

Chapter 6

POVERTY ALLEVIATION PROGRAMMES

Eradication of poverty remains a major challenge of planned economic development. Experiences of different states with economic growth and poverty reduction have been so varied that it is difficult to offer any general policy prescription. There are states that followed the path of high agricultural growth and succeeded in reducing poverty (Punjab and Haryana) and states that focused on human resource development and reduced poverty (Kerala). There have been states that implemented land reforms with vigour, empowered the panchayats, mobilised the poor and implemented poverty-alleviation programmes effectively (West Bengal) and states that brought about reduction in poverty by direct public intervention in the form of public distribution of foodgrains (Andhra Pradesh).

2. Poverty had declined substantially in 1980s. However, recent estimates suggest that projections on reduction of proportion and number of people below poverty line made in the Ninth Plan have not been realised in the first two years of the plan period. While this calls for a much more rigorous analysis, the possible factors that might have contributed to this could be:

- fiscal crisis faced by State Governments resulting in lower spending on social sectors,
- slowing down of and less dispersed agricultural growth, especially foodgrains,
- decline in employment intensity in the agricultural sector with a small increase in real wages,
- failure of Targeted Public Distribution System (TPDS) to reach the poorest in northern and eastern states,
- a negligible expansion in the non-farm sector, and
- indifferent functioning of the poverty alleviation and watershed development schemes .

3. Given the enormity and complexity of the task, the Ninth Five Year Plan envisaged a multi-pronged approach. Besides recognising the role of high economic growth in tackling poverty, the strategy comprised creation of *entitlements* (through self-employment and wage-employment schemes, food security and social security) and building up of *capabilities* (through basic minimum services like education, health and housing). The issues of governance also engaged the attention of the Plan, which envisaged greater participation of the Panchayati Raj Institutions as the most effective delivery mechanism for poverty reduction. This chapter discusses the effectiveness of programmes of the Ministry of Rural Development in alleviating poverty.

Integrated Rural Development Programme

4. The Integrated Rural Development Programme (IRDP) was started in 1980-81 in all blocks of the country and continued as a major self-employment scheme till April 1, 1999. Then, it was restructured as the Swarnjayanti Gram Swarozgar Yojana

(SGSY) which aimed at self-employment of the rural poor. The objective will be achieved through acquisition of productive assets or appropriate skills that would generate an additional income on a sustained basis to enable them to cross poverty line. Rural poor families have remained constant in number at 55 million in the last 20 years despite high growth and high investment in IRDP and wage-giving programmes. Since the inception of the programme till 1998-99, 53.50 million families have been covered under IRDP at an expenditure of Rs.13,700 crore. During first two years of the Ninth Plan (1997-98 and 1998-99), about 3.37 million families are reported to have been covered of which 46 per cent were Scheduled Castes/Scheduled Tribes and 35 per cent women. The total investment during this period has been Rs.6,431 crore including a subsidy of Rs 2,266 crore.

5. IRDP has been extensively evaluated by researchers, scholars, various national institutions and international organisations. They have all pointed out several conceptual and administrative problems with it. IRDP has several allied programmes like Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS) and Supply of Improved Toolkits to Rural Artisans (SITRA). Together, they presented a matrix of multiple programmes without desired linkages. These were implemented as separate programmes without keeping in mind the overall objective of generating sustainable incomes. For instance, only 3 per cent of IRDP beneficiaries received training under TRYSEM and only 23 per cent of those trained thus were assisted under IRDP.

6. Not only are there no linkages between different programmes, there has been lack of coordination with other departments as well. IRDP and the allied ones are not sufficiently enmeshed in the overall strategy of sustainable agricultural development or rural industrialisation strategy or with the resource-base of the area. In fact very few loans have been given for buying land. This absence of integration together with lack of technological and institutional capabilities puts a question mark on the very strategy and design of the programmes.

7. The average investment per family remained at sub-critical levels, too inadequate to generate income of Rs.2,000 per family per month as the programmes had set out to do. Such investment at the beginning of the Eighth Plan was Rs.7,889. Even the investment at the beginning of Ninth Plan of Rs.16,753 was not much higher in real terms. Such low per-family investment in the face of inflationary trends and rising cost of assets cannot finance viable projects to offer adequate incomes on a sustained basis.

8. The management of such inherently unviable projects was in the hands of often illiterate and unskilled beneficiaries with little or no past experience of managing an enterprise. There was, however, an implicit assumption that the prospective beneficiaries possessed information and skills to choose viable options, had access to raw materials and were aware of nature of the product and factor markets. This was not the case. IRDP did not take into account the disabilities from which the poor suffer, notably their exclusion from the community decision-making. As a result, many beneficiaries could not retain the asset for long; for some who did retain it the income generated was not enough to cross the poverty line. On the contrary, where infrastructure was in place and markets were well developed, IRDP met with greater success. These were the regions where many people even without the subsidy would have taken to entrepreneurial activities.

9. The delivery of credit by banks has also been a constraint. The fear of default meant that banks lent to the better-off applicants who could make their projects work, or to the unscrupulous who would pocket the subsidy element and repay the loan in connivance with the bank. Furthermore, the bureaucratic procedures were also too complex and beyond the comprehension of beneficiaries.

10. Lack of imagination and planning led to overcrowding of lending for certain projects. For quite sometime, IRDP was seen as a scheme for distributing milch animals without any concern whether so much of feed and fodder and veterinary care would be available or not and whether there was any demand or market for the products. As a result, the same cattle changed hands several times with the involvement of banks, block officials and the beneficiaries in collecting the subsidy. Situation has changed; now there is greater emphasis on secondary and tertiary sector activities. However, the profitable activities in these sectors get saturated very fast as a result of over-lending. The basic problems of lack of demand analysis and availability of inputs remain.

11. IRDP has been a poorly targeted programme notwithstanding the elaborate criteria of identification of 'below poverty line (BPL)' families by the Gram Panchayat. Instances of non-poor getting selected and the poor being left out have not been infrequent.

12. Leakages, misappropriation of funds, violation of programme guidelines, selection of the non-poor as target group, absence of proper maintenance of accounts and poor quality of assets – all these have been documented in various studies (see **Box 1**).

Box. 1 IRDP Funds Go to Non-poor

Reports of corruption and payoffs to middlemen were pervasive, and few households claimed to have utilized loans for productive purposes. For instance, a review of the experience of 394 poor households in Bankura District in West Bengal found various kinds of misconduct under IRDP that penalized the target group. Banks in the sample improperly deducted 10 percent of the loan as charges, and most beneficiaries were told or perceived that they did not have to repay the loan portion.

Additionally, middlemen "captured" subsidies of credit-based anti-poverty programmes, effectively increasing the cost of such transactions. A sampling of 312 "weak" borrowers in Tamil Nadu showed "incidental expenses" and "speed/quick or push money" amounting to Rs.21 for every Rs.100 of subsidy. About two-thirds of this sample also reported "working" for the subsidy and producing "quick money" in addition to covering normal expenses. Such "fixed" transaction costs, even if legitimate, were not only high but inherently regressive as well.

In another case study (Gangajalghati and Ranibandh), almost no IRDP beneficiary satisfied the eligibility criteria. Their participation in the programme came about through political interference; lack of proper information systems and decisions by some bank officials to ignore poor repayment records, among other reasons. Once the programme participants obtained the loan in the form of goats, the animals were sold and the proceeds used for other purposes. Further, the shortage of goats in the area was such that the planned number of goat loans could not be met. Other schemes like blacksmithing and carpentry faced such difficulties as scant supplies of raw materials and absence of proper marketing facilities.

Source : Rural Finance Report, World Bank, 1998.

13. A disturbing feature of IRDP in several states has been the rising indebtedness of its beneficiaries. In many cases, the beneficiaries have had to borrow money at much higher interest to repay the IRDP loan and avoid legal action. This unintended outcome of IRDP has raised serious doubts about the projects' ability to lift the beneficiary above the poverty line.

14. The rise in indebtedness has two reasons. Firstly, the programme overlooks consumption requirements of the beneficiaries; this leads to diversion of the project loan for consumption needs. Secondly, once micro-enterprises are established there is no mechanism to look at how these enterprises tackle problems of marketing or working capital. As a result, many of these units become unviable and leave the beneficiary in debt.

15. The scope of poverty reduction through IRDP is limited both by debt-capacity of the poor and by the high cost of appraising, monitoring and enforcing small loan agreements. The first limitation is in theory offset by subsidy, but it attracts rich borrowers to the scheme and thus raises political and administrative problems. The subsidy element has led to large scale corruption, it is reported, on the part of lower level functionaries (who certify that beneficiaries are below the poverty line), by bank staff and by borrowers themselves. Some of the borrowers sell off their assets and pocket the subsidy and others borrow by proxy for target group borrowers.

16. Large numbers of milch animals are often bought for beneficiaries at the same time in cattle fairs, pushing up their price. The difference in the price and quality of financed assets over their market price, along with cost of time, out-of-pocket expenses and payments to middlemen raises transaction cost to the borrower by an estimated 20 per cent. Thus, although the interest rate on bank loans under the programme is 12 per cent, the effective rate is between 30 per cent and 35 percent . This entirely nullifies benefits of average subsidy amount of one-third.

17. Failure by the poor to use assets profitably stems from several factors, of which control over markets is an important factor. The poor are not able to secure economies of scale because of indivisibilities in marketing costs and in insurance opportunities. Low price received by the poor for their products is also because of interlocked output and capital markets, lack of value addition technologies, poor organisational base and at times government policies which adversely affect the poor. These problems need to be addressed by making concerted efforts to involve all stakeholders including non-governmental organizations.

18. Most poor people operate in very limited segments of highly segmented product and labour markets, and therefore the demand for their products gets saturated fast. The programme had better success in infrastructure-rich regions and for economically better-off people.

19. On the whole, the basic concept of IRDP remains flawed. The massive amount spent on subsidies which have by and large not accrued to beneficiaries would be much better spent on watershed development, rural infrastructure and social security. Growth in first two of these is an essential concomitant of credit and the third an alternative to credit for those who for reasons of old age or disability have few if any productive micro-enterprise opportunities.

20. Second, IRDP suffers from the basic misconception that provision of credit is one-time event rather than a continuing relationship between lender and borrower. It is unrealistic to expect the larger share of borrowers to “graduate” just on the basis of an “injection” of credit (the medical terminology is significant). Unlike IRDP, in Gramin Bank, most loanees start with small loans and as the relationship with it improves, the Bank hands out more loan to the same person – recovery oft goes hand in hand with fresh loans. This practice also improves capability of the poor to utilise the loan profitably. His stake in repayment becomes higher.

21. Third, there is still an under-emphasis on activities which require no fixed assets such as trading, service and even simple processing activities. Unlike India, other large micro-enterprise programmes in Bangladesh, the Philippines and Nepal finance a much larger component of petty trading and service activities. Such mix of activities suitable to the poorest of the poor is discouraged in India because of an obsession with asset formation. The Indian practice has restricted the type of livelihood activities that can be financed (milch animals, for instance) making these overcrowded. . Instead of responding to a demand-led pattern of lending opportunities, banks are still restricted to a list of “approved” activities. On the demand side, certain profitable enterprises quickly saturate because of too many loans. In U.P. a bank gave 20 loans for setting up shops in a village of 143 households.

22. Fourth, IRDP totally neglects savings on the mistaken belief that the poor cannot save at all. The distinction by banks between acceptable use of credit for productive purposes and its unacceptable use in consumption is artificial one in the context of poverty. About two-thirds of the borrowing of the Indian poor is for consumption purposes (all of it from the informal sector) of which three-quarters is for illnesses and household needs in the lean season. In the absence of any system for encouraging even minuscule savings a great deal of IRDP credit gets diverted to emergency consumption needs.

23. Fifth, IRDP does not look into problems of already established micro-enterprises. How can one enthuse the rural poor to become tailors, weavers, shopkeepers, or cattle owners if problems faced by owners of those existing assets are ignored? Rather than give subsidy to new enterprises, it would be far better to help the existing units tackle their problems, be they in design, marketing or working capital.

24. Lastly, IRDP totally lacks “social intermediation,” a process by which poor borrowers are encouraged to organize themselves into groups, are given awareness training on the importance of regular savings and credit discipline and are instilled a sense of self-confidence. This function is conducted by the bank itself in several countries – as Grameen Bank and some co-operative banks do in India -- and by intermediating Non Governmental Organisations (NGOs). In India the self-help group (SHG) movement is seeking to provide social intermediation through the Rashtriya Mahila Kosh (RMK) and Women’s Development Corporations, though they are still small compared to IRDP.

25. While some poor may have made moderate gains, not more than one in five have succeeded in crossing the poverty line as a direct result of IRDP. Although 5 million cattle were distributed during the Sixth Plan period, this did not get reflected in cattle census numbers. Little attention has been paid to main issues in cattle programme: adequate protection from inclement weather, poor access to grazing lands and veterinary services. These problems can be minimized by group lending which will raise debt-capacity and cut transaction costs. Intermediation by voluntary agencies may also help.

26. Despite attempts to expand public participation in identification of beneficiaries, IRDP remains a highly bureaucratic programme. Benefits could be made far more cost-effective by reforming regular credit delivery system on the one hand and by strengthening credit reception systems through the SHG movement on the other.

27. IRDP has expanded on a scale which has outstripped the capacity of government and banks to implement it. The administrative machinery to monitor local physical investment opportunities against which credit disbursement targets can be fixed simply does not exist. There is consequently over-investment and recycling of dairy animals. Inadequate appraisal and reported political interference contribute to poor recovery and high rates of default. To lift profitability of rural banking in India, there have been suggestions that the power over loan disbursement vest in local banks, free from influence by government and politicians.

28. Because of a distortion of objectives, IRDP’s lending policy has tended to be driven by availability of subsidised funds rather than any effective demand for credit. Indicators for monitoring are based on target; they are not achievement-based. In the event, retention and profitability of assets purchased are never monitored.

Box 2: Poverty Programmes: Study Faults 3 States

Incidence of poverty is highest in Bihar, Orissa and Uttar Pradesh. But the manner in which poverty alleviation programmes are implemented in these States would show how not to implement such programmes. Evaluation studies on different programmes in Districts of Balasore (Orissa), Chhapra (Bihar) and Meerut (Uttar Pradesh) were commissioned by Ministry of Rural Development, and the findings reveal that implementation was fraught with severe administrative problems limiting an overall impact.

The study on Balasore found that party politics and monetary considerations influenced selection of IRDP beneficiaries and in most cases selection guidelines were not followed. The selection was not done in the gram panchayats. In Jawahar RozgarYojana (JRY) and Employment Assurance Scheme (EAS), the work was executed by contractors, flouting the guidelines. The work was also of poor quality. What is of greater concern is study's finding that there had been diversion and misappropriation of funds by officials and public representatives in all programmes. Manipulation in documents (measurement books and muster rolls) and rampant corruption have also been reported. In case of IAY, public representatives and block officials demanded Rs 500 to Rs 5,000 to provide houses, according to the study. It has stated that IRDP had failed to achieve its objective, and adds it is a programme in which beneficiary gets money equivalent to subsidy without any liability of repayment; credit manager ensures repayment (by obtaining post-dated deposit and withdrawal slips) and the middleman gets his commission from the beneficiary!

The Chhapra study attributes poor implementation of rural development programmes to lack of receptive environment and decline of political and social institutions. Evidence of all-round helplessness and cornering of the benefits from rural development programmes by the rural rich have created social tensions and disbelief in the administrative system, it states. People's participation has been blocked by an institutional framework dominated by the rural elite. As a result, the study says the overall impact of these programmes in helping beneficiaries cross the poverty line has been a limited one though creation of useful community assets appears to have been a positive outcome. Even here, maintenance of assets leaves much to be desired. Under JRY, a person got employment for less than 21 days during the last three years. The labourers neither got sufficient work nor received prevailing local wages. Women were either not given any work under JRY or deprived wages equal to men. In flagrant violation of the guidelines, contractors and middlemen were involved in a big way and the labour-material norms were flouted in most of the works. EAS was implemented much like JRY, without any distinction. Under EAS, not a single person among the 600 families interviewed could get any work. IRDP beneficiaries failed to get full amount of credit extended to them; they had to shell out 10 per cent or more of the amount as cuts shared by bank and block officials. Evaluation of TRYSEM scheme in Chhapra is quite revealing. It reports that the youth supposed to have been trained received neither training nor any stipend. Places shown as 'training centres' were non-existent. It appears that the stipend and the raw material money were pocketed by vested interests including block officials. Irregular selection, corruption and poor quality of construction were some of the problems reported in the implementation of IAY. DWCRAs also failed in the District due to high female illiteracy and a male-domination that allowed no women to take up any avocation. Villagers could not benefit from National Social Assistance Programme (NSAP) due to lack of awareness. People's participation in the programmes was reported minimal due to absence of Panchayati Raj Institutions.

The Meerut Study makes a quick evaluation of rural development programmes and reports of JRY that works were executed as biased towards benefiting general caste areas; the deduced material-labour ratio of 70:30 indicating greater propensity to spend on materials; quality of works was bad in three out of five sample villages; inadequacy of funds at gram panchayat level led to rise of pressure groups fragmenting the village society; there was lack of transparency and the book-keeping was also poor; local labour was not available for JRY works; market wages were higher than the wages paid on these works; and labour contractors usually fudge muster rolls extending the actual days of work done. EAS was by and large redundant scheme in a labour-deficit district like Meerut. Utilisation of funds under this scheme was very poor. Almost all works were being executed through contractors. None of the registered workers had family cards with them. In many cases labour was arranged from outside the block departing from norms. IAY funds were exclusively reserved for SC community. Only one-third of beneficiaries were below poverty line. Most of the beneficiaries reported having paid bribe to get their applications processed. Interestingly, IRDP performance has been gender sensitive, as over 50 per cent of beneficiaries were women. But corruption was rampant and loans were given to not-so-poor beneficiaries. As per BPL survey, the number of eligible families has become small as most villages have reached a saturation point. DWCRAs groups were reported to be unstable due to high dropout rate. Banks were reluctant to lend to these groups in the absence of collateral. Activities under the scheme did not yield sufficient returns. NMBS beneficiaries got the money after delivery and very few actually spent it on improving their diet. They wanted food to be given in place of cash. NOAPS beneficiaries wanted their pension at a shorter interval than six months as at present. NSAP was generally a bribery-free programme.

(Source: (1) Evaluation Study Report on the Implementation of various Schemes of Ministry of Rural Development in Balasore District (Orissa), Advantage India Community Development Pvt Ltd, New Delhi, June 1999. (2) Impact Assessment Study of Rural Development Programmes in Chhapra District (Bihar), Asia Pacific Socio-Economic Research Institute, New Delhi, August 1999. (3) Rapid Assessment of Implementation of Poverty Alleviation Programmes in Meerut District of UP, ORG, July 1998.

ALLIED PROGRAMMES

29. One of IRDP's facilitating components, TRYSEM was aimed at providing basic technical and entrepreneurial skills to the rural poor in the age group of 18-35 years to take up income-generating activities. The concurrent evaluation of IRDP (1992-93) showed that less than 4 per cent of beneficiaries received training under TRYSEM. The rural youth so trained were only interested in the stipends; they had not used the knowledge gained under the programme for furthering self-employment prospects. TRYSEM had a weak link with the overall strategy for self-employment in rural areas and with industrial policy. The training was not related to capacity or aptitude of trainees nor to demand for the respective skill. It was impossible for trained rural youth to run a self-employment enterprise, given the poor technological base and uncertainty over availability of credit.

30. Launched in 1992, SITRA was a sub-scheme of IRDP in selected districts but was later extended to all the districts of the country. Under this scheme, a variety of artisans were supplied with kit of improved hand-tools. It was all within a financial ceiling of Rs.2,000, of which the artisans had to pay 10 per cent and the rest was subsidy from the Central Government. Reports indicate that the scheme has been well received by rural artisans and they are able to raise their income levels by use of improved tools.

Box 3: Self-Help Movement in Andhra Pradesh

Andhra Pradesh has taken up empowerment of women under DWCRA. The programme is in the nature of a mass movement by Self Help Groups (SHGs) through thrift and savings and promises to be a potent tool to tackle socio-economic poverty. Here is an opportunity for the women to participate in other programmes like family welfare as well and improve educational and nutritional status of their children. The programme creates in them an awareness about environment and public health and hygiene. There are 79,000 women-formed SHGs covering about 11.25 lakh of them. A 1997-98 survey by DWCRA/SHGs spoke of the programme's positive impact on the size of the family and number of children going to school.

Not just an allied programme of IRDP, DWCRA in Andhra Pradesh is shaping as a vehicle by which women are encouraged to unleash their inherent potential in the manner they did during the famous anti-arrack movement – but this time to battle for socio-economic development. A mass savings movement (Podupulaxmi) was launched among women and this has come to give every DWCRA member higher income than non-members.

One of several success stories told in a State Government document is of a group of landless women in Bathalapalli village (District Anantapur) who organised themselves into SHGs, raised bank loan and obtained subsidy through District Rural Development Agency (DRDA) to purchase land. The members created irrigation facility through a bore well from their savings fund. Now, they grow vegetables which yield for each family a monthly income of Rs 1,000-1,500, much improved quality of life and higher status in the society.

Importantly, these SHGs have spread out their efforts into several social programmes covering literacy, health, nutrition and so on. Although DWCRA as a separate programme no longer exists as it got subsumed in SGSY with effect from 1st April 1999, the self-help movement has taken deep roots and works for better implementation of anti-poverty programmes in the state.

(Source: DWCRA and Women's Empowerment: A Success Story of Self-Help Movement in Andhra Pradesh, Panchayati Raj and Rural Development Department, Government of Andhra Pradesh, Dec 1998)

31. DWCRA aimed at strengthening the gender component of IRDP. During the Eighth Plan, it benefited about 22.67 lakh women who were assisted at an expenditure of Rs.190.72 crore. DWCRA was directed at improving the living conditions of women and thereby of children by offering opportunities for self-employment and access to basic social services. It sought to encourage collective work in the form of group

activities that were known to work better and were more sustainable than the individual effort. In the Eighth Plan, DWCRA received a fillip with the government taking several initiatives to strengthen the programme. Some States like Andhra Pradesh (see **Box 3**), Kerala, Tripura and Gujarat performed very well contrast to most others. The range of activity pursued by DWCRA groups was fairly diverse. However, several groups became defunct over time due to their improper selection, lack of homogeneity among the group members, selection of non-viable activities, poor backward and forward linkages, lack of institutional financial support and professional approach and inadequacy of staff and their insufficient training and motivation.

Swarnjayanti Gram Swarozgar Yojana (SGSY)

32. IRDP and allied programmes such as TRYSEM, DWCRA, SITRA & GKY along with MWS were merged into a single programme under Swarnjayanti Gram Swarozgar Yojana w.e.f. April, 1999. The SGSY is a holistic programme and aims at covering all aspects of self-employment, namely, organisation of rural poor, training, participatory approach to planning of self-employment ventures and provision of infrastructure facilities, technology, credit and marketing arrangements. The scheme is yet to be firmly grounded.

33. However, SGSY is still a credit-cum-subsidy programme and suffers from several of IRDP's ills (already listed above) which would have to be rectified as the micro-credit based activities pick up.

Jawahar Rozgar Yojana (JRY)

34. JRY was launched as Centrally Sponsored Scheme on 1st April, 1989 by merging National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). Its main objective was generation of additional gainful employment for the unemployed and under-employed people in rural areas through the creation of rural economic infrastructure, community and social assets with the aim of improving the quality of life of the rural poor.

35. An important role was envisaged for the panchayats in JRY's implementation. The funds devolved to village panchayats, intermediate panchayats and district panchayats in the ratio of 70:15:15. The panchayats were responsible for planning and execution of projects under JRY. The programme has encouraged elected representatives to take interest in the selection and implementation of rural works.

36. Evaluation studies of the programme reveal that the employment generated per person was too inadequate to bring about any meaningful increase in the earnings of the beneficiaries. According to a concurrent evaluation carried out by the Ministry of Rural Development during June 1993-May 1994, roughly 11 days of employment was generated per person. At this level, the programme could not have made any significant impact on the income levels of the beneficiaries. It fell far short of the need to create enough employment in the rural areas to remove unemployment / underemployment.

37. The resources available were spread thinly so as to increase the coverage of areas/beneficiaries without any concern for duration of employment. Projects selected bore no relationship to the local needs or the agricultural development strategy. Neither the location of such works nor their timing was in accordance with the spirit of the programme. As a result, needless projects were taken up to avoid lapse of funds. A

study in Uttar Pradesh reports that the timing of works coincided with peak agricultural season and that the selection of works was not done in the gram sabha as required.

38. It appears that the villagers perceived this programme as an asset-building programme rather than as a wage-employment programme. Hence the entire focus was on creation of assets. The works undertaken involved high material cost and were not particularly labour intensive. Instances of violation of materials-labour norm prescribed under the programme were very common. In many areas these norms themselves were considered unrealistic, given the high cost of material.

39. Wage-employment programmes, by effectively intervening in the labour markets, were expected to exert upward pressure on the market wages. This could not happen because of insufficient employment provided by these programmes. However, in a study on poverty alleviation in Uttar Pradesh, the workers engaged under JRY confirmed that they received the stipulated minimum wage.

40. In flagrant violation of the guidelines, in many States projects were executed by contractors who sometimes hired outside labourers at lower wages. They also used trucks and tractors instead of more labour intensive approaches. Instances have also come to notice of projects shown to have been executed in a scheduled caste locality while in fact they had been carried out in upper class area.

41. Women have complained that employment was provided only for the Pradhan's personal supporters or workers willing to sign for higher wages than what was actually received. Such instances of violations abound.

42. The share of women in employment generated under the programme was only 17 per cent. Large number of works could not be completed in time on account of shortage of funds. There have also been instances of differential wages paid to male and female workers.

43. JRY and similar rural works programmes have tended to breed corruption. The fudging of muster rolls and of measurement books is very common resulting in huge loss of funds that could otherwise have been invested in building rural infrastructure. During a field visit to Nuapada (Orissa) it was reported that the documents were found fudged to cover excess payment involved in transporting the materials. There is need to penalise districts that prepare bogus muster rolls by blacklisting them and stopping further development assistance from the Ministry of Rural Development.

44. Notwithstanding some of the problems cited above, two positive aspects of the programme stand out. *Firstly*, the programme did succeed in creating durable community assets in rural areas. Although this was also not without problems like poor quality, inappropriate assets etc, the villagers generally appeared to have liked the idea of building up rural infrastructure especially when the assets were directly relevant to the community such as school building. *Secondly*, the programme led to empowerment of panchayats as the funds were placed at their disposal along with power to get the works executed through line departments. This was good training for panchayats in planning and execution of local works and financial management. Due to growing awareness among people about JRY and other programmes and pressure on elected representatives, the panchayats are likely to implement these programmes more efficiently than bureaucrats. Fear of being voted out may make panchayat leaders more responsive to people's needs.

45. The empowerment of panchayats mentioned above is, however, limited by the fact that the panchayats are still dependent on the bureaucracy for technical appraisal

after completion of the project. Unless technical officials are also transferred to the panchayats along with funds and functions, such dependence on bureaucracy will continue and will not be in the interest of effective implementation of anti-poverty programmes. This process has started in some States as a part of the process of empowerment of Panchayats.

46. For greater transparency in the functioning of Panchayati Raj Institutions (PRIs) and proper utilisation of funds, there is need to put in place a system of 'social audit'. Under this system, it should be ensured that all concerned have information about release of funds by DRDAs / Zilla Parishads to Blocks / Panchayats through press notes; similar information should be given to the general public by the implementing departments when they receive funds. Gram Panchayats must display on their notice board information about the works executed, their value, employment generated, payments made along with the list of beneficiaries. This information must be verified at a meeting of the Gram Sabha. Payments made by executing agencies for the materials should also be similarly made transparent to the public. .

Jawahar Gram Samridhi Yojana

47. Under Jawahar Rozgar Yojana (JGSY), an overriding priority was given to creating wage employment. An evaluation of JRY programme proposed that development of village infrastructure needed to be given greater focus. Accordingly, JRY has been strengthened and restructured as Jawahar Gram Samridhi Yojana w.e.f. 1st April, 1999.

48. JGSY aims at creation of demand-driven community village infrastructure that would enable rural poor to increase opportunities for sustained employment. Employment generation is a secondary objective. JGSY projects would be implemented by village panchayats with the approval of Gram Sabha. DRDA/Zilla Parishad and Panchayat Samities will be responsible for overall guidance, coordination, supervision and monitoring of the projects.

Employment Assurance Scheme (EAS)

49. Launched on Gandhi Jayanti Day (2nd October) in 1993, the Employment Assurance Scheme (EAS) was initially in operation in 1772 backward blocks. The blocks were identified in drought prone areas, deserts, tribal areas and hill region areas where the Revamped Public Distribution System (RPDS) was in operation. Gradually, EAS was extended to other blocks and by 1997-98 the scheme was being implemented in country's 5448 rural blocks in all.

50. As its primary objective, EAS is set to create additional wage employment opportunities during a period of acute shortage through manual work for the rural poor. The secondary objective is the creation of durable community, social and economic assets for sustained employment and development. Though open to all rural poor, the programme is expected to attract only unskilled people below the poverty line because it offers only the minimum wages.

51. Though EAS funds were meant to be utilised as a last resort, things had not happened that way. An universal coverage triggered increased demand for funds from States beyond their available budgetary resources. Till 1st April 1999, the scheme was

of a demand-driven nature and better-off states grabbed a lion's share of funds while the needy ones were left out. To rectify this, it was decided that with effect from 1st April 1999, the scheme would involve specific allocations to each state based on poverty.

52. As experience showed, employment provided under EAS was meagre. The Third Report of 1995 of the Comptroller and Auditor General stated that on an average each person was provided 18 days and 16 days of employment during 1994-95 and 1995-96 respectively.

53. According to a comprehensive evaluation by the Programme Evaluation Organisation (PEO) of Planning Commission in 14 States, EAS is being executed through contractors in most States in violation of central guidelines; the norm of 60:40 for wage and material is not maintained; genuine muster rolls are not being maintained by the Gram Panchayats. Family cards have not been issued; the system of registration of job seekers with Gram Panchayats is not in vogue; and even though Central allocation seems to have been made on the basis of minimum notional requirement, a vast majority of the Blocks did not get this allocation. This could be due to the inability of the States to contribute their matching share in the pooled fund for EAS.

54. As to EAS' impact, the study found that the estimated proportion of registered job seekers who actually got any employment was as low as 25 per cent in sample villages. The average number of days of employment per person per year was less than 53 as per official records. However, information gathered from the beneficiaries reveals that 69 per cent of them got less than 30 days of employment and another 17 per cent between 30 days and 50 days. The overall average for the sample States works out to 31 days.

55. Even in the matter of asset creation, the study finds that Central norms have not been followed. For example, none of the sample States has earmarked 40 per cent of funds for watershed development and 20 per cent for minor irrigation, link roads and buildings for schools and anganwadis. In Bihar, 69 per cent of EAS funds were allocated to activities like school buildings/anganwadis which are not labour-intensive. Similarly, in Gujarat, Haryana and West Bengal the unit cost of employment generation in school buildings / anganwadis is abnormally high (Rs 200 to Rs 300). It is difficult to justify allocation of funds to such activities under employment generation scheme. No inventory of assets was kept and it was difficult to know whether the asset created was community asset or private one.

56. A profile of the EAS beneficiaries shows that over 78 per cent belonged to daily wage earning class. To that extent the scheme appears to have been well-targeted. Although bulk of EAS beneficiaries were illiterate or below matriculation level, some skilled and semi-skilled workers were also among them. This is further supported by the wide variation in wage rates paid in some states (for instance, Rs 25-100 in Rajasthan, Rs 22-150 in Tamil Nadu and Rs 20-80 in Madhya Pradesh). This could also be a reflection of the involvement of contractors who may have shown their employees as EAS beneficiaries.

57. The PEO study concludes that EAS has not realized its objectives of generation of sustained and gainful employment, supplementing the income of rural wage-earning class in agricultural lean seasons and improving the well-being of rural poor. With universalisation of EAS and without an element of assurance of employment of 100 days in a year as initially envisaged, there is practically no difference between JGSY

and EAS except that the former is being implemented through PRIs and the latter by the administrative apparatus. There is, therefore, need to have another look at EAS.

58. Like other wage and self-employment programmes, EAS will have to be so designed that it provides short-term employment while it leads to improvement in productive capacity of individuals and areas so as to make for greater employment on a sustainable basis. This entails preparation of a district plan based on resource endowment and felt needs of the people. It is unfortunate that the Ministry in the revised guidelines for EAS no longer permits watershed development programmes on the ground these take more than a year to complete. However, these were leading to sustainable development of agriculture in poor areas leading to creation of job opportunities in the farm sector on a permanent basis. Works taken up under EAS should be viable and integrated with development plan of the area. Sectoral programmes of agricultural development should focus on works that enhance productivity of land such as soil and moisture conservation and drainage. Sectoral and wage-employment programmes should not be separate regimes but work as an integrated programme.

59. Several lacunae have come to notice in the design and implementation of EAS. First, bogus reporting. Field staff have learnt to report figures in the manner expected of them, that is, they must show that targets have been fully achieved irrespective of what the ground situation is. Collectors are under pressure to furnish utilisation certificates so that states could draw the next instalment from the Centre. Money is considered to have been spent once it is allotted from district to panchayats, even when no physical expenditure has taken place.

60. Second, employment generation programmes create incomes for the rural poor but leave no assets behind. Once such programmes are withdrawn, the poor may again fall below the poverty line in the absence of family based assets.

61. Third, development of vital infrastructure like road, water supply, electricity, schools and the like is neither labour-intensive nor results in assets primarily for use by the poor.

62. Fourth, employment schemes provide massive funds for road and school construction, in which villagers become (temporary) state employees of the concerned departments and thus remain in a continued state of psychological dependence and expectation from the state.

63. Lastly, such programmes have encouraged corruption, both at political and administrative levels.

64. According to instructions issued by the Ministry, people seeking work in EAS have to apply and get registered first, a project report is prepared and submitted to the Collector and then the Collector will seek funds from the Ministry. In practice, this order is seldom followed and, in many cases, the reverse happens. That is, the Collector receives funds first, then decides the area where funds would be spent (the choice of area is often on political grounds), the Department to whom these funds would be placed follows it by preparation of a project and in the end during execution of the project the Department gets applications from those actually employed. In this manner, Collectors have a lot of discretion in deciding the placement of these funds with Departments such as PWD, Agriculture, Soil Conservation, Rural Engineering Service, Minor Irrigation etc. An unhealthy race among the Departments for funds can be checked if the Ministry insists on the correct sequence of activities. In other words,

before any money is released to DRDA, the Collector must specify the Departments to whom these funds will be released and how much; and while seeking second and subsequent instalment of funds, Collector must certify that funds were given to the Departments mentioned in application for the first instalment. Collectors should also ensure coordination between Departments so that the poorest regions are covered in desirable economic activities. Lastly, applications from those seeking work must precede preparation of projects.

General Issues in EAS/JRY Programmes

65. The above review of employment-oriented programmes such as Employment Assurance Scheme and Jawahar Rozgar Yojana has highlighted certain lacunae, yet it needs to be recognized that these programmes have also played a major role in tackling issues of transient poverty and providing immediate succour to the rural people during natural calamities such like drought, floods and earthquake. The need for such public works programmes has been universally accepted and acknowledged by researchers in the field of rural development in India and by international experts and donor agencies. It is, however, imperative to strengthen these programmes and create a delivery mechanism which would take them to intended beneficiaries without leakage or diversion of funds along the way.. In this regard, a few steps could be taken and are listed below:

- EAS should be limited only to those districts where minimum agricultural wages are at least 25% below the statutory minimum wages fixed by Government. In at least half of the districts actual wages are above such minimum wages. The proposed limits will help curb incidents of fudging of muster rolls and accounts.
- Each Technical Department must supply a list of those paid under EAS works to the concerned Gram Panchayat along with date of the payment, and Gram Panchayats in turn must check out the list. The verification certificate should be signed by at least half of the Gram Panchayat Panchs and sent to the concerned Department. No Department should be given funds for the second time without such a certificate from the Gram Panchayat.
- The list of workers along with the number of days they have been given jobs under EAS and JRY should be displayed in each office of the Gram Panchayats and outside village schools. Similar information about beneficiaries of all other programmes like IRDP, IAY, etc. should also be displayed. Important meetings of Gram Sabhas should be videographed and a permanent record of such videos kept.
- In order to promote people's participation and ensure that Gram Panchayats and Gram Sabhas do not get reduced to the office of just the village president, each Gram Sabha should raise 30% of the allocated JRY/EAS funds through contribution from the public as a pre-requisite to receiving such funds. For backward and tribal blocks, the contribution may be reduced to 15%.
- States as have not held elections to village level panchayats without a valid reason should not be given JRY funds. Their share of the funds should be kept in suspension and passed on to the panchayats with the backlogs after elections are held.

- When funds are released by DRDAs/Zilla Parishads to Blocks or Panchayats, a Press note should invariably be issued about the date and amount so released to various offices. This move will help improve transparency. Similarly, all departments getting EAS funds will also issue a Press statement about dates of execution of works and when payments were made to the workers. This will reduce complaints that payments to workers are often delayed. A monthly gazetteer should be published at the district level setting out all works with details of individual workers and number of days they have been employed. It should not be a routine statement of man-days of employment created. The gazetteer should be made available to all concerned.
- Departments such as the DRDAs and Blocks which have more dealings with rural people should be assessed by an independent professional organisation consisting of journalists, activists, NGOs and retired government servants once in three years. The review should look at policies and performance and recommend constructive steps for improvement. The Ministry of Rural Development at the Centre can help in the setting up of such evaluation organisations. Systems of inspection as now exist are elaborate but often preclude the possibility of a 'fresh look' being totally governmental and rigid. The system should be more open and bureaucracy should gain from the expertise of outsiders in the mode of donor agency evaluation of projects and so develop a feeling of greater accountability. The teams may consist, in addition to government servants, of development practitioners from other fields, academicians and even members of the public.

66. Employment Assurance Scheme was restructured in 1999-2000. It is now an allocation based scheme. The funds would be shared by the Centre and State Governments in the ratio of 75:25. Allocation to the States would be based on incidence of poverty and district-wise allocation within a State on the basis of an index of backwardness. The index would relate to proportion of SC/ST population in the district and the inverse of agricultural production per agricultural worker. Seventy per cent of the funds flowing to the districts would be allocated to the blocks and the rest reserved at district level and would be utilised in areas of acute distress and labour migration.

67. In order to improve the efficacy of the programme and ensure that the poor and unemployed get up to 100 days of employment in lean agriculture seasons, it is necessary to restrict the programme to areas which are backward characterised by poor agriculture; chronic poverty and hunger.

National Social Assistance Programme

68. The National Social Assistance Programme (NSAP) was introduced as a 100 per cent Centrally Sponsored Scheme on 15th August 1995. It has three components: namely (i) National Old Age Pension Scheme (NOAPS), (ii) National Family Benefit Scheme (NFBS) and (iii) National Maternity Benefit Scheme (NMBS). The programme represents a significant step towards fulfilment of the Directive Principles in Articles 41 and 42 of the Constitution. NSAP supplements efforts of State Governments with the objective of ensuring minimum national levels of well-being and the Central assistance is not meant to displace the State's own expenditure on Social Protection

Schemes. The States/Union Territories (UTs) may also expand their own coverage of social assistance independently wherever they wish to do so.

69. After some trouble in initial years, NSAP is now a popular programme. The entire allocation of Rs 560.00 crore in 1997-98 and Rs 640.20 in 1998-99 was fully utilized.

70. NSAP was evaluated by Operations Research Group (ORG) three years after its implementation. The study was taken up in eight States (Andhra Pradesh, Bihar, Gujarat, Kerala, Madhya Pradesh, Maharashtra, Orissa and West Bengal). It reveals low levels of physical achievements for all the three Schemes in the first two years of implementation. However, in the third year, achievement under NOAPS has surpassed targets in most of the States whereas achievement under NFBS and NMBS continues to be low.

71. The programme has largely reached SC/ST population and women. The coverage of women in NOAPS was found to be 40-60 per cent and in NFBS 40-50 per cent. Though age norms prescribed under the programme were being followed, the criteria of identifying "destitute" were not clear and different states followed different bases. The responsibility of identifying destitutes has been entrusted to panchayats which were not always aware of the criteria. The programme appeared to have been well targeted.

72. Lack of awareness about the programme is a major problem. There is no formal system for information dissemination. Wherever gram sabhas are in place and meet regularly the information dissemination is effective.

73. The procedure of registration involves production of several proofs and certificates, which makes it very cumbersome. The panchayats may be entrusted the responsibility of verifying facts and claims.

74. The NOAPS has been a successful scheme. In the sample states, about one-third of the beneficiaries were found to be neglected by their offspring or were living alone; another one-third were found to have a dependent (mostly spouse) and in remaining cases, the beneficiaries did not have a regular source of income. However, in some States the benefits were distributed once in two months and in some others there was no fixed frequency for distribution.

75. The evaluation revealed that the NFBS beneficiaries either saved the assistance money in a bank or used it to repay old debts. Use of benefit in income generating activities was negligible. There have been cases of corruption in implementation of the programme.

76. Most NMBS beneficiaries reported having received the benefit after the delivery. This was due to late submission of claims. There is need to create awareness about the scheme among the target segment so that claims are made well in time. The procedure under this scheme, and other schemes under NSAP, needs to be simplified and made more transparent to make it all hassle-free.

77. The financial and physical performance of major rural development programmes during Ninth Plan is given in Annexure **1 & 2**.

State-Level Initiatives

78. Apart from Central government programmes discussed in the previous sections, several State Governments have initiated their own rural development programmes. In many instances, the state initiatives have been the precursor to many countrywide programmes. Those initiatives are not only in line with the policy of democratic decentralisation but can supplement the centrally sponsored schemes. The State Governments are better placed to understand the felt needs of the local people and can respond more effectively. It has also been seen that where such State level initiatives have strong political backing, the performance has been laudable. The table below enumerates some sample State initiatives:

State	Name	Year of start	Nature of the scheme
Tamil Nadu	<i>Namakku Name Thittam</i>	1997-98	village level development such as construction of buildings, creation and improvement of minor irrigation works, and construction of bridges, culverts and road
Tamil Nadu	<i>Anna Marumalarchi Thittam</i>	1997-98	convergence of all basic minimum services namely drinking water, primary education, public health, nutrition, shelter, rural roads and connectivity and fair price shops
Gujarat	Gokul Gram Yojana	1995-96	provides basic infrastructure to all villages within a time frame of five years, such as all weather approach roads, drinking water, construction of village ponds with bathing ghats, construction of primary school rooms, community halls, community worksheds and village afforestation
Andhra Pradesh	Janmabhoomi	1 st January 1997	People-centred development aimed at comprehensive rebuilding of villages and towns with people's participation in the decision making process
Rajasthan	Apna Gaon Apna Kaam	1 st January, 1991	promoting self dependence and encouraging participation of the local community in planning and creation of public assets and their maintenance; rural people/donors/NGO/Community groups contribute a minimum of 30 per cent of the amount in the form of public contribution,
Kerala	Kudumbashree	August 1998	Self-Help Group (SHG) approach for housing for the poor, low cost sanitation, community water supply, literacy centres, training programme for skill upgradation, etc.

Rural Housing (Indira Awas Yojana)

79. The Central Government is implementing Indira Awaas Yojana (IAY) since 1985-86 with the objective of providing dwelling units free of cost to Below Poverty Line (BPL) families in rural areas. Till end of the Eighth Five-Year Plan i.e. 1996-97, 37.21 lakh houses were constructed with a total expenditure of Rs.5,029 crore. Rural housing received a fillip in 1996 when the Central Government identified 'Housing' as one of the seven components under the Basic Minimum Services (BMS) agenda to provide housing to the shelterless poor in rural areas in a time bound manner.

80. The 1991 census put rural housing shortage at 137.20 lakh, of which 34.10 lakh households were without shelter and 103.10 lakh households lived in 'kutchha unserviceable houses.' It has been estimated that between 1991 and 2002, an additional 107.50 lakh houses in rural areas would be required to keep pace with population growth. By 2002, the total requirement of houses in rural India is projected at 244.70 lakh. However, during the period 1991 and 1997, 57 lakh houses have already been constructed through on-going Indira Awaas Yojana (IAY), State Governments, HUDCO, etc. Therefore, the net housing shortage between 1997 and 2002 is estimated at 187.70 lakh houses; of these, 84.60 lakh would be new houses while 103.10 lakh Kutchha unserviceable houses require upgradation.

81. As reflected by the 1991 Census, housing shortages exist in almost all States, but in a few States the magnitude of the problem is acute. Bihar accounts for nearly one-third of total housing shortage followed by Andhra Pradesh, Assam, Uttar Pradesh and West Bengal, which together account for another 44.64 per cent. In each of the remaining States, the housing shortage is less than 5 per cent.

82. IAY only addresses the problem of shelter faced by BPL families. However, there are several other households just above the poverty line but who belong to the Economically Weaker Sections (EWSs) and are in need of housing as well. Therefore, the housing requirement of this income segment also needs to be met. There is virtually no institutional finance in the rural housing sector except for limited amounts provided by Housing & Urban Development Corporation (HUDCO) schemes.

83. There are serious lacunae in rural housing strategy. Under the existing dispensation, the DRDAs/Zilla Parishads make allocations and target how many houses are to be constructed panchayat-wise. Thereafter, the gram sabhas are expected to select the beneficiaries from out of a list of eligible households as per target for the gram panchayat. Given the huge size of potential beneficiaries waiting out for allotment of free house, gram panchayats may not find it easy to offer more than a limited few households each year. This could cause a rift among the poor themselves. There would also be pressure from the local MLAs and MPs. A first best course out of it is to link allotment to those who have tried to form self help groups and/or are taking advantage of other poverty alleviation programmes in the desired manner. That will make the housing strategy an integral part of the poverty alleviation agenda. The second option could be in terms of covering select districts or blocks at a time so as to saturate an area. The magnitude of the problem has grown since the 1991 Census estimated the housing shortage. Now, every household below the poverty line is a claimant to free pucca house under the IAY. In this situation, it is imperative to target the programme better via a holistic look at poverty problem at the household level.

Land Reforms

84. The Ninth Plan identified Land Reforms as an important policy instrument for alleviation of rural poverty. However, little has been done by the states in this direction.

Ceiling on Land Holdings :

85. As per the 1992 National Sample Survey (NSS) data, only 23% land was involved in holdings of ten hectares and above. Therefore, the scope for further ceiling reforms is limited. Nevertheless, it is important to ensure that existing ceiling limits are imposed and surplus land is distributed to the poor. On the other hand, there is need to guard against the relaxation of ceilings. Some States have done so in order to promote commercial farming and develop plantations. For example, Karnataka has relaxed ceilings for horticultural lands and Orissa is considering it for cashew plantations. West Bengal is also considering such relaxation for fish ponds. These steps are seen to be retrograde and against the interests of the poor.

86. At this juncture there are three areas in which reforms are vital from the viewpoint of growth and social justice. These are tenancy reform, prevention of alienation of tribal land and land rights of women. The issues are considered in brief in the following paragraphs.

Tenancy Reform:

87. A ban on leasing was imposed after Independence in almost all states to encourage owner-cultivation and offer security of tenure to sharecroppers and tenants. Such laws should continue in areas characterised by semi-feudal mode of production and may even be strengthened in tribal areas where agricultural markets are not well developed. But in green revolution areas where the mode of production has become capitalist there is a need to liberalise and rid leasing-in of land by the landless and marginal farmers from all government controls. However, such liberalisation should be only to permit small and marginal farmers and agricultural labour to lease in either from other small farmers or from big farmers. Reverse tenancy should not be encouraged nor tenancy reforms diluted in backward areas.

88. The rationale for legalising tenancy in developed regions would include:

- The rural poor will have access to a larger area of agricultural land. In many states, tenancy reform has resulted in land owners leaving their land uncultivated due to the fear that they may lose the land if they lease it out. The lifting of the ban on leasing may encourage such land owners to lease out their land, thereby resulting in better utilisation of the available land which may be lying fallow hitherto, in fuller absorption of human labour and in increased farm output.
- Legalisation will increase poor people's access to land in regions where large land owners tend to migrate for taking up non-farm occupation since there would be no risk of losing land rights because of leasing out. Lease market facilitates a shift of control of land to the small holders and tenants.
- The advantage of cheap family labour favours the poor to lease-in land and, therefore, liberalisation of tenancy would enable the small and marginal farmers to augment their operational holdings by leasing in land.

- In progressive states, landlords tend to assume greater risks and accountability in the process of production and, therefore, lifting the ban on leasing and enabling tenancy to be controlled by market forces would benefit small operators. These operators, thus, would be able to lease in more land. It would also facilitate labour mobility as small owners on their part would be able to lease out their land as well without fear.

89. In districts with high productivity, rapid agricultural growth and well-developed commercial agriculture, leasing should be freely allowed. Similarly in districts where tenancy reforms have taken place and the old exploitative relations substantially weakened, such as Rajasthan, Maharashtra, Gujarat, and Karnataka, leasing should be allowed without any restrictions. However, in districts that continue to be feudal with poor agricultural growth and a high degree of inequality, the policy should be for rigorous implementation of the existing laws. If this is not considered politically desirable, one should wait and watch the results of implementation of liberalisation in other areas.

90. More precisely, provisions of law pertaining to definitions of 'tenant', 'personal cultivation', 'resumption' and 'fair rent' will have to be amended in select districts to reflect indicators like land holding pattern, degree of concentration of land ownership, agricultural growth, agricultural productivity and existing tenancy arrangements. Other sections in law relating to prohibition of tenancies will have to be deleted in such areas. For example, Section 5 of the Karnataka Land Reforms Act which prohibits the leasing of land except by soldiers and seamen will have to be amended to include leasing by all landless agricultural workers and marginal farmers. Amending tenancy laws to allow leasing in will ensure greater accessibility of the rural poor to agricultural land and in turn enhance employment opportunities.

Preventing Alienation of Tribal Lands :

91. The process of alienation of tribal land has continued since independence because of an influx of non-tribals into tribal areas as a result of various developmental projects, exploitation of natural resources and industrial activities. It is an irony that on the one side outsiders/non tribals become destitutes and infiltrate into the Schedule areas in the name of development, while on the other hand local tribal population migrate to urban areas in search of employment/job opportunities. This has given rise to severe discontent in the tribal areas.

92. One study of four districts Dhenkanal, Ganjam, Koraput and Phulbani in Orissa has estimated that about 56 per cent of the total tribal land was lost to non tribals over a 25-30 year period. Of this, 40 per cent was lost through indebtedness and land mortgage, 23 per cent through encroachment, 17 per cent as a result of displacement by development projects, 15 per cent through personal sale and the balance due to floods and other natural calamities. A less well-understood pattern is the administrative erosion of tribals' communal land rights through survey and settlement operation. In recent decades, the cadastral survey by chain survey method has gradually given way to the plane-table method to reduce operational costs. But land with a gradient greater than 10 percent cannot accurately be surveyed by the plane table method, and in Orissa these unsurveyed lands have customarily been lumped together as 'uncultivable wasteland' in the record-of-rights in land. In reality, much of this area was owned by

tribal households and was cultivated in demarcated plots on which fruit trees had been planted. The outcome thus is catastrophic for tribal groups.

93. Lack of legal awareness about land rights among tribals as well as among Government officials and ineffective administrative structures have resulted in alienation of land. Inherent deficiencies exist in legal provision such as absence of machinery to initiate suo motu action, general period of limitation for adverse possession, lack of provision against trespass and against fraudulent and collusive transfer of land to non-tribals. Since the tribals are generally ignorant of the legal provisions and processes they get easily exploited.

94. Improper land records of tribal lands have also led to the alienation. For proper maintenance of such documents, an in-depth scrutiny of methods for preparation of land records and maintenance and updating of those records in the tribal areas must be carried out at the earliest. Further, computerisation of land records should be accorded highest priority for the tribal areas.

95. The Provision of the Panchayats (Extension of Scheduled Areas) Act, 1996 was enacted for extending 73rd Constitutional Amendment Act, 1992 to Scheduled Areas in eight States: Andhra Pradesh, Bihar, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa and Rajasthan. That enactment is intended to enable tribal society to assume control over its own destiny and preserve and conserve its traditional rights over natural resources including land. However, the stringent provisions of this law have remained only on paper and have not been put into operation by the state governments.

Land Rights of Women

96. Land reforms policy in the past failed to address the question of land rights of women. Women's participation in agriculture is substantial; it is estimated that 78 per cent of women workers are in agriculture compared to 58 per cent of male workers. There is a growing feminisation of agriculture with an increase in the number of *de facto* female-headed rural households. Yet due to their unequal share in landed property, the socio-economic status of women is generally lower than that of men.

97. Gender inequalities exist in both inheritance laws and land reform laws passed by various states. In a number of North Western States, including Haryana, Punjab, Jammu & Kashmir, Himachal Pradesh, Delhi and Uttar Pradesh, the land inheritance devolves on male lineal descendants and consequently, widows and daughters inherit only in the absence of male heirs. In Uttar Pradesh section 171 of the Zamindari Abolition Act bars any female child from inheritance of agricultural land. In some States, women cannot even buy agricultural land because in the absence of recorded land rights they cannot prove that they are agriculturists. In most cases, the gender bias exists due to the continued recognition in the Hindu Succession Act of Mitakshara joint family property in which sons -- but not daughters -- have rights by birth. However, States like Karnataka, Tamil Nadu, Andhra Pradesh and Kerala have amended the Hindu Succession Act, 1956 to formalise issues related to women's right to property including land. Still some anomalies persist as only daughters are included as coparceners no other female heirs.

98. The following measures are needed to make the inheritance laws in relation to agricultural land more gender equal:

- (i) Amendment of the Tenurial laws by State Governments to ensure gender equality;
- (ii) Amendment of the main inheritance laws (both the Hindu Succession Act and the 1937 Shariat Act) so that (a) all property is treated uniformly, thereby bringing agricultural land under the purview of the respective laws for both Hindus and Muslims and (b) equal shares of males and females in all property.
- (iii) Partial restriction on the rights of testation which in practice work against the female heirs as parents are likely to leave wills favouring the sons; and
- (iv) Ensuring that if women relinquish their claims, the relinquishment is done through a formal deed rather than informally.

Computerisation of Land Records

99. The Centrally Sponsored Scheme on *Computerisation of Land Records* was started in 1988-89 as a pilot project in eight States. The sole objective then was to ensure issue of timely and accurate copies of record of right to the land owners by the Tehsildar. By the end of the Eight Plan, 323 districts in the country were brought under the scheme with an expenditure of Rs.64.44 crore. During first three years of the Ninth Plan, about Rs 77 crores have been spent on the scheme.

100. Several factors have constrained the progress of computerisation of land records. These include delay in transfer of funds to implementing authority by the State Governments, power shortages and delay in construction of room with air conditioner for installation of computers and other equipment, delay in development of appropriate and comprehensive software as per requirement of the State Government, delay in supply and installation of the hardware by the National Informatics Centre (NIC), lack of adequate training facilities to staff to handle computers and non-availability of good vendors for taking up data entry work.

101. The updating of land records can be expedited even without computerisation through the involvement of Panchayati Raj Institutions (PRIs) and local revenue functionaries. The village level revenue functionaries should be placed under the control of the Gram Panchayats, though the appellate jurisdiction should continue with the tehsildar. At the district level, the land revenue system must work under the Zilla Parishad. The 30 per cent representation for women in PRIs should help the cause of women in so far as recording of rights of women in land is concerned. Moreover, steps have to be taken to bring about greater transparency in the administration of land records, with access to information regarding land holdings on demand by any individual, copies of land records including record of rights, field books/maps. Land Pass Books as also mutation statements, status of land and jamabandi registers should be accessible and copies provided on payment of a fee.

Resettlement of Persons Displaced by Compulsory Acquisition of Land

102. The process of economic development often requires acquisition of land for setting up projects either in public or private sector. This leads to enormous hardships to the displaced families. Apart from depriving the persons of their land, livelihood and the resource base, displacement has other traumatic, psychological and socio-cultural consequences. Therefore, there is a need to avoid large-scale displacement particularly

of tribals but it is often unavoidable and the issue of a comprehensive resettlement and rehabilitation package for them is a major concern of government.

103. The draft National Policy for Resettlement and Rehabilitation, although under discussion for the last three years, is yet to be finalised. So is the fate of draft legislation on the Land Acquisition Act.

Delivery Mechanism For Rural Development Programmes

104. Successful implementation of rural development programmes requires adequate funds, appropriate policy framework and effective delivery mechanism. Past experience shows that mere availability of funds is no solution to rural poverty. Nor is the design of the rural development programmes, no matter how refined it is, sufficient in itself. The success ultimately depends on the capability of the delivery system to absorb and utilise the funds in a cost-effective manner. An effective and responsive district level field machinery should have a high degree of commitment, motivation, professional competence and, above all, integrity. Stated objectives need to be internalised and widely shared by members of bureaucracy from Collector down to the village level worker.

105. An effective delivery system should be one that ensures people's participation at various stages of implementation of the programmes, transparency in the operation of the schemes and adequate monitoring mechanism. PRIs can play an important role in improving the efficiency and effectiveness of the schemes and reducing leakages that have been a bane of the Government sponsored scheme. Though the guidelines on implementation provide for a close coordination between governmental agencies and PRIs, such coordination is sporadic in practice and far between. Non Governmental Organisations (NGOs) have been playing an active role in building up people's awareness and providing support to governmental agencies and Panchayati Raj Institutions in executing projects for development in rural areas. NGOs can play an important role in capacity building, access to information, organisation of rural poor into self-help groups and increasing their awareness and capabilities.

Conclusion

106. Eradication of rural poverty from a level of 55 per cent in 1973-74 to around 36 per cent in 1993-94 has been a major achievement of India's growth strategy that combined accelerated rural growth, both farm and non-farm, and direct attack on rural poverty through various programmes including investment in human development. States experienced reduction in poverty in varying degrees. The strategy also differed across States making it difficult to prescribe a single model of poverty reduction that would work across the length and breadth of the country. It is, however, evident that without growth, any substantial reduction in rural poverty is not possible. However, while growth may be a necessary condition to make a dent in poverty levels, it is by no means sufficient. The pattern of growth which creates conditions for benefits to trickle down is equally important. It is seen that a growth strategy that is embedded in rural areas and focuses on creation of rural social and economic infrastructure has much greater chance of success than an urban-oriented, industry-based growth strategy.

107. Although substantial reduction in poverty has taken place since mid-'seventies, there is no room for complacency on this issue. If one goes by the thin samples of the

National Sample Survey, both the incidence of rural poverty as well as the number of rural poor may have gone up in 1998-99. However, preliminary results from the first six months of the 1999-2000 survey (full sample) suggest that poverty has declined. While one may have to wait for the full results of the 1999-2000 survey to become available before pronouncing definitively on this issue, it is clear that poverty has not declined to the extent targeted. One reason could be that the factors that contributed to decline in rural poverty may be losing momentum in the 1990s calling for further reform to reverse this trend. Agricultural growth which is the single important contributor to rural prosperity has slowed down in the 'nineties and is also less well-spread across regions. This calls for a review of the policies responsible for hindering agricultural growth. The dynamism of rural non-farm sector also needs to be fully tapped by appropriate policies.

108. The role of anti-poverty programmes to supplement the growth effort not only is valid in the post-reform period but becomes even greater to protect the rural poor against adverse consequences of economic reforms. While the experience with such programmes is not as encouraging as one envisaged, there have been pockets of good performance which give enough reason to be hopeful. The Ninth Plan recognised the need to restructure such programmes for effective implementation and for enhancing the productivity of the beneficiaries in the rural areas. A major weakness in the implementation of poverty alleviation programmes has been the lack of participation by the people for whom the programmes are meant. There are enough success stories that indicate that whenever people have organised themselves into small homogenous groups for a common cause, the results have been far superior to programmes thrust upon them by bureaucratic apparatus. Such efforts at micro level need to be further strengthened to improve the efficiency of anti-poverty programmes. Strong local governance such as expected from Panchayati Raj Institutions – responsive to the needs of beneficiaries, one which encourages mobilisation of the rural poor and is open to social audit -- promises better delivery system of the poverty alleviation programmes. Side by side, the rural financial system should be so reorganised and re-oriented that it treats the rural poor as credit-worthy clients and not as recipients of doles from the Government. The anti poverty programmes have been reoriented to improve their efficacy. The restructured programmes have been in operation from 1st April, 1999 and their effectiveness in achieving the objectives set for them would need to be evaluated after a period of 2-3 years.

Annexure-1

Financial Performance of Major Rural Development Programmes during Ninth Plan

(Rs. Crore)

S.No	Programmes	1997-98		1998-99 (Provisional)		1999-2000 (Provisional)	
		Allocation	Expenditure	Allocation	Expenditure	Allocation	Expenditure
1.	Jawahar Rozgar Yojana (JRY)/ Jawahar Gram Samridhi Yojana (JGSY) **	2499.21	2439.38	2597.03	2518.92	2205.58	1029.59
2.	Employment Assurance Scheme (EAS)*	2460.48	2904.97	2485.15	2819.77	2432.07	1160.68
3.	Integrated Rural Development Programme(IRDP)/Swarnjayanti Gram Swarozgar Yojana (SGSY) @	1133.51	1109.54	1456.28	1160.89	1231.37	1260.74
4.	Training of Rural Youth for Self Employment (TRYSEM) @	90.25	80.74	45	59.78		
5.	Development of Women and Children in Rural Areas (DWCRA) @	75.60	76.84	155.86	83.80		
6.	Indira Awaas Yojana (IAY)	1440.85	1591.48	1854.62	1802.67	2132.34	1013.99
7.	Million Wells Scheme (MWS) @	559.09	462.83	561.10	474.35		
8.	National Social Assistance Programme (NSAP) :	732.96	546.65	803.91	701.18	767.05	493.27
	(a) National Old Age Pension Scheme (NOAPS)	463.97	362.52	490.95	450.64	476.24	317.20
	(b) National Family Benefit Scheme (NFBS)	175.82	129.55	220.37	183.02	198.03	130.09
	(c) National Maternity Benefit Scheme (NMBS)	93.18	54.58	92.59	67.53	92.78	45.97

** - JRY has been restructured as JGSY with effect from 1999-2000.

@ - SGSY was introduced w.e.f. 1999-2000 by merging IRDP and its allied programmes of TRYSEM, DWCRS, SITRA and GKY; and MWS.

- As per Report on Financial and Physical progress of Rural Development Schemes prepared on 3.3.2000 by Ministry of Rural Development.

Annexure 2

Physical Performance of Major Rural Development Programmes during Ninth Plan

(Rs. Crore)

S.No	Programmes	Unit	1997-98		1998-99 (Provisional)		1999-2000 (Provisional)	
			Target	Achievment	Target	Achievement	Target	Achievem ent
1.	Jawahar Rozgar Yojana (JRY)/ Jawahar Gram Samridhi Yojana (JGSY) **	Lakh mandays	3867.00	3958.00	3966.57	3752.10		1450.05
2.	Employment Assurance Scheme (EAS)*	Lakh mandays		4717.74		4165.31	4089.50	1515.16
3.	Integrated Rural Development Programme(IRDP)/Swarnjayanti Gram Swarozgar Yojana (SGSY) @	Families/ Self help Groups assisted in Lakhs		17.07		16.64		3.03
4.	Training of Rural Youth for Self Employment (TRYSEM) @	Youths assisted in Lakhs	3.04	2.51	2.88	1.71		
5.	Development of Women and Children in Rural Areas (DWCRA) @	Lakh Groups	0.30	0.34	0.62	0.47		
6.	Indira Awaas Yojana (IAY)	Lakh houses	7.18	7.71	9.87	8.35	12.72	4.60
7.	Million Wells Scheme (MWS) @	Lakh Wells		0.95		0.95		
8.	National Social Assistance Programme (NSAP) :							
	(a) National Old Age Pension Scheme (NOAPS)	Lakh beneficiaries	17.95	50.93	48.79	64.21	55.96	76.29
	(b) National Family Benefit Scheme (NFBS)	Lakh beneficiaries	3.39	1.83	2.12	2.62	1.90	1.40
	(c) National Maternity Benefit Scheme (NMBS)	Lakh beneficiaries	33.88	15.57	17.81	15.12	17.81	8.13

** - JRY has been restructured as JGSY with effect from 1999-2000.

@ - SGSY was introduced w.e.f. 1999-2000 by merging IRDP and its allied programmes of TRYSEM, DWCRS, SITRA and GKY; and MWS.

- As per Report on Financial and Physical progress of Rural Development Schemes prepared on 3.3.2000 by Ministry of Rural Development.

(Source : Ministry of Rural Development)