>Survey of technical models—toilets, solid/liquid waste management, school sanitation, vulnerable and specially abled, menstrual hygiene, O&M models</p> <p>Survey of financial models—government, donor, contributions, SHG linkages, banks</p> <p>Estimating human resources—requirement</p>	<p>Social mobilization—demand creation, awareness generation</p> <p>Software activities—IEC, exposure visits, hygiene education, preparation of communication plans and training modules, training (staff, facilitators, teachers, masons), school sanitation, menstrual hygiene</p> <p>Institutional process—strengthening of institutions; formation of watsan committees, area and district resource groups, scoping for convergence of GP funds/programmes, etc.</p> <p>Participatory planning—PRA, focused group discussions, village mapping indicating defecation places, water logging places, solid waste, incidence of water borne diseases</p> <p>Evaluate and finalize technical plans—toilets, water supply to toilets, solid/liquid waste management, school sanitation, vulnerable and specially-abled, menstrual hygiene; approval by gram sabha</p> <p>Evaluate and finalize financial plan—establish linkages for funds, allocations or cost sharing</p> <p>Deployment of HR—based on plan for software and hardware</p> <p>Establishing supply chain linkages</p>	<p>Social mobilization—for demand creation and for better O&M</p> <p>Software activities—hygiene education, training (O&M, disposal, reuse), school sanitation</p> <p>Institutional process—social audit/community monitoring of construction, etc.</p> <p>Managing material flows—explore local manufacture and supply</p> <p>Construction—toilets, water supply to toilets, solid/liquid waste management, school sanitation, vulnerable and specially-abled, menstrual hygiene</p> <p>Managing fund/cash flows—activating reporting and dissemination systems</p> <p>Preparation of O&M strategy/protocol, etc.</p> <p>Preparing post-project strategy—exit strategy, documentation and sharing of learning, post-project institutional functioning</p>	<p>Social mobilization—for sustaining use and better O&M</p> <p>Software activities—hygiene education, training (O&M, emptying pits, disposal, reuse), school sanitation, menstrual hygiene, hygiene education</p> <p>Institutional process—community monitoring/social pressures/triggers to prevent slippages, end-line surveys</p> <p>Activating the O&M strategy—roles and responsibilities, charges, etc.</p> <p>Periodic and regular impact monitoring</p> <ul style="list-style-type: none"> – socio-economic – health – groundwater – behaviour studies – end-line surveys <p>Implementing post-project strategy</p>
<p>Planning for Management Information System</p>	<p>Activating Management Information System</p>	<p>Activating Management Information System</p>	<p>Activating Management Information System</p>

Source: Arghyam (2009), *Step by Step: What it Takes to Achieve Sustainable Sanitation?* Submission to the Planning Commission.

Box 12.5 Case Study of Gramalaya

According to Gramalaya, an NGO working in Tiruchirapalli district of Tamil Nadu since 1987, it takes about five years to ensure sustained use of toilets. Gramalaya's strength is also its women SHGs. As the graph shows, one-third of the population generally gets convinced in the first three months as a result of intense IEC activities; the next 30 per cent after exposure visits to successful projects, where interaction with toilet users brings about an attitudinal change. This happened within the first year. Another year sees the next 30 per cent change after they see their neighbours using toilets. To convince the remaining 10 per cent is the hardest and requires multiple strategies (including pressure from the community) and goes into the third year.

3-Year Time Line—From Open Defecation to 100 per cent Use of Toilets



Note: Values as per cent population using toilets.

TABLE 12.14
Possible Choice of Technology in Rural Sanitation

Description	Toilet Types			
	Single pit	Twin pit	Eco-sanitation	Toilet with bathroom
Where suitable/ unsuitable	Not suitable in waterlogged, shallow water table areas	Not suitable in waterlogged, shallow water table areas	Suitable in water scarce areas/where water table is deep; waterlogged areas; hard rock/impervious soil regions, coastal areas	Provides for privacy and needs of women during menstrual periods
Disadvantages	Gets filled up fast; while emptying pits, slippages can occur; groundwater leaching if not properly designed	Groundwater leaching if not properly designed	Needs intense behavioural/ cultural change; management inputs high	
Hardware cost	Rs 3,000–3,500	Rs 5,000–6,000	Rs 8,000–12,000	Rs 12,000*

Note: *Includes cost of twin pit and water connection.

This amount is clearly insufficient for even the most rudimentary sanitation. The way forward is to combine the incentive amount provided by the government with a loan amount on soft terms to be routed through

women's SHGs. In order to make adoption of the menu of technologies viable, it is critical that the loan component is actively canvassed and converged with the new NRLMs. The third component, other

than incentives and loans, would be beneficiary contributions, which would be easy to mobilize in a demand-driven programme, once the necessary effort has been put into the preparatory phase.

SANITATION AND WATER SUPPLY TOGETHER

12.78 It is evident that the use of toilets cannot be sustained without the provision of water supply. Many NGP villages have slipped back to open defecation because the promised water supply never materialized. The TSC has overlooked the water needs of sanitation. DDWS needs to ensure that the two activities under its charge are taken up conjointly in every village. Otherwise, failure is inbuilt into the effort.

SOLID AND LIQUID WASTE MANAGEMENT

12.79 The TSC guidelines state that 'PRIs are required to put in place mechanisms for garbage collection and disposal and for preventing water logging. Up to 10 per cent of the project cost can be utilized for meeting capital costs incurred under this component. Under this component activities like common compost pits, low cost drainage, soakage channels/pits, reuse of waste water, system for collection, segregation and disposal of household garbage, etc. may be taken up.' This, however, has been the weakest link in the TSC chain so far. Only 15,844 GPs in the country have taken up solid and liquid waste management so far. There is a serious lack of knowledge about appropriate technologies, costs, and O&M procedures. A clear roster of options and activities needs to be developed and disseminated through the best training institutions in India. A large number of Master Trainer Organizations need to be developed within each state, which would in turn build capacities of functionaries and people's representatives at the GP level.

CAPACITY BUILDING

12.80 The key to TSC's success lies in developing capacities for its effective implementation. This has two components: (a) altering the human resource profile of the implementing agency to include social workers and social anthropologists/psychologists who could play a key role in social mobilization as also attitude-behaviour change, and b) training of the personnel deployed. A whole army of masons is

required to be developed and trained in setting up different sustainable sanitation options. PRI members have to be trained to become change agents. Absence of requisite capacity with PRIs has impacted social mobilization processes, as well as maintenance of the infrastructure in the post-implementation phase.

12.81 The DDWS has launched the concept of Communication and Capacity Development Units (CCDUs) at the state level to promote reform initiatives in drinking water supply and sanitation. An evaluation by WaterAid shows that CCDUs are present in almost all the states but are not always very active or effective. They have not yet emerged as resources to bank on for sanitation. Generally, capacity building has tended to be a one-off activity, without follow-up to ensure that the inputs of training are being translated into results on the ground.

12.82 There is a need to set up dedicated resource centres at the block level, which will impart hands-on training to masons on various sustainable sanitation models as also PRI representatives and functionaries to undertake social mobilization programmes and to help them understand issues of O&M and sustainability.

12.83 If we are able to address this entire range of issues, we could look forward not only to meeting the MDGs but also creating sustainable sanitation villages across the length and breadth of India. Table 12.15 summarizes a checklist of possible parameters for judging whether a village has truly acquired that status.

NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

12.84 An integral element of India's battle with poverty and distress is providing succour to senior citizens, differently-abled people, and others who have suffered due to mishaps in life. The NSAP refers to a basket of welfare schemes that provide social assistance to a wide range of people in need. At the beginning of the Eleventh Plan, NSAP comprised of the Indira Gandhi National Old Age Pension Scheme (IGNOAPS), the Annapurna Scheme, and the National

TABLE 12.15
Checklist of Parameters for a Sustainable Sanitation Village

Parameters	
a.	No open defecation in village leading to pollution of water sources
b.	100 per cent coverage and usage of toilets
c.	Special provision for aged, specially abled, pregnant women
d.	100 per cent school sanitation (separate toilets for girls and boys)
e.	Water supply available for toilets
f.	No additional burden on women for fetching water for toilets
g.	Presence of a well-maintained drainage system (drain should not be clogged; water should not stagnate; should not pollute water sources)
h.	Grey water treated and reused
i.	Presence of solid waste management systems (like composts etc.; solid waste not found littered in the village; not clogging drains)
j.	High in hygiene behaviour (every one washes hand after defecation; handles drinking water with clean hands)
k.	Issues of menstrual hygiene addressed
l.	Local capacity available for operating and maintain sanitation systems
m.	Water quality tested by the community twice a year (indicative) and information disseminated and follow-up by confirmative tests and follow-up action taken
n.	Reduction in water borne diseases in the village validated by ASHAs; no deaths reported

Source: Arghyam (2009), *Step by Step: What It Takes to Achieve Sustainable Sanitation?* Submission to the Planning Commission.

Family Benefit Scheme (NFBS). In February 2009, two more schemes were added under NSAP—the IGNWPS and the IGNDPS.

TABLE 12.16
NSAP Physical and Financial Progress in Eleventh Plan

Year	Expenditure Reported (Rs crore)	Beneficiaries (in lakh)
2006–07	1,967.96	98.24
2007–08	3,116.17	128.92
2008–09	3,874.92	164.55

12.85 Under IGNOAPS, a central assistance of Rs 200 per beneficiary is provided to BPL applicants over 65 years of age. Pension is to be credited wherever possible

in a post office or a bank account. The Government of India urges state governments to make an equal contribution, thereby increasing the pension amount to Rs 400 per month. The coverage under IGNOAPS, as compared to estimated numbers is given at Annexure 12.1. The national coverage of eligible beneficiaries under IGNOAPS is about 105 per cent. Only Goa has less than 40 per cent coverage. Kerala, Gujarat, and Orissa cover 40–70 per cent eligible beneficiaries.

12.86 The amount of pension paid per month, including the state's contribution is given in Annexure 12.2. At present, 18 states and UTs are providing Rs 400 or more as pension under the Old Age Pension scheme. These are Delhi, Goa (Rs 1,000), Haryana, Chandigarh (Rs 700), Puducherry (Rs 600), Andaman and Nicobar Islands, Dadra and Nagar Haveli, and Maharashtra (Rs 500), Punjab (Rs 450), and Gujarat, Jharkhand, Karnataka, Rajasthan, Uttarakhand, Sikkim, Tripura, Tamil Nadu, and West Bengal (Rs 400). Another 11 states and UTs are providing pension between Rs 200 and Rs 400. These are Himachal Pradesh, Jammu and Kashmir, Chhattisgarh, Nagaland, Uttar Pradesh, Lakshadweep, Madhya Pradesh, Kerala, Assam, Meghalaya, and Mizoram. The remaining six states and UTs are disbursing pension at the rate of Rs 200 per month only.

12.87 Many states are contributing from their own funds towards pension for old people in the age group of 60–64 years, who are not covered by IGNOAPS. These include Andhra Pradesh, Chhattisgarh, Goa, Himachal Pradesh, Jharkhand, Madhya Pradesh, Orissa, and Punjab (for women), Rajasthan (above 58 years for men and above 55 years for women), Uttar Pradesh, Uttarakhand, Chandigarh, Delhi, and Puducherry.

12.88 Supplementing IGNOAPS since 2000–01 is the Annapurna scheme, which aims at providing food security to senior citizens who, though eligible, remain uncovered under IGNOAPS. They receive 10 kg of food grains per month free of cost through Fair Price Shops (Table 12.17). Progressive absorption under IGNOAPS should allow this scheme to end within the Eleventh Plan.

TABLE 12.17
Beneficiaries under Annapurna

Year	Beneficiaries under Annapurna (million)
2002-03	0.78
2003-04	1.06
2004-05	0.82
2005-06	0.85
2006-07	0.87
2007-08	1.05
2008-09	1.01

12.89 NFBS provides for central assistance of Rs 10,000 in the case of death of the primary bread winner (18–64 years of age) of the family (Table 12.18). The coverage under NFBS, as compared to estimated numbers is given in Annexure 12.3. Overall, 97 per cent of the beneficiaries were covered during 2008–09. States with less than 20 per cent coverage are Nagaland and NCT Delhi.

TABLE 12.18
Beneficiaries under NFBS

Year	Beneficiaries (in lakh)
2002-03	0.85
2003-04	2.09
2004-05	2.61
2005-06	2.76
2006-07	2.43
2007-08	3.34
2008-09	4.23

IGNWPS AND IGNDPS

12.90 In February 2009, IGNWPS was started to provide pension of Rs 200 per month per beneficiary to BPL widows in the age group of 40–64 years. The estimated number of beneficiaries under IGNWPS is 45 lakh. States are in the process of identifying eligible beneficiaries under the scheme. IGNDPS was also started in the same month for BPL persons with severe or multiple disabilities (in the age group of 18–64 years) at the rate of Rs 200 per month per beneficiary. It is estimated that 15 lakh beneficiaries will be covered under this scheme; 24.30 lakh beneficiaries have been covered so far under IGNWPS and 5.23 lakh under IGNDPS.

COMPUTERIZATION OF DATABASES

12.91 In order to increase transparency and accountability, it has been decided to computerize the database of beneficiaries under various NSAP schemes. NIC was entrusted with the project and the software has been developed for all pension schemes. The software captures all essential processes from identification till termination of the pension. Legacy data formats have been provided to states and they have been asked to upload this data of beneficiaries in a time bound manner. The NSAP website was launched in 2009. Data of 104 lakh beneficiaries has been uploaded on the website so far.

SUGGESTIONS FOR WAY FORWARD

- Pensions need to be indexed to inflation.
- States need to make their share of payments under IGNOAPS.
- As suggested in the Eleventh Plan document, NFBS must cover deaths of any adult member of a family in a BPL household, without limiting it to the bread winner.
- As suggested in the Eleventh Plan document, national schemes for maintenance of orphans, street children, and other most vulnerable sections also need to be started.
- Rs 17,747 crore has been provided for NSAP in the Eleventh Plan out of which Rs 12,590 crore has already been released to the states in first three years of the Plan period leaving Rs 5,157 crore for the remaining period of the Eleventh Plan. IGNWPS and IGNDPS were launched in February 2009. Keeping in view the number of beneficiaries to be covered and the new schemes proposed, additional outlays would be needed for NSAP in the remaining two years of the Eleventh Plan.
- With the transfer of programme implementation to the states from 2002–03 (and hence change from a CSS to Additional Central Assistance (ACA) in budgetary terms), reporting and monitoring by the Government of India has weakened. These systems need to be strengthened.
- The previous fund flow model of pension transfers directly to DRDAs may be preferable to routing through state treasuries. The latter encourages diversion of NOAPS for other purposes (Gujarat,

Jharkhand, and Orissa made no NOAPS payments in some of the early years of this decade). In Bihar, Jharkhand, West Bengal, and Manipur there are reports of delays of many months thanks to the state treasury route being adopted.

- Documentary requirements for proving eligibility and identity have proved extremely onerous for the beneficiaries who are among the most vulnerable. It is hoped that the use of UID (once available) will ease some of these pressures.
- Many states have devised somewhat arbitrary and harsh exclusion criteria which have been applied in a mechanical manner that discriminate against some of the most vulnerable. Even having a living adult son has meant exclusion in some cases. Such practices must be stopped.
- Shifting to payment through post offices or banks is a significant step in ensuring transparency. But as under MGNREGA, where density of banks/POs is low or because of lack of adequate staff, people have had to suffer great hardships in the transition period. Aged and disabled people may not be able to reach the POs or banks. The banking correspondent model with UID biometrics could be a way out as

it would provide payments at the doorstep in a transparent manner.

COUNCIL FOR ADVANCEMENT OF PEOPLE'S ACTION AND RURAL TECHNOLOGY (CAPART)

12.92 CAPART is an autonomous body within MoRD, registered as a society under the Societies Registration Act. It is the largest single agency promoting voluntary action for rural development in India.

12.93 The Eleventh Plan saw a major initiative in 2009 for the reform of CAPART. A committee headed by Member (Rural Development), Planning Commission, is preparing a blueprint to revitalize the organization to introduce reforms in its programmes and professionalize its functioning and governing structures to build powerful partnerships with civil society to promote creative and innovative work that would also help in improving implementation of the various programmes of MoRD, such as MGNREGA. Distinguished members of the Executive Committee of CAPART have been divided into sub-groups that will come up with detailed recommendations on a comprehensive design for CAPART reform.

ANNEXURE 12.1
Coverage under IGNOAPS

S. No.	States/UTs	Estimated No. of Beneficiaries under IGNOAPS as per 2004–05 Poverty Estimate	No. of Beneficiaries in 2009–10	% Coverage
1	2	3	4	5
1	Andhra Pradesh	6,78,294	9,19,230	135.52
2	Bihar	15,27,246	21,92,357	143.55
3	Chhattisgarh	4,31,086	5,09,842	118.27
4	Goa	11,592	2,687	23.18
5	Gujarat	4,57,296	2,11,057	46.15
6	Haryana	1,69,400	1,30,306	76.92
7	Himachal Pradesh	42,400	85,637	201.97
8	Jammu & Kashmir	27,162	1,29,000	474.93
9	Jharkhand	4,39,673	6,43,000	146.25
10	Karnataka	7,65,500	8,34,405	109.00
11	Kerala	3,93,000	1,76,064	44.80
12	Madhya Pradesh	11,31,382	10,66,051	94.23
13	Maharashtra	19,37,477	10,24,364	52.87
14	Orissa	10,16,160	6,43,400	63.32
15	Punjab	1,44,060	1,59,292	110.57
16	Rajasthan	6,17,032	5,28,322	85.62
17	Tamil Nadu	9,76,950	9,04,759	92.61
18	Uttar Pradesh	26,50,568	33,00,260	124.51
19	Uttaranchal	1,91,268	1,69,102	88.41
20	West Bengal	10,36,659	11,91,716	114.96
NE States				
21	Arunachal Pradesh	6,096	14,500	237.86
22	Assam	2,11,184	6,28,949	297.82
23	Manipur	19,496	72,514	371.94
24	Meghalaya	14,222	37,146	261.19
25	Mizoram	4,735	23,747	501.52
26	Nagaland	12,885	28,053	217.72
27	Sikkim	4,322	18,879	436.81
28	Tripura	34,945	1,36,592	390.88
UTs				
29	A&N Islands*	2,938	861	29.31
30	Chandigarh	2,485	4,464	179.64
31	D&N Haveli	1,992	911	45.73
32	Daman & Diu	630	95	15.08
33	Delhi	86,289	1,21,974	141.36
34	Lakshadweep	480	36	7.50
35	Puducherry	14,112	20,757	147.09
Total		1,50,61,016	1,59,30,329	105.77

ANNEXURE 12.2
Amount of Pension Paid per Month

S. No.	Name of State/UTs	Amount of Pension Provided as Central Assistance	Contribution of State Govt. per Pensioner per Month under IGNOAPS	Mode of Disbursement
1	Andhra Pradesh	Rs 200.00	Nil	Bank/Cash
2	Bihar	Rs 200.00	Nil	Post Office A/c
3	Chhattisgarh	Rs 200.00	Rs 100.00	Bank/Cash
4	Goa	Rs 200.00	Rs 800.00	Post Office
5	Gujarat	Rs 200.00	Rs 200.00	MO
6	Haryana	Rs 200.00	Rs 500.00	Cash
7	Himachal Pradesh	Rs 200.00	Rs 130.00	MO/Bank/PO
8	Jammu & Kashmir	Rs 200.00	Rs 125.00	Bank
9	Jharkhand	Rs 200.00	Rs 200.00	Bank/PO/Cash
10	Karnataka	Rs 200.00	Rs 200.00	Bank/MO
11	Kerala	Rs 200.00	Rs 50.00	MO
12	Madhya Pradesh	Rs 200.00	Rs 75.00	Bank/PO/MO
13	Maharashtra	Rs 200.00	Rs 300.00	Bank/PO
14	Orissa	Rs 200.00	Nil	Cash
15	Punjab	Rs 200.00	Rs 250.00	Bank/Cash
16	Rajasthan	Rs 200.00	Rs 200.00	MO/Cash
17	Tamil Nadu	Rs 200.00	Rs 200.00	MO
18	Uttar Pradesh	Rs 200.00	Rs 100.00	Bank
19	Uttaranchal	Rs 200.00	Rs 200.00	Bank/PO/MO
20	West Bengal	Rs 200.00	Rs 200.00	Bank/PO/MO/Cash
NE States				
21	Arunachal Pradesh	Rs 200.00	Nil	Cash
22	Assam	Rs 200.00	Rs 50.00	Bank/Cash
23	Manipur	Rs 200.00	Nil	Cash
24	Meghalaya	Rs 200.00	Rs 50.00	Bank/Cash/PO
25	Mizoram	Rs 200.00	Rs 50.00	Bank/Cash
26	Nagaland	Rs 200.00	Rs 100.00	MO
27	Sikkim	Rs 200.00	Rs 200.00	Cash
28	Tripura	Rs 200.00	Rs 200.00	Bank/Cash
UTs				
29	A&N Islands	Rs 200.00	Rs 300.00	PO
30	Chandigarh	Rs 200.00	Rs 300.00	Bank
31	D&N Haveli	Rs 200.00	Rs 300.00	PO
32	Daman & Diu	Rs 200.00	Nil	Bank
33	Delhi	Rs 200.00	Rs 800.00	Bank/PO
34	Lakshadweep	Rs 200.00	Rs 100.00	Cash
35	Puducherry	Rs 200.00	Rs 400.00	Bank/Cash/PO

ANNEXURE 12.3
National Family Benefit Scheme (NFBS)

S. No.	States/UTs	Mortality Figures for Age Group 20–64 Years as per Projected Population as on 1.3.2006 and SRS 2003	Poverty Estimates of Planning Commission 2004–05 based on Uniform Recall for Period (URP) Consumption (in percentage)	Estimated Number of Beneficiaries under NFBS	No. of Beneficiaries Covered during 2007–08	No. of Beneficiaries Covered during 2008–09	% of Coverage 2008–09 (7/5%)
1	2	3	4	5	6	7	8
1	Andhra Pradesh	2,22,039	15.8	17,541	17,261	15,067	86
2	Bihar	2,01,373	41.4	41,684	27,476	22,421	54
3	Chhattisgarh#	1,00,469.6	40.9	20,546	9,782	10,343	50
4	Goa*#	6,760	13.8	466	257	282	61
5	Gujarat	1,50,976	16.8	12,682	7,128	7,554	60
6	Haryana	54,408	14	3,809	2,250	4,481	118
7	Himachal Pradesh	17,078	10	854	2,000	2,000	234
8	Jammu & Kashmir#	42,885	5.4	1,158	6,123	2,689	232
9	Jharkhand#	10,4170	40.3	20,990	4,378	19,810	94
10	Karnataka	1,66,378	25	20,797	21,246	19,054	92
11	Kerala	75,309	15	5,648	27,611	26,360	467
12	Madhya Pradesh	1,96,703	38.3	37,669	40,000	44,924	119
13	Maharashtra	2,71,356	30.7	41,653	19,488	47,484	114
14	Orissa	13,0,914	46.4	30,372	30,453	33,384	110
15	Punjab	63,612	8.4	2,672	1,290	2,411	90
16	Rajasthan	1,37,287	22.1	15,170	703		0
17	Tamil Nadu	2,12,970	22.5	23,959	6,877	17,913	75
18	Uttar Pradesh	5,36,369	32.8	87,964	41,705	87,118	99
19	Uttarakhand	36,782	39.6	7,283		5,124	70
20	West Bengal	2,05,624	24.7	25,395	48,132	35,261	139
21	Arunachal Pradesh\$#	3,569	17.6	314	347	100	32
22	Assam	1,05,278	19.7	10,370	7,514	5,894	57
23	Manipur\$#	7,785	17.3	673	5,419	1,670	248
24	Meghalaya\$#	7,078	18.5	655	1,144	981	150
25	Mizoram\$#	3,078	12.6	194		614	316
26	Nagaland\$#	6,478	19	615	110	110	18
27	Sikkim\$#	1,862	20.1	187	401	100	53
28	Tripura\$#	11,255	18.9	1,064	4,164	8,438	793
29	A&N Islands*#	1,664	22.6	188		4	2
30	Chandigarh*#	4,279	7.1	152	300	396	261
31	D&N Haveli*#	976	33.2	162	82		0
32	Daman & Diu*#	766	10.5	40			0
33	NCT Delhi#	40,779	14.7	2,997	400	400	13
34	Lakshadweep*#	261	16	21	12	20	95
35	Puducherry*#	4,654	22.4	521			0
	Total	31,33,223		4,36,465	3,34,053	4,22,407	97

Notes: * Total projected population of age group 20–64 years as on 1.3.2006 with respect to Goa and UTs (except NCT Delhi) is 2,652,000, which is divided among them in proportionate to their population in age group 20–64 years as per Census 2006.

\$ Total projected population of age group 20–64 years as on 1.3.2006 in respect to NE states (except Assam) is 69,67,000, which is divided among them in proportionate to age group 20–64 as per Census 2004.

Age-specific death rates in respect of these states/UTs are not available in SRS 2003. Therefore, the projected Crude Death Rate for 2006–10 with respect to these states has been taken into account. Crude Death Rate with respect to Goa and UTs (except NCT Delhi) are not available, therefore the All-India Crude Death Rate has been taken into account for them.