Rural Government and Governance

SEMESTER IV

Sociology (DSC)

KRISHNA KANTA HANDIQUI STATE OPEN UNIVERSITY

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CONTENTS

		Pages
Unit 1:	**Introduction to Rural Government-Structure and Governance** Meaning and Definition of Rural Government Evolution of Rural Government in India; Structure and Governance.	**7-18**
Unit 2:	**Decentralisation And Grassroots Planning** Meaning of Decentralisation; Concept of Decentralisation; Importance of Decentralisation; Components of Decentralisation and Local Governance; The 73rd Amendment Act and Decentralised Planning in India; Major Provisions of the 73rd And 74th Constitutional Amendment Acts, 1992; Panchayati Raj and Grassroots Development; Grassroots Planning: Empowering Village Panchayats for Sustainable Development.	**19-37**
Unit 3:	**Panchayati Raj** History of Panchayati Raj In India- From The Ancient To The Pre-Independence Period; Commissions And Committees On Rural Local Governance; The 73rd Constitutional Amendment Act, 1992; Composition and Powers of PRIs.	**38-57**
Unit 4:	**Rural Governance In Scheduled And Tribal Areas In India** Meaning and Evolution of Rural Governance in Scheduled and Tribal Areas in India; Constitutional Provisions for Scheduled and Tribal Areas.; Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA); Challenges and the Way Forward.	**58-74**
Unit 5:	**Institutions And Agencies of Rural Governance And Planning** Meaning and Evolution of Rural Governance in India; Agencies and Institutions in Post-Independence India for Rural Governance and Planning; Panchayati Raj Institutions: Structure and Role in Governance and Planning ; Challenges and the Way Forward.	**75-88**
Unit 6:	**Civil Society and Rural Development** Meaning and Definition of Civil Society; Characteristics of Civil Society; Role of Civil Society.	**89-108**
Unit 7:	**Co-operatives and Rural Development** Meaning and Definition of Cooperatives; Principles of Cooperation (International Cooperative Alliance, 1995); Types of Cooperatives in India; Evolution of the Cooperative Movement in India; Growth and Development of the Credit Cooperatives; Structure of the Cooperative Credit System; Growth	**109-137**

and Development of the Non- Credit Cooperatives; Latest Developments in Indian Cooperative Sector.

Unit 8: Community Empowerment and CBOs **138-152**

Key Components of Community Empowerment ; Importance of Community Empowerment ; Role of CBOs in Community Empowerment ; Challenges.

Unit 9: Rural Finance in India **153-165**

Non-Institutional Sources of Rural Finance in India : Indigenous Banker, Money Lenders, Landlords, Traders; Institutional Sources of Rural Finance in India : Co-Operative Banks, Public Sector Banks, Corporations and Apex Bodies (NABARD, Agricultural Finance Corporation, RRBs)

Unit 10: Micro Planning for Government Programmes **166-178**

Concept of Micro Planning; Objectives of Micro Planning; Importance and Necessity of Micro Planning; Evaluation of Micro Planning in India; Key Elements of Micro Planning;; Applications of Micro Planning; Steps of Micro Planning; Challenges of Micro Planning.

Unit 11: Rural Welfare And Social Security: Policies And Programmes **179-198**

Concept of Rural Welfare; Key Aspects of Rural Welfare; Concept of Social Welfare ; key Aspects of Social Welfare; Rural Welfare and Social Security Policies And Programmes.

Unit 12: Rural Employment And Poverty: Approaches And Programmes **199-217**

Rural employment and poverty; Approaches to Rural Employment and Poverty Alleviation; Earlier Programmes for Employment generation and Poverty Reduction; Recent Programmes for Employment generation and Poverty Reduction.

Unit 13: Rural Basic Services And Rural Infrastructure **218-233**

Rural Basic Services; Housing; Drinking Water; Sanitation as a rural service; Rural Electrification; Rural Infrastructure.

Unit 14: Food Security And Public Distribution **234-249**

Understanding food security ; Importance of Food Security in India; The Public Distribution System (PDS); Food Security and distribution:- A global concern

Unit 15: E-Governance **250-267**

Meaning and Definition of E-Governance; Evolution and Development of E-Governance; National E-Governance Policy; Digital India; Benefits of E-Governance; Challenges of E-Governance in India.

References **268-269**

COURSE INTRODUCTION

This course titled' Rural Government and Governance' introduces the learners to the basic principles and practices of rural government and governance. It explains how local government works in rural areas, who is involved, and how decisions are made to improve the lives of people in rural communities.Through 15 well-structured units, learners will gain a clear understanding of how rural areas are managed and how effective governance can support development and improve living conditions.

As mentiioned above, the course comprises of 15 units and are divided into two blocks.

Unit 1: Provides an overview of rural governance systems and their role in local administration and development.

Unit 2: Explains how power is shared with local bodies and how local-level planning is carried out.

Unit 3: Introduces the structure, functions, and significance of the Panchayati Raj system in rural self-governance.

Unit 4: Covers governance models and special provisions for tribal and scheduled areas.

Unit 5: Examines the roles of various government and non-government institutions in rural development.

Unit 6: Discusses how civil society organizations contribute to rural governance and service delivery.

Unit 7: Highlights the role of co-operative societies in supporting rural livelihoods and economies.

Unit 8: Explores how community-based organizations (CBOs) empower rural communities and promote participation.

Unit 9: Explains sources of rural credit and financial institutions that support rural development.

Unit 10: Introduces tools and methods for planning government schemes at the village or local level.

Unit 11: Discusses welfare schemes aimed at providing social security in rural areas.

Unit 12: Critically discusses employment generation programmes and strategies to reduce rural poverty.

Unit 13: Discusses government initiatives to provide essential services and infrasture development for better living in rural areas.

Unit 14: Discusses issues pertaining to food security and the functioning of the Public Distribution System (PDS) in rural areas. deliberated upon.

Unit 15: Explains how digital technology is used to improve governance and service delivery in rural areas.

While going through the units, you will find that unit is further divided into certain sections and sub-sections, wherever necessary, for your better understanding. Again, the units carry certain *activities* after a particular section where needed. These “ACTIVITIES” will provide you the opportunity to practically apply your own thoughts based on the knowledge gained from reading the text in a particular section. Besides, in order to give you additional information on certain relevant topics, you will find a category called “LET US KNOW” after the sections in each unit. Another category that has been included at the end of each section of a particular unit is “CHECK YOUR PROGRESS”. The purpose of this category is to help you to asses for yourself as to how thoroughly you have understood a particular section. You may then match your answers with “ANSWERS TO CHECK YOUR PROGRESS” given at the end of each unit. The section “FURTHER READING” in each unit contains the names of a few books which you might want to consult if you are intereted in learning more elaborately about the concepts discussed in a particular unit. Furthermore, the category called “MODEL QUESTIONS” is intended to give you a hint of the type of questions you are likely to get in the examination.

UNIT 1 : INTRODUCTION OF RURAL GOVERNMENT: STRUCTURE AND GOVERNANCE

UNIT STRUCTURE

1.1 Learning Objectives

1.2 Introduction

1.3 Meaning and Definition of Rural Government

1.4 Evolution of Rural Government in India

1.5 Structure and Governance

1.6 Let Us Sum Up

1.7 Further Reading

1.8 Answer to Check Your Progress

1.9 Model Questions

1.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- explain the meaning of rural governance and governance
- discuss the structure of rural government
- explain evaluation of rural government in India
- discuss the difference between government and governance.

1.2 INTRODUCTION

Since the beginning of time, local government institutions have existed in India in one form or another. In the present era, it has undergone a transformation and evolved into a new form.Theseestablishments are essential to India's three-tiered political structure. These organizations serve as vehicles for grassroots democracy, civic services for the community's welfare, and planning and development for both the rural and urban areas.They work in both urban and rural settings. With the federal government at the top and the state governments in the middle, these institutions are formed by the laws passed by both the federal and state governments.Eliminating poverty and closing the growing infrastructure gap

between rural and urban populations are the primary goals of rural development. “Rural poverty alleviation has been the main objective in the economic planning and development process of the country... rural development encompasses the entire improvement in the general standard of life in the rural areas can be achieved through eradication of poverty in rural areas,” the government stated. The government has been working to enhance the political and socio-economic conditions of rural populations.The government has launched a number of development initiatives with this perspective in mind, with a focus on expanding rural agriculture. The Panchayati Raj Institutions (PRIs) have been mobilized and placed in the forefront of real democracy promotion in order to reap the benefits of these programs.

1.3 MEANING AND DEFINITION OF RURAL GOVERNMENT

In India, rural government means local government that is Panchayat for rural areas and the Municipalities for urban areas. The three-tiered structure of government is not complete without local government. It is positioned at the base of the hierarchy of governmental organizations. Local bodies oversee the management of a region or small community, such as a village, town, or city. They are institutions of local self-governance.It operates on the principles set forth by the statute that established it, and its jurisdiction is restricted to a particular area. It is governed and overseen by the state or local government, which has jurisdiction over it.By bringing democracy to the people, local government establishes widespread political engagement in the process of making decisions. It’s regarded as the democracy’s training ground.The federal and parliamentary constitutions both provide for local self-government. Within the legislative framework, local self-governance is decentralized. Urban Local Bodies (Municipalities) are the local bodies constituted for local planning, development, and administration in urban areas; Rural Local Bodies (Panchayats) are the local bodies constituted for local planning, development, and administration in rural areas.In India, the main tool for decentralization at the local level is local governance. They

are significant because of the necessity to manage the constant pressures of population growth and make the best use of the limited resources available for development.The people receive a vast array of services from the local government, which also carries out a large range of complex and significant tasks. From the local administrative units, these commodities and services may be provided to the populace far more quickly. It absolves the state government of a significant amount of regular labour that falls within its purview.

There are various definitions of local government which are mention bellow:

Local government is described as “an authority to determine and execute measures within a restricted area inside and smaller than the whole state, The significance of the local self-government version lies in its emphasis on the liberty to make decisions and take action” by the Encyclopaedia Britannica.

“That part of the government of a nation or state which deals mainly with such matters as concern the inhabitants of particular district or place” is how John J. Clarke defines local government.

Local government is “the management of their own affairs by the people of a locality,” according to L. Golding.

Local government, according to G. Montagu Harris, is run by the people themselves through representatives they have voluntarily chosen.

“Modern science calls for an advanced stage of organization and wider coordination of the thinking action than is feasible in a single village, whether we like it or not, there won’t be any place for isolated incidents of poverty, illiteracy, or illness in the vast world of the future.” writes S. K. Dey in his book *Panchayati Raj*.

Using the definitions given above, it is possible to conclude that local government consists of a number of different elements, including a local body, local residents choosing and ultimately controlling that body, autonomy of that body in the sense of independence from higher authorities within a certain area, acknowledgement of the distinction between local and non-local services, and local taxation.



CHECK YOUR PROGRESS

Q 1: What do you understand by Rural Government or Local Government?

.....

.....

Q 2: Write two definitions of Local Government given by philosophers.

.....

.....

1.4 EVOLUTION OF RURAL GOVERNMENT IN INDIA

The history of local government in India dates back thousands of years, and British rule is largely responsible for its current configuration and mode of operation. “Local self-government in India is a British invention. It is a representative organization answerable to an electorate, with broad administrative and taxation powers that serve as both a training ground for responsibility and an essential link in the chain of entities that constitute the national government.Lord Rippon is known as father of local self-government in India.

The belief held by Mahatma Gandhi was that “India lives in her villages.” Indian independence must start at the bottom, granting complete authority to each village as a panchayat or republic. According to his statements, a true democracy must be built by the citizens of every village, not by twenty individuals seated in the centre. Relating to this and in order to established local government in India, Article 40 of the Constitution, which enshrines one of the Directive Principles of State Policy which says, the State must organize village panchayats and give them the authority and powers they may require in order for them to serve as autonomous political entities.

The Panchayati Raj institutions came under the Directive Principles of State Policy under Article 40 of the Constitution, when the Constitution

came into force on January 26, 1950. The Directive Principles are not enforceable in a court of law, as is widely recognized. Therefore, it was only reasonable to expect the state to support Panchayati Raj's growth.Over time, many committees were established at various points in time to provide recommendations for fortifying panchayats. A quick discussion of a few of these committees are given below:

***The Balwant Rai Mehta Committee (1957)*:** The Balwant Rai Mehta Committee was established to examine the National Extension Service and Community Development initiatives and provide recommendations. For the community development initiative to succeed, the Committee fervently advised including the community in the planning, decision-making, and implementation stages.The Committee made several significant recommendations, including the following: the body was to be constituted for a period of five years by indirect elections from the village Panchayats; the higher-level body, the zilla parishad, was to be an advisory body only; the Committee recommended that elected local bodies be established as soon as possible and that they be given the necessary resources, power, and authority. The block or samiti was the basic unit of decentralization.

The Santhanam Committee (1963): The Santhanam Committee was established to oversee Panchayati Raj institution funding. The Committee recommended, among other things, that panchayats be given the authority to impose taxes such as home and land revenue; that all state grants be gathered and sent to the Panchayati Raj institutions in one combined form; and that a Panchayati Raj Finance Corporation be established to meet the institutions' financial needs.

The Ashok Mehta Committee (1978): In 1977, with the election of the Janata Party government, the Ashok Mehta Committee was established. It was established to make recommendations for actions that would support the Panchayati Raj establishments. Several of the committee's significant recommendations were made. With the existing technical knowledge, the district is a workable administrative unit for resource allocation, coordination, and planning.It is therefore preferable to have a two-tier system, with the Zilla Parishad at the top and the Mandal Panchayat at the bottom. Political

parties should run in elections, and the PRIs should have a four-year tenure. Financial and functional devolution are also necessary. The committee suggested increasing decentralization of authority at all levels and constitutional protection for the Panchayati Raj.

The G. V. K. Rao Committee (1985): The G. V. K. Rao Committee was established to examine panchayats from a variety of angles. It made the following recommendations: the block should be the focal point of the rural development process; Panchayati Raj Institutions at the district level and below should be tasked with organizing, carrying out, and overseeing programs for rural development; and Panchayati Raj Institutions should be activated and given all necessary support.

The L. M. Singhvi Committee (1986)**:** The L. M. Singhvi Committee's two main recommendations were that political parties should not participate in panchayat elections and that local self-government should be officially recognized, safeguarded, and preserved by the addition of a new chapter to the Constitution. Eventually, the Constitution was changed to make Panchayati Raj Institutions constitutional, despite strong opposition to these recommendations from a number of quarters.

The states must establish village panchayats and grant them the authority and powers required to enable them to operate as units of self-government, as stated in Article 40 of the Directive Principles of State Policy.

The most significant feature was the strengthening of democracy at the local level.

On May 15, 1989, India's then-prime minister, Rajiv Gandhi, introduced the 64th Amendment bill, which dealt with local administration. It did not, however, acquire the anticipated backing. In September 1990, he made another attempt to pass the law. But on this second attempt, the law was not given any thought at all. Under Prime Minister P. V. Narasimha Rao, the Congress administration proposed a bill on Panchayati Raj once more in September 1991. With a few minor changes, it was passed in 1992 as the 73rd Amendment Act and went into effect on April 24, 1993.

In India, favourable conditions for decentralization were established by the 73rd Amendment. The 73rd Amendment was a step in the right

direction for Indian decentralization,and while there is some disagreement about whether and to what extent the reforms have been implemented, the general consensus in this school is that the only thing standing in the way of successful devolution is the failure to fully implement the terms and conditions of the 73rd Amendment.

India's local government has a long history and has changed over time to meet the needs of the people living there and the region. Through the 73rd and 74th Constitutional Amendment Acts, it made significant progress from the time of its founding to obtaining constitutional status in 1993. The changes are a groundbreaking piece of law that give the institution of local self-government a comprehensive democratic foundation. They intended for the local bodies to function as institutions of self-government whereby the populace would be involved in the formulation of development plans and the execution of social justice and economic development initiatives.



CHECK YOUR PROGRESS

Q 3: Who wrote the book *"Panchayati Raj".*

.....

.....

Q 4: Mention two committee relating to implementation of Panchayati Raj.

.....

.....

Q 5: Who is known as father of Local Self Government in India?

.....

.....

1.5 STRUCTURE AND GOVERNANCE

Panchayati Raj institutions (PRIS) in India comprise the following:

I) Gram Sabha and Panchayat

II) Panchayat Samiti

III) Zilla Parishad

Gram Sabha and Panchayat: The Gram Sabha, or village assembly, is the foundation of the Panchayati Raj system and is made up of all adult people who are able to vote. Gram Sabha is required by the majority of state laws to meet at least twice a year, usually following the harvest of the Rabi and Kharif crops. It only meets once a year in Jammu and Kashmir and Orissa. According to specific state laws, the Gram Sabha must hold a meeting if a certain percentage of its votes, let's say one-fifth are requisitioned.It is anticipated that the Gram Sabha will function as an existing body, to which the local Panchayat will be accountable. Gram Sabha elects village panchayats in Bengal, Punjab, Gujarat, and Assam. The Gram Sabha in Bihar chooses a mukhia and 50 members for its executive council.The Gram Sabha has shown to be a powerful organization. There are plans to improve Gram Sabha's operations so that it can serve as a powerful tool for managing Panchayat leadership.

It is a complex matter how Gram Sabha, Panchayat, and Samiti relate to one another. Any other causes would be suicidal; thus, the Panchayat must follow the Gram Sabha's advice; yet, the Panchayat cannot be reduced to the status of an executive body alone.

The Panchayat is the first level of local government in rural areas. States differ in terms of its content and structure. It is installed in settlements with at least 300 residents. When the population of each village is fewer than 300, two or more villages may be combined to form a group-gram panchayat.

The head of the Gram Panchayat is known as the Sarpanch or Chairperson. A Sarpanch and a Deputy Sarpanch are chosen by the elected members of the Gram Panchayat to serve five-year terms. The villagers in some places directly elect the Panchayat president. Sarpanch has various responsibilities.

Panchayat Samiti: Under the Panchayati Raj system, it is the second tier of local self-government for rural areas. There are currently 6312 Panchayat Samitis in India, according to the Panchayati Raj ministry. It functions on a block level. Every head of the local Gram Panchayat is an ex-officio member of a Panchayat Samiti. All elected regional representatives

as long as they are not ministers, all state council members who live in the block and are not in the ministry, and three members chosen by each Gram Sabha in the area are also a part of the Panchayat Samiti.The government-appointed block development officer serves as the Panchayat Samiti's ex-officio executive head. Members of the Samiti choose their chairman, or leader, from within. The meetings are presided over by the chairman. The Samiti has a five-year tenure. Typically, the Samiti is organized into a number of departments or subcommittees, each of which is led by a Samiti member. The departments of general administration and finance are among the most significant.

The Panchayat Samiti's primary responsibility is to carry out the Zila Parishad's plans. In all cases, it is the actual implementation agency. In addition to overseeing the area's schools, water supply, sanitation, and communication systems, it also implements special initiatives for the advancement of scheduled castes, scheduled tribes, and other marginalized groups in the community.

The Panchayat Samiti receives its primary funding from the state governments, Zila Parishads, and other local authorities; levies, taxes, and fines collected from the community; fees for various services; and revenue from the registration of cars and licenses, as well as from businesses and marketplaces.

Zila Parishad: The Ministry of Panchayati Raj reports that India has 584 Zila Parishads in total, spanning over its union territories and states. The state of Uttar Pradesh has the most Zila Parishads (72). The Panchayati Raj system's highest local government body is the Zila Parishad. Districts are where it is formed.Its primary responsibility is the management of every Panchayat in the district. The district headquarters is where its office is situated. For a five-year tenure, members of the Zila Parishad are chosen from the district using the adult franchise. Zila Parishad might include as few as 50 members or as many as 75. Women, backward classes, scheduled tribes, and scheduled castes are all allotted seats. All Panchayat Samiti chairperson join the Zila Parishad as members. A president and a vice-president are chosen from among the Zila Parishad members to lead the

organization. The Zila Parishad's administrative apparatus is led by the Chief Executive official (CEO), an IAS official. The CEO oversees the Parishad's departments and carries out its development plans.

The primary duties of the Zila Parishad are to oversee Panchayat Samiti operations and serve as a liaison between the district's rural and urban local self-governments. Through Panchayat Samiti, it does offer the rural population necessary services and facilities. It serves as the primary executive and planning body for all district development initiatives.It is its duty to contribute to the district's agricultural advancement. As a result, it gives farmers better seeds. It also provides them with sufficient training and updates them on new farming methods. It is accountable for building percolation tanks and small-scale irrigation projects.

CHECK YOUR PROGRESS

Q 6: Mention the three tier of Local Government.

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Q 7: Write a short note on Gram Sabha.

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1.6 LET US SUM UP

- In India, rural government means local government that is Panchayat for rural areas and the Municipalities for urban areas. The three-tiered structure of government is not complete without local government.
- Local government, according to G. Montagu Harris, is run by the people themselves through representatives they have voluntarily chosen.
- The Panchayati Raj institutions came under the Directive Principles of State Policy under Article 40 of the Constitution, when the Constitution came into force on January 26, 1950. The Directive Principles are not enforceable in a court of law, as is widely recognized.

- Panchayati Raj institutions (PRIS) in India comprise the following: Gram Sabha and Panchayat, Panchayat Samiti, Zilla Parishad.
- The Panchayat is the first level of local government in rural areas. States differ in terms of its content and structure. It is installed in settlements with at least 300 residents. When the population of each village is fewer than 300, two or more villages may be combined to form a group-gram panchayat.
- The Panchayat Samiti's primary responsibility is to carry out the Zila Parishad's plans. In all cases, it is the actual implementation agency.
- The primary duties of the Zila Parishad are to oversee Panchayat Samiti operations and serve as a liaison between the district's rural and urban local self-governments. Through Panchayat Samiti, it does offer the rural population necessary services and facilities.

1.7 FURTHER READING

1) Johnson, C. (2003). *Decentralisation in India: poverty, politics and Panchayati Raj* (Vol. 199). London: Overseas Development Institute.
2) Bhargava, B. S. (1979). *Panchayati Raj Insitutions*. APH Publishing.
3) Gandhi, M., & Prabhu, R. K. (1959). *Panchayat raj*. Ahmedabad: Navajivan Publishing House.
4) Basu, R. (1994). *Public administration: Concepts and theories*. Sterling publishers pvt. Ltd.
5) Naidu, S. P. (2005). *Public administration: Concepts and theories*. New Age International.

1.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: In India, rural government means local government that is Panchayat for rural areas and the Municipalities for urban areas. The

three-tiered structure of government is not complete without local government.

Ans to Q No 2: a) "That part of the government of a nation or state which deals mainly with such matters as concern the inhabitants of particular district or place" is how John J. Clarke defines local government.

b) Local government is "the management of their own affairs by the people of a locality," according to L. Golding.

Ans to Q No 3: S. K. Dey

Ans to Q No 4: a) The Balwant Rai Mehta Committee (1957) and b) The Santhanam Committee (1963)

Ans to Q No 5: Lord Rippon

Ans to Q No 6: Gram Sabha and Panchayat,

Panchayat Samiti and Zilla Parishad

Ans to Q No 7: The Gram Sabha, or village assembly, is the foundation of the Panchayati Raj system and is made up of all adult people who are able to vote. Gram Sabha is required by the majority of state laws to meet at least twice a year, usually following the harvest of the Rabi and Kharif crops. It only meets once a year in Jammu and Kashmir and Orissa. According to specific state laws, the Gram Sabha must hold a meeting if a certain percentage of its votes, let's say one-fifth are requisitioned.It is anticipated that the Gram Sabha will function as an existing body, to which the local Panchayat will be accountable.



1.9 MODEL QUESTIONS

Q 1: Write a short note on the composition of Local Government.

Q 2: Explain the evolution of Local Government in India.

Q 3: Write a short not on the Balwant Rai Mehta Committee (1957).

Q 4: Discuss the major recommendation of Ashok Mehta Committee 1978.

*** ***** ***

UNIT 2 : DECENTRALISATION AND GRASSROOTS PLANNING

UNIT STRUCTURE

2.1 Learning Objectives

2.2 Meaning of Decentralisation

2.3 Concept of Decentralisation

2.4 Importance of Decentralisation

2.5 Components of Decentralisation and Local Governance

2.6 The 73rd Amendment Act and Decentralised Planning in India

2.7 Major Provisions of the 73rd And 74th Constitutional Amendment Acts, 1992

2.8 Panchayati Raj and Grassroots Development

2.9 Grassroots Planning: Empowering Village Panchayats for Sustainable Development

2.10 Let Us Sum Up

2.11 Further Reading

2.12 Answers to Check Your Progress

2.13 Model Questions

2.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- explain the meaning of decentralisation
- discuss the meaning, concept and importance of decentralisation
- discuss the components of decentralisation and local governance
- explain the major provisions of the 73rd And 74th Constitutional Amendment Acts, 1992
- explain Panchayati Raj and grassroots development.

2.2 MEANING OF DECENTRALISATION

Decentralisation involves transferring power to locally elected authorities, enhancing their electoral power, budgetary capacity, and

administrative responsibilities. Over the past four decades, decentralisation has been adopted worldwide, promoting citizen engagement and making democracy more open and accountable.

Globally, around 80—100% of countries have restructured to incorporate decentralisation. This process is closely linked to democracy, progress, and good governance, allowing people to organise and participate in decision-making. Local governments, while varying in capacity, play a crucial role in democratic societies. However, in many South Asian countries, rural governments often struggle with institutional capacity for public services and local growth.

The understanding that decentralisation contributes to growth is increasing. It encourages citizen involvement, boosts productivity in local government, and supports fair regional development. Decentralisation transfers tax, political, and administrative functions to lower levels of government, improving local bodies and public service provision.

In the 1990s, developed countries embraced decentralisation, supported by international financial organisations like the World Bank. While nearly all developed countries have adopted some form of decentralisation, only 12 out of 75 have not. This global effort aims to involve private players in governance, reducing the state's burden and enhancing effectiveness and accountability. Countries, including India, have decentralised state powers to sub-national governments.

Decentralisation shifts power from inefficient central governments to more accountable local governments. It promotes political participation, responsiveness, and better implementation of development programmes. In developing countries like India, decentralisation identifies and addresses local needs through direct governance participation, fostering participation, transparency, and empowerment of marginalised communities.

This Unit will explore the concept, importance, and dimensions of decentralisation, the patterns of Panchayati Raj and urban local bodies, and evaluate their functioning.

2.3 CONCEPT OF DECENTRALISATION

To effectively address decentralisation, we must understand its meaning. It has become a significant topic in public administration, viewed as one of the century's major political-administrative innovations. Decentralisation is seen as a vital policy for improving governance in developing countries, countering the inefficiencies of central planning. Central governments often struggle with complex socio-economic problems and fail to meet the basic needs of the poor.

In India, decentralisation efforts have been ongoing since independence, advocating for local decision-making. The term decentralisation varies in interpretation but generally involves transferring power from the central government to lower levels, dispersing authority among various units. This process is not only about administrative delegation but also about democratic devolution.

Decentralisation involves the location of facilities and the dispersal of authority within an organisation. It localises ultimate command authority and responsibility for results to regional units. Delegating responsibilities to lower levels, while referring major policies to higher levels, has proven effective.

In India, decentralisation aims to follow a democratic model, transferring powers and funds from higher institutions to local bodies.[1] It seeks to devolve governmental powers, develop local leadership, and promote economic modernisation. This process involves the government divesting certain duties to other authorities.[2]

Decentralisation promotes self-reliance, democratic decision-making, popular participation, and accountability of public officials. It ensures democracy is representative and responsive.[3] As a political decision, decentralisation disperses authority among lower levels, fostering responsibility in local decision-making and improving organisational efficiency and responsiveness.[4]

2.4 IMPORTANCE OF DECENTRALISATION

Decentralisation is seen as an effective way to deliver public services from local centres, making them more responsive to community needs. The developing world has increasingly adopted decentralised governance to meet public demands (Islam, 2007). The primary aim is to bring

administration closer to citizens and establish a direct relationship between them and the government.

Several factors drive the push for decentralisation:

- **Service delivery**: Local units can better provide basic public goods such as food, housing and water.
- **Rural access**: Most people in developing countries live in rural areas far from the national capital. Decentralisation ensures that administration reaches these remote regions.
- **Cultural diversity**: Ethnic, linguistic, and religious differences necessitate decentralised administration to address regional diversities.
- **Local resources**: Utilising regional and local resources for development is more effective when administration is decentralised, facilitating local planning and development.
- **Political and administrative benefits**: Local participation in development activities leads to meaningful articulation of local demands and realistic planning with strong political support. Administratively, it enhances local governance capabilities through sustained participation in decision-making.

Decentralisation is expected to mobilise local energies and support for development activities, helping communities attain political and administrative maturity. It also institutionalises citizen participation in development planning by creating alternative decision-making processes.

Rajni Kothari (1988) described decentralisation as “an alternative system of governance based on a people-centred approach to solving local problems, where people are at the centre of power and become the driving force of the development process, not just its beneficiaries.”

2.5 COMPONENTS OF DECENTRALISATION AND LOCAL GOVERNANCE

Decentralisation is a crucial policy component for improving governance in developing countries, often seen as a prerequisite for socio-economic and political decentralisation. The key dimensions of decentralisation include administrative, political, functional, and fiscal aspects. These dimensions reflect the stages of progress in achieving decentralisation goals (Jain, 2003).

- **Political decentralisation:** Political decentralisation involves transferring political powers from central to lower levels of government, which are elected by local citizens and possess some degree of autonomy. This process, initiated in India in 1959 based on the Balwant Rai Mehta Committee's recommendations, was fully implemented with the 73rd and 74th Constitutional Amendment Acts in 1993. These amendments established governance at central, state, district, block, and village levels, enhancing local representation and participation.
- **Administrative decentralisation:** Administrative decentralisation entails transferring authority, resources, and responsibilities to lower officials within the administrative hierarchy. This shift aims to improve local facilities and services. In India, despite early development efforts post-1950 with the Planning Commission, top-down policies failed to benefit local populations due to a lack of local perspective. Administrative decentralisation fosters a bottom-up approach, making governance more responsive.
- **Functional decentralisation:** Functional decentralisation involves assigning specific functions to local tiers to enable effective and efficient responsibility discharge. Each tier's activity sphere should be clearly defined, allowing independent operation. The 73rd and 74th Constitutional Amendment Acts addressed the absence of clear functional jurisdictions in India. However, many states still delegate functions through executive orders rather than legislation (Mishra, 2006).

- **Financial decentralisation:** Financial decentralisation transfers taxation, funds, and expenditure powers to local bodies, enhancing their financial autonomy for local planning and implementation. This devolution is vital for improving local bodies' financial capacity. Previously, Indian local bodies struggled due to a lack of funds and reliance on state government grants. The 73rd and 74th Constitutional Amendment Acts empowered local bodies to levy and collect taxes, improving their functionality.

In summary, the 73rd and 74th Constitutional Amendment Acts operationalised the various dimensions of decentralisation in India, significantly enhancing local governance.

2.6 THE 73RD AMENDMENT ACT AND DECENTRALISED PLANNING IN INDIA

The 73rd Constitutional Amendment Act (CAA) marked a significant milestone in India's political decentralisation. Under this Act, local councils gained considerable autonomy in planning and implementing projects. Article 243G of the Act envisions local authorities as pivotal in drafting and executing strategies for 'economic growth and social justice.'

Gram Sabhas are empowered to create plans, define services for projects, and select beneficiaries for poverty alleviation and social welfare programmes. The 73rd Amendment's Schedule Eleven lists 28 subjects related to Panchayats' powers and responsibilities, emphasizing fund distribution, functionary allocation, and establishing State Finance Commissions.

The 74th Amendment Act's Article 243 outlines the formation of District Planning Committees (DPCs). Despite these provisions, Indian local governments face challenges that undermine the goals of democratic decentralisation. Issues such as lack of support for municipalities, political obstacles, the influence of local elites, and low civic awareness hinder effective self-government and decentralised planning.

The Panchayati raj system in India aims to empower individuals on three levels, and the 73rd Amendment of 1992 significantly advanced this

goal. The Seventh Amendment reinforced administrative federalism, mandating states to legislate and implement decentralisation. Decentralisation involves transferring authority to local governments to address grassroots needs (Mohapatra, 2015).

The 73rd Amendment provides legislative status to village, block, and district bodies. Key aspects include:

- Establishment of the Panchayati raj system by Gram Sabha.
- States with populations under 20 lakh need not establish a three-tier Panchayati raj institution.
- Direct elections for all levels every 5 years.
- Reservation of one-third of seats for women and backward classes.
- A State Election Commission will be established to administer, organize, and oversee elections at all levels of Panchayats. Additionally, a State Finance Commission will be formed every 5 years to update and revise the financial status of Panchayats, providing recommendations to the State Governments on the allocation of Panchayat funds.
- The state Governor shall establish a financial committee every 5 years to review the financial status of the Panchayats.

The World Bank's analysis of Indian decentralisation rates India highly for political decentralisation but lower for administrative decentralisation. M. A. Omen's study on Panchayat finance highlights issues such as inadequate administrative and financial support for Village Panchayats, overstaffing, and lack of independent budgetary rights. Despite these challenges, the 73rd Constitutional Amendments represent transformative steps in decentralisation (Faguet, 2012).

2.7 MAJOR PROVISIONS OF THE 73RD AND 74TH CONSTITUTIONAL AMENDMENT ACTS, 1992

The Constitution of India defines Panchayats as institutions of local self-government in rural areas. The 73rd and 74th Amendment Acts of 1992 have constitutionalised Panchayats and Municipalities, aiming to expedite decentralisation and strengthen local institutions. These amendments are

historic as they have the potential to transform the character of Indian democracy. Key features of these Acts include:

- Mandatory establishment of three-tier bodies in rural and urban areas (two-tier in smaller states with less than 20 lakh population).
- Regular elections every 5 years, with fresh elections within 6 months if dissolved earlier.
- Reservation of seats for SCs and STs in proportion to their population at all Panchayat and Municipality levels.
- One-third reservation of seats for women in Panchayats and Municipalities.
- Direct elections for most posts, with indirect elections for chairpersons at intermediate and apex tiers.
- Creation of a State Election Commission to conduct elections to Panchayati Raj Institutions (PRIs) and municipal bodies.
- Establishment of a State Finance Commission every 5 years to review the financial position of PRIs and municipal bodies.
- Devolution of powers to Panchayat bodies for 29 functions and to municipal bodies for 18 functions as listed in the Eleventh and Twelfth Schedules, respectively.
- Organisation of Gram Sabhas and ward committees.
- The 74th Constitutional Amendment mandates the constitution of District Planning Committees (DPC) and Metropolitan Planning Committees (MPC) to prepare development plans.

Article 243M of the 73rd Constitutional Amendment exempts its application to certain areas, including Fifth Schedule Areas, Sixth Schedule Areas, and other tribal areas. The tribal communities, often marginalised and isolated from mainstream development, have their customs and traditions protected. Their traditional institutions play a vital role and need maintenance. To strengthen grassroots democracy in tribal areas, the Panchayats Extension to Scheduled V Areas Act (PESA) of 1996 extends Part IX of the Constitution, providing exclusive and wide-ranging powers to Gram Sabhas and Panchayats in these areas.

2.8 PANCHAYATI RAJ AND GRASSROOTS DEVELOPMENT

The Ministry of Panchayati Raj was established in 2004 to empower Panchayati Raj Institutions (PRIs) and ensure the efficient delivery of services and inclusive development across the nation. In 2007, the Government of India constituted the 13th Finance Commission under the chairmanship of Vijay Kelkar to examine the sharing of financial resources within the country. The commission recommended allocating a share of the Union Revenue Divisible Pool to Panchayats.

Centralizing authority and power exclusively in the federal unit would undermine the system. Approximately 29 subjects were listed in the 11th Schedule of the Indian Constitution for planning and implementing various social and economic development programmes at the grassroots level. The Planning Commission and the Ministry of Rural Development have consistently urged state governments to take action. The Panchayat system has enabled active participation from rural and tribal communities in governance and development processes at the grassroots level.

The Eleventh Five Year Plan identified the empowerment of PRIs as a critical challenge. The Plan document emphasized that states should not delay or bypass the devolution of functions, funds, and functionaries to PRIs to empower disadvantaged sections of society. It highlighted that strengthening grassroots-level self-government is a public good recognized by the Constitution of India.

On August 27, 2009, the Government of India mandated 50% reservation for women in PRIs, and several states have implemented this policy. The Government of India has also taken numerous initiatives for rural development, establishing the Ministry of Rural Development as the nodal department for the Centre on Integrated Rural Development of Asia and the Pacific and the Afro-Asian Rural Development Organization.

The 73rd Constitutional Amendment Act provided a new dimension to rural development in India by reserving seats for SCs, STs, and women in PRIs, creating significant progress in the country (Kaur & Dhindsa, 2012).

Panchayati Raj institutions are integral to democratic self-governance and decentralization at the grassroots level in India (Gogoi, 2013). These institutions have remained accountable to the people, bridging the gap between the central government and rural areas.

PRIs are deeply involved in the grassroots development process through their participation in planning and execution activities. Local governance is essential for meeting local needs. The 73rd and 74th constitutional amendments recognised the necessity of decentralised governance and development in rural areas. Thus Gram Panchayats interacted directly with citizens, and Gram Sabhas were forums for making decisions on various grassroots-level development activities.

PRIs play a vital role in achieving development with social justice, aligning with the aspirations of the Indian people for their participation in the country's development process. Following the 73rd Constitutional Amendment, PRIs have been envisioned to have a clear role in rural development. The Government of India and state governments provide financial support to PRIs for implementing various schemes and poverty alleviation programmes.

According to the 2011 census, 68.84% of India's population resides in rural areas, while 31.16% live in urban areas. To improve the conditions of rural populations, the Government of India, through the Planning Commission, launched several schemes. These include the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Rastriya Sama Vikas Yojana (RSVY), Indira Awas Yojana (IAY), Sampoorna Grameen Rozgar Yojana (SGRY), Integrated Tribal Development Project (ITDP), Pradhan Mantri Gram Sadak Yojana (PMGSY), Integrated Child Development Services (ICDS), and Development of Women and Children in Rural Areas (DWCRA). These schemes aimed to bridge the gap between rural and urban areas, thereby reducing imbalances and accelerating the development process. However, inadequate funding and a lack of qualified and competent elected representatives and officials hindered the effective implementation of rural development programmes.

The National e-Governance Programme was implemented to make

Panchayats more efficient, transparent, and accountable. Information and communication technologies have been employed to improve self-governance, with software applications developed to strengthen e-governance and provide people-friendly governance and development at the grassroots level.

The overall development of the country relies heavily on agriculture, industry, communication, education, health, and allied sectors in rural areas. PRIs were established to improve rural infrastructure, increase rural household incomes, and enhance delivery systems related to education, health, and safety mechanisms. Panchayats are expected to play a crucial role in grassroots development.

The Rashtriya Gram Swaraj Yojana, a Centrally Sponsored Scheme, was implemented to support state governments in training and building the capacity of elected representatives of PRIs (Gaikwad et al., 2015). The Rural Business Hubs scheme, another Central Sector demand-driven initiative, promotes businesses using rural raw materials and skills. PRIs are tasked with poverty alleviation, self-employment programs, infrastructural development, and integrated rural development. Prominent programs implemented by PRIs include the Swarnajayanti Gram Swarozgar Yojana, Pradhan Mantri Gramodaya Yojana, Sampoorna Gramin Rojgar Yojana, Mahatma Gandhi National Rural Employment Guarantee Schemes, Indira Awaas Yojana, and more.

Despite these efforts, rural communities are often unaware of democratic decentralization and political participation for grassroots development. Party politics, especially ruling party interference, undermines the essence of democratic decentralization and grassroots governance. The main challenges include inadequate administrative and technical manpower at block and Gram Panchayat levels, which affects planning, scrutiny, approval, monitoring, and record maintenance, thus impacting scheme implementation and transparency.

There is a need for a comprehensive concept of Panchayati Raj to facilitate active social and political mobilization, preventing exploitation of the poor and weaker sections of society. Institutional, structural, and

functional aspects of PRIs should align with constitutional norms, distributive justice, and inclusive development in rural areas.

Studies indicate that representatives of women and weaker sections have not played a crucial role in managing PRIs due to lack of literacy, awareness, efficiency, and leadership qualities. There is a need for serious measures to develop the leadership of Panchayat Raj elected representatives through workshops, training programs, brainstorming sessions, and other intellectual exercises.

The legal framework of PRIs helps the Government of India and state governments decentralize various functions and governance issues. Many states have succeeded in decentralizing decision-making and implementing various schemes through PRIs at the grassroots level.



CHECK YOUR PROGRESS

Q 1: What is decentralisation?

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Q 2: Which amendment to the Indian Constitution formalised decentralisation?

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Q 3: What is the primary objective of the 73rd and 74th Amendments?

.....

.....

Q 4: What are the three tiers of Panchayati Raj Institutions?

.....

.....

2.9 GRASSROOTS PLANNING: EMPOWERING VILLAGE PANCHAYATS FOR SUSTAINABLE DEVELOPMENT

Decentralised or grassroots level planning brings the planning process closer to the people, enabling them to decide their developmental

priorities and participate in planning and implementation. The Panchayati Raj (PR) system provides an institutional framework for community involvement in development. Grassroots planning, also known as micro-level planning, helps identify community needs, prioritize them, and formulate viable projects to achieve maximum development with limited resources. This responsibility primarily lies with the village Panchayat.

Role of Village Panchayats

Before the 73rd Constitutional Amendment, village Panchayats were responsible for initiating and implementing developmental tasks. However, they lacked the necessary administrative authority and resources. The recent Act on Panchayati Raj has empowered village Panchayats with the requisite authority and financial resources to carry out plans and programs for their communities.

Shifting from Government Dependency

Before the Panchayati Raj institution's statutory network, government machinery carried out almost all developmental functions in villages, leading to a dependency syndrome. People relied on the government for all activities, with little say in matters affecting their lives. This created a scenario where government officials dictated needs and solutions. The challenge now is to motivate people to become decision-makers, with the government serving as a helping hand. Key aspects of grassroots planning include people's participation in their own development through local self-governance.

Preconditions for Effective PRIs

For PRIs to function as institutions of self-governance, they need clearly demarcated jurisdictions with adequate powers and authority. They also require necessary human and financial resources to execute plans effectively. PRIs at all three levels should have functional autonomy within the federal structure. The 1992 Constitutional Amendments aim to fulfill these conditions, enabling Panchayat bodies to execute rural development effectively.

Major Areas of Grassroots Level Planning

According to the 73rd Constitutional Amendment Act, PR institutions cover 29 items related to village socio-economic life, grouped into seven sectors:

1. **Agriculture and allied activities**
   - Agriculture, land improvement, minor irrigation, animal husbandry, fisheries
2. **Forestry and environment**
   - Social and farm forestry, minor forest products, non-conventional energy resources
3. **Industries**
   - Small industries, khadi village and cottage industries
4. **Infrastructure and social services**
   - Roads, rural electrification, drinking water, rural housing, education, health, sanitation
5. **Social welfare**
   - Women and child welfare, social welfare of scheduled castes and tribes
6. **Poverty alleviation**
7. **Maintenance of community assets**

These 29 items translate into about 290 activities, divided among district, block, and village levels, with distinct responsibilities for each tier.

Financing Village Development Plans

Village Panchayats require financial resources for maintaining the Panchayat office, civic services, and infrastructure development. The 73rd Constitutional Amendment mandates a Finance Commission in each state to ensure adequate financial resources for Panchayats. Income sources for village Panchayats include state grants and local taxes.

Monitoring and Supervision

Village Panchayats primarily supervise developmental works, with Panchayat Samiti and Zilla Parishad providing additional oversight. The Gram Sabha plays a crucial role in social auditing, ensuring transparency and accountability in developmental activities. It approves developmental plans, selects beneficiaries, and manages resources.

Modalities of Grassroots Level Planning

Village Panchayat meetings, held regularly, involve planning and executing developmental works through sub-committees. Gram Sabha

meetings, held at least once every 3 months, review progress and supervise implementation. The Gram Sabha's decisions and suggestions are crucial for effective grassroots planning.

In summary, decentralized or grassroots level planning involves community participation in development, with village Panchayats playing a central role. The 73rd Constitutional Amendment has empowered Panchayats with the necessary authority and resources to execute developmental plans, fostering self-reliance and accountability at the grassroots level.



2.10 LET US SUM UP

- Decentralisation has firmly been established in both rural and urban areas.
- Local democracy has deepened, political participation has broadened, and representation has diversified as a result of the 73rd and 74th Constitutional Amendment Acts.
- Decentralisation has provided an institutionalised arena where the local population can participate in local government decision-making.
- The decentralisation process has given rural and urban local bodies the opportunity to assume greater responsibility for governance.
- The new system of decentralised governance has provided continuity and expanded participatory processes at the grassroots level.
- States have taken measures to transfer functions and devolve funds to local bodies.
- Despite these advancements, local bodies at the grassroots level face the daunting task of addressing governance challenges.
- The State has a vital role in establishing the right kind of governance system at the grassroots level.
- In operationalising the panchayat and municipal acts, the State plays a crucial role in providing support for building local institutions, creating a legal framework, and fostering an enabling environment for

participation.

- Positive State intervention through policies for human resource and institutional development is critical to strengthening the decentralisation process.
- In the era of globalisation, central and state governments must provide critical support to local institutions in terms of infrastructure and institution building, as globalization has impacted village life.
- Transparency, accountability, effective planning and efficient delivery of goods and services are essential for improving the decentralisation pattern in India.
- Top-down planning has failed to yield expected results, leading social planners to advocate for bottom-up planning through democratic decentralisation.
- The 73rd and 74th Constitutional Amendments of 1992 institutionalised people's participation in grassroots-level planning.
- The new Panchayati Raj System features a three-tier system of public administration: village Panchayat at the village level, block Panchayat at the block level, and District or Zilla Panchayat at the district level.
- The Gram Sabha is an essential and vibrant element of the new Panchayati Raj System, ensuring accountability and transparency and allowing common people to actively participate in planning for their communities.
- Panchayat bodies have been given 29 broad areas of socio-economic development, such as agriculture, animal husbandry and small-scale industry, for planning and implementing various programs and schemes in consultation with the Gram Sabha.
- For tribal areas, 'The Provisions of the Panchayats (Extension to the Scheduled Areas) Act, 1996' has been enacted to secure tribal identity and protect them from marginalisation.
- In the extended Act, Gram Sabhas are the core of the democratically decentralised administrative structure, preserving tribal identity, traditional customs, practices, community assets and resolving local disputes.



2.11 FURTHER READING

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2.12 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Decentralisation is the process of transferring power, authority, and responsibilities from central to local government institutions.

Ans to Q No 2: The 73rd Amendment to the Indian Constitution formalised decentralisation by introducing Panchayati Raj Institutions (PRIs) for rural areas.

Ans to Q No 3: The primary objectives of the 73rd and 74th Amendments are to strengthen local self-government through PRIs and urban local bodies (ULBs), ensure regular elections, provide reservation of seats for marginalised groups, and assign functions, powers and responsibilities to them.

Ans to Q No 4: The three tiers of Panchayati Raj Institutions (PRIs) are the village level (Gram Panchayat), the intermediate level (Panchayat Samiti or Block) and the district level (ZilaParishad).



2.13 MODEL QUESTIONS

A. Short Questions (Answer each question in about 150 words)

Q 1: How did the 73rd Amendment to the Indian Constitution enhance grassroots development in rural areas?

Q 2: Discuss the role of Gram Sabhas in the decentralisation process in India.

Q3: What challenges does India face in implementing effective decentralisation at the grassroots level?

B. Long Question (Answer each question in about 300—500 words)

Q 1: Discuss the evolution of decentralisation and grassroots development in India, highlighting key reforms and their impact on governance and

development.

Q 2: Discuss the major issues and challenges in rural local governance.

Q 3: Evaluate the impact of political decentralisation on rural development.

Q 4: Assess the effectiveness of administrative decentralisation in public service delivery.

(Footnotes)

[1]Jayal, N.G. (2007): Introduction. In Jayal, et.al (Eds.), Local Governance in India Decentralisation and Beyond. New Delhi: Oxford University Press.

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UNIT 3 : PANCHAYATI RAJ

UNIT STRUCTURE

3.1 Learning Objectives

3.2 Introduction

3.3 History of Panchayati Raj In India- From The Ancient To The Pre-Independence Period

3.4 Commissions And Committees on Rural Local Governance

3.5 The 73rd Constitutional Amendment Act, 1992

3.6 Composition and Powers of PRIs

3.7 Let Us Sum Up

3.8 Further Reading

3.9 Answers to Check Your Progress

3.10 Model Questions

1.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- learn about the history of the Panchayati Raj Institutions in India
- understand about the role played by the various committees and commissions in advancing the case of rural local governance in India
- learn about the provisions of the 73rd Constitutional Amendment Act, 1992
- understand the composition, powers and functions of the PRIs.

3.2 INTRODUCTION

In India, the Panchayati Raj system of local self-government was created to encourage decentralisation and provide rural communities the authority to run their own affairs. The concept is predicated on the notion that grassroots decision-making should influence local communities, guaranteeing more accessible, participatory, and responsive governance.

As a concept, it is deeply rooted in India's traditional system of

governance, where village councils were responsible for managing local affairs. The Balwant Rai Mehta Committee's (1957) proposals for the creation of a three-tiered structure of local government marked the beginning of the current Panchayati Raj system in the 20th century.

In this unit, we shall attempt to understand the structural growth of the local governance system under the 73rd Constitutional Amendment Act, 1992, provisions of the 73rd Constitutional Amendment Act and the composition, powers and functions of the Panchayati Raj Institutions (PRIs) in India.

3.3 HISTORY OF PANCHAYATI RAJ IN INDIA- FROM THE ANCIENT TO THE PRE-INDEPENDENCE PERIOD

Self-governance has been a tradition in India since the ancient times. Panchayats, for that matter have been in existence since the Vedic times. Kautilya's Arthashastra, the Manusmriti and Shanti Parva of the Mahabharata, have explicitly mentioned about village councils being in existence. Valmiki's Ramayana is also credited with mentioning about the village federation, which administered local governance. The Maurya and Gupta eras were also characteristic of having features of local self-governance. In the Mauryan age, village administration was carried out by the Sabha or the assembly. The Sabha was the Centre of the multifarious activities of the village (Thakuria and Das, 2016). In the Gupta period, the village councils in some of the places were known by names such as, 'Panch Parmeshwar', 'Panch Mandali' or 'Gramjanapada'.

It was with the coming of the Mughals in the medieval period that local self-governance lost its relevance, as administration became highly centralized during this time. Not many initiatives were taken by the Mughal rulers to encourage and strengthen the local institutions. As a result, there was a complete breakdown of the local self-government institutions and revival of the same required efficient and effective measures.

The present structure of local governance owes its existence to the British rule in India. Although the British government had not respected the

ancient Indian local governance institutions, they realized the need of the formation of local governance in the country with time. Steps towards forming Municipal Corporations in the three presidency towns of Madras, Calcutta and Bombay were taken by the British administration from the year 1687 onwards. Lord Mayo's Resolution of 1870 is famous in this regard, as it advocated a measure of decentralization from the centre to the provinces. Lord Rippon's Resolution of 1882, also called the 'Magna Carta of Local Governance', made huge changes in the history of local governance in India. It is because of this reason that he is regarded as the 'Father of Local Governance in India.' The Royal Commission on Decentralization (1907), under the chairmanship of Charles Hobhouse, was important for rural local governance, as it recognized the importance of panchayats at the village level. Village panchayats in the country were established during this period. However, inefficiency due to slow administrative works and corruption had plagued the system by this time. The Government of India Act, 1935 came to the rescue and it replaced the dyarchical system of government which was introduced by the Government of India Act, 1919 (also called the Montague-Chemlsford Reforms) by introducing provincial autonomy.

In the post-independence period, consecutive governments at the centre had taken numerous steps to establish strong rural local governance. Under Part IV (Directive Principles of State Policy), Article 40 of the Indian Constitution, it is mandated that the "State shall take steps to organize village panchayats to endow them to function as units of self government."

3.4 COMMISSIONS AND COMMITTEES ON RURAL LOCAL GOVERNANCE

1. **Balwant Rai Mehta Committee (1957):** The Government of India established the Balwantrai Mehta Committee in 1957 to investigate the problem of democratic decentralisation and provide ways to develop successful local self-governance in India. The Union Minister for Panchayati Raj at the time, Balwantrai Mehta, served as the chairman.

Main Goals and Suggestions:

a) **Promote Democratic Decentralisation**: The committee sought to make recommendations on how to give local governments more administrative authority so they can better oversee local affairs and serve as grassroots members for public interest.

b) **Panchayati Raj System**: It was recommended that the Panchayati Raj system be implemented as one of the main measures and creating a three-tier Panchayati Raj system:

- Zila Parishad (District Level): At the top, for supervision and coordination of the operations at the lower levels.
- Panchayat Samiti (Block Level): In between, to supervise block-level management.
- Panchayat (Village Level): At the local level, with an emphasis on villages and rural regions.

c) **Elected Local Bodies**: In order to guarantee genuine democratic representation, the committee underlined that members of the Gram Panchayat, Panchayat Samiti, and Zila Parishad should be chosen directly by the people.

d) **Decentralized Planning and Development**: In order to facilitate the planning and execution of development initiatives, the committee suggested that local entities be included in the process.

e) **Financial Autonomy**: In order to carry out local development initiatives, it was suggested that local authorities be granted financial autonomy. This included the ability to charge taxes, get grants, and create their own finances.

f) **Delegation of Power**: To guarantee that local concerns were handled promptly and effectively, the committee recommended that administrative duties be transferred from the state government to the local organisations.

Impact:

As a result of the suggestions made by the Balwantrai Mehta Committee, India implemented the Panchayati Raj system. Other

states adopted this approach after it was initially introduced in Rajasthan in 1959. It turned into a significant turning point in India's local governance democratisation and decentralisation agenda.

The 73rd Constitutional Amendment Act of 1992, which further institutionalised and reinforced the Panchayati Raj system and established a constitutional framework for local self-governance throughout India, was made possible by the report of the Balwantrai Mehta Committee.

2. **Ashok Mehta Committee**: The Government of India formed the Ashok Mehta Committee in 1977 to investigate and assess how the Panchayati Raj system operates in India. The group, which was led by a former MP named Ashok Mehta, was charged with making recommendations on ways to make it stronger and more relevant in the modern political and administrative system.

Recommendations:

a) **Two-Tier System**: The committee suggested the two-tier system of local governance in place of the three-tier system that the Balwantrai Mehta Committee had suggested. According to this system:

- Zila Parishad (District Level): At the top, serving as the principal entity for district-level decentralised government.

- Gram Panchayat (Village Level): At the grassroots level, Gram Panchayats are in charge of local affairs and rural development. As an intermediate stage, it recommended doing away with the Panchayat Samiti (Block Level).

b) **Political Representation**: In order to increase responsibility and responsiveness, the committee suggested that the Panchayats be democratically elected entities, with political parties running for office. This was a change from the previous strategy, which concentrated on local non-political organisations.

c) **Decentralisation of Power**: It highlighted the necessity of giving local bodies more authority. In order to guarantee that choices

pertaining to local development are decided locally, the committee advocated giving the Panchayats more administrative and financial authority.

d) **Function of Zila Parishad**: The committee recommended that the Zila Parishad act as a liaison between the Panchayats and the state government. It suggested providing the Zila Parishad with sufficient funding and authority to carry out district-level development projects.

e) **Financial Autonomy**: The Ashok Mehta Committee made the same recommendation as the Balwantrai Mehta Committee, namely that local councils be given financial autonomy. This includes the authority to manage funds for local development, collect taxes, and obtain government funding.

f) **Constitutional Status for Panchayats**: The committee suggested that Panchayats be granted constitutional status in order to guarantee that local governments would operate efficiently and be shielded from any meddling by the federal or state governments.

g) **Involvement of Political Parties**: The Ashok Mehta Committee stressed that political parties should participate in Panchayat elections in order to make the process more dynamic and democratic, in contrast to the Balwantrai Mehta Committee's previous suggestions.

h) **Decentralised Planning**: It recommended that local organisations be tasked with organising and carrying out development initiatives, giving the Panchayats the authority to determine the priorities for regional growth.

Impact of the Ashok Mehta Committee:

Although some of the committee's suggestions were not immediately put into practice, its report had an impact on the discussion of Panchayati Raj in India going forward. The 73rd Constitutional Amendment Act of 1992, which established the three-tier structure (Gram Panchayat, Panchayat Samiti, and

Zila Parishad) in the Indian Constitution and granted Panchayats a constitutional guarantee, was largely influenced by the committee's recommendations.

Significant Distinctions from the Balwantrai Mehta Committee

The Balwantrai Mehta Committee suggested a three-tier system (which includes the Panchayat Samiti at the block level), whilst the Ashok Mehta Committee suggested a two-tier system. Political Involvement: While the Balwantrai Mehta Committee had supported non-political bodies, the Ashok Mehta Committee advocated for political parties to participate in local body elections. Even if several of the Ashok Mehta Committee's recommendations were changed or not yet fully implemented, its emphasis on political participation, financial autonomy, and larger responsibilities for local organisations helped shape the future of decentralised administration in India.

3. **GVK Rao Committee**: The Government of India formed the GVK Rao Committee in 1985 to assess how well the Panchayati Raj system was operating and suggest ways to make it better. GVK Rao, a former Indian Administrative Service (IAS) official and rural development specialist, served as the committee's chair.

   The GVK Rao Committee's main recommendations were as follows:

   a) **Revitalisation of Panchayati Raj System**: In order to increase the Panchayati Raj system's effectiveness in rural development and local governance, the committee suggested that it be revitalised. It underlined how crucial it is to fortify the current three-tiered local governance structure (Zila Parishad, Panchayat Samiti, and Gram Panchayat).

   b) **Decentralised Planning**: The committee said that planning should be decentralised as one of its main recommendations. The creation and execution of development plans should involve local entities, especially the Panchayats. According to their particular requirements, it was suggested that local bodies should

be in charge of creating local development plans.

c) **Empowering Local Bodies**: In order to ensure that local bodies have adequate administrative, political, and financial capacity to carry out development activities, the committee emphasised the significance of devolution of powers to these entities. Local governments must to have the power to determine the priorities for their respective regions in addition to carrying out plans from the state or federal government.

d) **Financial Autonomy**: The GVK Rao Committee suggested that Panchayats should have financial autonomy, just like the other committees had. This would include the authority to collect money, impose taxes, and obtain funding for local development from the federal and state governments.

e) **District Planning Committees**: In order to support integrated planning at the district level, the committee recommended the creation of District Planning Committees (DPCs). These committees would oversee the effective use of resources and coordinate development plans for the district's urban and rural districts.

f) **Enhanced Functioning of Zila Parishads**: To increase their efficiency in managing and coordinating rural development initiatives, the committee suggested strengthening the Zila Parishads (District level bodies). Zila Parishads ought to be given the power to supervise the district-level execution of development initiatives.

g) **More Public Involvement**: The committee stressed the importance of promoting public participation in local government. The local populace should be heavily involved in development-related decision-making processes, and panchayats should serve as forums for active community involvement.

h) **State Government's Role**: The committee also emphasised how important it is for the state government to assist the Panchayats. State governments must guarantee that Panchayats

have the money, assets, and administrative support they require.

i) Training and Capacity Building: The committee acknowledged the necessity of training and capacity building of local elected officials. It recommended setting up training facilities for local officials to improve their administration, planning, and governance expertise.

Impact of the GVK Rao Committee:

The GVK Rao Committee was instrumental in drawing attention to the shortcomings and difficulties of the Panchayati Raj system. Although many of its suggestions were not carried out in their entirety at the time, they did offer insightful information that helped shape the 73rd Constitutional Amendment Act of 1992.

The Panchayati Raj system was greatly strengthened by the 73rd Amendment, which granted Panchayats constitutional legitimacy, allowed for elections, delegated authority, and guaranteed local governments' financial independence. The GVK Rao Committee's emphasis on decentralised planning and the creation of District Planning Committees were also integrated into the larger framework of local governance reforms.

4. **L.M. Singhvi Committee**: Led by Dr. L M Singhvi, a distinguished constitutional expert, jurist, and former Member of Parliament, the L M Singhvi Committee was formed by the Government of India in 1986. The committee's job was to study the Panchayati Raj system and suggest ways to make it stronger, especially to improve the efficiency of local self-government in India.

Main Recommendations:

a) **Constitutional Status for Panchayats**: Panchayats should be given a constitutional status, was one of the L M Singhvi Committee's main recommendations. This was done in order to guarantee local self-governments' legal protection, maintain their independence, and lessen intervention from the federal and state governments. Later, this concept was made a reality by the 73rd Constitutional Amendment Act of 1992.

b) **Three-Tier System of Panchayati Raj**: The committee highlighted the three-tier structure of Panchayati Raj, which comprises the village-level Gram Panchayat, the block-level Panchayat Samiti and the Zila Parishad at the district level. It was suggested that this framework be made a permanent part of India's rural governance system.

c) **Direct Elections**: The committee suggested that the people must directly elect all members of the Panchayats at all levels (Zila Parishad, Panchayat Samiti, and Gram Panchayat). This was done to strengthen local government's democratic legitimacy.

d) **Decentralised Planning**: The committee suggested that the planning process for rural development be bottom-up instead of top-down and promoted decentralised planning. Development plans should be created and carried out by local organisations.

e) **Financial Autonomy for Panchayats**: The committee emphasised the importance of giving local organisations financial autonomy so they can operate on their own. In order to finance local development initiatives, it was suggested that Panchayats be given the authority to raise their own resources through grants, taxes, and other sources.

f) **Role of Women in Local Governance**: The significance of gender equality in Panchayat elections was underscored by Dr. Singhvi in his remarks on the role of women in local governance. The group argued that in order to guarantee women's active involvement in local governance, seats should be reserved for them at all Panchayati Raj levels. The 73rd Amendment Act (1992), which sets aside one-third of the seats in Panchayats for women, later codified this concept.

Impact:

The development of Panchayati Raj in India was significantly influenced by the L M Singhvi Committee. Many of its suggestions were explicitly included in the 73rd Constitutional Amendment Act of 1992, which gave the Panchayati Raj system legal support

and protections by way of constitutionalising it. All Panchayat members at the village, block, and district levels are required to participate in direct elections. Reservations for women (one-third of seats) were made available in Panchayats. Decentralised planning was emphasised, and local organisations were tasked with creating their own development plans.

5. **Sarkaria Commission**: In 1983, the central government appointyed a three-member commission on centre-state relations under the chairmanship of R.S. Sarkaria, a retied Judge of the Supreme Court. This Commission was enquiring about the federal structure and centre-state relations. But the Commission had also made comments on the Panchayati Raj Institutions, highlighting that the local bodies were not functioning well as elections to these bodies were super-ceded and also the Panchayati Raj laws were not uniform across the states. So, the Commission suggested for a uniform structure of PRIs across the country.



CHECK YOUR PROGRESS

Q 1: What is known as the 'Magna Carta of Local Governance'?

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Q 2: Who is regarded as the 'Father of Local Governance in India'?

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3.5 THE 73RD CONSTITUTIONAL AMENDMENT ACT, 1992

This Act has added a new Part IX to the Indian Constitution, which is entitled as "The Panchayats." From Articles 243 to 243 O, the provisions of Panchayats are included. The Act has also added a new Eleventh schedule to the Constitution. It contains 29 functional items of the Panchayats.

Salient Features of the Act:

a) The Act gives a constitutional status to the PRIs. It has brought them under the purview of the justiciability part of the Constitution.

b) The Act provides for a three tier system of Panchayati Raj in every state.

c) The Act provides for a Gram Sabha as the foundation for the Panchayati Raj system. It is a body consisting of persons registered in the electoral rolls of a village.

d) The Act provides for a five year term of the office to the Panchayats at every level.

e) The Governor of the state will form a Finance Commission to review the financial position of the Panchayats in every five years.

f) The Act provides for the reservation of seats for Scheduled Castes and Scheduled Tribes in every Panchayat in proportion to their population to the total population in the Panchayat area.

g) It also provides for the reservation of not less than one third of the total number of seats for women (including the seats reserved for women from SC/ST categories)

h) All the members of the Panchayats at the village, intermediate and district level shall be elected directly the people. Further, the chairperson at the intermediate and district levels shall be elected indirectly by and from amongst the elected members thereof.

i) One of the main features of the Act is the Eleventh Schedule, which includes 29 functional items within the purview of the Panchayats, which include: agriculture; land improvement, implementation of land reforms; minor irrigation, water management and watershed development; animal husbandry, dairy and poultry; fisheries; social forestry; minor forest produce; small scale industries; khadi, village and cottage industries; rural housing; drinking water; fuel and fodder; roads, culverts, bridges, ferries; rural electrification; non conventional energy sources; poverty alleviation programmes; education, including primary and secondary schools; technical training and vocational education; adult and non-formal education; libraries; cultural activities;

markets and fairs; health and sanitation; family welfare; women and child development; social welfare; welfare of the weaker sections; public distribution system; and maintenance of community assets.

Thus, the 73rd Amendment Act has brought a revolutionary change in the rural local administration. By giving Panchayats political, administrative, and financial autonomy, the 73rd Amendment greatly improved local governance. It gave individuals a place to engage in the decision-making processes that impact their everyday lives and allowed grassroots democracy to thrive. The amendment was crucial in empowering women in rural regions and encouraging their involvement in government by allocating one-third of the seats to women. To ensure that development is more responsive and appropriate for local conditions, local bodies were granted the power to create and carry out development plans in accordance with the particular requirements of their regions. To guarantee the political representation of historically under-represented groups, The Act provided for the reservations for Scheduled Castes (SC) and Scheduled Tribes (ST). The accountability and openness of Panchayats were enhanced by the creation of several commissions and the inclusion of periodical elections. This made local authorities more receptive to the concerns of the populace and helped to reduce corruption.



CHECK YOUR PROGRESS

Q 3: Enumerate any two salient features of the 73rd Constitutional Amendment Act, 1992.

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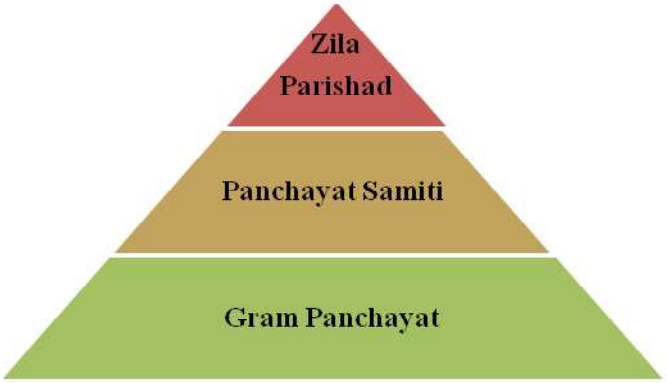
Q 4: Which Part has been recently added to the Indian Constitution as a result of the enactment of the 73rd Constitutional Amendment Act?

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3.6 COMPOSITION AND POWERS OF THE PANCHAYATI RAJ INSTITUTIONS

Composition: There are three levels to the Panchayati Raj system:



The Gram Panchayat is the Panchayati Raj system's lowest tier. It is made up of elected officials chosen by the village's residents, which include a Sarpanch (the leader of the Gram Panchayat) and Panchs (members). The number of members in a Gram Panchayat is determined by the village's population. The Panchayat Samiti at the block level is the middle tier of the Panchayati Raj system, which is in charge of coordinating the actions of the Gram Panchayats with the blocks. The residents of the block directly elect the members. The members of the Panchayat Samiti elect the Pradhan, or head from amongst the members. The Panchayati Raj system's highest level is the Zila Parishad. It is made up of elected officials from each block in the district. The members of the Zila Parishad elect the chairperson.

Powers and Functions

A. General Powers of the Zila Parishad:

The Zila Parishad is powered to prepare plans for economic development and social justice of the district and ensure co-ordinated implementation of such plans in respect of matters related to the 29 items of the Eleventh Schedule.

i. Legislative Powers:

a) Formulation of Plans: The Zila Parishad is able to create development plans at the district level. It creates plans for areas including welfare services, education, health, infrastructure, and agriculture.

b) **Approval of Schemes**: The Zila Parishad authorises and oversees a number of programs that affect the entire district and deal with rural development, education, health, and sanitation.

c) **Legislating on Local Issues**: It has the authority to enact resolutions and bylaws on a range of local government matters, such as district-level public service administration and resource management.

ii. **Executive Powers:**

a) **Implementation of Government Programs**: At the district level, the Zila Parishad is in charge of carrying out government initiatives. This covers the execution of welfare initiatives pertaining to employment, education, health, water supply, and poverty reduction.

b) **Coordination among Panchayats**: Panchayat coordination serves as a conduit between Panchayat Samitis (at the block level) and Gram Panchayats (at the village level). The Zila Parishad oversees the operations of Panchayat Samitis and Gram Panchayats and makes sure that state-level policies are appropriately executed at the district level.

iii. **Financial Powers:**

a) **Control over Funds**: A sizable portion of the money allotted for district-level development initiatives are overseen by the Zila Parishad. Within its jurisdiction, it is in charge of allocating funds to Gram Panchayats and Panchayat Samitis.

b) **Revenue Generation**: It can impose taxes or use other means, such as grants from the federal or state governments, to raise money. These go towards welfare initiatives, public services, and local infrastructure.

c) **Auditing and Financial Monitoring**: The Zila Parishad is responsible for auditing and financial monitoring, making sure that funds are used efficiently for the district's growth. In order to guarantee accountability and transparency, it audits the

Panchayat Samitis' and Gram Panchayats' financial records.

iv. Administrative Powers:

a) Overseeing District Administration: The Zila Parishad is empowered to oversee and direct district administration, guaranteeing that local government policies are carried out appropriately.

b) Appointment of Staff: At the district level, the Zila Parishad has the authority to select personnel for a range of welfare and development initiatives. Additionally, it has the power to control and oversee the performance of district administrative officers.

c) Dispute Resolution: It is crucial for settling administrative conflicts amongst the many Panchayats so as to ensure smooth functioning of the entire Panchayati Raj system. The Zila Parishad acts as the mediator in the case of conflict between Panchayats.

B. Powers of the Panchayat Samitis:

i. Legislative Powers:

a) Formulation of Plans: The Panchayat Samiti is in charge of creating resolutions and plans for the block's advancement. It is crucial for organising the execution of development plans, especially in fields like health, education, and agriculture.

b) Approval of Schemes: At the block level, it has the authority to accept or modify plans and schemes put forth by the Gramme Panchayats. Furthermore, the Panchayat Samiti has the authority to launch new initiatives in response to regional demands.

ii. Executive Power:

a) Implementation of Development Programs: At the block level, the Panchayat Samiti carries out a number of government initiatives. This covers programs pertaining to education, health, sanitation, rural development, and poverty reduction.

b) Supervision of the Gram Panchayat: The Panchayat Samiti is empowered to keep an eye on the operations of the Gram Panchayats in its block. It guarantees that the Gram Panchayats

are handling local matters efficiently and in accordance with government directives.

c) **Providing Guidance**: To assist Gramme Panchayats in the design and execution of local development projects, the Panchayat Samiti offers them technical support and advice.

iii. **Financial Power:**

a) **Allocating Funds:** The Panchayat Samiti is in charge of overseeing the money allotted to the block. It gives funding to the Gram Panchayats for local development after receiving them from the state or federal government.

b) **Revenue Generation**: A variety of taxes and other methods are available to the Panchayat Samiti to generate income. Development projects at the block level may be financed with these profits.

c) **Monitoring Financial Utilisation**: To make sure that the funds given to the Gram Panchayats are used effectively, the Panchayat Samiti keeps an eye on their financial utilisation.

C. **Powers of the Gram Panchayat**

i. **Legislative Powers**: Bylaws and decisions pertaining to local matters, like public health, sanitation, and village welfare, can be passed by the Gram Panchayat.

To raise money for village development, it might impose taxes on nearby homes, land, and agricultural operations.

ii. **Executive Powers**: At the village level, the Gram Panchayat is in charge of carrying out government initiatives pertaining to infrastructure, health, education, rural development, and poverty reduction. To guarantee efficient operations at the local level, it keeps an eye on the work of local public servants, including teachers and healthcare professionals. The Gram Panchayat is also required to provide the village with essential amenities like waste management, drinking water, sanitation, and street lighting.

iii. **Financial Powers**: Local taxes, such as property taxes, car

taxes, and fees for utilities like water supply, can be collected by the Gram Panchayat. The state and federal governments provide grants to it so that it can implement a range of development initiatives. It is in charge of creating the budget and monitoring how the money allotted for the development of the village is used.



CHECK YOUR PROGRESS

Q 5: Explain the hierarchical structure of the Panchayati Raj system in India.

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Q 6: Elucidate the legislative powers of the Panchayat Samitis.

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3.7 LET US SUM UP

- Self-governance has been a tradition in India since the ancient times. Panchayats, for that matter have been in existence since the Vedic times. Kautilya's Arthashastra, the Manusmriti and Shanti Parva of the Mahabharata, have explicitly mentioned about village councils being in existence. Valmiki's Ramayana is also credited with mentioning about the village federation, which administered local governance. The Maurya and Gupta eras were also characteristic of having features of local self-governance.
- The present structure of local governance owes its existence to the British rule in India. Although the British government had not respected the ancient Indian local governance institutions, they realized the need of the formation of local governance in the country with time.
- In the post-independence period, consecutive governments at the centre had taken numerous steps to establish strong rural local

governance. Commitees like the Balwantrai Mehta Committee, Ashok Mehta Committee, GVK Rao Committee, L.M.Singhvi Committee and commissions like the Sarkaria Commission have had a huge role in shaping the structure of PRIs, presently prevalent in the country.

- The 73rd Constitutional Amendment Act, 1992 added a new Part IX to the Indian Constitution, including Articles 243-243 O, with provisions on Panchayats in India. The Act provided for constitutionalisation of the Panchayati Raj system in the country, with democratic decentralization and devolution of powers and funds to the lowest local level in the rural areas.
- The three tier system of Panchayati Raj, with the Zila Parishad at the district level, the Panchayat Samiti at the intermediate level and the Gram Panchayat at the lowest level, guarantee the success of grassroot democracy in the country.



3.8 FURTHER READING

1) Dharitri Thakuria, John Das, “Rural Local Governance”, Aditya Book Distributor, Panbazar, Guwahati
2) M. Laxmikanth, “Indian Polity”, McGraw Hill, New Delhi
3) Pradip Chaturvedi, Food Security and Panchayati Raj, Concept Publishing Company, New Delhi



3.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Lord Rippon’s Resolution.

Ans to Q No 2: Lord Rippon.

Ans to Q No 3:

a) The Act gives a constitutional status to the PRIs. It has brought them under the purview of the justiciability part of the Constitution.

b) The Act provides for a three tier system of Panchayati Raj in every state.

Ans to Q No 4: Part IX

Ans to Q No 5: The three tier system of Panchayati Raj, with the Zila Parishad at the district level, the Panchayat Samiti at the intermediate level and the Gram Panchayat at the lowest level, guarantee the success of grassroot democracy in the country.

Ans to Q No 6:

a) **Formulation of Plans**: The Panchayat Samiti is in charge of creating resolutions and plans for the block's advancement. It is crucial for organising the execution of development plans, especially in fields like health, education, and agriculture.

a) **Approval of Schemes**: At the block level, it has the authority to accept or modify plans and schemes put forth by the Gramme Panchayats. Furthermore, the Panchayat Samiti has the authority to launch new initiatives in response to regional demands.



3.10 MODEL QUESTIONS

A. Very Short Questions

Q 1: Which Panchayati Raj Institution has the authority to select personnel for a range of welfare and development initiatives at the district level?

Q 2: Which Panchayati Raj Institution acts as the mediator in case of conflict between the Panchayats?

Q 3: What is the duration of the term of office to the Panchayats at every level?

B. Short Questions (answer in 150 words)

Q 1: Describe the powers of the Gram Panchayat.

Q 2: Briefly explain the historical evolution of the Panchayati Raj system from the ancient to the pre-independence period.

C. Long Questions

Q 1: Explain the major recommendations and impact of the Balwantrai Mehta Committee.

Q 2: Describe in detail the functions of the Zila Parishad.

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UNIT 4 : RURAL GOVERNANCE IN SCHEDULED AND TRIBAL AREAS IN INDIA

UNIT STRUCTURE

4.1 Learning Objectives

4.2 Introduction

4.3 Meaning and Evolution of Rural Governance in Scheduled and Tribal Areas in India

4.4 Constitutional Provisions for Scheduled and Tribal Areas.

4.5 Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA)

4.6 Challenges and the Way Forward

4.7 Conclusion

4.8 Let Us Sum Up

4.9 Further Reading

4.10 Answers to Check Your Progress.

4.11 Model Questions

4.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- understand the meaning and the history of the evolution of rural governance in Scheduled and Tribal Areas in India.
- know about the major constitutional provisions under the Fifth and Sixth Schedules for Scheduled and Tribal Areas.
- explain the role and significance of the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA) in empowering tribal communities.
- understand the challenges faced in rural governance in Scheduled and Tribal Areas
- appreciate the importance of decentralized governance for preserving tribal culture and rights

4.2 INTRODUCTION

Scheduled and Tribal Areas in India refer to those regions with a significant proportions of India's indigenous population constitutionally known as Scheduled Tribes (STs). The term Scheduled tribe does not represent one social group but include hundreds of communities with unique cultural, social and economic characteristics. According to Ministry of Tribal Affairs, Government of India Scheduled Tribes (ST) constitutes approximately 8.6% of population of India numbering around 10.4 crores. There are over 730 Scheduled Tribes notified under Article 342 of the Constitution of India. Recognizing the distinct socio-political identity of these communities and their historical marginalization, the Indian Constitution has introduced some special mechanism for their governance, aimed at protecting their rights and cultural identity and promoting their socio-economic development. The Fifth and the Sixth Schedule of the Indian constitution are examples of such special mechanism. Article 244 in Part X of the Constitution provides for a special system of administration of areas notified as "Scheduled Areas" and "Tribal Areas". Article 244(1) of the constitution has stated that the Fifth Schedule shall apply to the administration and control of the Scheduled Areas and Scheduled Tribes in any states other than the four North Eastern states of Assam, Meghalaya, Tripura and Mizoram. On the other hand Article 244(2) provides for the separate administration of the tribal-dominated areas of four States of Assam, Meghalaya, Tripura and Mizoram under the Sixth Schedule. Apart from these mechanisms there are other provisions and measures such as Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA), TACs etc. undertaken by the central and different state governments for governance and development of scheduled and tribal areas of India.

4.3 MEANING AND EVOLUTION OF RURAL GOVERNANCE IN SCHEDULED AND TRIBAL AREAS IN INDIA

In the Indian context, 'Rural governance in Scheduled and Tribal Areas' in India refers to the system of local self-government of areas

designated as “Scheduled Areas” where a significant number of people belonging to different “Tribal and Scheduled” communities reside. The primary focus of this system of local governance is to empower these ‘tribal and scheduled’ communities to govern their own affairs through institutions like Gram Sabhas, without disrespecting their culture, traditions and customary laws primarily facilitated by the “Panchayat (Extension to Scheduled Areas) Act, 1996” (PESA) which provides for decentralized decision-making and mass participation of the tribal communities in the democratic processes of the Indian republic.

Rural governance in Scheduled and Tribal Areas of India is not limited to decentralisation of administrative powers only. It is also an instrument to ensure that tribal communities are part of the decision-making processes that has direct impact on their lives. The Scheduled and Tribal areas are marked by challenges such as social discrimination, lack of access to resources, and low levels of political representation. In order to correct the historical injustices and marginalisation faced by these areas, rural governance in scheduled and tribal areas attempts to provide these communities with the authority and autonomy to manage their own affairs. The measures undertaken to promote autonomy of ’tribal and scheduled’ communities includes control over land, natural resources, and the ability to preserve and promote their cultural and traditional practices. Through institutions like the Gram Sabha (village assembly), the people in these areas are encouraged to take collective decisions regarding local issues, such as natural resource management, welfare schemes, and development initiatives, all while adhering to their customary laws and practices. In essence, the design of rural governance in Scheduled and Tribal Areas is to empower these communities by incorporating them into the democratic processes of Republic of India, ensuring that their rights are protected in the national context.

Separate system of administration for tribal areas in India dates back to the colonial period. Governed by their own colonial interest the British colonial government enacted various laws and regulations on land, inheritance, customary laws, affecting the ‘tribal and scheduled’ communities

of India such as the Inner Line Regulations, 1873 and the Scheduled District Act, 1874 etc. The Scheduled District Act, 1874 provided for separate rules and regulations for the Scheduled districts which were later designated as "backward areas" by the Government of India Act, 1919. According to the Government of India Act, 1935 these districts were designated as "excluded" and "partially excluded" areas. The hilly regions of north-Eastern part of India which were earlier part of undivided Assam during colonial times were ruled indirectly by the colonial administration. The British adopted a special system of administration for these areas marked by limited administrative interference. The Government of India Act, 1935 placed the hilly regions of colonial Assam in the "excluded" category.

Following independence, the policy of administrative non-interference made way for a policy of integration and development aimed at protecting tribal culture, traditions, language and rights etc. To advise the Constituent Assembly on the administration of "tribal and excluded area" a committee on Fundamental Rights, Minorities and Tribal and Excluded Areas was formed under the Chairmanship of Sardar Vallabhai Patel in 1946. To study and understand the issues and concerns of the tribal communities, two sub-committees— namely, the Excluded and Partially Excluded Areas (other than Assam) sub-Committee headed by A.V. Thakkar and the North-East Frontier (Assam) Tribal and Excluded Areas Sub-Committee headed by Gopinath Bordoloi were formed in 1947. It is with the recommendation of these two committees that the areas predominantly inhabited by tribal communities other than Assam were designated as "Scheduled Areas" and the tribal inhabited areas in the state of Assam were designated as "Tribal Areas". Later, these "Scheduled" and "Tribal" areas were incorporated as special provisions of the Fifth and Sixth Schedules of the constitution of independent India in 1950.

4.4 CONSTITUTIONAL PROVISIONS FOR SCHEDULED AND TRIBAL AREAS.

The Fifth Schedule: Under Article 244(1), part A of the constitution of India, the provisions of the Fifth Schedule shall apply to the Scheduled

and Tribal areas of any of the states in India except the State of Assam, Meghalaya, Mizoram and Tripura. Part C of the Fifth schedule of the constitution defined “Scheduled Areas” as “such areas as the President may by order declare to be Scheduled Areas”. The criteria for designating any areas as “Scheduled Area” according to the First Scheduled Areas and Scheduled Tribes Commission are

i. Preponderance of tribal population,
ii. Compactness and reasonable size of the area,
iii. A viable administrative entity such as a district, block or taluk
iv. Economic backwardness of the area as compared to neighbouring areas.

These “Scheduled Areas”, inhabited predominantly by “Scheduled Tribes” are located in the Indian states of Andhra Pradesh, Bihar, Chhattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Madhya Pradesh . Maharashtra, Odisha, Rajasthan and Telangana.

While the President reserves the authority to designate or withdraw status of any area as “Scheduled Area”, the constitution under the fifth scheduled has empowered the Governors of the states extensive powers and functions to govern and control the “Scheduled Areas” including the authority to direct state governments not to apply any Act of Parliament or of the State legislature to a Scheduled Areas or apply it subject to exceptions and modifications (Part B, Para 5(1)). The governors are also given special responsibilities for the peace and good government of the scheduled areas including the protection of land and economic interest of the tribal communities.

The fifth schedule of the constitution also provides for Tribal Advisory Councils (TACs) (Part B, Para 4(1)). TACs are established in states with Scheduled Areas to advise on matters pertaining to the welfare and advancement of Scheduled Tribes. Each TAC comprises up to twenty members, with three-fourths being representatives of the Scheduled Tribes from the Legislative Assembly of the state. (Part B, (1) and (2)).

The Sixth Schedule: The tribal communities of north-east India have a distinct history and identity compared to the other “scheduled and

tribal" communities included in the fifth schedule of the constitution. This led the framers of the constitution to designate separate administrative mechanism and special provisions for the tribals living in the four states of Assam, Meghalaya, Mizoram and Tripura under the sixth schedule. Sixth schedule provides for the administration of the tribal areas as Autonomous Districts and Autonomous Regions. Moreover, it has made provisions for the creation of Autonomous Districts Councils, and Regional council with certain legislative, judicial and administrative functions and powers. These councils are in large part elected for a term of five years by universal adult franchise with twenty six out of thirty members to the district council elected and only four members nominated by the Governor. These councils are granted a degree of autonomy so that they can make their own laws and regulations for the protection of land and habitat, forest areas, traditional ways of life, cultures and customs etc. of the tribal communities. The powers and functions designated by the sixth schedule for the district and regional councils are as follows

1. **Legislative Power:** Sixth Schedule has empowered the district councils to make laws and rules on lands, management of forest, regulations of jhum and other shifting cultivation, inheritance, marriage and divorce and social customs with prior approval of the governor. The District Council of an autonomous region has the power to make laws to regulate and control money lending or transactions by persons not belonging to the registered tribes residing in the area.
2. **Executive Power:** The Sixth Schedule also gives wide-ranging executive powers to the District Council and the Regional Council. The District Council and the Regional Council have the power to establish, construct or regulate primary schools, dispensaries, markets, cattle watering places, fisheries, roads, road transport and waterways within the district. The Council also has the power to prescribe the medium and method of instruction in primary schools.
3. **Judicial Powers:** The councils have the power to form village and District council courts to deal with cases where all parties of the case belong to Schedule Tribes within the districts. Only high courts and supreme court of India has jurisdiction over these cases of the council

courts.

4. **Financial Powers:** The sixth schedules have given powers to the council to prepare budgets and the power to asses land revenue and impose taxes. Para 9 of the sixth schedule has given the councils powers to grant licences or leases for extraction of minerals within the jurisdiction of the sixth scheduled empowered councils.

There are ten areas designated as Autonomous Districts and utonomous Regions in the four states of North-East India as listed in the sixth schedule. These are

Part I (Assam)
1) The North-Cachar Hills District (Dima Haolang)
2) The Karbi-Anglong District
3) The Bodoland Territorial Area District
Part II (Meghalaya)
1) The Khasi Hills District
2) The Jaintia Hills District
3) The Garo Hills District
Part II-A (Tripura)
1) The Tripura Tribal Areas District
Part III (Mizoram)
1) The Chakma District
2) The Mara District
3) The Lai District

Moreover in the state of Assam there are six autonomous councils for the socio-economic, political and cultural protection and empowerment of tribal communities of Assam. These are

1. Rabha Hasong Autonomous Council
2. Mising Autonomous Council
3. Tiwa Autonomous Council
4. Deori Autonomous Council
5. Thengal Kachari Autonomous Council
6. Sonowal Kachari Autonomous Council



CHECK YOUR PROGRESS

Q 1: Define 'Rural Governance in Scheduled and Tribal Areas in India'

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Q 2: Write the names of the states which fall under the Sixth Schedule.

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4.5 PANCHAYATS (EXTENSION TO SCHEDULED AREAS) ACT, 1996 (PESA)

While a major mile stone in terms of rural governance was achieved with the 73rd Constitutional Amendment Act (CAA) of 1992 and the institutionalisation of the Panchayati Raj Institutions throughout the country, the "Scheduled and Tribal" areas of fifth and sixth schedules were left out of its purview. According to Article 243M, The Scheduled Areas of Article 244(1) notified as per the Fifth Schedule and tribal areas of Article 244(2) notified as per the Sixth Schedule were exempted from the provisions of the CAA, 1992.

After the formal introduction of the Panchayati Raj Institutions, a need was felt to extend it to the "Scheduled and Tribal" areas and a high level committee known as the Bhuriya Committee chaired by D.S. Bhuria was constituted in 1994 and following the Bhuria committee recommendation an Act was passed by the India Parliament titled "The Provisions of the Panchayats (Extention to the Scheduled Areas) Act, 1996 known popularly as the PESA act. In simple term, the PESA Act extends the provisions of Part IX of the Constitution, which deals with Panchayati Raj Institutions (PRIs) to Scheduled Areas. The vision of the PESA act is to provide self-governance to the "Scheduled and Tribal" communities of India. It provides for the preservation of customary laws, socio-religious-cultural customs and traditions of the tribal communities. It seeks to facilitate self-management

by these communities. It brings the community at the centre of governance at the village level through the institution of the Gram Sabha.

It should be noted that the PESA act only covers the fifth schedule areas of India and does not include sixth schedule areas under its purview.

STATES COVERED BY PESA

- ANDHRA PRADESH
- CHHATISGARH
- HIMACHAL PRADESH
- JHARKHAND
- MADHYA PRADESH
- MAHARASHTRA
- ODISHA
- RAJASTHAN

PESA aims at empowering the Gram Sabhas (village assemblies) with considerable authority over the management of natural resource, resolution of disputes, and local self-governance. Main provisions of the PESA are

1. Harmony between Central and State Legislation and Tribal Traditions
   Any legislation on Panchayats for tribal areas shall be in line with customary laws, social and religious practices, and traditional practices of management of community resources by the tribal communities.
2. Defining a Village
   The PESA Act defined village as typically consisting of a habitation, group of habitations, or hamlets, where the community manages their life in accordance with traditions and customs.
3. Establishment of Gram Sabha
   One of the most important provisions of the PESA is the establishment of Gram Sabhas in every village as the chief decision-making body with inclusion of persons listed in the electoral rolls.
4. Role and Responsibility of Gram Sabha in Preserving Traditional Culture and Customs.
   One of the chief responsibilities of the Gram Sabha is to protect and

preserve traditions, customs, cultural identity, community resources, and to settle disputes through customary methods.

5. Approval and Monitoring of Development Projects
   Another important provision of the PESA is that the land acquisition for development projects and rehabilitation in Scheduled Areas cannot be done in without the consultation with the Gram Sabha or Panchayat.
6. Management of Natural Resources
   Panchayats have the mandate to manage and plan minor water bodies and to ensure that the natural resources in these areas are used in a sustainable manner.
7. Rights over Minor Forest Produce and Village Markets
   The Gram Sabha or the Panchayat is vested with ownership of minor forest produce and control over village markets to ensure economic rights of tribal communities.
8. Regulation of Intoxicants and Moneylending
   The Gram Sabha or Panchayat is empowered to prohibit or regulate the sale and consumption of intoxicants and control moneylending in order to prevent exploitation of tribals.
9. Reservation of Seats for Tribal communities
   At least 50% of the total seats in all Panchayats in Scheduled Areas are reserved for Scheduled Tribes including the position of the Chairperson.
10. Restoration of Alienated Land
    The Gram Sabha or Panchayat are mandated to protect the tribal communities from land alienation and to take appropriate measures to restore unlawfully alienated land to its rightful tribal owners.

    These provisions underlines the role of the PESA Act's in empowering tribal communities, expansion of decentralized rule, and the protection of the socio-cultural and economic rights of tribal communities living in the fifth schedule areas.

Role and Function of the Gram Sabhas:

As mentioned above one of the major aspect of the PESA Act was the provision of the Gram Sabha in every village. Gram Sabhas have been

empowered to play a prominent role in the rural local governance in the "Scheduled and Tribal Areas" under the PESA Act. Some of the functions of the Gram Sabhas are

i. To approve social and economic development plans, programs, and projects before the panchayat at the village level takes them up for implementation;

ii. To be in charge of choosing or identifying individuals to get assistance under programs aimed at reducing poverty and other initiatives.

iii. Every village should have a Gram Sabha made up of people whose names appear on the election rolls.

iv. To protect and maintain the people's traditions, customs, and cultural identity as well as communal resources and to resolve local conflicts through traditional means.

v. The Gram Sabha or the panchayat at the relevant level must be consulted when acquiring land for development projects and when rehabilitating or resettling individuals impacted by such projects in the designated regions. At the state level, the projects' planning and execution will be coordinated

4.6 CHALLENGES AND WAY FORWARD FOR RURAL GOVERNANCE IN SCHEDULED AND TRIBAL AREAS

Effective governance in "Scheduled and Tribal" areas is hampered by a number of problems, despite a robust constitutional mechanism. Some of the challenges for governance of tribal communities are given below.

Political and Administrative Challenges

- Limited Autonomy: Despite guarantees from the constitution the state governments often restrict the autonomy allotted to Autonomous District Councils and Gram Sabhas through various means, causing disputes and inefficiency.
- Gaps in terms of Implementation of Policies: The policies outlined in the PESA Act and their actual implementation differs greatly. Effective governance is hampered by problems of ignorance, bureaucratic

inactivity etc.

- Political exclusion: Tribal communities often face political marginalisation due to their lack of representation in state and federal legislatures, which reduces their ability to influence policies that impact them.

Social and Economic Challenges

- Poverty and Underdevelopment: Scheduled and Tribal Areas are characterised by high rates of poverty, illiteracy, and a lack of crucial infrastructure affecting the general welfare of the tribal communities..
- Land Alienation and Displacement: Tribal groups are often face the problem of displacement resulting from of the purchase of their land for different infrastructural and industrial developments projects aggravating their socioeconomic helplessness.
- Cultural Erosion: The traditional customs and cultural identity of the tribal people are facing the threat of eraser due to the impact of modernisation and the inflow of non-tribal populations.

Environmental Challenges

- Deforestation and Degradation: Mining, industrial operations, and deforestation pose serious environmental problems to tribal communities, which are abundant in natural resources. The livelihoods of the indigenous populations that depend on these resources are also impacted, in addition to the ecological.
- Climate Change: Climate change has excessively affected Tribal regions, which frequently depend on subsistence farming and natural resources, including changed rainfall patterns and extreme weather events.

It can also be highlighted that there exist many obstacles in the way of rural administration under PESA, such as the lack of awareness of tribal communities about their rights, bureaucratic opposition to the devolution of power and authority to the Gram Sabhas. Governance institutions are further weakened by a lack of administrative capability, by the influence of local elites, and limitations of resourc. Furthermore, traditional institutions are disrupted by the imposition of modern democratic systems, and their efficacy

is hindered by lack of monitoring, resource exploitation, and poor integration with developmental plans etc.

Measures undertaken to raise awareness, capacity development, and bringing state legislation in harmony with PESA are all essential method to address these issues. It is important to support traditional governance institutions, facilitate financial autonomy, and empower Gram Sabhas for effective working of the PESA Act and protection and empowerment of local self-governance by the tribal communities. Inclusive measure can be enhanced by putting in place strict oversight procedures, and strengthening the representation of under-represented groups like women and young people. Sustainable governance in Scheduled and Tribal Areas would be promoted by ensuring that government welfare programs are in line with PESA regulations.



CHECK YOUR PROGRESS

Q 3: What is the full form of the PESA Act.

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Q 4: Write the name of the committee that recommended the formation of the PESA, 1996.

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4.7 CONCLUSION

In “Scheduled and Tribal” Areas of India, rural governance is a critical mechanism for empowering the tribal communities, preserving their cultural identity, and protecting their rights. The system of governance which is based on the Fifth and Sixth Schedules of the Indian constitution as well as the Panchayats (Extension to Scheduled Areas) Act, 1996 (PESA), gives priority to decentralised decision-making, the preservation of customary laws and tribal community led management of resources, Important organisations like as Autonomous District Councils and Gram Sabhas

provide avenues for participatory government, empowering these communities to take charge of their own issues and deal with challenges that affect their social, political, cultural and economic well-being.

However, effective governance of the "Scheduled and Tribal" areas is affected by issues such as poverty, cultural decline, political exclusion, and environmental degradation etc. These problems are exacerbated by lack of awareness tribal communities, and various lacunae in the application of policies. In order to address these issues, coordinated efforts are needed to preserve and re-develop traditional governance systems, encourage capacity-building within tribal communities, and harmonise state policies with PESA. Inclusive development techniques that honour tribal traditions while incorporating them into larger national frameworks are necessary to ensure sustainable governance in these locations.



4.8 LET US SUM UP

- In the Indian context, 'Rural governance in Scheduled and Tribal Areas' in India refers to the system of local self-government of areas designated as "Scheduled Areas" where a significant number of people belonging to different 'tribal and scheduled' communities reside. The primary focus of this system of local governance is to empower these 'tribal and scheduled' communities to govern their own affairs through institutions like Gram Sabhas, without disrespecting their culture, traditions and customary laws primarily facilitated by the "Panchayat (Extension to Scheduled Areas) Act, 1996" (PESA) which provides for decentralized decision-making and mass participation of the tribal communities in the democratic processes of the Indian republic.
- The measures undertaken to promote autonomy of 'tribal and scheduled' communities includes control over land, natural resources, and the ability to preserve and promote their cultural and traditional practices.
- To study and understand the issues and concerns of the tribal

communities, two sub-committees—namely, the Excluded and Partially Excluded Areas (other than Assam) Sub-Committee headed by A.V. Thakkar and the North-East Frontier (Assam) Tribal and Excluded Areas Sub-Committee headed by Gopinath Bordoloi were formed in 1947.

- It is with the recommendation of these two committees that the areas predominantly inhabited by tribal communities other than Assam were designated as “Scheduled Areas” and the tribal inhabited areas in the state of Assam were designated as “Tribal Areas”.
- Later, these “Scheduled” and “Tribal” areas were incorporated as special provisions of the Fifth and Sixth Schedules of the constitution of independent India in 1950.
- Under Article 244(1), Part A of the Constitution of India, the provisions of the Fifth Schedule shall apply to the Scheduled and Tribal areas of any of the states in India except the State of Assam, Meghalaya, Mizoram and Tripura.
- While the President reserves the authority to designate or withdraw status of any area as “Scheduled Area”, the constitution under the fifth scheduled has empowered the Governors of the states extensive powers and functions to govern and control the “Scheduled Areas” including the authority to direct state governments not to apply any Act of Parliament or of the State legislature to a Scheduled Areas or apply it subject to exceptions and modifications (Part B, Para 5(1)).
- The fifth schedule of the constitution also provides for Tribal Advisory Councils (TACs) (Part B, Para 4(1)). TACs are established in states with Scheduled Areas to advise on matters pertaining to the welfare and advancement of Scheduled Tribes. Each TAC comprises up to twenty members, with three-fourths being representatives of the Scheduled Tribes from the Legislative Assembly of the state. (Part B, (1) and (2)).
- Sixth schedule provides for the administration of the tribal areas as Autonomous Districts and Autonomous Regions. Moreover, it has made provisions for the creation of Autonomous Districts Councils,

and Regional council with certain legislative, judicial and administrative functions and powers.

- There are ten areas designated as Autonomous Districts and Autonomous Regions in the four states of North-East India as listed in the Sixth Schedule.
- According to Article 243M, The Scheduled Areas of Article 244(1) notified as per the Fifth Schedule and tribal areas of Article 244(2) notified as per the Sixth Schedule were exempted from the provisions of the CAA, 1992.
- After the formal introduction of the Panchayati Raj Institutions, a need was felt to extend it to the "Scheduled and Tribal" areas and a high level committee known as the Bhuriya Committee chaired by D.S. Bhuria was constituted in 1994 and following the Bhuria committee recommendation an Act was passed by the India Parliament titled "The Provisions of the Panchayats (Extention to the Scheduled Areas) Act, 1996 known popularly as the PESA act. In simple term, ,the PESA Act extends the provisions of Part IX of the Constitution, which deals with Panchayati Raj Institutions (PRIs), to Scheduled Areas.



4.9 FURTHER READING

1) P

2) P



4.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: In the Indian context, 'Rural governance in Scheduled and Tribal Areas' in India refers to the system of local self-government of

areas designated as “Scheduled Areas” where a significant number of people belonging to different “Tribal and Scheduled” communities reside.

Ans to Q No 2: Assam, Meghalay, Mizoram and Tripura.

Ans to Q No 3: The Panchayats (Extention to the Scheduled Areas) Act, 1996

Ans to Q No 4: The Bhuria Committee.



4.11 MODEL QUESTIONS

A. Very Short Questions

Q 1: Which article of the Constitution provides for a special system of administration of areas notified as “Scheduled Areas” and “Tribal Areas”?

Q 2: Who was the chairperson of the committee on Fundamental Rights, Minorities and Tribal and Excluded Areas?

Q 3: Write the name of any one fifth schedule state.

Q 4: What is the full form of TAC?

Q 5: Write the name on Autonomous District of Assam.

B. Short Questions

Q 1: Briefly mention the powers and function of the sixth schedule Autonomous District and Regional councils.

Q 2: Write a short note on the function of the Gram Sabhas.

C. Long Questions

Q 1: What is the PESA Act, 1996? Discuss its main provisions.

Q 2: Discuss the challenges to rural governance in “Scheduled and Tribal” areas.

Q 3: Explain the constitutional provision of the fifth and sixth schedule.

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UNIT 5 : INSTITUTIONS AND AGENCIES OF RURAL GOVERNANCE AND PLANNING

UNIT STRUCTURE

5.1 Learning Objectives.

5.2 Introduction

5.3 Meaning and Evolution of Rural Governance in India

5.4 Agencies and Institutions in Post-Independence India for Rural Governance and Planning

5.5 Panchayati Raj Institutions: Structure and Role in Governance and Planning

5.6 Challenges and the Way Forward

5.7 Let Us Sum Up

5.8 Further Reading

5.9 Answers to Check Your Progress.

5.10 Model Questions

5.1 LEARNING OBJECTIVES

After going through this unit you will be able to understand the meaning and the history of evolution of rural governance in India; to learn about the roles of state and central government agencies in rural planning and development; to analyse the structure, roles, and responsibilities of Panchayati Raj Institutions (PRIs) in fostering participatory and decentralized governance in rural India. You will also be able to understand the challenges faced by the state and central government agencies and Panchayati Raj Institutions (PRIs) in rural governance and developmental planning.

5.2 INTRODUCTION

Local government institutions have been made an integral part of the three tier system of government in India. The institutions and agencies of local government are crucial in broadening and deepening mass participation in democratic processes at the grassroots level; in promoting

welfare measures for local communities and in undertaking planning and development efforts in various parts of India. Local governance in India is broadly divided into two categories viz., rural and urban. In this unit we will focus on the institutions and bodies responsible for planning, development and administration of rural areas and communities of India.

5.3 MEANING AND EVOLUTION OF RURAL GOVERNANCE IN INDIA

In the context of India, Rural Governance refers to the systems administration and planning that influence the quality of life and livelihood of rural communities living in different rural regions of India. **Rural governance in India** can be defined as the system through which institutions of local governance particularly Panchayats, exercise political, administrative, and financial powers to address needs of rural populations, delivering essential public services, and empowering rural communities politically, socially and economically. Rural Governance in India is built on the principles of decentralization of power and participatory decision-making to ensure greater participation of rural communities in the process of governance and to ensure that government agencies are truly responsible for effective planning and transparent implementation of policies related to agriculture, education, health, infrastructure, social welfare of the vast rural populations of India. In India, rural governance mainly refers to the functioning of **Panchayati Raj Institutions (PRIs)**, which are democratic institutions established to decentralize power and promote local self-governance. These institutions are empowered by the **73rd Constitutional Amendment (1992)**, which provides a legal framework for the establishment of Panchayats at the village, intermediate, and district levels. Along with the institutions of the Panchayats there are various central and state government agencies which plays pivotal role in rural governance and planning.

India has a longstanding historical tradition of local governance in some form or the other that has evolved over millennia, from ancient times through medieval, colonial, and post-independence era. Rural governance became a prominent feature of rule during the Mauryan period. The central

government of the Mauryas, particularly under Emperor Ashoka, established a complex administrative system that included local officials such as *sthanikas*, *gopa*s and *gramika s*(village headman) who governed rural areas. The Gupta period further institutionalized village governance through different local bodies. In the Medieval period Mughals established a system of local governance where the *zamindars* (landlords) were given responsibility for revenue collection and the maintenance of law and order in rural areas.

New system of land revenue, legal systems and administrative reforms introduced by the British colonial rule radically transformed rural governance in India. The British undermined traditional village governance structures, like the gram sabha, and centralized authority in the hands of district officers (collectors). Only in some areas, the traditional system of village panchayats (local councils) was allowed to function, albeit under British supervision. In the late 19th and early 20th centuries, the British colonial government attempted to introduce limited local self-governance, especially in urban areas, but no significant attempts were made to introduce rural self-governance. The Indian Councils Act of 1909 and the Montagu-Chelmsford Reforms (1919) allowed for some degree of local participation in governance, but rural areas were mostly governed through indirect means, focused mainly on revenue extraction rather than self-administration.

During the independence struggles, nationalist leaders such as Mahatma Gandhi advocated for Gram Swaraj or village self-governance in which each village would be responsible for governing its own affairs under a system of decentralised form of government. He envisaged a five-tier system of Village Panchayats, Taluka Panchayats, District Panchayats, Provincial Panchayats and All-India Panchayats. The administrative system envisaged by him was that of a pyramid whose broad base was composed of numerous village communities of the country.

After Independence first attempt at rural local governance was made in 1952 with the Community Development Programme followed by National Extension Scheme, 1953 with little success. Following the Balwant Rai Mehta Committee recommendation Indian Prime Minister Jawaharlal Nehru

inaugurated the first Panchayati Raj Institutions for rural governance in Nagaur, Rajasthan on October 2nd, 1959. The Asoka Mehta Committee, 1977 also paved the way for a rural governance and democratic decentralisation. The 73rd Constitutional Amendment Act, 1992 has constitutionalised the rural local governance through the Panchayati Raj Institutions.

In the following sub units we will discuss about different Central and State Government Agencies responsible for and pivotal to the rural governance and planning.

5.4 AGENCIES AND INSTITUTIONS IN POST-INDEPENDENCE INDIA FOR RURAL GOVERNANCE AND PLANNING

The Ministry of Rural Development (MoRD) in India is the apex body for formulating policies, regulations, and initiatives aimed at improving the rural sector. The objective of the Ministry is to improve the quality of life in rural areas, address developmental disparities, and ensure that the most disadvantaged segments of society benefit from these initiatives.

The Ministry is divided into two main departments:

1. Department of Land Resources (DoLR)

The Department of Land Resources focuses on sustainable land management and improving land productivity, particularly in rainfed and degraded areas. Key objectives include:

- Promoting **Integrated Watershed Management** to enhance land productivity.
- Supporting States/UTs in implementing the **National Land Records Modernization Programme (NLRMP)**.
- Overseeing land reforms and managing laws related to land, such as the **Land Acquisition Act, 1894**, and the **National Rehabilitation and Resettlement Policy of 2007**..

2. Department of Rural Development (DRD)

The Department of Rural Development is responsible for facilitating rural welfare through various services and schemes aimed at poverty

alleviation and infrastructure development. Key functions include:

- Promoting **wage employment** and **self-employment** generation schemes for rural populations.
- Providing **housing**, **irrigation**, and **basic services** to improve living standards.
- Offering **training** and **research facilities**, as well as supporting **Panchayati Raj institutions** to strengthen local governance.
- Developing **rural infrastructure**, including roads, to enhance connectivity and economic opportunities.

Both departments work in tandem to uplift rural areas, improve living conditions, and drive sustainable growth through targeted interventions in land management, infrastructure, and livelihood development. Before its replacement by the Niti Aayog, the Planning Commission of India had a Rural Development Division which provided policy guidance for rural development plans and programmes.

The programs of the Ministry of Rural Development, such as anti-poverty initiatives, wage employment, and rural housing, are executed and overseen by **the District Rural Development Agencies (DRDAs)**. A significant portion of the Government of India's rural development funds is channeled through DRDAs under various Centrally Sponsored Schemes. From a financial perspective, DRDAs play a crucial role as key institutions at the district level for rural development. Both district-level officials and public representatives, such as Members of Parliament (MPs), Members of Legislative Assembly (MLAs), and Panchayat Samiti Chairpersons, are members of the DRDA Society. The President of the Zilla Parishad serves as the Ex-Officio Chairman of the DRDA. The Collector holds all administrative and financial authority, while the Project Director manages the day-to-day operations of the agency. DRDA disburses funds for various anti-poverty programs funded by the Ministry of Rural Development, Government of India, and State Governments to banks and executing agencies. The agency closely monitors the implementation of schemes and the utilization of funds.

Another key agency for rural governance and development is the

National Bank for Agriculture and Rural Development (NABARD). It is the leading institution responsible for planning and managing the financial support for small-scale industries, agriculture, handicrafts, rural crafts, village industries, cottage industries, and other commercial activities in rural areas. It was established on the recommendations of Shivaraman Committee, by an act of Parliament on 12 July 1982 to implement the *National Bank for Agriculture and Rural Development Act 1981*. It is one of the main agencies to facilitate the need for credit in rural areas. In addition to NABARD, another important agency for rural governance and planning is *the Regional Rural Banks* (RRBs). Their main goal is to provide credit to economically disadvantaged rural people, particularly small and marginal farmers, artisans, agricultural labourers, and small entrepreneurs.



CHECK YOUR PROGRESS

Q 1: Define rural governance in the context of India.

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Q 2: When was the 73rd Constitutional Amendment passed?

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5.5 PANCHAYATI RAJ INSTITUTIONS: STRUCTURE AND ROLE IN GOVERNANCE AND PLANNING

Along with these central and state government agencies, the Panchayati Raj Institutions (PRIs) play a pivotal role in rural governance, planning, and development in contemporary India. The PRIs serve as agencies of decentralized governance, ensuring that decision-making processes are brought closer to the grassroots level. This decentralized approach enables more efficient responses to the needs and aspirations of rural communities.

The Panchayati Raj system acquired its current constitutional framework through the 73rd Constitutional Amendment Act of 1992, which

marked a defining moment in the history of Indian democracy. The amendment aimed to revitalize the PRIs by providing them with constitutional status, a clear framework for structure, powers, and responsibilities, and direct elections to ensure democratic legitimacy.

The structure of Panchayati Raj Institutions (PRIs) in India follows a three-tier system applicable to all states with a population of over 20 lakhs. This system ensures decentralized governance at the grassroots level and includes the following tiers:

1. Village Level: Gram Panchayat

Gram Sabha: Gram Sabhas comprises all adult members of the village (18 years and above) and it acts as the general assembly where residents participate directly in decision-making. It plays a key role in approving plans, budgets, and projects proposed by the Gram Panchayat.

Gram Panchayat: Gram Panchayat is the executive body elected by the Gram Sabha members. It is responsible for implementing development programs and maintaining basic services such as water supply, sanitation, and local infrastructure. Gram Panchayats is headed by a Sarpanch, elected by the members.

2. Intermediate Level:

Panchayat Samiti (Block Level): The intermediate level Panchayati Raj institutions exist only in states with populations exceeding 20 lakhs. It functions as the coordinating body between the Gram Panchayats and the Zilla Parishad. It is comprised of elected representatives from the Gram Panchayats within the block, along with appointed officials. The responsibilities of the Panchayat Samitis include consolidating village-level plans, **i**mplementing development schemes across the block, such as healthcare, education, and agriculture etc. The head of the Panchayat Samiti is usually called the Chairperson or Block Development Officer (BDO).

3. District Level: Zilla Parishad

Zilla Parishad is the apex body at the district level which is composed of elected representatives from the Panchayat Samitis, Members of the Legislative Assembly (MLAs), and Members of Parliament (MPs) from the district. Its responsibilities include reparing and coordinating development

plans for the entire district, supervising the implementation of state and central government schemes etc. It is **h**eaded by a Chairperson, with a Chief Executive Officer (CEO) acting as the administrative head.

Some of the key features of the PRIs structure include

i. Decentralization: Power and responsibilities are devolved from the central and state governments to local bodies for better governance.

ii. Democratic Process: Direct elections are held every five years at all levels.

iii. Reservation of Seats: Specific seats are reserved for Scheduled Castes (SCs), Scheduled Tribes (STs), and women (not less than one-third of seats).

iv. Finance and Resources: PRIs receive funds through state allocations, central schemes, and local revenue generation.

The Role of the PRIs in Rural Governance and Planning

One of the primary roles of PRIs is to serve as the essential link between the government and rural populations. At the grassroots level, the Gram Panchayats are supposed to ensure that local needs and aspirations are addressed effectively. The role of the Gram Sabhas is to act as a deliberative body that fosters participatory governance by involving residents in decision-making, planning, and oversight. Gram Panchayats are tasked with preparing the Gram Panchayat Development Plan (GPDP) to promote economic development and social justice at the village level. They also play a crucial role in ensuring the effective and efficient implementation of flagship schemes and programs such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Swachh Bharat Mission (SBM), Pradhan Mantri Awas Yojana (PMAY) etc. By leveraging their proximity to the rural populace, PRIs facilitate the effective implementation of these schemes, ensuring that benefits reach the intended beneficiaries. Additionally, PRIs mobilize community participation in development initiatives, making rural programs more sustainable and impactful.

Moreover, village-level planning, coordinated through the Gram Panchayats, identifies local priorities such as improving water supply, sanitation, roads, and public health facilities. These plans are then integrated

at the block level by the Panchayat Samiti, ensuring that local initiatives align with broader developmental goals. Panchayat Samitis are tasked with preparing the Block Panchayat Development Plan (BPDP) using a participatory, inclusive, and transparent process, following an enhanced bottom-up approach. At the district level, the Zilla Parishad consolidates these efforts and coordinates with state and central governments to implement schemes efficiently.

Social justice and equity are also key priorities of the PRIs. The reservation of seats for Scheduled Castes (SCs), Scheduled Tribes (STs), and women has enabled these groups to play a more significant role in governance and decision-making. Article 243D of the Constitution has granted reservation of seats in Panchayats for Scheduled Castes (SCs), Scheduled Tribes (STs), Backward Class of citizens as well as women. More than twenty states and union Territories have made rules and acts for 50% reservation for women in leadership role in Panchayats. This approach is supposed to help address long-standing social inequalities and injustice and stimulate equitable development.

Another crucial aspect of the role of PRIs is financial empowerment. PRIs are recipient of funds from various central and state government allocations, local taxes, and grants. The establishment of State Finance Commissions ensures that PRIs have adequate financial resources to carry out their responsibilities. This financial autonomy enables them to plan and execute developmental projects effectively.

In essence, the PRIs play an essential role in connecting the government and its rural citizens in India. By promoting participatory governance, fostering economic development, and enabling initiatives for social justice, the PRIs have become an institution of rural governance and planning in India.



CHECK YOUR PROGRESS

Q 3: State the functions of the Gram Panchayat.

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Q 4: Elucidate the composition of the Zilla Parishad.

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Q 5: Which Article of the Indian Constitution has granted reservation of seats in Panchayats for Scheduled Castes (SCs), Scheduled Tribes (STs), Backward Class of citizens and women?

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5.6 CHALLENGES AND THE WAY FORWARD

We have so far discussed how different state and central government agencies and Panchayati Raj Institutions have played pivotal role in deepening and broadening rural governance and planning. However, there are major issues that have affected these agencies and the institutions in becoming an effective and efficient agent of governance and equitable development in rural India.

Some of the major challenges faced by various rural governance agencies like NABARD, the Department of Rural Development (DRD), and District Rural Development Agencies (DRDAs) include:

i. Funding Constraints and Inefficiency: One of the major problems faced by these agencies is inadequate funding, delays in fund disbursement, and wasteful utilization of assigned resources. This impedes the enactment of programs and projects related to rural development effectively.

ii. Capacity and Infrastructure Limitations: Many of the rural governance agencies lack the essential human resources, infrastructure, and technical knowledge to implement different development initiatives.

iii. Coordination Issues: There exist a lack of coordination among central, state, and local governance institutions creates significant gaps in the process of implementation of various schemes.

iv. Inadequate Community Participation: Despite its stated focus on participatory governance, many rural communities remain unaware or uninterested in different Panchayati Raj programs.

v. Dependence on External Guidelines: Agencies like NABARD and DRDAs often depend on guidelines issued by the central or the state government which limits their flexibility in addressing issues specific to a particular region. This top-down approach reduces the receptiveness of programs to local necessities.

And some of the key issues faced by the PRIs are :

i. Top-Down Approach: Different central and states governments have taken a persistent top-down model in governing Panchayati Raj Institutions which has hindered the PRIs from efficiently achieving their goals andmandates. This top-down approach has effectively prevented PRIs from developing a sense responsibility.

ii. Capacity Constraints: Despite various efforts at capacity-building by institutes such as State Institutes of Rural Development PRIs have been plagued by persistent issues of limited capacity at the local level. These efforts have been insufficient, and greater involvement of NGOs would lead to better mobilization of communities and effective capacity building.

iii. Issues with Funds: The Panchayats have consistently struggled to secure and maintain their own sources of revenue. Lack of adequate funds has hindered effective functioning of the Panchayats. A possible solution to this problem is to explore alternative models of funding such as the Public-Private Partnerships which would lead to strengthening their financial autonomy.

iv. Incomplete Devolution of Powers: Many states have so far not completely transferred control over the various subjects meant for the Panchayats to it. Effective devolution of responsibility and power to the Panchayats have not taken place in many states of India.

v. Manpower Challenges: Additionally there are manpower shortages in the Panchayati Raj Institutions. Panchayats frequently lack sufficient manpower, and they do not possess direct administrative control over employees assigned to them weakening their operational capacities. Strengthening effective rural governance through PRIs necessitates addressing the issues of manpower shortages and granting Panchayats greater independence in handling their own staff.



5.7 LET US SUM UP

India has witnessed significant progress in rural local governance, which in its current avatar emphasizes decentralized governance and participatory planning. The 73rd Constitutional Amendment has institutionalized Panchayati Raj Institutions (PRIs) as the foundation of grassroots democracy. These bodies, along with central and state agencies such as the Ministry of Rural Development, NABARD, and DRDAs, have changed the rural landscape of India by addressing crucial necessities in terms of livelihood, infrastructural development, and social justice.

PRIs have become significant agents in empowering rural communities, enabling economic development, and fostering inclusive local self-governance. The Gram Sabhas and Panchayats ensure local mass participation and play a key part in implementing flagship programs like MGNREGA and Swachh Bharat Mission. Institutions such as NABARD provide essential financial support for rural development, while DRDAs coordinate program delivery effectively.

Together, these institutions embody a decentralized approach that strengthens democratic principles, fosters sustainable development, and builds a foundation for equitable growth across rural India.



5.8 FURTHER READING

1) P

2) P

5.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Rural governance in India can be defined as the system through which institutions of local governance particularly Panchayats, exercise political, administrative, and financial powers to address needs of rural populations, delivering essential public services, and empowering rural communities politically, socially and economically.

Ans to Q No 2: 1992.

Ans to Q No 3: Gram Panchayats are tasked with preparing the Gram Panchayat Development Plan (GPDP) to promote economic development and social justice at the village level. They also play a crucial role in ensuring the effective and efficient implementation of flagship schemes and programs such as Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), Swachh Bharat Mission (SBM), Pradhan Mantri Awas Yojana (PMAY) etc.

Ans to Q No 4: Zilla Parishad is the apex body at the district level which is composed of elected representatives from the Panchayat Samitis, Members of the Legislative Assembly (MLAs), and Members of Parliament (MPs) from the district.

Ans to Q No 5: Article 243D

5.10 MODEL QUESTIONS

A. Very Short Questions

Q 1: Who is the head of the Panchayat Samiti?

Q 2: What is the full form of NABARD?

Q 3: What is the full form of DRDA?

Q 4: Who had advocated for Gram Swaraj in India?

B. Short Questions

Q 1: Briefly explain the role of the PRIs in rural governance and planning.

Q 2: Discuss any two key features of the PRIs structure.

C: Long Questions

Q 1: Explain the key issues faced by PRIs.

Q 2: Discuss the history of the evolution of institutions of rural governance in India.

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UNIT 6 : CIVIL SOCIETY AND RURAL DEVELOPMENT

UNIT STRUCTURE

6.1 Learning Objectives

6.2 Introduction

6.3 Meaning and Definition of Civil Society

6.4 Characteristics of Civil Society

6.5 Role of Civil Society

6.6 Civil Society and Rural Development

6.7 Challenges faced by Civil Society in Rural Development

6.8 Let Us Sum Up

6.9 Further Reading

6.10 Answer to Check Your Progress

6.11 Possible Questions

6.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- explain the meaning of Civil Society
- discuss the characteristics of Civil Society
- explain the role of civil society in rural development .

6.2 INTRODUCTION

The phrase “civil society” became the central idea in Western political philosophy between 1750 and 1850. Up until that point, the terms “civil society” and “state” were interchangeable. It was also expected of members of civil society to be state citizens who were bound by the state’s laws and to behave in a way that did not injure other citizens. In Britain, France, and Germany, this view persisted until the middle of the eighteenth century.The idea of civil society was first introduced by liberalism in an effort to challenge absolutism.

Civil society is frequently referred to as the “third sector” of society,

existing between the state (the public sphere) and the family (the private sphere). It is made up of the associations and voluntary, non-governmental groups that people create to further social issues, follow shared interests, or meet needs in the society. Any democratic society must have civil society because it gives people a forum to express their opinions, fight for their rights, and hold their government responsible. Civil society is inspired by collective action for the public good, social transformation, and human dignity, in contrast to the market, which is motivated by economic interests, or the state, which is in charge of governance and lawmaking.From local grassroots movements to global non-governmental organizations (NGOs), civil society's strength and vitality are seen in its many facets. These groups work on a wide range of topics, including poverty reduction, healthcare, education, and environmental sustainability as well as human rights. By providing citizens with a voice and promoting their engagement in decision-making processes, civil society organizations (CSOs) promote social cohesion, democratic participation, and inclusive development.The fundamental tenets of civil society are collective action, freedom of expression, and active civic engagement. Through encouraging involvement, communication, and the defence of human rights, it advances democracy. Civil society has a vital role in preserving social stability, openness, and justice by giving people and organizations a forum to plan, mobilize, and promote social change. Civil society is viewed as a crucial check on the authority of the government in healthy democracies, assisting in making sure that individuals' rights and needs are acknowledged and actively protected.

6.3 MEANING AND DEFINITION OF CIVIL SOCIETY

The term "civil society" describes the aspects of human life that fall outside the jurisdiction of the state, government, or political power, such as family and familial structures, religious institutions, cultural organizations, and economic ties. The fact that political power and civil society are interdependent makes it an analytical concept. It is widely accepted that neither can exist without the other and that there is no distinct line separating the two.Liberals have used the contrast between the state and civil society

to challenge the absolutist state since the seventeenth century. Like the constitutional state, the idea of civil society is therefore fundamentally a liberal invention, but ironically, the main arguments concerning its significance and appropriate meaning have taken place inside Marxism, especially Western Marxism.

without some regard civil society as "the single most viable alternative to the authoritarian state and the tyrannical market," others see it as a way to increase individual liberty and free markets without decreasing the role of politics in society.

Additionally, there is a belief that it is the missing component needed for social democracy and compassionate conservatism to succeed; civil society is credited with something inexplicable.According to Adam Seligman, "the new analytic key that will unlock the mysteries of social order" is civil society.

Historically, the term "civil society" has been used in the writings of intellectuals since the middle of the eighteenth century to try to differentiate it from a structured society governed by the state. Some people believe that Aristotle and Seneca's ancient writings are where civil society first emerged. Since the state is a component of society, the difference between civil society and the state is invalid. Stable social institutions that significantly impact or govern people's lives are necessary for the existence of formal authority and political control. Since voluntary organizations foster the ideals of collaboration and tolerance, which are crucial preconditions for democratic life, many view them as the lifeblood of civil society.But there are also a variety of conflicting and disparate values and beliefs present in genuine associational life. Moreover, the principles of trust, tolerance, reciprocity, and cooperationrepeated by proponents of social capitalare also promoted in families, workplaces, schools, colleges, and universitiesplaces where people spend a larger portion of their lives, grow, and learnthanin any voluntary organizations they may be a part of.

Securing a level of agreement to acquire and implement broad-based social reforms is challenging since there are so many differences of opinion and viewpoints within NGOs and other voluntary groupings.In

addition to providing a counterbalance to the market's temptations and the state's overpowering influence, civil society also presents a chance for group action to combat individuality.

Additionally, a few political thinkers' varying perspectives on civil society are examined here.

Aristotle offers a fundamental notion of civil society in his book *Politics*, especially in relation to his definition of the polis (city-state). According to him, civil society is the structured framework in which people unite to pursue the good life.

According to Aristotle, civil society is a group of people who come together to pursue virtue and the common good. He believes that the state, or polis, is necessary for leading a moral life and not merely for upholding order. The purpose of civil society is to help people live in harmony and attain moral excellence.

Hobbes' *Leviathan*, his most well-known work, examines human nature and the need for a powerful central government. He defines the "state of nature," which he describes as violent and anarchic, as a social compact that people engage to escape.According to Hobbes, civil society is the structured group that results from people agreeing to cede some of their liberties to a governing body in return for social order and protection. It is an agreement to maintain calm and prevent anarchy.

"The mutual transferring of right is that which is called a contract; and civil society begins when men, in the pursuit of peace, mutually agree to submit their wills to a common power." - Leviathan, 1651.

In contrast to Hobbes, John Locke offers a more positive outlook on human society in his *Second Treatise of Government*. According to him, civil society is founded on the agreement of the governed and develops organically to protect life, liberty, and property.According to Locke, civil society is a framework in which people establish governments with one another's permission in order to defend the fundamental rights of life, liberty, and property. In contrast to Hobbes, Locke argues that people have the right to oppose or overturn a government that does not fulfil its obligation to serve them.

"In civil society, the individual enters into a social contract to create a government that is limited in power and bound to the protection of the natural rights of its citizens." -Second Treatise of Government, 1689

A more intricate and dynamic picture of civil society is presented by Georg Wilhelm Friedrich Hegel in his *Philosophy of Right*. According to him, it is a domain in which people follow their own interests, but their pursuits also support the larger social order.Hegel's theory of civil society is based on the belief that it exists between the state and the family and is where people's economic, social, and cultural goals are fulfilled. In addition to mediating these private interests, civil society contributes to the growth of freedom and the achievement of moral living.

"Civil society is the stage where individuals interact freely and pursue their own interests, but in doing so they contribute to the larger social order and become part of the ethical life of the state." -Philosophy of Right, 1820

Marxist scholar Gramsci popularized the idea of hegemony and highlighted the role that civil society plays in determining ideological control. According to Gramsci, civil society is a battlefield for ideology and power as well as a place for voluntary associations.According to Gramsci, civil society is the domain of organizations (including the media, places of worship, educational institutions, and non-governmental organizations) that the prevailing class uses to impose its ideological will on the populace. According to him, civil society is the arena for conflicts for political and cultural hegemony, and it is vital to maintaining or upending the status quo.

"Civil society is the terrain of ideological struggle where dominant ideas and values are propagated by the ruling class, and counter-hegemonic forces challenge those ideas." - Prison Notebooks, 1929-1935.

Regarding the function of civil society in democratic discourse, Habermas, a modern German philosopher, is well-known for his theory of the public sphere, which views civil society as a forum for logical public discussion and deliberation in which citizens can interact to shape public opinion.According to Habermas, civil society is made up of private citizens who unite together to create public views and have conversations that have the power to affect policy decisions. He highlights the value of reasoned

discussion and communicative action in the democratic process.

"Civil society is the space of rational-critical debate and discourse, where individuals come together to form opinions and influence public policy, creating a foundation for democracy." - The Structural Transformation of the Public Sphere, 1962

Tocqueville explores the function of civil society in the framework of American democracy in his landmark book *Democracy in America*, where civic involvement and voluntary organizations are essential to preserving social cohesiveness and averting tyranny.According to Tocqueville, civil society is the web of nonprofit organizations that allow people to engage in public life, build social ties, and defend against the expansion of governmental authority. He contends that civic engagement, trust-building, and avoiding the tyranny of the majority are all facilitated by civil society.

"Civil society is the realm of voluntary associations that enables individuals to form social ties and protect their freedom, playing a crucial role in the preservation of democratic values." -Democracy in America, 1835

Marx's view of civil society is cantered on the economic interactions and material circumstances that influence it. He saw civil society as the arena where capitalist interests were articulated and frequently contested, even if he did not use the term in the same manner as later thinkers.

"For Marx, civil society is the arena where individuals interact under the influence of economic forces, primarily through the market and relations of production. It is a space where private interests and material conditions shape public life and political institutions." - The German Ideology, 1845-46

Nobel laureate Amartya Sen presents a perspective on civil society in relation to social justice and human development.

"Civil society is the realm of individual and collective action that supports social welfare and justice, focusing on the capability of citizens to achieve valuable functionings in life. It is where people actively participate in democratic processes, promote their interests, and influence societal norms." - The Idea of Justice, 2009

Robert Putnam, a political scientist, offers a sociological definition of civil society that emphasizes social capital and the function of trust in

society.

"Civil society is the web of social networks, norms, and trust that binds people together, making cooperation and collective action possible. Strong civil society, characterized by rich networks of civic engagement, promotes both social capital and democratic participation." -Bowling Alone: The Collapse and Revival of American Community, 2000

Every definition of civil society offers a different perspective, reflecting the particular situations in which the philosopher is writing as well as their larger political theory. Civil society has been characterized as a crucial area for the pursuit of justice, democracy, and human well-being from the earliest ideas of Aristotle and Hobbes to more recent authors like Habermas, Keane, and Sen. It is a dynamic and complex idea that keeps altering to reflect shifting social, political, and economic conditions.



CHECK YOUR PROGRESS

Q 1: What do you understand by "Civil Society"?

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Q 2: Who wrote the book "Democracy in America"?

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Q 3: Write the definition of Civil Society given by Amartya Sen.

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6.4 CHARACTERISTICS OF CIVIL SOCIETY

Social cohesiveness, democratic government, and the defence of human rights all depend heavily on civil society. Numerous associations, social movements, and nonprofits that function independently of the government and the market are included. These organizations encourage group action, empower people, and advance democratic ideals. Civil society is characterized by its dynamic and varied nature, which emphasizes its significance in preserving social balance and accountability. Some of the

salient features of civil society are described below:

- **Voluntary Participation:** The voluntary involvement of its members is one of civil society's core traits. Civil society organizations (CSOs) are founded on the free will of people and groups who join together to pursue common interests, values, or objectives, as in contrast to state-driven programs or market-driven businesses. People are free to join, form, or leave groups as they see fit because participation is voluntary, which promotes civic engagement and a sense of empowerment.For instance, people may volunteer for social movements, local NGOs, or environmental organizations because they support the cause, be it gender equality, educational reform, or climate action. People can openly voice their thoughts and help shape public debate because of this volunteer character.
- **Independence from the State and Market:** Both market forces and political authority have no influence over civil society. Civil society groups maintain their independence in terms of their objectives, principles, and organizational design, even when they might collaborate with governments or corporations in specific fields. By serving as a check on the power of the market and the state, this independence enables civil society to hold them responsible.For instance, human rights organizations like Amnesty International and Human Rights Watch monitor and expose human rights violations, often challenging government policies and practices. These organizations do not operate under the direct influence of the state or market, giving them the freedom to voice concerns and advocate for the marginalized.
- **Collective Action and Advocacy:** Collective action is one of civil society's distinguishing characteristics. Civil society is a place where people and organizations get together to work toward shared objectives and solve problems. These group initiatives could include community mobilization, petitions, demonstrations, or advocacy campaigns. Influencing public opinion, forming policies, and promoting social, economic, or political change are the main goals.

The Right to Information (RTI) movement in India serves as an

illustration of civil society collective action. The RTI Act, which gave citizens the right to access information kept by the government, was passed in 2005 as a result of activists and citizen organizations uniting to seek greater transparency in government operations.

- **Focus on Public Good and Social Justice:** Generally speaking, civil society groups are motivated by a dedication to social justice, the public good, and the advancement of group welfare. They strive to address problems like environmental degradation, human rights abuses, poverty, prejudice, and inequality. Creating a society that is more inclusive, just, and equal is frequently civil society's ultimate objective.
- **Pluralism and Diversity:** Civil society is inherently pluralistic and diverse, encompassing a broad spectrum of social, cultural, political, and economic interests. It provides a platform for various groups, including ethnic minorities, women, workers, youth, and marginalized communities, to express their views and advocate for their rights. This diversity reflects the multiple identities, needs, and values that exist within society, and civil society acts as a unifying force to bring these diverse voices together.A vast array of organizations addressing issues including caste-based discrimination, gender equality, environmental conservation, and indigenous rights are considered to be part of India's civil society. For instance, the Narmada BachaoAndolan (Save the Narmada Movement) united a wide range of activists, human rights advocates, environmentalists, and indigenous communities to fight against the building of massive dams in the Narmada River basin that would have forced thousands of people to relocate.
- **Democratic and Transparent Structure:** Generally speaking, civil society organizations support open and democratic systems. They are frequently set up to encourage members' accountability and active involvement. Generally speaking, civil society groups use inclusive decision-making procedures that prioritize hearing and taking into account a range of viewpoints. Since these organizations are frequently committed to maintaining the principles of accountability and

transparency in their operations, transparency is also a crucial component.To guarantee openness in the allocation of funding and the decision-making process, numerous NGOs and civil society organizations frequently publish yearly reports or host public gatherings. This transparency promotes confidence and motivates people and communities to actively engage in the organization's activities.

- **Advocacy of Human Rights and Civil Liberties:** When it comes to promoting civil liberties and human rights, civil society frequently takes the lead. It acts as a crucial watchdog, keeping an eye on government operations and making the state answerable for how it treats its people. Civil society organizations support a variety of human rights, including the freedom of speech, the right to education, gender equality, and the right to be free from discrimination.In India, the People's Union for Civil Liberties (PUCL) is one such group that has led the charge in promoting civil rights, particularly in times of political unrest. During India's Emergency (1975–1977), PUCL fought to record and oppose violations of human rights and has remained a strong voice for justice and civic freedom.
- **Social Capital and Community Building:** By enhancing linkages between people and communities, civil society promotes the growth of social capital. It makes it possible for people to develop trust, have similar beliefs, and cooperate to achieve shared objectives. Strong social ties that promote social cohesion are facilitated by civil society through the establishment of networks, associations, and community groups.Local community-based groups that organize women to support one another in economic, educational, and health-related issues, like Mahila Mandals (women's collectives) in rural India, are essential in building social capital. These collectives foster social growth, create strong communal links, and act as a source of empowerment.
- **Capacity to Influence Public Policy:** In order to have an impact on public policy decisions, civil society organizations frequently use

lobbying and advocacy. They are essential in influencing political agendas and promoting changes in fields including justice, healthcare, education, and the environment. By serving as a conduit between the public and the government, civil society makes sure that common people's opinions are heard when policy is being discussed.

An illustration of how civil society can impact national policy is the Lok Shakti Abhiyan in India, which was successful in its campaign to enact the National Rural Employment Guarantee Act (NREGA) in 2005. A substantial welfare program was established as a result of the movement, which was spearheaded by grassroots organizations and fought for rural workers' legal rights to employment.

The features of civil society highlight how crucial it is to advancing democratic ideals, defending individual liberties, encouraging civic involvement, and pushing for social change. Civil society offers a forum for collective action, pluralism, and the promotion of the common good by functioning independently from the government and the market. It is essential to the democratic process because it guarantees that people have a say, that those in positions of authority are held responsible, and that society as a whole move closer to equality and justice.

6.5 ROLE OF CIVIL SOCIETY

In India, civil society has a significant and diverse influence on the political, social, and economic climate of the country. It includes a wide variety of grassroots movements, advocacy groups, professional associations, community-based organizations, and non-governmental organizations (NGOs) that operate independently of the market and the government. By serving as a bridge between the people and the government, these organizations support social justice, democratic engagement, human rights protection, and the accountability of governmental institutions. Civil Society plays a very significant role in different context, those are discussed below:

- **Promoting Democracy and Strengthenig Governance:** In India, civil society is essential to advancing democratic ideals and fortifying

democratic institutions. Civil society ensures that the opinions of vulnerable and disadvantaged groups are heard and helps shape the political agenda through involvement in elections, public debates, and policy discussions. In order to guarantee that democracy serves all facets of society, not just the wealthy, civil society groups (CSOs) push for laws that advance equality, justice, and inclusivity.In India, for example, the Right to Information (RTI) campaign, driven by a number of civil society organizations, worked to have the Right to Information Act passed in 2005. This law increases accountability and transparency by giving citizens the power to request access to information kept by the government. The campaign raised public awareness of government inefficiencies and corruption, which paved the way for reforms that guarantee increased accountability.

- **Advocacy for Social Justice and Human Rights:** In India, civil society is crucial in promoting the rights of marginalized communities, such as women, Dalits (formerly known as "Untouchables"), indigenous peoples (Adivasis), religious minorities, and those from low-income backgrounds. It seeks to uphold citizens' fundamental rights, advance social fairness, and combat prejudice.For instance, the Dalit rights movements have led the charge in opposing discrimination based on caste. Significant legal and social reforms for Dalits, including as affirmative action laws in the areas of political representation, employment, and education, have resulted from civil society organizations carrying on Dr. B.R. Ambedkar's legacy. Instances of caste-based violence, discrimination, and exclusion are still being tracked and opposed by the National Campaign for Dalit Human Rights (NCDHR) and other groups.In the same way, women's rights groups like the All-India Democratic Women's Association (AIDWA) and SEWA (Self-Employed Women's Association) have played a significant role in addressing issues like violence against women, promoting gender equality, and defending women's access to jobs, healthcare, and education.
- **Environmental Advocacy and Sustainability:** In India, civil society

has been essential in promoting sustainable development methods and increasing public awareness of environmental challenges. Environmental degradation has grown to be a serious problem in India because of its abundant natural resources and varied habitats. In addition to advocating for legislative changes to protect the environment, civil society organizations put forth endless effort to promote environmental protection and increase public awareness of issues like pollution, climate change, deforestation, and water scarcity.For instance, the Narmada BachaoAndolan (NBA), which was headed by local communities, human rights advocates, and environmentalists, opposed the building of massive dams in the Narmada River valley that would have destroyed the environment and forced thousands of people to relocate. The necessity of social and ecological responsibility in development projects was brought to light by their campaigning, which resulted in environmental evaluations and legal reforms.Similar to this, groups like Greenpeace India and The Centre for Science and Environment (CSE) strive to strike a balance between environmental preservation and development by working on campaigns pertaining to air pollution, water conservation, sustainable agriculture, and wildlife protection.

- **Providing Social Services:** Additionally, civil society organizations are crucial in delivering necessary social services, particularly in areas where the state has little authority. These include of livelihood support, housing, sanitation, healthcare, and nutrition. In underprivileged communities, civil society organizations frequently work directly to remedy gaps in the provision of public services.For instance, AIDS and HIV advocacy organizations such as The Voluntary Health Association of India (VHAI) and The Naz Foundation have played a significant role in promoting better healthcare policies and services, educating the public about HIV prevention, and helping those impacted by HIV/AIDS.
- **Watchdog Role and Accountability:** In India, civil society is essential to ensuring that public servants and government agencies are held

responsible. As watchdogs, civil society organizations frequently expose inefficiencies, corruption, and human rights abuses while promoting openness and reform.One civil society organization that inspired millions of people nationwide to advocate for stronger anti-corruption legislation, especially the Jan Lokpal Bill, is India Against Corruption (IAC). This movement played a crucial role in elevating corruption to the fore of political debate and influencing laws and public policy.

- **Fostering Social Cohesion and National Integration:** Many different civilizations, languages, religions, and ethnic groupings can be found in India. A sense of national unity and social cohesiveness are fostered in large part by civil society. Creating forums for interfaith discussion, encouraging tolerance, and averting intercommunal violence are the main goals of many civil society organizations.

In India, civil society plays a wide and vital role. An inclusive, just, and sustainable society is fostered by civil society groups, which do everything from promoting democratic governance, social justice, and human rights to offering social services, increasing public knowledge of environmental challenges, and strengthening underprivileged populations. By their deeds, they support the nation's democratic foundation, hold the government responsible, and enhance the welfare of India's multicultural populace. Civil society will continue to play a vital role in determining India's future as the nation struggles with issues like poverty, inequality, and environmental degradation.



CHECK YOUR PROGRESS

Q 4: Write two characteristics of Civil Society.

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6.6 CIVIL SOCIETY AND RURAL DEVELOPMENT

Civil society plays a important role in rural development, acting as a bridge between the government and the grassroots population.Civil society

becomes an active force for change in rural areas, where state mechanisms frequently fail because of administrative, social, or geographic limitations.It guarantees that the process of development is inclusive and participatory rather than merely top-down. Civil society plays a vital role in fostering equitable and sustainable rural development by empowering individuals, expressing their concerns, and uniting communities.

Major Roles of Civil Society in Rural Development:

- **Strengthening Participatory Democracy:** Civil society helps rural people become active citizens. Through decentralised planning, community forums, and village meetings (Gram Sabhas), it makes it possible for people to participate in local governance. This participatory approach ensures that rural development reflects local priorities and enhances democratic accountability.
- **Empowering Marginalized and Vulnerable Groups:** Exclusion on the basis of caste, tribe, gender, disability, or economic status is a common problem in rural society. By elevating these groups' voices, civil society makes sure that development plans take into account their demands and safeguard their rights. By supporting equality, dignity, and the protection of human rights, it enhances social justice.
- **Bridging the Information and Awareness Gap:** Due to a lack of literacy or awareness, many rural residents are still ignorant of their welfare program benefits. A key function of civil society is to raise awareness of laws, rights, programs (including housing, pensions, and employment guarantees), and democratic processes. Communities that are well-informed are better able to demand responsibility and obtain resources.
- **Service Delivery and Innovation:** Civil society offers vital services including non-formal education, primary healthcare, clean drinking water, vocational training, legal assistance, and disaster relief in places where the state is lacking or performing poorly. Moreover, civil society often introduces innovative, low-cost, and context-specific solutions that are more responsive to local needs than standard government programs.

- **Capacity Building and Skill Development:** Civil society organisations make investments to strengthen the capacities of institutions, community-based groups, and individuals. In order to improve job prospects and boost local economies, they provide technical skills, financial literacy, digital technologies, and sustainable practices training to women, farmers, craftsmen, and young people in the area.
- **Promoting Sustainable and Inclusive Development:** Civil society encourages environmentally sustainable practices such as organic farming, water conservation, renewable energy use, and eco-tourism. It also promotes inclusiveness by ensuring that development reaches all sections of society-not just the dominant or vocal groups.
- **Facilitating Social Mobilisation and Collective Action:** By organizing people into groups, such as self-help groups (SHGs), cooperatives, producer groups, or village committees, civil society builds solidarity and collective power. This enables rural communities to assert their rights, negotiate better, and create self-sustaining support systems.
- **Monitoring Governance and Ensuring Accountability:** Public institutions are monitored by civil society. It carries out public hearings, community scorecards, and social audits to find instances of corruption, inefficiency, or exclusion in government programs.It holds institutions accountable and presses for reforms through constructive criticism, advocacy, and legal mechanisms.
- **Policy Advocacy and Systemic Reform:** Through research, documentation, and grassroots mobilization, civil society influences public discourse and policy-making. It offers field-based, evidence-based input and suggests changes in areas like labour rights, food security, education policy, health systems, and land rights, making sure that rural realities influence national choices.

6.7 CHALLENGES FACED BY CIVIL SOCIETY IN RURAL DEVELOPMENT

Despite its vital role, civil society faces numerous obstacles in maximising its impact on rural development:

- **Resource Constraints:** The scope and continuity of activities are limited by a lack of institutional support, a lack of finance, and dependency on donations.
- **Political and Bureaucratic Resistance:** Government agencies and local power structures may perceive civil society as a threat or competitor, leading to friction, delay, or denial of cooperation.
- **Regulatory Pressures:** More regulation of NGOs and civil society groups, such as mandatory registrations, legal scrutiny, and limitations on foreign funding, makes it harder for them to operate.
- **Limited Outreach and Scale:** Despite the fact that civil society has deep roots locally, many organisations find it difficult to reach greater numbers of people because of their limited resources and expertise.
- **Community Mistrust or Apathy:** Due to cultural gaps, false information, or negative experiences in the past, civil society initiatives sometimes encounter opposition from the very groups they are meant to assist.



6.8 LET US SUM UP

- The phrase “civil society” became the central idea in Western political philosophy between 1750 and 1850. Up until that point, the terms “civil society” and “state” were interchangeable.
- The term “civil society” describes the aspects of human life that fall outside the jurisdiction of the state, government, or political power, such as family and familial structures, religious institutions, cultural organizations, and economic ties.
- Hobbes’*Leviathan*, his most well-known work, examines human nature

and the need for a powerful central government. He defines the "state of nature," which he describes as violent and anarchic, as a social compact that people engage to escape.According to Hobbes, civil society is the structured group that results from people agreeing to cede some of their liberties to a governing body in return for social order and protection. It is an agreement to maintain calm and prevent anarchy.

- Social cohesiveness, democratic government, and the defence of human rights all depend heavily on civil society. Numerous associations, social movements, and nonprofits that function independently of the government and the market are included.
- In India, civil society has a significant and diverse influence on the political, social, and economic climate of the country. It includes a wide variety of grassroots movements, advocacy groups, professional associations, community-based organizations, and non-governmental organizations (NGOs) that operate independently of the market and the government.
- The phrase "rural development" has been used in a variety of circumstances and ways. It is employed as a phenomenon, a concept, and a tactic. The phrase "rural development" refers to the comprehensive improvement of rural areas with the goal of raising the standard of living for rural residents.
- There is not a single, widely recognized theory of rural development that can both explain the current state of the phenomena and forecast its trajectory. We have a collection of theories and claims that represent more advanced generalizations in the development domain.



6.9 FURTHER READING

1) Kaviraj, S., & Khilnani, S. (Eds.). (2001). *Civil society: History and possibilities*. Cambridge University Press.

2) Seligman, A. B. (1995). *The idea of civil society*. Princeton University

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5) Singh, R. B. (2006). *Gandhian Approach to Development Planning* (Vol. 28). Concept Publishing Company.

6) Gandhi, M., & Gandhi, M. K. (1939). *Hind swaraj, or, Indian home rule*. Ahmedabad: Navajivan Publishing House.



6.10 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: The term "civil society" describes the aspects of human life that fall outside the jurisdiction of the state, government, or political power, such as family and familial structures, religious institutions, cultural organizations, and economic ties. The fact that political power and civil society are interdependent makes it an analytical concept. It is widely accepted that neither can exist without the other and that there is no distinct line separating the two.Liberals have used the contrast between the state and civil society to challenge the absolutist state since the seventeenth century. Like the constitutional state, the idea of civil society is therefore fundamentally a liberal invention, but ironically, the main arguments concerning its significance and appropriate meaning have taken place inside Marxism, especially Western Marxism.

Ans to Q No 2: *Tocqueville*

Ans to Q No 3: *Nobel laureate Amartya Sen presents a perspective on civil society in relation to social justice and human development.*

"Civil society is the realm of individual and collective action that supports social welfare and justice, focusing on the capability of citizens to achieve valuable functionings in life. It is where people actively participate in democratic processes, promote their interests, and

influence societal norms." - The Idea of Justice, 2009

Ans to Q No 4: 1) Voluntary Participation: The voluntary involvement of its members is one of civil society's core characteristics.

2) Independence from the State and Market: Both market forces and political authority have no influence over civil society.



6.11 MODEL QUESTIONS

A: Short Questions (Answer each in about 150 words)

Q 1: What is meant by Civil Society ?

Q 2: Briefly explain the characteristics of Civil Society

B: Long Questions (Answer each in about 300 words)

Q 1: Discuss the role of civil society in rural development.

Q 2: Discuss the challengesfaced by civil society.

*** ***** ***

UNIT 7 : COOPERATIVES AND RURAL DEVELOPMENT

UNIT STRUCTURE

7.1 Learning Objectives

7.2 Introduction

7.3 Meaning and Definition of Cooperatives

7.4 Principles of Cooperation (International Cooperative Alliance, 1995)

7.5 Types of Cooperatives in India

7.6 Evolution of the Cooperative Movement in India

7.7 Growth and Development of the Credit Cooperatives

7.8 Structure of the Cooperative Credit System

- 7.8.1 Short- and Medium-Term Credit Structure
- 7.8.2 Long-Term Credit Structure

7.9 Growth and Development of the Non- Credit Cooperatives

7.10 Latest Developments in Indian Cooperative Sector

7.11 Let Us Sum Up

7.12 Further Reading

7.13 Answers to Check your Progress

7.14 Model Questions

7.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- define the concept of cooperatives and identify their key features and guiding principles
- classify the different types of cooperatives in India
- describe the historical evolution of the cooperative movement in India
- illustrate the structure and functioning of both the short- and long-term cooperative credit systems
- analyze the role and significance of non-credit cooperatives

- compare the roles of credit and non-credit cooperatives in achieving inclusive growth and sustainable development in rural India.
- examine the recent policy reforms, digital initiatives, and structural changes introduced by the Government of India to strengthen the cooperative sector.
- identify the major challenges faced by cooperatives in India.

7.2 INTRODUCTION

In the previous unit we discussed about the various aspects related to civil society and rural development. In this unit we are going to discuss about the various aspects related to concept and types of cooperatives in India, the role of cooperatives in rural development, challenges faced by cooperatives in India.

India's socio-economic fabric is deeply rooted in its rural landscape, where a significant portion of the population depends on agriculture and allied activities for their livelihood. The concept of cooperatives, based on mutual aid and collective effort, is an effective strategy for empowering rural communities. Cooperatives not only promote economic welfare but also nurture democratic values, social inclusion, and self-reliance.

The cooperative movement has evolved as a grassroots initiative to address the limitations of individual efforts in a resource-constrained rural setting. By pooling resources, sharing risks, and facilitating collective bargaining, cooperatives can bridge the gap between rural needs and institutional support. This unit delves into the foundational aspects of cooperatives and their interlinkages with rural development in India.

Co-operatives in India have been a cornerstone of rural development, fostering economic empowerment, social inclusion, and sustainable growth. Rooted in the principles of collective action, mutual help, and democratic governance, co-operatives have played a pivotal role in transforming rural economies. From agricultural credit societies to dairy co-operatives like AMUL, they have provided rural communities with access to resources, markets, and opportunities. This unit explores the structure, impact, and challenges of co-operatives in the context of rural development in India,

emphasizing their significance in addressing socio-economic disparities. Let us now discuss it with the following sections and sub-sections.

7.3 MEANING AND DEFINITION OF COOPERATIVES

A cooperative is a voluntary association of people who come together to fulfill common economic, social, and cultural needs. It is based on the principles of mutual help, equality, and democratic functioning. The word cooperation has many meanings, but in common discourse it means working, living and thinking together. In our existing socio-economic context, however, we need to define it somewhat differently- "Cooperation is a form of organization wherein persons voluntarily associate with each other as human beings on the basis of equality for the promotion of mutual economic interests". As per the definition given by the International Labour Organization (ILO), a cooperative society is an association of persons, who assemble for their common cause and work together voluntarily on democratic lines.

The International Cooperative Alliance (ICA), 2023 defines a cooperative as an "autonomous associations of individuals united voluntarily to meet common economic, social, and cultural needs through a jointly-owned and democratically-controlled enterprise.

The co-operative movement in India was formalized with the passage of the Co-operative Credit Societies Act of 1904, aimed at providing affordable credit to farmers. The movement gained momentum post-independence, aligning with India's planned economy and rural development goals. The establishment of the National Co-operative Development Corporation (NCDC) in 1963 and the success of dairy co-operatives like the Anand Milk Union Limited (AMUL) in the 1970s marked significant milestones.



CHECK YOUR PROGRESS

Q 1: Provide the ILO and ICA definitions of cooperatives.

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Q 2: What was the significance of the Co-operative Credit Societies Act of 1904?

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7.4 PRINCIPLES OF COOPERATION (INTERNATIONAL COOPERATIVE ALLIANCE, 1995)

The International Cooperative Alliance outlines seven core principles that guide cooperative organizations around the world:

1. **Voluntary and Open Membership**: Cooperatives are open to all individuals willing to accept the responsibilities of membership, without discrimination based on gender, social status, race, political ideology, or religion. This principle ensures inclusivity and equal opportunity to benefit from cooperative services.
2. **Democratic Member Control**: Cooperatives operate on the basis of democratic control. Each member has equal voting rights-typically one member, one vote-regardless of the amount of capital contributed. This ensures that power and decision-making lie with the members.
3. **Member Economic Participation**: Members contribute equitably to the capital of the cooperative and control it democratically. Surpluses are either reinvested in the cooperative, distributed among members based on their transactions, or used to support community development projects.
4. **Autonomy and Independence**: Cooperatives are autonomous, self-help organizations controlled by their members. Even when they enter into agreements with other organizations or receive external funding, they maintain their independence and uphold the democratic control by members.
5. **Education, Training, and Information**: Cooperatives provide education and training to their members, elected representatives, managers, and employees to ensure the effective development and governance of the cooperative. They also inform the general public about the nature and benefits of cooperation.

6. **Cooperation among Cooperatives**: Cooperatives serve their members most effectively and strengthen the movement by working together through local, national, regional, and international structures. This principle fosters solidarity and collective strength.
7. **Concern for Community**: Cooperatives work for the sustainable development of their communities through policies and practices that reflect their commitment to social, economic, and environmental well-being. They reinvest a portion of their profits in local development projects.

7.5 TYPES OF COOPERATIVES IN INDIA

India has a rich variety of cooperatives tailored to meet the diverse needs of its rural and urban population. These cooperatives play specific roles depending on the sector they serve:

1. **Agricultural Credit Cooperatives**: These cooperatives provide short-term and medium-term loans to farmers for agricultural activities. They are further categorized into Primary Agricultural Credit Societies (PACS) at the village level, District Central Cooperative Banks (DCCBs), and State Cooperative Banks (SCBs). PACS are the backbone of rural credit in India.
2. **Marketing Cooperatives**: These cooperatives assist farmers in selling their produce at better prices by eliminating middlemen. They provide storage facilities, market intelligence, transportation, and facilitate direct market linkage. Examples include NAFED (National Agricultural Cooperative Marketing Federation of India).
3. **Consumer Cooperatives**: These cooperatives purchase goods in bulk from producers or wholesalers and sell them to consumers at fair prices, ensuring affordability and quality. They are especially important in controlling inflation and providing essential goods in remote areas.
4. **Dairy Cooperatives**: Dairy cooperatives collect milk from farmers, process it, and market it under cooperative brands like AMUL. They ensure a fair price to producers and quality dairy products to

consumers. They are a major source of rural employment and women empowerment.

5. **Housing Cooperatives**: These cooperatives provide affordable housing to members by pooling resources to purchase land and construct houses or flats. They are especially relevant in urban and semi-urban areas to tackle housing shortages.
6. **Worker Cooperatives**: These are owned and operated by workers themselves. Profits are distributed among members, and management decisions are made democratically. They are important in sectors like textiles, food processing, and services.
7. **Weavers and Handicraft Cooperatives**: These cooperatives promote traditional artisans and handloom weavers by providing raw materials, design support, training, and marketing assistance. They help preserve cultural heritage and provide sustainable livelihoods.
8. **Fisheries Cooperatives**: These cater to the needs of small-scale fishermen by offering credit, equipment, cold storage, and marketing facilities. They ensure better prices and reduce exploitation by middlemen.



CHECK YOUR PROGRESS

Q 3: Name three types of cooperatives that promote economic welfare in rural India.

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Q 4: What is the role of dairy cooperatives in rural empowerment?

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7.6 EVOLUTION OF THE COOPERATIVE MOVEMENT IN INDIA

The cooperative movement in India has evolved through distinct historical phases, shaped by the country's socio-economic transformations, colonial legacy, planning era, and recent liberalization reforms. The

Cooperative Credit Societies Act of 1904 was the first formal legislative framework, focusing on small credit societies for farmers. This was expanded by the Cooperative Societies Act of 1912, allowing cooperatives in sectors beyond credit. Post-independence, the government recognized cooperatives as a tool for rural transformation. The Planning Commission included cooperative development in the Five-Year Plans. These efforts led to the rapid growth of cooperatives in agriculture, dairy, and other sectors.Below is a comprehensive overview of the development of cooperatives in India:

1. ***Pre-Independence Scenario****:* The roots of the cooperative movement in India trace back to the early 20th century. Rural India, plagued by poverty, high levels of indebtedness, and the exploitative practices of moneylenders (Sahukars), was in desperate need of institutional reforms.

   1904: The enactment of the **Cooperative Credit Societies Act** was a landmark step to institutionalize rural credit and reduce dependence on informal sources.

   1905: The first registered cooperative credit society was established in Kanginhal village of Dharwad district (present-day Karnataka).

   1912: A more comprehensive **Cooperative Societies Act** was passed, which allowed the registration of non-credit cooperatives as well, including marketing, housing, and consumer cooperatives.

   1919: Under the **Montague-Chelmsford Reforms**, cooperation was made a provincial subject, allowing provinces greater control over cooperative regulation.

   1930–38: The **Great Depression** adversely affected the movement, loan recovery rates fell, and cooperatives struggled with financial stability.

   1939–1946 (World War II): The war-induced rise in agricultural prices improved farmers' repayment capacities, leading to a partial revival of the cooperative movement.

2. ***Post-Independence Developments***: Post-independence, India adopted planned economic development with an emphasis on rural reconstruction. Cooperatives were seen as instrumental to achieving

equity, participation, and collective prosperity.

First Five-Year Plan (1951–56): Emphasized expanding cooperatives across all villages. Primary Agricultural Credit Societies (PACS) became widespread to provide institutional credit.

All India Rural Credit Survey (1954): Conducted by the Reserve Bank of India (RBI), it recommended a three-tier cooperative credit structure and government partnership in cooperatives. It laid the foundation for stronger integration of credit, marketing, and production support.

3. ***Five-Year Plan Era (Second to Fifth Plan: 1956–1978)***

Second Plan (1956–61): Focused on building a socialistic pattern of society. Encouraged medium-sized service cooperatives at the village level.

Third Plan (1961–66): Gave emphasis to workers' and consumer cooperatives. Multiple committees were constituted for cooperative development.

Fourth Plan (1969–74): Strengthened cooperative education and training, emphasized area-based programmes like SFDA and MFDA, and coordinated credit delivery with agricultural development.

Fifth Plan (1974–79): Recognized cooperatives as key for public distribution, input supply, and employment generation. The 1958 National Policy on Cooperatives was revised in 1977 to reflect the need for autonomy, professionalization, and decentralized rural development.

4. ***Sixth to Ninth Five-Year Plans (1980–1997):*** Emphasis was laid on **multipurpose PACS,** professional training, and extending cooperatives into non-credit sectors.

CRAFICARD Committee (1981): Suggested institutional strengthening of cooperative credit delivery.

Seventh Plan (1985–90): Advocated for increasing food production, rural employment, and diversification of cooperative activities.

Eighth and Ninth Plans emphasized the need for **greater autonomy** to cooperatives and reduction in state interference.

The **Multi-State Cooperative Societies Act (2002)** was a major legislative reform aimed at improving efficiency, governance, and interstate operations of cooperatives.

5. ***Tenth Five-Year Plan and Beyond:*** **In the tenth five-year plan, f**ocus shifted to **value addition, technology transfer**, and expanding cooperative involvement in non-traditional sectors like **insurance, tourism, health, and renewable energy**. Emphasis was also laid on empowering **women, youth, and tribal cooperatives.** Steps were taken to **professionalize cooperative management** and promote **self-reliance and sustainability** in operations.



CHECK YOUR PROGRESS

Q 6: What was the significance of the Cooperative Societies Act of 1912?

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Q 7: Which Five-Year Plan focused most significantly on cooperative expansion?

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7.7 GROWTH AND DEVELOPMENT OF THE CREDIT COOPERATIVES

Let us now discuss the mechanism of the credit cooperatives and their delivery system. Since *cooperatives* in India constitute a state subject, the primary responsibility for the development of cooperatives vests in states. Cooperative credit has been classified into three categories:

a) Production Credit, i.e. short and medium term credit,

b) Investment credit, i.e. long-term credit and

c) Urban credit for urban areas.

These credit systems are managed by different types of institution. Let us first discuss **Structure of the Cooperative Credit System**

7.8 STRUCTURE OF THE COOPERATIVE CREDIT SYSTEM

The cooperative credit system in India is structured as a multi-tiered network that serves both production and investment credit needs of farmers. The cooperative credit system in India plays a pivotal role in providing financial support to farmers, rural artisans, and small businesses. It functions through a **three-tier structure** in the short- and medium-term credit system and a **two-tier structure**in the long-term credit system.

1. *Short- and Medium-Term Credit Structure (Three-tier)*
    a. **Primary Agricultural Cooperative Societies (PACS)-**Base Tier
    b. **District Central Cooperative Banks (DCCBs)-**Middle Tier
    c. **State Cooperative Banks (SCBs)-**Apex Tier
2. *Long-Term Credit Structure (Two-tier)*
    a. **Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)**
    b. **State Cooperative Agriculture and Rural Development Banks (SCARDBs)**

These institutions aim to provide loans for agricultural production, purchase of inputs, irrigation, land development, and even household and consumption needs in rural areas. Let us now discuss these institutions one by one:

7.8.1 Short- and Medium-Term Credit Structure

The **Short- and Medium-Term Credit Structure** in India operates through a well-defined **three-tier cooperative system** designed to meet the agricultural and rural credit needs of farmers. At the **apex** of this structure is the **State Cooperative Bank (SCB)**, which functions at the state level and provides financial support and policy guidance to lower-tier institutions. It obtains funds from the Reserve Bank of India (RBI), NABARD, and state governments, and refinances the District Central Cooperative Banks (DCCBs). The **middle tier**, the **DCCBs,** operate at the district level and serve

as intermediaries between SCBs and village-level institutions. They mobilize deposits, provide credit to Primary Agricultural Cooperative Societies (PACS), and help implement various rural development schemes. At the **grassroots level**are the **PACS,** which directly interact with farmers and rural borrowers, offering short- and medium-term loans for agricultural production, purchase of inputs like seeds and fertilizers, and other rural needs. This structure ensures a seamless flow of credit from the state to the village level, promoting financial inclusion and rural development. However, the system faces challenges such as poor loan recovery, high non-performing assets, limited professionalism, and operational inefficiencies. Strengthening governance, introducing digital platforms, and capacity building are essential to enhance the effectiveness of this vital credit delivery mechanism.

1. **Primary Agricultural Cooperative Society (Production Credit): Primary Agricultural Cooperative Society (**PACS) are the grassroots-level institutions of the short-term cooperative credit structure. They directly interface with farmers and are the first contact point for availing credit and related services. PACS were first established in 1905 and have since expanded to cover nearly every village in India. The following are the **functions and Services of PACS:**
    - Provide short-term and medium-term credit to farmers for seasonal agricultural operations
    - Distribute agricultural inputs like seeds, fertilizers, and pesticides
    - Facilitate procurement and marketing of agricultural produce
    - Participate in the Public Distribution System (PDS)
    - Engage in consumer goods distribution and warehousing services
    - Despite their extensive reach, many PACS face challenges such as low viability, high overdues,

inadequate member participation, and lack of professionalism.

2. **District Central Cooperative Banks (DCCBs):** DCCBs serve as intermediaries between PACS and State Cooperative Banks. They operate at the district level and provide funds to PACS while also offering banking services to the rural population. The k**ey Features of DCCBs are as follows:**
   - Mobilize deposits and extend credit to PACS
   - Operate through a network of branches across districts
   - Receive refinance from SCBs and NABARD
   - Monitor and supervise the functioning of PACS
   - DCCBs are critical for ensuring liquidity and smooth functioning of credit delivery at the village level.
3. **State Cooperative Banks (SCBs):** SCBs are the apex institutions in the short-term cooperative credit structure. These function as apex cooperative banks in a state and are federations of DCCBs. They coordinate the activities of DCCBs and formulate credit policies in line with NABARD guidelines. The r**ole and responsibilities** SCBs are as follows**:**
   - Channel funds from NABARD to DCCBs
   - Supervise and support DCCBs operationally and financially
   - Engage in inter-bank lending, investment, and treasury management
   - Promote cooperative principles and governance
   - SCBs also perform general banking functions and are classified as scheduled banks under the Reserve Bank of India.

7.8.2 Long-Term Credit Structure

The **Long-Term Credit Structure** in India is designed to provide financial assistance for capital-intensive and development-oriented activities in the rural sector, particularly in agriculture. Unlike

the short- and medium-term credit system that addresses seasonal or working capital needs, the long-term credit structure supports investments such as land development, irrigation facilities, farm mechanization, rural housing, and other infrastructure projects. This system operates through a **two-tier cooperative framework**, comprising **State Cooperative Agriculture and Rural Development Banks (SCARDBs)** at the state level and **Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)** at the district or taluka/block level. In some states, a **unitary structure** exists, where SCARDBs function directly through their branches without having a separate lower tier. The long-term cooperative credit institutions have played a crucial role in financing rural development; however, they face several challenges such as high overdues, poor recovery mechanisms, lack of capital base, and competition from commercial banks. Strengthening these institutions through structural reforms, professional management, better governance, and use of technology is essential to make them more efficient and responsive to the evolving needs of rural India.

1. **State Cooperative Agriculture and Rural Development Banks (SCARDBs)**: SCARDBs form the apex of the long-term cooperative credit structure. They primarily provide investment credit for agriculture and rural development, including infrastructure and land improvement. At the apex, **SCARDBs** mobilize long-term funds from external sources such as NABARD, issue debentures, and provide refinancing and policy direction to PCARDBs. They also coordinate with state governments and financial institutions to ensure smooth credit flow. The f**unctions of State Cooperative Agriculture and Rural Development Banks:**
    a. Provide long-term credit for land development, irrigation, farm mechanization, horticulture, and rural housing
    b. Raise funds through debentures guaranteed by the state government

c. Operate directly or through affiliated Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)

d. SCARDBs play a vital role in asset creation and long-term capital formation in agriculture, which is essential for rural transformation.

2. **Primary Cooperative Agriculture and Rural Development Banks (PCARDBs)**: **PCARDBs,** on the other hand, are closer to the borrowers and extend long-term credit to farmers and rural entrepreneurs for asset creation and infrastructure development. These banks assess the viability of projects, disburse loans, and monitor repayments at the grassroots level. The **PCARDBs** form the **second tier** and are responsible for direct interaction with rural borrowers. They assess the creditworthiness of borrowers, prepare project-based loan proposals, disburse credit, and monitor the utilization and recovery of loans. These banks serve small and marginal farmers, rural artisans, and other low-income groups, helping them invest in productive assets that enhance income and living standards over time. PCARDBs play a critical role in promoting sustainable agricultural practices and rural infrastructure development by making available long-term credit at affordable interest rates.



CHECK YOUR PROGRESS

Q 8: Differentiate between SCBs and DCCBs in cooperative banking.

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Q 9: What is the main objective of long-term credit cooperatives?

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7.9 GROWTH AND DEVELOPMENT OF THE NON-CREDIT COOPERATIVES

In the previous section, we discussed about the importance and role of credit cooperatives. Equally important are the non-credit cooperatives and their role in rural development. Non-credit cooperatives are equally significant in supporting rural livelihoods, self-reliance, and sector-specific development. These cooperatives span a wide range of economic activities including marketing, processing, dairy, housing, irrigation, and more. Their collective nature enables rural producers and consumers to access markets, technology, and essential services. The non-credit cooperatives came into existence partly out of necessity and partly out of ideological reasons. The non-credit sector has played a significant role in developing infra-structural facilities, which have helped in providing value additions to the agricultural produce as well as boosted employment in the rural sector. Let us now discuss various non-credit cooperatives:

1. **Cooperative Marketing Societies:** Marketing cooperatives assist farmers in selling their produce at fair prices by eliminating intermediaries. These societies provide essential services such as grading, storage, transport, and direct linkage to wholesale markets. The following are the key objectives:
   a. Enhance bargaining power of farmers
   b. Ensure fair and stable prices for agricultural produce
   c. Reduce exploitation by traders and middlemen
   d. Provide access to warehousing and value-addition services
2. **Dairy Cooperatives**: Dairy cooperatives play a vital role in the collection, processing, and distribution of milk and milk products. The present structure of dairy cooperatives in India is three-tier. The main objectives of the dairy cooperatives are: i) to increase the number of milk animals from the present average holding of 1-2 animals, ii) to collect and sell milk to milk unions, iii) to ensure regular and remunerative payment to producers, iv) to help members in increasing milk production, v) to provide veterinary first aid and artificial

insemination services, vi) to sell cattle feed, vii) to increase timely flow of milk (which is a perishable commodity) to far off markets and viii) to make value additions to dairy products and the related activities.

3. **Consumer Cooperatives:** Consumer cooperatives are formed to protect consumers from market exploitation. They procure goods in bulk and distribute them at fair prices through retail outlets, particularly in rural and semi-urban areas. The following are the functions of consumer cooperatives
   a. Supply essential commodities at reasonable prices
   b. Help stabilize prices during inflationary periods
   c. Support rural fair price shop networks
4. **Housing Cooperatives:** These cooperatives provide affordable housing to members by collectively acquiring land and constructing residential units. They are vital in both rural and urban areas for providing dignified living spaces. The following are some of the features of **housing cooperatives:**
   a. Facilitate access to finance and construction services
   b. Operate on non-profit principles
   c. Promote community ownership and management
5. **Weavers, Handloom and Handicraft Cooperatives:** Such cooperatives promote the welfare of traditional artisans by providing raw materials, training, credit, and marketing support. They help preserve India's cultural heritage while creating rural employment. According to the Fourth All-India Handloom Census (2019–20), over 31.45 lakh households are engaged in handloom activities across India, a significant increase from 27.83 lakh reported in the previous census (Ministry of Textiles, 2020). States like Assam, West Bengal, Manipur, Tamil Nadu, and Telangana account for more than 70% of handloom households. There are over 19,500 handloom and weaver cooperative societies in India supporting lakhs of artisans and their families (Ministry of Textiles, 2020; National Handloom Development Programme, 2022).
6. **Fisheries Cooperatives:** Fisheries cooperatives play a significant

role in improving the socio-economic conditions of small-scale and traditional fisherfolk across coastal and inland fishing communities in India. These cooperatives ensure fair prices, reduce exploitation by middlemen, and provide essential infrastructural and institutional support. Fisheries cooperatives contribute significantly to domestic fish production, which crossed 14 million metric tonnes in 2021–22, placing India among the top global fish-producing nations. States like Kerala, Maharashtra, Gujarat, West Bengal, and Tamil Nadu have strong fisheries cooperative networks. Cooperatives such as Matsyafed (Kerala State Co-operative Federation for Fisheries Development Ltd.) have implemented integrated development models that offer credit, marketing, housing, and welfare schemes.

7. **Industrial and Agro-Processing Cooperatives:** Industrial and agro-processing cooperatives contribute significantly to the value addition of agricultural and rural products. These cooperatives operate in sectors such as sugar production, rice and flour milling, oil pressing, cotton ginning, textile manufacturing, food processing, and packaging. They play a dual role-promoting rural industrialization and supporting farmers by ensuring better prices for their produce. These cooperatives convert raw agricultural products into semi-finished or finished goods, reducing wastage, enhancing shelf life, and improving marketability. They are especially important in bridging the gap between production and consumption in the rural economy. As per the Ministry of Agriculture & Farmers Welfare (2023), India has over 3,200 agro-processing cooperative societies. Thesugar cooperative sector alone contributes around 35% of India's total sugar production (Department of Food & Public Distribution, 2023). Maharashtra is the hub of sugar cooperatives, with more than 200 sugar mills run under the cooperative model (NCDC, 2022). National Cooperative Development Corporation (NCDC)has sanctioned more than Rs. 9,700 crores cumulatively for agro-processing cooperative projects since its inception (NCDC, 2023).
8. **Fertilizer and Irrigation Cooperatives:m**Fertilizer and irrigation cooperatives play a crucial role in ensuring timely access to agricultural

inputs and water resources for small and marginal farmers in India. These cooperatives operate primarily at the village or district level and form an essential part of the agricultural input supply chain, thereby enhancing productivity and supporting food security.

Fertilizer cooperatives are responsible for the procurement and distribution of chemical fertilizers, seeds, pesticides, and micronutrients to farmers, often at subsidized rates under government schemes. As of 2022–23, more than **275,000 retail fertilizer outlets** were operated by cooperatives, accounting for **over 35%** of total fertilizer distribution in India (Department of Fertilizers, 2023). Cooperatives distributed nearly **21 million tonnes** of fertilizers in 2021–22 (IFFCO, 2022). **Indian Farmers Fertiliser Cooperative Ltd. (IFFCO)**, the world's largest fertilizer cooperative, caters to more than **50 million farmers** through a network of **36,000 member cooperatives** (IFFCO, 2022).

Irrigation cooperatives are collective initiatives aimed at managing water resources-particularly canal, well, and lift irrigation-by ensuring equitable and sustainable use. According to NABARD (2021), over **13,000 Water Users' Associations (WUAs)** function as irrigation cooperatives in India. These WUAs cover an irrigated area of approximately **2.5 million hectares**, primarily in states like **Maharashtra, Gujarat, Karnataka, and Andhra Pradesh.** In Gujarat, the **Lift Irrigation Cooperative Societies** in the Saurashtra region have helped reclaim over **100,000 hectares** of fallow land through coordinated water usage (Planning Commission, 2013).

9. **Women Cooperatives:** Women cooperatives foster self-reliance, entrepreneurship, and leadership among women who often face barriers to formal employment, land ownership, and access to credit. They operate in various sectors such as, handloom and handicrafts, food processing and catering, agriculture and livestock rearing, microfinance and thrift services and retail and service-based enterprises. As per the National Cooperative Union of India (NCUI, 2022), there are over 6,485 women cooperative societies across India, with a total membership exceeding 2.7 million. Women cooperatives

function under various forms, including:

a. Women-only Primary Cooperative Societies

b. Self-Help Groups (SHGs) linked to cooperatives

c. Urban cooperative banks managed by women

According to the Ministry of Cooperation (2023), women's participation in cooperatives has increased to 29.6% nationally, with states like Kerala, Maharashtra, and Tamil Nadu having higher rates of engagement. Let us discuss some of the key examples of Women cooperatives:

- **SEWA Cooperative Federation (Gujarat)**: Established in 1992, this federation includes over 100 women cooperatives involved in sectors like banking, health, and insurance, benefiting over 300,000 informal women workers (SEWA, 2022).
- **Mahila Arthik Vikas Mahamandal (MAVIM), Maharashtra**: A state-sponsored apex body that promotes women's economic empowerment through cooperatives and SHGs, reaching 1.4 million women (MAVIM, 2021).
- **Lijjat Papad (Maharashtra)**: A national icon, this cooperative was started by 7 women in 1959 and today employs over 45,000 women, generating an annual turnover of over Rs 1,600 crore (Lijjat, 2022).



CHECK YOUR PROGRESS

Q 10: Name four types of non-credit cooperatives and their key functions.

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Q 11: Provide data showing the contribution of handloom cooperatives to rural development.

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7.10 LATEST DEVELOPMENTS IN INDIAN COOPERATIVE SECTOR

In recent years, several significant steps have been taken to reform and strengthen the cooperative sector:

1. **Formation of the Ministry of Cooperation (2021)**: A separate Ministry of Cooperation was established by the Government of India to provide a focused approach to streamline processes for 'Ease of Doing Business' in cooperatives and to strengthen the cooperative movement across sectors.
2. **Digitalization of Cooperatives**: Initiatives like e-Sahakarita and efforts to bring cooperative banks and PACS on digital platforms aim to improve transparency, governance, and member participation.
3. **Model Cooperative Policy**: Drafted to provide a framework for states to adopt more autonomous, inclusive, and competitive cooperative systems.
4. **Amendment to the Multi-State Cooperative Societies Act (2022-23)**: Proposals include establishing a Cooperative Election Authority and Cooperative Ombudsman, and enhancing transparency in elections, governance, and financial auditing.
5. **Expansion in New Sectors**: The government has encouraged cooperatives in emerging sectors such as organic farming, FPOs (Farmer Producer Organizations), tourism, and healthcare.
6. **Support for Women and Youth Cooperatives**: New schemes and financial support are being developed to promote gender inclusivity and youth-led cooperatives, particularly in agri-business and allied sectors.

CHALLENGES FACED BY COOPERATIVES IN INDIA

India boasts one of the world's largest cooperative sectors, with over 8.5 lakh cooperativesocieties serving more than 290 million members (Ministry of Cooperation, 2023). Despite this vast network, cooperatives in India continue to grapple with multiple challenges that constrain their impact on rural development and inclusive growth. These challenges are structural,

operational, financial, and socio-political in nature.

1. **Political Interference and Governance Failures:** Political patronage in cooperative elections and appointments has undermined the autonomy and efficiency of many societies, especially in the agriculture and sugar sectors. Cooperatives, particularly in states like Maharashtra and Gujarat, are often seen as power bases for local politicians. The IRMA (2020) study reported that only 32% of cooperative societies conducted regular elections, while many were under administrator control beyond legal limits. Decision-making is frequently influenced by external political actors, weakening democratic functioning and accountability (VAMNICOM, 2022).
2. **Financial Weakness and Rising Non-Performing Assets (NPAs):** A large number of cooperative societies operate under financial stress due to poor management, limited capital mobilization, and loan defaults. According toNABARD (2023), nearly47% of PACSwere in a financially non-viable state. Thegross NPA ratioof urban cooperative banks reached12.6%, significantly higher than the6% averagefor commercial banks (RBI, 2022).Many cooperatives rely heavily ongovernment grants and subsidies. This dependence discourages innovation and self-sustaining operations.
3. **Lack of Professional Management and Skilled Workforce:** Cooperatives often lack professionally trained staff for financial management, strategic planning, marketing, or digital operations. Only 18% of cooperatives have full-time professional managers with qualifications in cooperative management or business administration (NCUI, 2022). Many rural cooperatives depend on honorary secretaries or part-time staff, which affects performance monitoring, record-keeping, and service delivery. This lack of human capital is a critical bottleneck, especially when cooperatives are expected to compete with private entities or expand to new sectors like agri-tech or processing.
4. **Technological Backwardness and Digital Divide:** Many cooperatives, especially PACS and small societies-lag in adopting IT

systems, digital payments, e-governance tools, and customer service platforms. As per NABARD (2023), less than 25% of PACS are fully computerized under the ongoing PACS Computerization Scheme. Lack of digital infrastructure limits their participation in modern platforms such ase-NAM (electronic National Agriculture Market), digital lending, ande-commerce. Consequently, they struggle to serve tech-savvy rural youth or access government schemes efficiently.

5. **Regional Disparities and Uneven Growth:** The growth and effectiveness of cooperatives vary widely across Indian states. Maharashtra, Gujarat, Kerala, and Tamil Naduaccount for more than 50% of India's total cooperative credit disbursement and processing cooperatives. In contrast, states like Bihar, Odisha, Jharkhand, and most of the Northeast have underdeveloped cooperative networks, often due to historical neglect and lack of enabling policies (NCDC, 2022). For example, Maharashtra alone has more than 200 cooperative sugar mills, while Bihar has fewer than five operational mills under cooperative management (Ministry of Cooperation, 2023).
6. **Low Member Participation and Weak Democratic Practices:** Many cooperative societies function more as supply-driven institutions rather than member-driven enterprises. Less than 40% of membersregularly attend general body meetings (VAMNICOM, 2022). Election turnout is low, and leadership positions are often monopolized by a few influential members. Women, Scheduled Castes (SCs), and Scheduled Tribes (STs), despite forming a large portion of the rural population, are significantly underrepresented in decision-making roles. This lack of engagement erodes the core cooperative principle of democratic member control.
7. **Legal and Regulatory Complexity:** Cooperatives in India operate under a dual regulatory structure: State Cooperative Societies Acts and the Multi-State Cooperative Societies Act, 2002. This fragmented legal framework leads todelays in registration, audit clearance, and governance issues. While the97th Constitutional Amendment (2011)aimed to provide constitutional status to cooperatives and ensure

democratic functioning, itsimplementation has been uneven, with some states failing to make the necessary amendments to their own laws (Ministry of Law & Justice, 2022). There is often a conflict between the Registrar of Cooperative Societies and elected bodies regarding autonomy and intervention powers.

8. **Limited Innovation and Market Adaptability:** Most cooperatives are unable to diversify their products or services or adopt innovations in value addition, branding, packaging, and market expansion. Many dairy and handloom cooperatives still operate with outdated equipment and rely on traditional marketing, unable to meet modern consumerexpectations. Export potential remains underutilized, especially for products like organic cotton, silk, spices, and crafts, due to weak branding and certification infrastructure.



CHECK YOUR PROGRESS

Q 12: What was the objective behind forming the Ministry of Cooperation in 2021 ?

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Q 13: Mention two digital initiatives for cooperative development.

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Q 14: List any three major challenges faced by Indian cooperatives.

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Q 15: How does political interference affect cooperative governance?

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7.11 LET US SUM UP

This unit highlighted the pivotal role cooperatives play in fostering rural development in India. The following were discussed in the unit:

- Cooperatives are vital for rural India's socio-economic development, especially in agriculture-based livelihoods.
- From credit to dairy, cooperatives help bridge the rural-urban development gap by enabling access to markets, resources, and services.
- According to ILO and ICA, cooperatives operate on democratic principles, mutual help, and shared ownership.
- The cooperative movement in India began formally with the Co-operative Credit Societies Act, 1904.
- Seven international principles guide cooperatives are :
    1. Voluntary and open membership
    2. Democratic member control
    3. Member economic participation
    4. Autonomy and independence
    5. Education, training, and information
    6. Cooperation among cooperatives
    7. Concern for community
- India hosts a variety of cooperatives including:
    1. Agricultural credit cooperatives (e.g., PACS, DCCBs)
    2. Marketing cooperatives (e.g., NAFED)
    3. Consumer cooperatives (for affordable goods)
    4. Dairy cooperatives (e.g., AMUL)
    5. Housing cooperatives (especially in urban areas)
    6. Worker, weaver, and fisheries cooperatives
- The evolution of the Cooperative Movement in India were discussed as follows:
    1. Pre-independence: Began with 1904 and 1912 Acts for rural

credit and non-credit cooperatives.

2. Post-independence: Integrated into Five-Year Plans; institutions like NCDC established.
3. Reforms: Multi-State Cooperative Societies Act (2002) modernized governance and expanded scope.
4. Cooperative movement evolved from colonial reforms to modern socio-economic policy tools.

- Two systems exist:
  1. Short- and Medium-Term Credit Structure (Three-tier):
     - § PACS (village level)
     - § DCCBs (district level)
     - § SCBs (state level)
  2. Long-Term Credit Structure (Two-tier):
     - § PCARDBs (district level)
     - § SCARDBs (state level)
- Non-credit cooperatives cater to diverse needs such as:
  1. Marketing Societies: Direct market access for farmers
  2. Dairy Cooperatives: Income and employment generation
  3. Consumer Cooperatives: Price stabilization and availability of goods
  4. Housing Cooperatives: Affordable homes
  5. Weavers/Handloom Cooperatives: Employment and heritage preservation
  6. Fisheries Cooperatives: Livelihood and food security
  7. Agro-Processing Cooperatives: Value addition and rural industrialization
  8. Fertilizer & Irrigation Cooperatives: Input supply and water resource management
  9. Women Cooperatives: Gender empowerment and entrepreneurship (e.g., SEWA, Lijjat Papad)
- Major challenges include:
  1. Political interference undermining autonomy.
  2. Financial distress with rising NPAs and poor resource

mobilization.

3. Lack of professional management and digital capacity.
4. Regional disparities (underdevelopment in eastern and northeastern states).
5. Low member participation and weak democratic practices.
6. Legal and regulatory complexities due to dual governance structure.
7. Limited innovation and market adaptability in changing rural economies.



7.12 FURTHER READING

1) Bedi, R.D., 1983, *Theory, History and Practice of Cooperation,* International Publishing House, Meerut.
2) Daman Perkash, August, 1988, “Cooperative Democracy vis-à-vis Member’s Education”, *The Coop. Times*, D-64 Saket, New Delhi.
3) P.K. Jain, 1992, *Marketing Management of Cooperative Sector in India*, Kanishka Publishing House, New Delhi.
4) Nalwaya, K.L., 2002, *Indian Cooperative Movement–A Profile*, National Cooperative Union of India, New Delhi.



7.13 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: According to ILO, it is the voluntary association for mutual economic interests and according to ICA, it is the autonomous associations meeting economic, social, and cultural needs through a democratically controlled enterprise.

Ans to Q No 2: It enabled legal recognition of cooperatives for providing affordable credit.

Ans to Q No 3: Agricultural, Dairy, and Marketing cooperatives.

Ans to Q No 4: Ensures fair prices, employment, and women's participation.

Ans to Q No 5: It expanded the scope of cooperatives beyond credit.

Ans to Q No 6: First Five-Year Plan (1951–56)

Ans to Q No 7: SCBs provide apex financial direction whereas, DCCBs act as intermediaries.

Ans to Q No 8: To support long-term infrastructure development in agriculture.

Ans to Q No 9: Dairy, Weavers, Fisheries, Housing cooperatives.

Ans to Q No 10: 31.45 lakh handloom households supported by over 19,500 cooperatives (Textiles Ministry, 2020).

Ans to Q No 11: Strengthen cooperative governance and ease business processes.

Ans to Q No 12:e-Sahakarita, PACS Computerization Scheme.

Ans to Q No 13: Governance failures, financial weakness, low member participation.

Ans to Q No 14: Leads to poor accountability and undermines democratic control.



7.14 MODEL QUESTIONS

Short Answer Questions

Q 1: Define a cooperative in the Indian context.

Q 2: What are the seven principles of cooperation as per the International Cooperative Alliance (ICA)?

Q 3: Mention any three types of cooperatives found in rural India.

Q 4: What is the role of Primary Agricultural Credit Societies (PACS)?

Q 5: What do you understand by the three-tier structure of cooperative credit in India?

Q 6: Write a short note on AMUL as a successful cooperative.

Q 7: Name two significant post-independence developments in the Indian cooperative movement.

Q 8: Differentiate between short-term and long-term cooperative credit.

Q 9: List any four functions of dairy cooperatives.

Q 10: Mention two major functions of the State Cooperative Banks (SCBs).

Q 11: What are the objectives of cooperative marketing societies?

Q 12: What do you mean by worker cooperatives?

Q 13: Highlight the contribution of SEWA as a women's cooperative federation.

Q 14: Name any two legislative reforms that impacted the cooperative movement in India.

Q 15: What are the key services provided by fertilizer cooperatives?

Long Answer / Descriptive Questions

Q 1: Explain the role of cooperatives in promoting rural development in India.

Q 2: Discuss the types and roles of non-credit cooperatives in the Indian rural economy.

Q 3: Describe the structure and functioning of the cooperative credit system in India.

Q 4: Trace the historical evolution of the cooperative movement in India from 1904 to the post-liberalization era.

Q 5: Evaluate the contribution of dairy cooperatives like AMUL in rural empowerment and employment generation.

Q 6: Examine the challenges faced by Indian cooperatives in the contemporary context.

Q 7: How do women cooperatives contribute to inclusive rural development? Support with examples.

Q 8: Explain the functions and relevance of consumer cooperatives in rural areas.

Q 9: What is the role of Primary and State Cooperative Agriculture and Rural Development Banks (PCARDBs and SCARDBs)?

Q 10: Critically analyze the recent reforms and policy initiatives taken by the Government of India to strengthen the cooperative sector.

Application-Based / Analytical Questions

Q 1: Suppose you are a rural development officer. Suggest how non-credit cooperatives can be promoted in a tribal region for income generation.

Q 2: Imagine you are starting a dairy cooperative in Assam. How would you structure it and what support systems would be essential?

Q 3: Compare the roles of credit and non-credit cooperatives in your district. Which one seems more impactful, and why?

Q 4: Examine how digitalization can address governance and financial challenges in PACS.

Q 5: What strategies can be implemented to improve women's participation in cooperative governance?

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UNIT 8 : COMMUNITY EMPOWERMENT AND CBOs

UNIT STRUCTURE

8.1 Learning Objectives

8.2 Introduction

8.3 Different Concepts

8.4 Key Components of Community Empowerment

8.5 Importance of Community Empowerment

8.6 Role of CBOs in Community Empowerment

8.7 Challenges Faced by CBOs in Empowering Communities

8.8 Strategies to Overcome Challenges Faced by Community-Based Organizations (CBOs)

8.9 Emerging Issues in Community Empowerment and (CBOs)

8.10 Let Us Sum Up

8.11 Further Reading

8.12 Model Questions

8.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- define the various concepts of related to Community Empowerment and CBOs.
- identify the Key Components of Community Empowerment
- discuss the importance of Community Empowerment
- describe the role of CBOs in Community Empowerment
- challenges faced by CBOs in Empowering Communities
- discuss Strategies to Overcome Challenges Faced by CBOs
- discuss some emerging issues in Community Empowerment and (CBOs).

8.2 INTRODUCTION

The goal of community empowerment is to change things so that individuals and groups have greater influence over the choices and issues that impact their lives. It is founded on the principles of social justice, fairness, and participation. Giving community members more authority over those from outside the community is its goal. Since they are significant local change agents, Community-Based Organizations (CBOs) are an essential component of this process. These organizations are usually founded and run by community members to assist with the social, economic, and developmental problems that their communities face. To assist increase awareness, enhance skills, ensure that everyone has access to resources, and involve everyone in development processes, community-based organizations (CBOs) leverage local knowledge, beliefs, and leadership.

Powerful communities are better able to identify their needs, express their desires, and develop lasting solutions. Empowerment is essential because it increases people's likelihood of having the same opportunities as others, their willingness to vote, and their health. CBOs have taken on more responsibilities when issues like climate change, health crises like the COVID-19 pandemic, and digital inequality emerge at both the local and global levels. Using technology, responding to climate change, including youth, and handling disasters are some of these extra duties. However, CBOs face numerous obstacles, such as a lack of funding, the inability to accomplish their goals, and the inability to alter regulations.

8.3 DIFFERENT CONCEPTS

Communities:

Community is a group of individuals who share common interests, attitudes, and needs, regardless of whether they are related by blood. To meet those needs and accomplish those objectives, they collaborate. Members feel like they belong and can rely on one another because of this relationship. This facilitates collaboration and the development of social bonds. A community is a fundamental component of social structure that

enables people to interact, collaborate, and prosper. It could be characterized by shared experiences, cultural ties, physical closeness, or shared goals.

Empowerment:

When people take charge of the things that impact their life and the choices they make, they are said to be empowered. It is the process through which people develop their abilities and assets and acquire the capacity to gain control by gaining access, forming relationships, and/or speaking up. According to Robert Adams (1996), “Empowerment is a process that gives people power (that is, the ability to act) in their own lives, their communities, and their society by acting on issues that they think are important.”

Community empowerment:

Community empowerment, according to the World Health Organization (WHO), is the process of giving communities greater control over their own lives. Community members collaborate to solve issues, achieve objectives, and have greater control over the factors influencing their lives. According to the UN, community empowerment happens when underprivileged or marginalized groups are given the authority, know-how, and resources necessary to improve their lives and participate in the decisions and policies that impact them.

Community-Based Organizations (CBOs):

Community-based organizations are non-profit organizations that assist the local population in a particular location. These organizations, which seek to address issues in fields including social services, economic development, education, and health, are usually founded and operated by members of the community. They support freedom, equality, justice, and fraternity. CBOs began as a result of two factors: Community Organization (CO) and Community Development (CD). By utilizing local resources and skills to provide targeted solutions and engage communities, CBOs assist individuals in bettering both their personal lives and the communities in which they reside. Because they provide individuals a sense of ownership and collaboration, CBOs are crucial to building stronger and healthier communities.

8.4 KEY COMPONENTS OF COMMUNITY EMPOWERMENT

Awareness and education

Giving people authority in their communities requires educating them about their rights and obligations. People in the community can learn more about their rights, duties, available resources, and the social, economic, and political issues that impact them by having access to correct information and educational opportunities. People can use this information to make wise decisions and participate in initiatives that improve their communities. Critical thinking, self-assurance, and a sense of ownership are all fostered by education and are necessary for ongoing development and meaningful engagement.

Participation

Active participation is essential to the empowerment process because it gives community members a voice in choices that impact their daily life. Involving people in the creation, execution, and assessment of policies or programs is crucial for fostering inclusive and democratic involvement. When individuals collaborate to make decisions, they become more transparent, accountable, and responsible collectively. Getting active also helps you better understand the needs of the community and develop ideas that are based on what the community wants and is culturally relevant.

Capacity Building

Capacity building is the process of assisting individuals and groups within the society to acquire new knowledge, refine current skills, and increase their competencies. This may involve instructing individuals on leadership, communication, financial management, initiative planning, and the acquisition of essential technical skills for regional development. When communities and their organizations enhance their capabilities, they can more effectively manage their efforts, collaborate with other entities, and independently resolve issues. Enhancing ability ultimately fosters autonomy and sustained success.

Access to Resources

If people don't have equal access to resources, you can't offer them authority. For communities to develop and prosper, institutions must provide funding, technical assistance, information, and services. Making sure that these tools are accessible to more individuals than just those who are currently marginalized or in need is essential to advancing social justice. When communities have access to resources, they may improve their infrastructure, accomplish their objectives, and provide for necessities like healthcare, education, and employment.

Social Capital

Social capital is the networks, connections, and cooperative and trusting values that members of a society possess. Strong social capital makes it easier for people to collaborate, exchange knowledge, and ask for practical and emotional support when they need it. People in a society are more likely to cooperate to accomplish shared objectives when they have similar values and have mutual trust. Additionally, social capital aids in communities' resilience and recovery from financial or interpersonal problems.

Advocacy

Advocacy is an effective means for individuals to cultivate influence within their communities, since it empowers them to assert their rights, amend regulations, and confront injustices. Communities can employ advocacy to ensure that critical concerns, previously overlooked, are highlighted, that institutions are held accountable, and that systemic reforms are implemented to address their needs. Community-based organizations (CBOs) and local leaders typically engage in planning advocacy campaigns, persuading decision-makers, and collaborating with external partners. Empowered advocacy ensures that development is equitable, accessible to all, and meets the demands of the local population.

Leadership Development

For communities to develop and become stronger in a way that lasts, they require strong and effective leaders. To develop leaders, find qualified individuals in the community and give them the instruction,

guidance, and chances to take on leadership responsibilities they need. These leaders have the ability to inspire others, resolve conflicts, and encourage teamwork. Additionally, community leaders facilitate connections between the community and other individuals and organizations. This ensures that local perspectives are taken into consideration when making more significant decisions.

8.5 IMPORTANCE OF COMMUNITY EMPOWERMENT

Improved Well-being

Community empowerment enables individuals to assume control over their life by addressing their social necessities, including health, education, employment, and additional requirements. Members of a community can identify issues, devise solutions, and implement measures to enhance their well-being and health when they are informed and collaborate effectively.

Increased Participation

Individuals in empowered communities exhibit more engagement in political and civic activities. Community members may make public decisions, express their opinions, and hold authorities accountable when they possess greater awareness and confidence. This enhances the government's democratic nature and responsiveness.

Social Justice

Giving voice to those who are oppressed aids in the struggle against unjust power systems. Making things equitable, accessible, and giving everyone the same opportunities helps. By doing this, injustice is lessened and everyone is guaranteed access to the fundamental rights and services they require.

Sustainable Development

Communities are more likely to create and carry out development plans that meet their long- term goals and actual needs when they have authority. This results in long-lasting positive transformation, wise use of local resources, and behaviours that endure.

8.6 ROLE OF CBOS IN COMMUNITY EMPOWERMENT

Community-based organizations (CBOs) play a critical role in bringing about social change. People who live and work in the communities they serve frequently start and staff these organizations. Being near to the people and issues they help, they have a unique perspective and understanding of the challenges the community faces. People in a community can take initiative and improve their surroundings with the support of community-based organizations (CBOs). The importance of CBOs for social change will be discussed in this section, along with some recommendations from various perspectives.

1. Building trust and relationships

Building community trust and getting to know people are important tasks for CBOs. Strong relationships with individuals, community leaders, and other significant figures can be facilitated by being a part of the community. These relationships require mutual respect and trust, which can motivate the community to take action. To keep people engaged and committed, CBOs can take use of these relationships to give them a sense of ownership and caring for the change process.

2. Amplifying community voices

Community-based organizations (CBOs) can assist local residents in getting their voices heard by decision-makers and those in authority. These organizations can give members of the community a safe place to discuss their experiences, opinions, and points of view. They can also facilitate communication between community members and decision-makers, which can result in better decisions that benefit everyone. By giving the community a stronger voice, CBOs can ensure that its needs and desires are taken into consideration when working to effect social change.

3. Providing access to resources and services

Through community-based organizations, people can get the support they need to bring about social change (CBOs). These organizations can facilitate community members' access to vital services like healthcare, education, and job training. They can also provide funding, technical

assistance, and training to support community-run projects. CBOs can help the community become more capable of enacting change by providing access to resources and services.

4. Fostering collaboration and collective action

Groups and individuals in the community can collaborate and act as a collective with the support of community-based organizations (CBOs). Through uniting individuals from diverse backgrounds and encouraging dialogue and collaboration, CBOs can assist in creating alliances and collaborations that are essential for social change projects. These collaborations can assist various individuals and organizations in collaborating to achieve more significant and enduring improvements by pooling their resources and expertise.

5. Advocating for policy change

CBOs have the authority to request national, state, and local policy changes. These organizations can impact community-affecting policies by leveraging their connections with decision-makers and members of the community. CBOs can help bring about systemic change that will have a long-lasting impact on the community by advocating for policy improvements. CBOs play a critical role in enacting social change. These groups can assist people in developing mutual trust and improving their relationships with one another. Along with giving individuals access to resources and services, they can also give them a voice in the community, encourage collaboration and action, and support legislative changes. Because of their distinct perspective and stance, CBOs may be able to assist communities in undergoing internal transformation.

8.7 CHALLENGES FACED BY CBOS IN EMPOWERING COMMUNITIES

Community-based organizations (CBOs) are especially important for empowering people in developing nations. They give local residents a place to congregate, discuss issues, and collaborate to discover answers. However, CBOs continue to face numerous challenges that prevent them

from giving communities the authority they require to effect change. This section will go over some of the problems that CBOs encounter and how to resolve them.

1. Lack of Funding:

A big problem for CBOs is that they don't have enough money. A lot of CBOs don't have a lot of money, so they depend on donations a lot. But donations from contributors aren't always steady, so CBOs could have trouble paying their bills. To get around this problem, CBOs need to come up with innovative ways to gather money. They can also look into alternative ways to earn money, such collaborating with local businesses, getting money from the government, or crowdfunding.

2. Limited Resources:

Additionally, CBOs struggle due to a lack of funding. The majority of CBOs only employ a small number of volunteers, and they have limited access to resources like technology, office space, and equipment. CBOs must be innovative and inventive in order to overcome this issue. In order to save money, they can investigate shared office spaces and use technology to communicate and work together with their colleagues.

3. Limited Capacity:

The majority of community-based organizations (CBOs) lack the knowledge and abilities necessary to carry out successful projects and initiatives. They may lack the skills necessary to oversee projects, collect money, or keep an eye on things. Community-based organizations (CBOs) should focus on improving their ability to address this problem. In addition to working with other groups to share what they know and are capable of, they can coach and instruct their team members.

4. Limited Reach:

CBOs may find it challenging to expand their reach and engage with remote or under-known locations. CBOs must use technology to contact more people in order to address this issue.

To inform people about their programs and activities, they can engage with their audience on social media and investigate digital marketing.

5. Limited Influence:

CBOs might not have the power to influence decision-makers, such as legislators. They may lack the contacts and people necessary to effectively advocate for their cause. To overcome this obstacle, CBOs must interact with other organizations and individuals who are concerned about the problem. To spread their message and have a greater impact, they might collaborate with other groups who share their values.

CBOs play a crucial role in empowering communities, but they face numerous obstacles that hinder their ability to do so. By raising funds from various sources, being innovative and resourceful, expanding their own capabilities, utilizing technology, and collaborating with other organizations, CBOs may actually improve their communities.

8.8 STRATEGIES TO OVERCOME CHALLENGES FACED BY COMMUNITY-BASED ORGANIZATIONS (CBOS)

Community-Based Organizations (CBOs) play a crucial role in grassroots development, but they frequently face obstacles such a lack of funding, resources, and contacts, as well as the inability to change legislation. CBOs must develop strategic strategies to address these challenges if they are to remain beneficial and endure.

One of the most important things to accomplish is to get money from many different sources. CBOs should look for alternative sources of finance, such as community donations, social enterprises, crowdsourcing, and collaboration with other local organizations. It could not be stable to rely solely on grants or contributions from contributors. Working with enterprises, international development organizations, and local governments can also help you find more consistent financial assistance.

Enhancing capacity is another crucial method. CBOs must spend money on staff training, leadership development, and business operations if they want to enhance their operations. This entails being more adept at managing finances, raising capital, planning projects, monitoring them, and advocating for others. By collaborating with educational institutions, non-

governmental organizations, or governmental organizations to conduct workshops and provide mentorship, you can enhance these skills.

In order to reach more people and accomplish more, CBOs should also adopt digital tools. Websites, mobile apps, and social media can be used to communicate with people, pique their interest in the community, generate revenue, and disseminate information. By establishing shared access points and digital literacy initiatives, community-based organizations (CBOs) can assist close the digital divide in areas where internet connectivity is limited.

Developing relationships and working together with others is another crucial step. Small groups can improve their negotiating position, share resources, and have their views heard by collaborating with other CBOs, NGOs, and civil society organizations. People can participate in broader campaigns that align with their shared interests and influence legislative decisions through these alliances.

Lastly, CBOs ought to make an effort to inspire a sense of responsibility and interest in their communities. When the community is actively involved in determining what needs to be done, organizing activities, and assessing how well things are going, programs and initiatives have a higher chance of succeeding and lasting. This all-in strategy fosters accountability, increases trust, and ensures that CBOs' work truly represents community desires.

8.9 EMERGING ISSUES IN COMMUNITY EMPOWERMENT AND (CBOS)

1. Role of Technology and Digital Tools in Community Empowerment

In the era of digitalization, technology has emerged as a crucial instrument for strengthening communities. People in the community may more easily communicate ideas, get information, and participate in decision-making thanks to social media, mobile phones, and the internet. Digital tools are increasingly being used by community-based organizations (CBOs) to conduct campaigns that raise awareness, build capacity, and engage people. People can talk about issues that are happening in their communities

on Facebook and WhatsApp. Project progress can be monitored with the use of apps and GIS technologies. However, the digital divide continues to be a major issue, particularly in rural areas and in areas that receive insufficient services. This is due to the fact that not everyone has equal access to digital technologies, which can significantly exacerbate preexisting issues.

2. Empowering Communities in Disaster Risk Reduction and Resilience

The frequency and intensity of natural disasters are increasing due to climate change. For this reason, community-based disaster risk reduction, or CBDRR, is a crucial tool for empowering people. CBOs assist in keeping communities prepared by bolstering early warning systems, creating local contingency plans, and educating individuals to be first responders. Communities respond more quickly and culturally appropriately when they are empowered to evaluate local hazards and spearhead recovery initiatives. Additionally, resilient civilizations are better able to adapt to calamities, deal with them, and recover from them. This issue emphasizes how important it is for CBOs and community development initiatives to incorporate disaster preparedness into their daily operations.

3. The Role of Youth in Community Mobilization and CBO Leadership

Young people are a powerful force for community development because they bring fresh perspectives, ideas, and vitality. Involving young people in CBOs helps them develop as leaders and ensures that efforts to empower communities will continue for a long time. Programs that teach youth civic responsibilities, how to obtain employment, and how to be decent citizens help close the generational divide. However, obstacles such as joblessness, relocation, and lack of decision-making authority frequently prevent youth from participating. Giving young people jobs in neighbourhood projects and allowing them to assist in running things is essential to creating vibrant, forward-thinking communities.

4 Instances of CBO Functioning and Community Response during COVID-19 pandemic

The COVID-19 pandemic brought to light the shortcomings of

socioeconomic structures and health facilities, but it also demonstrated the critical role that community-based organizations (CBOs) play during emergencies. In areas without adequate resources, a number of community-based organizations (CBOs) were the first to react by providing food, medication, and correct information. Additionally, they fought false information and promoted vaccinations. However, the epidemic also caused significant stress on their meager resources and disrupted a great deal of development work that was already underway. The crisis brought to light the need for improved technology, increased mental health resources, and improved readiness for both community members and front-line employees in CBOs.

5. Climate Change and Community-Led Adaptation Strategies

Climate change is becoming a more significant issue for sustainable development, particularly in already impoverished rural and coastal communities. Through raising awareness, advocating for change, and implementing local adaptation strategies, CBOs are increasingly helping communities cope with climate change. These efforts include raising food in an environmentally friendly manner, conserving water, and using renewable energy. Community-led approaches ensure that adaptation strategies are grounded in local realities and people's long-held knowledge. Governments and non-governmental organizations are beginning to realize how important it is to assist CBOs in developing localized climate action plans. However, there are still problems with funding, technological know-how, and sustained dedication.

6. Rising Inequalities and the Need for Inclusive Development

The economy, social status, and gender disparities continue to make it difficult for communities to gain influence. By ensuring that those who are frequently excluded—such as women, members of Scheduled Castes and Tribes, religious minorities, individuals with disabilities, and LGBTQ+ individuals—are included, CBOs are bridging these gaps. People must be able to access resources and participate in the planning and operation of development in order for it to be truly inclusive. Giving underrepresented groups more influence and a stronger voice through focused initiatives and leadership opportunities is still crucial.



8.10 LET US SUM UP

The concept of community empowerment is discussed in this part, along with the significance of empowering individuals and groups to use resources and make decisions that impact their lives. A community is defined as a collection of individuals who have similar interests or objectives. Additionally, it states that empowerment is the process of giving people greater authority, rights, and capacity to shape their social and economic surroundings. People should cooperate and become more involved, according to the concept of community empowerment. Nonprofit organizations known as Community-Based Organizations (CBOs) work to address issues including employment, healthcare, and education in their local communities. They abide by the principles of justice, fairness, and inclusivity.

Raising awareness and educating people, involving them, enhancing their abilities, providing them with resources, granting them social capital, standing up for them, and cultivating their leadership abilities are all examples of community empowerment. Together, these factors create communities that are resilient, robust, and self-sufficient. Powerful communities are more likely to have long-term development, social justice, improved civic engagement, and greater health. Because they foster trust, ensure that community opinions are heard, assist people in getting what they need, promote collaboration, and advocate for community-wanted policy changes, CBOs are extremely important to this process.

Despite their importance, CBOs face many difficulties. For instance, they lack technical expertise, financial resources, and reach, and they are unable to influence policy. By using a variety of funding strategies, developing their expertise, utilizing technology, forming strategic alliances, and boosting community involvement in their projects, community-based organizations (CBOs) can improve their problem-solving skills and empower the communities they serve. The section also highlights new challenges that impede community empowerment, such as the influence of digital

technology, youth leadership, climate change adaptation, disaster resilience, and inclusive development. The COVID-19 pandemic highlighted the importance of community-based organizations (CBOs) at the forefront and revealed the vulnerabilities of vulnerable communities.



8.11 FURTHER READING

1) Community-Based Partnerships: Nurturing Strategic NGO Collaboration; Rehema C. Batti, CreateSpace Independent Publishing Platform, 2015.
2) Community Organization and Social Action: Social Work Methods and Practice: Social Work Methods and Practices; M. Lakshmipathi Raju, Regal Publications, 2012.
3) Handbook of Community Movements and Local Organizations in the 21st Century; Ram A. Cnaan, Carl Milofsky, Springer Cham, 2018.
4) The Well-Connected Community: A Networking Approach to Community Development; Alison Gilchrist, Bristol University Press, 2019.



8.12 MODEL QUESTIONS

Q 1: Discuss the various concepts like, Community and Empowerment.
Q 2: What do you mean by the term Community Empowerment.
Q 3: Define the Concept CBOs.
Q 4: Discuss the Key Components of Community Empowerment.
Q 5: Explain how awareness and education contribute to empowerment.
Q 6: Why is participation crucial in the empowerment process?
Q 7: Discuss the Importance of Community Empowerment.
Q 8: Explain the Role of CBOs in Community Empowerment.
Q 9: What are the Challenges Faced by CBOs in Empowering Communities
Q 10: Discuss some Emerging Issues in Community Empowerment and CBOs

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UNIT 9: RURAL FINANCE IN INDIA

UNIT STRUCTURE

9.1 Learning Objectives

9.2 Introduction

9.3 Non-Institutional Sources of Rural Finance in India

- 9.3.1 Indigenous Banker
- 9.3.2 Money Lenders
- 9.3.3 Landlords
- 9.3.4 Traders

9.4 Institutional Sources of Rural Finance in India

- 9.4.1 Co-Operative Banks
- 9.4.2 Public Sector Banks
- 9.4.3 Corporations and Apex Bodies (NABARD, Agricultural Finance Corporation, RRBs)

9.5 Let Us Sum Up

9.6 Further Reading

9.7 Answers to check your progress

9.8 Model Questions

9.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- explain the meaning of rural finance
- distinguish between non-institutional and institutional sources of rural finance
- identify the non-institutional sources of rural finance in India
- discuss the importance of institutional sources of rural finance in India.

9.2 INTRODUCTION

In this unit we will discuss different sources of rural finance in India. The financial services which are used by the people of rural areas are known as rural finance. In a developing country like India though both non-

institutional and institutional sources of rural finance are utilised, however, the people of rural areas still prefer the non-institutional sources of credit. Even though the core areas of rural finance are credit, farmers and interest rates, yet the prime issues that need urgent attention are beyond the sight of policy makers. So are the unmet financial needs of the rural people, the underserved rural population specially the women, children and elderly.

The unmet financial needs are the lifecycle financial needs of farmers, investment finance and risk management products respectively. In this unit, we will discuss in details about non-institutional and institutional sources of rural finance with their functions and importance.

9.3 NON-INSTITUTIONAL SOURCES OF RURAL FINANCE IN INDIA

Non-institutional sources or private sources of farm credit refer to credit supplied by money lenders, landlords and traders, friends, relatives, neighbours and so on. Money lending is often combined with farming by the village money lenders as they lend to farmers for both the productive and non-productive purposes charging higher rate of interest. They enter larger than actually borrowed sums through false pretenses by obtaining promissory notes and give no receipts for repayments and often deny such repayments. They commit many other rogueries and have been responsible for many of the ills of Indian agriculture. Their main interest has been to exploit the farmers and grab their lands. In the following parts of this unit, we are discussing some of the important non-institutional sources of rural finance in India.

9.3.1 Indigenous Banker

Before the formal banking system was introduced in India, the indigenous bankers had played a significant role in the rural financial system of the country. They (indigenous bankers) are any private firms or even individuals who act as synonyms to the formal banks and therefore not only receive deposits but also provide loans.

The rural people were benefitted from the existence of such a system then. Such bankers used to provide credit to not only small businessmen but also to the others who needed it. However, the advent of the British had shattered their existence as the banking system was diverted towards a much more organized platform.

The following are the functions of the indigenous banker which has been segregated into banking and non-banking functions.

- **Accepting Deposits:** The indigenous bankers receive deposit from the public for a fixed period for which a rate of interest is pre-determined.
- **Advancing Loans:** The indigenous bankers used to provide loans against the security of land, jewellery, crops etc.
- **Discounting Hundis:** Hundis are like Bills of Exchange which are an important function of the indigenous bankers. There are two types of hundis-
  - Darshni or Sight Hundi which is payable on demand
  - Muddati or time hundi which is payable after the period mentioned on the face of the hundi.
- **Remittance Facilities:** Indigenous bankers also provide remittance facilities to its clients. This is done by writing a finance bill to their branches, if they have at other place, or to some other indigenous banker, with whom they have such arrangements.
- **Commission agents:** They act as commission agents to firms.
- **Speculative activities:** They indulge in speculation of food and non-food crops, and other articles of consumption.

Importance of Indigenous Banking

The indigenous banking has played a significant role in the rural financial scenario of India. However after the British invaded India, the indigenous banking system was disturbed considerably as the modern banking was slowly growing up. However, it did not stop the rural people to approach the indigenous bankers for availing loans even then. It is a known fact that the modern banking system,

that was growing up, had lot of formalities to be completed before a person can actually avail loan facilities. As the rural people are mostly dependent on agriculture and illiterate, the new banking system was not a very friendly affair for them. They therefore still approached the indigenous bankers for availing credit either for their personal necessity or for agricultural or business needs. Also since the indigenous banking did not have any fixed timings unlike the new age banking of the Britishers, they were preferred. The indigenous bankers used to provide loans mostly for productive purposes. By proving remittances and financial facilities to traders and small industrialists and businessmen they helped not only in financing internal trade but also in expanding it. Moreover, they also assisted the movement of the agricultural goods from the rural to the urban markets. Therefore the indigenous banking system was of immense importance in India.



CHECK YOUR PROGRESS

Q 1: Fill in the Blank

Rural India is mostly .....based.

Q 2: State two functions of indigenous banking (Answer in about 40 words)

.....

.....

Q 3: State two reasons for the importance of indigenous banking. (Answer in about 40 words)

.....

.....

9.3.2 Money Lenders

Money lenders are groups who offer personal loans in small amount and at a high rate of interest to people with little or no access to the banking system.

Functions of money lender

9.3.2.1 Providing short term loans either for self consumption or other agricultural purposes.

9.3.2.2 Since the money lenders have a personal knowledge about the creditworthiness of borrowers they adopt rigid or flexible attitude while lending, charging interest, and recovery of loans.

9.3.2.3 The money lenders in rural areas are quite influential persons who adopt pressure tactics in the recovery of loans, such as forcible occupation of the cultivator's land, caste disapproval, pressure from panchayats, etc.

9.3.2.4 The money lenders also take resort to some malpractices in rural areas which are: manipulating accounts, deducting interest in advance, demanding presents, exacting free services from the borrower, demanding donations, obtaining thumb impression of borrower on blank paper, non-issue of receipts for payment of interest and principal, keeping the deed of land or house of the borrower as a security, forcing the borrower or farmer to sell his produce in advance at a price lower than the market, etc.

Importance of money lenders

Money lenders play an important role in the rural areas. Because of the insufficiency of proper banking facilities, the rural people had to face severe problems. In such a situation, they had to approach the village money lenders for financial assistance. The money lenders would provide them with the required finance in order to meet their personal consumption needs as well as for productive and other social needs. However, in doing so, they (the money lenders) would charge a high rate of interest from the poor rural people. Due to illiteracy and ignorance, the rural people had to shoulder the burden of high rate of interests as levied by the money lenders. As the money lenders are in close and constant touch with the villagers, it becomes easier for them to recover their loans on time.

9.3.3 Landlords

A landlord is a person who owns a piece of land and without putting his own labour into it survives on engaging other rural people in its cultivation. The rural people are exploited in terms of excessive land rent collected from them. People who may assist the landlord in collecting rent and whose survival depends on the exploitation of the other people by the landlords also fall under the category of landlords.

9.3.4 Traders

A trader is a person who engages in buying of goods at a lower price and sells at a higher price for profit. They provide short term loans to the farmers for productive purposes before the harvest is ready on the condition that they (the farmers) will sell their products to them at pre-determined prices which are usually very low, compared to prevalent market prices at the time of harvest. This type of loan assumes greater significance in the case of food grains like paddy, wheat and cash crops like cotton, jute, tobacco, cardamom and sugarcane.



CHECK YOUR PROGRESS

Q 4: State two functions of money lenders.
(Answer in about 20 words)

.....

.....

Q 5: Choose the correct one

Money lenders provide short-term loans. (True/False)

.....

Q 6: Write a short note on trader. (Answer in about 20 words)

.....

.....

9.4 INSTITUTIONAL SOURCES OF RURAL FINANCE IN INDIA

Since independence, a multi-agency approach consisting of co-operatives, commercial banks and Regional Rural Banks (RRB's) has been adopted to provide timely, adequate and relatively cheap credit to farmers. This is known as institutional credit. The major objective of the Government of India is to provide increasingly institutional credit to small and marginal farmers to enable them to adopt modern technology and improved agricultural practices and thus increase agricultural production and productivity. In the following parts of this section, we are discussing some of the important institutional sources of rural finance in India.

9.4.1 Co-Operative Banks

Rural cooperative banks play a very important role in meeting the credit requirements of the rural agricultural sector of the country. It provides credit to the rural farmers, self-employed persons and small scale industries, thereby providing much impetus towards the growth and development of India's rural economy. For providing long term credit to the farmers, Co-operative Agricultural and Rural

Development Banks were organized. The Rural Cooperative Banks of India abide by the laws that were formulated by Banking Regulations Act, 1949 and Banking Laws Act, 1965.

The following are the functions of cooperative banks in rural India.

- The Rural Cooperative Banks mainly provide loans to the rural farmers and also to the rural people who are engaged in cattle breeding and own hatcheries.
  - Providing finance to the self help groups
  - Boosting small scale industries of rural India.
  - Development of agriculture by providing loans and incentives to famers.
  - Facilitating crop insurance.

- Creating awareness about various government sponsored schemes for rural farming.
- Educating rural farmers on different modern methods of farming.



CHECK YOUR PROGRESS

Q 7: Fill in the blanks

The Banking Regulations Act and Banking Laws Act were formulated in the year ..... and .....

9.4.2 Public Sector Banks

A public sector bank is a bank where majority stake is held by the government. Public sector banks first took interest in rural finance when the State Bank of India was created in 1955 to provide, among others, credit facilities for co-operative processing and marketing societies. An important argument in support of bank nationalization was that the public sector banks had kept themselves aloof from the problems of agriculture and remained indifferent to the credit needs of the farmers for agricultural operations and land improvement.

Direct financing by Public sector banks

Public sector banks were expected to vigorously support the farmers in general and small cultivators in particular. For obvious reasons the nationalized banks concentrated their attention on cultivators and other special category farmers such as those engaged in raising high-yeilding variety of food grains.

Public Banks and Small Farmers

Public sector banks today provide financial assistance to farmers in a variety of ways. Banks have introduced a number of lending schemes for development of suitable farm organizations for taking up productive activities including supplementary and complimentary ones. Commercial banks provide two types of loans viz.;

- Direct Finance and
- Indirect Finance
- **Direct Finance:** Direct finance includes schemes through which credit is provided directly to agriculturists for financing their production and development needs. Commercial banks provide short-term credit facilities for financing seasonal agricultural operations, the important amongst them are financing for production inputs, such as improved seeds, fertilizers, insecticides and to meet the other cost of cultivation which includes labour charges and irrigation charges. Medium-term loans are granted for development of irrigation potential, repairing old wells, undertaking land improvement and programmes such as leveling, budding, terracing etc., mechanisation of farm operations through purchase of tractors, power tillers and other agricultural machinery and implements. Long-term credit is provided for development of horticulture, plantations etc. Banks have launched schemes for financing ancillary enterprise such as dairy, poultry, sericulture, apiculture to provide additional employment to farm family labour and other rural labour force. These are the facilities which are given directly to farmers. A few banks have also introduced farm graduate schemes under which financial assistance is provided to agricultural graduates to acquire land and become progressive agriculturists.
- **Indirect Finance:** Apart from direct finance by way of production loans and development loans, as enumerated above, the commercial banks are also assisting agricultural development indirectly by financing individuals or agencies engaged in the supply of production inputs and other services to agriculturists. Indirect financing includes-
  - Credit for financing distribution of fertilizers, pesticides and seeds.
  - Loans to farmers through PACS.

- Finance to hire-purchase schemes for distribution of agricultural machinery and implements.
- Loans for constructing and running of storage facilities.
- Loans for spraying operations.
- Loans to Electricity Boards for financing their well energization programmes.
- Loans to State tube well organisations, agro-industries corporations, custom service units and co-operative marketing societies.

Thus, the indirect finance also plays a vital role in the credit extension.

9.4.3 Corporations and Apex Bodies (NABARD, Agricultural Finance Corporation, RRBs)

NABARD

National Bank for Agricultural and Rural Development (NABARD) was set up as an apex bank and refinance institution for agricultural and rural credits. Its purpose was to take charge of the rural credit and also the refinance function of the Agricultural Refinance Development Corporation (ARDC).

As an apex bank, it takes care of agricultural credit and production, investment credit, SSI to promote rural development. It gives credit to Cooperative banks, RRBs. It is an integrated agency to fulfil the needs of agricultural and rural development. We will discuss about NABARD in detail in unit 14 of this course.

AGRICULATURAL FINANCE CORPORATION LIMITED:

It is a multi-disciplinary cross-functional development organisation providing consulting, advisory and implementation support for agriculture, rural development and other strategic socio-economic sectors in India.

REGIONAL RURAL BANKS (RRB's)

Following the recommendations of the Narasimham Committee, the Government passed the Regional Rural Banks Act,

1976. The main objectives of the RRBs is to provide credit and other facilities particularly to the small and marginal farmers, agricultural labours artisans and small entrepreneurs and develop agriculture, trade, commerce and industry and other productive activities in the rural areas. We will discuss about RRBs in detail in unit 13 of this course.



CHECK YOUR PROGRESS

Q 8: Define a public sector bank. (Answer in about 10 words)

.....

.....

Q 9: Define NABARD.

.....

.....

Q 10: State one function of RRBs. (Answer in about 10 words)

.....

.....



9.5 LET US SUM UP

- Rural cooperative banks play a very important role in meeting the credit requirements of the rural agricultural sector of the country. It provides credit to the rural farmers, self-employed persons and small scale industries thereby providing much impetus towards the growth and development of India's rural economy.
- Indigenous bankers are any private firms or even individuals who act as synonyms to the formal banks and therefore not only receive deposits but also provide loans.
- Accepting deposits, advancing loans, discounting hundis, remittance facilities, speculative activities, commission agents etc. are some of the functions of indigenous banker.

- Money lenders are groups who offer personal loans in small amount and at a high rate of interest to people with little or no access to the banking system.
- In context to rural marketing, a landlord is a person who owns a piece of land without putting his own labour into it but survives on engaging other rural people in its cultivation.
- National Bank for Agricultural and Rural Development (NABARD) was set up as an apex bank and refinance institution for agricultural and rural credits.
- NABARD takes care of agricultural credit and production, investment credit, SSI to promote rural development. It gives credit to Cooperative banks, RRBs. It is an integrated agency to fulfil the needs of agricultural and rural development.
- According to the recommendations of the Narasimhan Committee, the Government passed the Regional Rural Banks Act, 1976.



9.6 FURTHER READING

1) Singh, K. *(2010). Rural Development Principles, Policies and Management*. Sage Publications India Pvt. Ltd.

2) Sreedhar, G. and Rajasekhar, D. (2014). *Rural Development in India (Strategies and Processes)*. Concept Publishing Company (P) Ltd.



9.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Rural India is mostly agriculture based.

Ans to Q No 2: Two functions of indigenous banker are:

- Accepting Deposits: The indigenous bankers receive deposit from the public for a fixed period for which a rate of interest is pre- determined.
- Advancing Loans: The indigenous bankers used to provide loans against the security of land, jewelry, crops etc.

Ans to Q No 3: Two reasons on the importance of indigenous banking are:

- Since the indigenous banking did not have any fixed timings unlike the new age banking of the Britishers, they were preferred to the later.
- The indigenous bankers used to provide loans mostly for productive purposes.

Ans to Q No 4: Money lenders are groups who offer personal loans in small amount and at a high rate of interest to people with little or no access to the banking system.

Ans to Q No 5: True

Ans to Q No 6: In context to rural marketing, a landlord is a person who owns a piece of land and, without putting his own labour into it, survives on engaging other rural people in its cultivation.

Ans to Q No 7: The Banking Regulations Act and Banking Laws Act were formulated in the year 1949 and 1965.

Ans to Q No 8: A public sector bank is a bank where majority stake is held by the government.

Ans to Q No 9: NABARD means National Bank for Agricultural and Rural Development.

Ans to Q No 10: Providing banking facilities to rural and semi-urban areas is a function of RRBs.



9.8 MODEL QUESTIONS

Short Questions (Answer each question in about 150 words)

Q 1: What are the functions of indigenous banking?

Q 2: How is a money lender different from an indigenous banker?

Q 3: What is a co-operative bank?

Long Questions (Answer each question in about 300-500 words)

Q 1: Discuss the importance of indigenous banker.

Q 2: Write the functions of co-operative bank.

Q 3: Discuss the sources of financial assistance provided by public sector banks to small farmers.

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UNIT 10 : MICRO PLANNING FOR GOVERNMENT PROGRAMMES

UNIT STRUCTURE

10.1 Learning Objectives

10.2 Introduction

10.3 Concept of Micro Planning

10.4 Objectives of Micro Planning

10.5 Importance and Necessity of Micro Planning

10.6 Evaluation of Micro Planning in India

10.7 Key Elements of Micro Planning

10.8 Applications of Micro Planning

10.9 Steps of Micro Planning

10.10 Challenges of Micro Planning

10.11 Let Us Sum Up

10.12 Further Reading

10.13 Model Questions

10.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- define the concept of micro planning
- identify the objectives of micro planning
- discuss the importance and necessity of micro planning
- describe the evaluation of micro planning in India
- identify the important elements of micro planning
- explain the application of micro planning identifying its important steps considering probable challenges.

10.2 INTRODUCTION

Now that India and other emerging countries are making plans for their future, social justice and balanced urban growth are important parts of those plans. In order to do this, the local level or regional/area approach to

planning has been given more weight than the macroeconomic sectoral method. Because people know that micro-planning is better at responding to new social and economic problems at different levels of government, this has been done. For the overall social and economic growth of a country with such a wide range of landscapes as India, micro-planning is recommended instead of category planning at the national level. Because the place where people live and work is real, and ignoring it and the people who live and work there is like ignoring the fact that habitat, business, and society all affect each other. Because of this, micro planning is an important way for the government to make sure that programs meet the needs of each local community. Micro planning makes development projects more relevant, effective, and long-lasting by focusing on localized data, community input, and making the best use of resources.

10.3 CONCEPT OF MICRO PLANNING

Micro Planning is basically an applied form of decentralized planning strategy. Micro-planning is a way of planning for growth in which the people in the area help figure out what they need and how to get it. Micro-planning puts an emphasis on participation from the ground up, while standard planning methods often don't take into account how complicated local situations are. This means that the people who will be most touched by public works projects are the ones who get to decide how they are planned and carried out.

Micro planning is a detailed, localized way of planning and carrying out government programs and development projects that focus on small places like villages, neighborhoods, or districts. Using this method, solutions are made to fit the needs, resources, and conditions of each area. This is done by involving the community in planning, gathering and analyzing local data, and making the best use of available resources. The goal is to come up with ideas that work well in the local situation and are sensitive to the culture.

Micro planning focuses on being flexible and adaptable, letting

changes be made based on new information or changing circumstances. It also takes a whole-person approach by looking at how different areas, such as health, education, infrastructure, and economic growth, are all connected. Micro planning makes sure that things are always getting better and that people are held accountable. This makes actions last longer and have more of an effect, while also building community ownership and support.

10.4 OBJECTIVES OF MICRO PLANNING

The major objectives of micro planning are as follows:

1. To determine which solutions best suit the unique cultural, environmental, and socioeconomic circumstances of a community.
2. Involve locals in the planning and decision-making procedures so that their preferences and requirements are taken into account.
3. To effectively distribute resources to the areas that require them the most, reducing waste and optimizing results.
4. To design strategies that can be modified in reaction to fresh data or evolving conditions.
5. To promote balanced advancement by integrating several sectors like infrastructure, economic development, health, and education.
6. Establish a methodical monitoring strategy for results and progress to make sure treatments meet goals and promote ongoing development.
7. Encourage community members to take accountability and ownership for the accomplishment and sustainability of projects.
8. Make communities more capable of anticipating, responding to, and recovering from crises and disasters.
9. Ascertain that the interventions will be long-lasting and contribute to long-lasting enhancements in the well-being of the community.
10. Ascertain that development programs serve every aspect of the community, particularly underprivileged populations.

10.5 IMPORTANCE AND NECESSITY OF MICRO PLANNING

For a number of reasons, micro planning is crucial, especially when it comes to government efforts and development programs. It guarantees that interventions are efficient, long-lasting, and customized to the unique requirements and circumstances of localized locations. The following are the crucial dimensions for which microplanning is required for development initiatives.

- **Important Interventions for Local Needs:**

Planning at the micro level is very important because it lets people make changes that are tailored to the specific needs of a town or area. Micro planning looks very closely at the social, economic, cultural, and environmental conditions of small units like villages or neighborhoods, while larger planning methods might miss small details that are unique to each area. With this level of detail, planners can come up with ideas that are very specific and useful. For example, in a town where there isn't enough water, a micro plan might focus on building local water collection systems and teaching people how to use water in a way that doesn't harm the environment. This level of detail makes sure that the interventions are not only right, but also very successful, going straight to the community's most important problems.

- **Enhanced Community Participation and Ownership:**

Another big benefit of micro planning is that it makes it easier for people in the community to get involved. Micro planning makes sure that the voices of those directly touched by the initiatives are heard and taken into account by letting locals be involved in planning and making decisions. This method encourages community members to feel like they own and are responsible for the project, which is very important for any intervention to last. It's more likely that people will support a project and help keep it going if they feel like they have a stake in its success. For example, a health project that is led by the community and involves local people in planning and carrying it out is more likely to be accepted and last than one that is forced on them without their input.

- **Efficient Resource Utilization:**

Micro planning also helps you use your resources more effectively. Focusing on certain areas and their unique needs helps with the precise distribution of resources, making sure they go to the places that need them the most and will have the most effect. This targeted method cuts down on waste and avoids doing the same work twice, so the best use is made of the money, materials, and people that are available. In urban areas with high unemployment, for instance, a micro plan might give money to job training programs that are specifically designed to fill the skills gap in that area. This precise distribution of resources makes development efforts more effective and efficient.

- **Flexibility and Adaptability:**

Another important benefit is that microplanning gives you a lot of freedom. It's easier to make changes to localized plans when new information comes in or things change. This is important because community needs and outside situations are always changing. This ability to change makes sure that solutions stay useful and effective over time. For example, if unexpected changes in the weather happen in the middle of a microplan for agricultural growth, it can be quickly changed to include more resilient crop varieties or different ways of farming. Being able to change direction and adapt helps development efforts keep going even when problems come up out of the blue.

- **Holistic and Comprehensive Development:**

Micro planning considers the connectivity of several sectors, including health, education, infrastructure, and economic growth, thereby fostering a comprehensive approach to development. This integrated approach guarantees that treatments support and improve one another rather than being compartmentalized, therefore producing more complete and environmentally friendly results. A micro plan might, for example, simultaneously address infrastructure by modernizing water supply systems, health by strengthening local clinics, and education by enhancing school buildings. This synergy among several sectors generates an atmosphere fit for general community well-being and development.

- **Improved Monitoring and Evaluation:**

Any development project depends on effective monitoring and assessment, hence micro planning shines in this field. Micro plans' thorough and localized character guarantees exact tracking of progress and results, so verifying that treatments are reaching their targets. Constant observation offers useful comments that helps to enable quick changes and improvements. Regular evaluations of a local sanitation project, for instance, can highlight areas requiring more focus, like infrastructure maintenance or hygienic education, therefore enabling quick corrections. This cyclical process of assessment and modification aids in the improvement of strategies and the increase of the effect of development projects.

- **Increased Community Resilience:**

Microplanning is a big part of making communities more resilient. It makes it easier for communities to get ready for and handle emergencies and disasters by making detailed local response plans and making sure that the tools they need are available. This level of readiness makes people less vulnerable and speeds up the healing process after bad events. For example, a small plan that includes things like early notice systems, emergency shelters, and training for the community can make natural disasters like floods and earthquakes much less harmful. This kind of strategic planning not only keeps people and property safe, but it also makes the community stronger as a whole.

10.6 EVALUATION OF MICRO PLANNING IN INDIA

Microplanning or decentralized planning has been prioritized since the inception of First Plan to encourage active participation of the public in the planning process. In 1957, the Balwant Raj Mehta committee was appointed by the government. It suggested the establishment of elected statutory local entities with the necessary resources, power, and authority, as well as a decentralized administrative system that operates under its control. Consequently, the Panchayati Raj System was implemented in the nation.

The Planning Commission established a set of guidelines regarding the implementation of district planning. Again in 1977, the M.L. Dantwala working group recommended specific guidelines for the implementation of block-level planning. Subsequently, the Ashok Mehta Committee submitted its report on Panchayati Raj in 1978. Additionally, in 1983, the Economic Advisory Council to the Prime Minister submitted its report on the decentralization of development planning and its implementation in the states. In 1984, the Group on District Planning submitted its report, which was subsequently used as the foundation for proposals on decentralized planning or planning at the micro level under the Seventh Plan. As a result, the Planning Commission of India implemented decentralization planning in the country for the first time during the Seventh Plan. This change in decision-making in the planning process was from a top-down to a bottom-up system.

In India, governmental activities are conducted at the central, state, and local levels, including the district (Zilla Parishads), intermediate (Anchalik Panchayat), and village (Gram Panchayats). Since the Seventh Plan, the Planning Commission of India has implemented decentralized planning in order to achieve a more favorable response.

10.7 KEY ELEMENTS OF MICRO PLANNING

The following are the primary components that must be taken into account when conducting micro planning for government programs:

- **Localized Focus:**

Micro planning concentrates on specific geographic regions, including urban neighborhoods, cities, or villages. Planners are able to comprehend the distinctive characteristics and needs of the community as a result of this localized focus.

- **Community Engagement:**

It is essential to engage community members in the planning process. Their feedback and insights contribute to the development of initiatives that are culturally appropriate and pertinent. The programs' sustainability and ownership are promoted through community engagement.

- **Data-Driven Decisions:**

Local data collection and analysis are essential components of micro planning. Demographic information, socio-economic status, health indicators, and available resources are all potential components of this data. Plans are effectively targeted and evidence-based when data is accurate.

- **Resource Optimization:**

Resources can be allocated more efficiently by concentrating on small locations. Micro planning assists in the identification of the most urgent requirements and the deployment of resources to the areas where they will have the greatest impact.

- **Flexibility and Adaptability:**

Localized plans are more readily able to be modified in response to new information or changing conditions. Addressing dynamic challenges and opportunities at the community level necessitates this adaptability.

10.8 APPLICATIONS OF MICRO PLANNING

The application micro planning for Government programmes has a huge scope. Some of the broad areas where the micro planning can make a significant difference for the welfare of the people are discussed as follows:

- **Healthcare:**

Micro planning in healthcare involves detailed mapping of health resources, identifying gaps in service delivery, and targeting interventions such as vaccination drives, maternal health services, and disease prevention programmes.

- **Education:**

In education, micro planning can help identify areas with low school enrollment or high dropout rates. It can lead to initiatives tailored to improve access, retention, and quality of education through community-specific strategies.

- **Infrastructure Development:**

For infrastructure projects, micro planning ensures that roads, sanitation facilities, and water supply systems are developed in line with the specific needs and conditions of the local area.

- **Disaster Management:**

Micro planning is essential in disaster management, helping communities prepare for, respond to, and recover from natural disasters. It involves creating detailed response plans, training local responders, and ensuring that resources are readily available.

- **Economic Development:**

Localized economic initiatives can be designed to leverage the unique assets of a community, such as promoting local industries, creating job opportunities, and supporting small businesses.

10.9 STEPS OF MICRO PLANNING

The process of micro planning is a systematic and comprehensive approach that entails the deconstruction of a more extensive plan into smaller, more manageable tasks to guarantee their successful execution.

- **Establishing clear goals and objectives:**

The initial step in micro planning is to establish explicit objectives and aims. These objectives must be specific, measurable, achievable, relevant, and time-bound (SMART). The establishment of precise objectives establishes a focused direction and establishes the groundwork for the entire planning process.

- **Awareness:**

Awareness is an essential initial phase that entails the education and informing of stakeholders and team members regarding the micro planning process, objectives, and their respective roles. This step guarantees that all parties are cognizant of the plan's significance, scope, and purpose, which in turn encourages commitment and collaboration.

- **Engagement and Identification of Stakeholders:**

The identification and engagement of stakeholders are essential elements of micro planning. It is crucial to ascertain the individuals who will be impacted by the plan and those who have the potential to influence its success. By involving stakeholders in the planning process, it is possible to integrate their support and insights, which can improve the plan's feasibility and acceptance.

- **The activity calendar:**

The subsequent phase is to deconstruct the comprehensive plan into smaller, more specific tasks and to establish a comprehensive timeline for each task. Visual representations of the schedule, such as Gantt charts, can be employed to facilitate the effective management of time and the monitoring of progress. It is essential to clearly define the roles and responsibilities of each task and delegate them to team members or stakeholders based on their level of expertise in order to ensure the successful execution of the plan.

- **Situation Analysis:**

It is imperative to conduct situation analysis, which entails the acquisition of pertinent data through primary and secondary sources, including participatory rural appraisal (PRA) exercises. This aids in comprehending the context and environment in which the plan will be executed. By conducting a SWOT analysis (strengths, weaknesses, opportunities, and threats), it is possible to identify the internal and external factors that could potentially affect the plan. It is essential to comprehend these factors in order to create a micro plan that is both practical and effective.

- **Resource Envelope:**

Another critical phase is conducting an exhaustive evaluation of the resources at one's disposal. The process entails the inventory of human, financial, and material resources and their subsequent allocation to a variety of duties and activities. Efficient resource allocation guarantees that the essential resources are accessible at the appropriate time and location.

- **Preparation of Detailed Project report (DPR):**

It is imperative to create comprehensive action plans for each undertaking. These plans should delineate the precise steps and procedures for implementation, guaranteeing that all parties are aware of the necessary actions. Micro planning also involves the identification of potential hazards and the development of strategies to mitigate them. The impact of unanticipated challenges is reduced through the implementation of effective risk management.

- **Monitoring and evaluation:**

In micro planning, evaluation and monitoring are ongoing procedures. Creating performance metrics and tracking advancement against them on a regular basis aid in maintaining the plan's direction. By putting in place a feedback mechanism, changes can be made as necessary to keep the plan current and functional. Transparency and accountability also depend on maintaining thorough records of the planning process and regularly updating stakeholders on developments and results.

- **Periodic review:**

It is imperative to conduct periodic reviews of the strategy and its execution in order to make the required modifications in response to feedback and evolving situations. Ensuring that there is effective communication among team members and external stakeholders guarantees that everyone is informed and involved. Determining the need for training and offering capacity-building workshops to improve abilities and understanding contribute to the plan's effective execution.

10.10 CHALLENGES OF MICRO PLANNING

Resource Intensity:For microplanning to work, it may take a lot of time, effort, and knowledge to gather information and get people involved. Coordination Complexity:It can be hard to coordinate work in a lot of small areas, especially when those areas are part of bigger regional or national plans.

Risk of Fragmentation:Plans that are very specific to a small area might not match up with bigger overall goals, which could cause efforts to be scattered and duplication of work.



10.11 LET US SUM UP

India's move toward micro-planning shows how important it is for growth to be localized and driven by the community. This way of planning is better than standard top-down planning in a number of ways. It emphasizes

community involvement and custom solutions. Micro-planning makes sure that interventions are adjusted to the specific cultural, environmental, and socioeconomic situations of each community. This makes them more successful and long-lasting. Micro-planning's goals show its dedication to including everyone, making good use of resources, being flexible, and all-around growth. Micro-planning makes people feel like they own and are responsible for their actions, which is very important for the long-term success of growth projects. Including different areas like health, education, infrastructure, and economic growth in micro-planning frameworks helps the whole area grow and be strong during disasters.

Micro-planning has become more popular in India, with help from many government groups and plans. This shows how important it is for decentralized governance and growth. Clear goal setting, stakeholder involvement, situation analysis, and ongoing monitoring and evaluation are just a few of the careful steps that are needed to make micro-planning work. Micro-planning has some good points, but it also has some problems, like a high demand for resources, trouble coordinating, and the chance of breaking up. To deal with these problems, we need strong ways to work together, make sure resources are used correctly, and make sure our goals are in line with larger regional and national ones. Overall, micro-planning is an important way to make sure that development efforts are useful, long-lasting, and relevant. This will eventually lead to fair urban growth and social justice in India and other emerging countries.



10.12 FURTHER READING

1) Micro Level Planning for Regional Development: Indian Experience;K Sivachithappa; Adhyayan Publisher; India, 2011.
2) Micro regional planning in India; Ghazanferullah; A.K. Publications, New Delhi, 2013.
3) Micro-Level Rural Planning: Principles, Methods and Case Studies; R.P Misra; South Asia Books, 1990.

4) Rural Development and Micro-Regional Planning; K.M. Naidu and K.S. Naidu; Reliance Publishing House; India, 2001.

5) Micro-Level Planning; Alok Tiwari; VDM Berlag; 2011.



10.13 MODEL QUESTIONS

Q 1: Define the concept of micro planning.

Q 2: What are the objectives of micro planning.

Q 3: Discuss the importance and necessity of micro planning.

Q 4: Discuss the evaluation of micro planning in India.

Q 5: Explain the important elements of micro planning.

Q 6: Explain the application of micro planning.

Q 7: What are the important steps of micro planning.

Q 8: Specify the probable challenges in micro planning.

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UNIT 11 : RURAL WELFARE AND SOCIAL SECURITY: POLICIES AND PROGRAMMES

UNIT STRUCTURE

11.1 Learning Objectives

11.2 Introduction

11.3 Concept of Rural Welfare

11.3.1 Key Aspects of Rural Welfare

11.4 Concept of Social Welfare

11.4.1 key Aspects of Social Welfare

11.5 Rural Welfare and Social Security Policies And Programmes

11.6 Let Us Sum Up

11.7 Further Reading

11.8 Answers to Check your Progress

11.9 Model Questions

11.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- define rural welfare and social security in the Indian context
- escribe key aspects and components of rural welfare
- explain various social security mechanisms
- understand major government schemes and policies for rural welfare and protection.

11.2 INTRODUCTION

In the previous unit we discussed about the micro-planning for government programmes. In this unit we are going to discuss about the various aspects related to rural welfare and social security also its policies and pogrammes.

India's rural population, which constitutes a significant portion of the country's total population, has historically faced numerous challenges

related to poverty, underdevelopment, and limited access to essential services. To address these challenges, successive governments have launched policies and programmes aimed at improving the socio-economic conditions in rural areas. These initiatives fall under the broader framework of rural welfare and social security.

Rural welfare refers to a range of interventions that aim to enhance the quality of life in rural communities. This includes access to clean water, education, healthcare, housing, employment opportunities, and basic infrastructure. Social security, meanwhile, acts as a protective mechanism that supports individuals and families in times of economic or personal hardship, such as during illness, old age, unemployment, or the death of a breadwinner. Together, rural welfare and social security are essential tools for promoting equity, reducing poverty, and fostering inclusive development in rural India. Let us now discuss it with the following sections and sub-sections.

11.3 CONCEPT OF RURAL WELFARE

The concept of rural welfare goes beyond just distributing financial aid or providing subsidies. It encompasses a comprehensive approach to improving the standard of living and ensuring social justice in rural areas. At its core, rural welfare aims to empower communities through access to basic needs and services, building human capabilities, and enhancing participation in the economy and governance.Rural welfare policies typically focus on improving infrastructure such as roads, electricity, and housing; ensuring access to health and education services; creating livelihood opportunities through skill development and employment schemes; and addressing social inequalities by providing targeted support to vulnerable groups such as women, Scheduled Castes, Scheduled Tribes, and persons with disabilities. These initiatives are intended not only to address immediate needs but also to create long-term pathways for sustainable development and self-reliance in rural communities.

11.3.1 Key Aspects ofRural Welfare

Let us now discuss thekey aspects of rural welfare, explained clearly and in paragraph form:

1. **Access to Basic Infrastructure:** At the heart of rural welfare lies access to fundamental infrastructure. This includes roads, electricity, clean drinking water, sanitation, and housing. Programmes like the Pradhan Mantri Gram Sadak Yojana and Jal Jeevan Mission aim to reduce the urban-rural divide by connecting villages to markets and services.
2. **Livelihood and Employment Opportunities:** Sustainable income sources are crucial for rural development. Schemes like MGNREGA and DDU-GKY provide rural households with wage employment and skill development, respectively. The idea is to reduce dependence on agriculture alone and to diversify livelihood options.
3. **Education and Skill Development:** Education is a major driver of rural transformation. Effective rural welfare ensures access to quality primary and secondary education, vocational training, and adult literacy. Programmes like the National Rural Livelihood Mission (NRLM) focus on both formal education and skill-building. In recent years, digital learning and local training centers have emerged as important tools to bridge skill gaps.
4. **Healthcare and Nutrition:** Improving health outcomes in villages is a core welfare priority. This includes accessible primary health centres (PHCs), maternal and child health services, immunization drives, and nutrition schemes like the Integrated Child Development Services (ICDS).
5. **Social Inclusion and Equity:** Rural welfare must be inclusive especially in a society where caste, gender, and tribal status often determine access to opportunities. Welfare schemes should actively address the needs of Scheduled Castes,

Scheduled Tribes, women, persons with disabilities, and elderly individuals.

6. **Women's Empowerment:** Rural welfare has increasingly focused on empowering women economically and socially. Programmes supporting self-help groups (like under NRLM), women's health, education, and security aim to improve gender equity in villages. Empowered women contribute to better family health, education, and financial decision-making, creating a ripple effect of progress.
7. **Financial Inclusion:** Access to banking, credit, and insurance services is now a foundational part of rural welfare. Initiatives like PMJDY (Jan Dhan) and financial literacy campaigns ensure rural households are integrated into the formal economy. This helps reduce dependency on informal lenders and enables savings, investment, and access to government benefits via direct transfers.
8. **Local Governance and Community Participation:** Strong Panchayati Raj Institutions (PRIs) and active community participation are essential. Welfare is more effective when local people are involved in planning, monitoring, and delivering services. Empowering gram panchayats, ensuring transparency through social audits, and promoting bottom-up planning make rural welfare more accountable and responsive.



CHECK YOUR PROGRESS

Q 1: What is the main difference between rural welfare and social security ?

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Q 2: Why is rural welfare necessary in a country like India ?

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11.5 CONCEPT OF SOCIAL SECURITY

Social security in the Indian context refers to a set of protections that help individuals and families cope with economic risks and uncertainties. These risks include income loss due to unemployment, disability, illness, old age, or death. Social security mechanisms are especially important in rural areas, where informal employment is prevalent and formal safety nets like pensions or insurance are often absent.

There are three main types of social security systems in India.They are:

1. Social insurance schemes are contributory in nature and cover risks through pooled funds contributed by workers and employers; examples include the Employees' Provident Fund (EPF) and the Employees' State Insurance Corporation (ESIC).
2. Social assistance schemes are non-contributory and financed by the government to support the poor and vulnerable; these include old-age pensions and widow pensions.
3. Public service provisions such as free healthcare, subsidised food through the Public Distribution System, and free education also form a crucial part of social security. However, in rural India, access to these services remains uneven due to issues like low awareness, limited infrastructure, and bureaucratic hurdles.

11.4.1 Key Aspects of Social Welfare

The concept social welfare is rooted in the idea of social justice, which seeks to reduce inequality and provide support for the vulnerable populations. Key Aspects of Social Welfare are as follows:

1. **Support and Assistance:** Direct aid in the form of financial support, food subsidies, healthcare, housing, and education.
2. **Social Services:** Services aimed at improving the well-being of individuals, such as counselling, child care, and elderly care.
3. **Social Insurance:** Programs that provide benefits in case of unemployment, disability, or old age, such as pensions and

unemployment insurance.

4. **Economic Redistribution:** Measures to redistribute wealth and reduce economic disparities through progressive taxation and welfare benefits.



CHECK YOUR PROGRESS

Q 3: Differentiate between social insurance and social assistance.

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Q 4: Why is social security important in rural areas?

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Let us now discuss about the **Rural Welfare** and**Social Security Policies and Programmes**in India.

11.6 RURAL WELFARE AND SOCIAL SECURITY POLICIES AND PROGRAMMES

A. **Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):** The Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) is a significant social welfare measure implemented in India since 2005. The primary objective of MGNREGA is to enhance the livelihood security of people in rural areas by guaranteeing a minimum of 100 days of wage employment in a financial year to adult members of rural households who volunteer for unskilled manual labor.The idea of this scheme is to give people a legal right to employment and put money directly into the hands of the rural poor. The following are the key features of this policy:

1. **Legal Guarantee of Employment:** MGNREGA provides a statutory right to work for rural households.
2. **Decentralized Planning:** Gram Panchayats play a key role in planning, implementing, and monitoring projects under the

scheme.

3. **Job Cards:** Eligible households receive job cards that identify them and record their employment history.
4. **Timely Wage Payments:** Wages are paid within a fortnight of the work being completed, with provisions for compensation in case of delays.
5. **Work Near Residence:** Work is generally provided within a 5 km radius of the applicant's residence, with extra wages paid for travel if the work is further away.
6. **Equal Wages:** Men and women are paid equally for the same work.
7. **Worksite Facilities:** Basic facilities like drinking water, shade, and first aid are provided at the worksite.

B. **Pradhan Mantri Awaas Yojana-Gramin (PMAY-G):** Pradhan Mantri Awaas Yojana -Gramin (PMAY-G)is a flagship housing scheme of the Government of India, launched in 2016. It aims to provide every rural household in India with apucca (permanent) house with basic amenitieslike a toilet, electricity, drinking water, and LPG connection. PMAY-G replaced the earlier Indira Awaas Yojana and aims to provide pucca houses to all rural families living in kutcha or dilapidated houses. The government set a target of providing housing for all rural families by 2022, in line with the broader goal of inclusive development. Under this scheme, each eligible family receivesfinancial assistance of ¹ 1.2 lakhin plain areas and¹ 1.3 lakh in hilly or difficult regions. The money is transferred directly to the beneficiary's bank account in instalments, linked to the progress of construction. The scheme encourages the use oflocal materials and eco-friendly construction, and beneficiaries are free to design and build their homes according to their needs. PMAY-G also works in convergence with other schemes. For example, households can get toilets through Swachh Bharat Mission, LPG connections through Ujjwala Yojana, and electricity through Saubhagya. This way, it's not just about building walls and roofs—it's about improving overall quality of life. The selection of beneficiaries is

done using data from the Socio-Economic and Caste Census (SECC) 2011, ensuring that the most deprived households are prioritized. Gram Sabhas play a role in verifying the list, adding a layer of transparency. So far,millions of homes have been constructedunder PMAY-G, and the scheme has made a real difference in rural housing. That said, there are still challenges. Some families face land ownership issues, delays in fund release, or lack of technical support during construction. In some places, poor-quality materials have led to substandard homes.

C. **Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY):** The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is again a flagship initiative by the Ministry of Rural Development, Government of India. Its primary aim is to skill rural youth, particularly those from poor families, and link them to jobs that offer regular monthly wages at or above the minimum wage. This program is a crucial part of the National Rural Livelihood Mission (NRLM), designed to diversify the income sources of rural families and address the career aspirations of young individuals in rural areas. Key Objectives of DDU-GKY:

   i. **Skill Training & Employment:** Providing demand-based skill training to rural youth to enhance their employability.

   ii. **Poverty Reduction:** Empowering poor families to access gainful and sustainable employment through regular wages.

   iii. **Youth Empowerment:** Transforming rural poor youth into an economically independent and globally relevant workforce.

   iv. **Supporting National Initiatives:** Contributing to government programs like Make in India, Digital India, Smart Cities, Start-up India, and Stand-up India.

D. **National Rural Livelihoods Mission (NRLM):** The National Rural Livelihoods Mission (NRLM), also known as the Deendayal Antyodaya Yojana- National Rural Livelihoods Mission (DAY-NRLM), is a poverty reduction program by the Ministry of Rural Development, Government of India was launched in June 2011. It focuses on building platforms for the rural poor to boost income through improved livelihoods and financial access.NRLM operates on principles such as the belief in

the poor's ability to overcome poverty. It emphasizes empowerment through institutions like Self Help Groups (SHGs) and their federations. The program uses a demand-driven approach allowing states to tailor plans based on local needs and targets the most vulnerable households. Key features include ensuring at least one woman from each poor household is in an SHG network, helping members access financial services, and promoting livelihoods through various interventions. It also focuses on continuous capacity building, providing Community Funds like Revolving Funds (RF) and Community Investment Support Funds (CIF), promoting collaboration with other schemes and institutions, allowing for decentralized planning, and includes monitoring mechanisms

E. Jal Jeevan Mission (JJM): Jal Jeevan Mission was launched in 2019. This is a transformative initiative by the Government of India, launched to address a fundamental need in rural areas: providing safe and adequate drinking water through individual household tap connections. By involving panchayats and village water committees in implementation, the mission aims to promote local ownership and sustainability. While early phases have shown encouraging results in terms of connections laid, the scheme's long-term success depends on quality control, regular maintenance, and water source sustainability. The mission aims to achieve this ambitious goal for all rural households across India.Core objectives of this scheme are as follows:

i. **"Har Ghar Jal" (Tap Water to Every Home):** The flagship objective is to ensure that every rural household has a functional tap connection by 2024.

ii. **Water Security:** JJM focuses on providing safe and sufficient drinking water on a regular and long-term basis, promoting water security for rural communities.

iii. **Community Ownership:** The mission emphasizes a community-based approach, empowering local communities and Gram Panchayats (village councils) to plan, implement, manage, operate, and maintain their own water supply systems.

iv. **Source Sustainability:** A crucial aspect of JJM is ensuring the sustainability of water sources. This involves implementing measures like rainwater harvesting, greywater management (recharge and reuse), and water conservation.

v. **Water Quality Monitoring:** The mission mandates monitoring the quality of water supplied to households, ensuring it meets prescribed standards.

F. **Pradhan Mantri Gram Sadak Yojana (PMGSY):** Pradhan Mantri Gram Sadak Yojana(PMGSY)launched by the Government of India in December 2000 to provide all-weather road connectivity to unconnected habitations in rural areas. The program's core objective is to improve the socio-economic conditions of the rural population by facilitating better access to markets, education, healthcare, and other essential services. Key objectives and features of this scheme are as follows:

i. The main goal of PMGSY is to ensure that eligible unconnected habitations have access to roads that are usable year-round, including during the monsoon season.

ii. Initially, the program focused on connecting habitations with a population of 500 or more in plain areas and 250 or more in hill, tribal, and desert areas. Habitations with a population of 100 or more are covered in areas affected by Left Wing Extremism (LWE).

iii. PMGSY has been implemented in different phases to address rural road infrastructure development.

iv. **PMGSY-I (2000):** Focused on providing new connectivity to eligible habitations.

v. **PMGSY-II (2013):** Focused on upgrading existing rural roads, including those built under PMGSY-I, to improve connectivity to rural markets and hubs.

vi. **PMGSY-III (2019):** Focused on connecting habitations to Gramin Agricultural Markets (GrAMs), higher secondary schools, and hospitals.

vii. **PMGSY-IV (2024):** Aims to provide all-weather road connectivity to 25,000 unconnected habitations and construct or upgrade 62,500 km of roads and bridges between the financial years 2024-25 and 2028-29.

The Pradhan Mantri Gram Sadak Yojana has played a vital role in transforming rural India by providing crucial road connectivity, leading to significant positive impacts on the social and economic well-being of the rural population.

G. National Social Assistance Programme (NSAP): The National Social Assistance Programme (NSAP), launched by the Government of India on August 15, 1995, is a Centrally Sponsored Scheme aimed at providing financial assistance and social security to vulnerable sections of society, particularly those belonging to Below Poverty Line (BPL) households. It is administered by the Ministry of Rural Development and implemented in both rural and urban areas across all states and Union Territories. The NSAP aims to create a social safety net, provide dignity and empowerment, and mitigate inequalities for vulnerable populations in India. NSAP includes five sub-schemes that support different vulnerable groups which are as follows:

1. Indira Gandhi National Old Age Pension Scheme (IGNOAPS)
2. Indira Gandhi National Widow Pension Scheme (IGNWPS)
3. Indira Gandhi National Disability Pension Scheme (IGNDPS)
4. National Family Benefit Scheme (NFBS)
5. Annapurna Scheme

NSAP has significantly improved the lives of vulnerable individuals in India by providing a safety net, reducing economic vulnerability, and promoting social inclusion. The program is in line with India's social justice commitments

H. Pradhan Mantri Jan Dhan Yojana (PMJDY): The Pradhan Mantri Jan Dhan Yojana (PMJDY) launched by the Government of India on August 28, 2014, with the objective of ensuring comprehensive financial inclusion for all households across the country. The scheme aims to provide affordable access to various financial services,

including banking/savings accounts, remittances, credit, insurance, and pensions. The following are the key objectives of this scheme:

1. PMJDY strives to ensure that every household has at least one basic banking account, fostering a foundation for financial inclusion across both urban and rural areas.
2. The program emphasizes imparting financial literacy to empower individuals to make informed decisions about their finances and utilize banking services effectively.
3. PMJDY facilitates access to credit for the underserved, enabling them to meet their financial needs and pursue entrepreneurial opportunities.
4. The scheme provides access to affordable insurance and pension products, offering a safety net and long-term financial security for the vulnerable segments of society.
5. PMJDY accounts serve as a platform for seamlessly transferring government benefits directly to the beneficiaries, promoting transparency and reducing leakages.

PMJDY has achieved significant success in extending financial services to the previously unbanked population. By August 28, 2024, the scheme had opened over 53 crore bank accounts, with women holding 55% of them. The scheme has also boosted digital transactions, with UPI facilitating 55.7 billion transactions by July 2024. The integration of PMJDY accounts with various government schemes has further strengthened financial inclusion and ensured that the benefits of welfare programs are directly accessible to the people.

I. **Atal Pension Yojana (APY):** The Atal Pension Yojana (APY) is a scheme launched in May 2015, specifically designed to address longevity risks and provide retirement security for individuals in India's unorganized sector. It encourages voluntary savings for retirement by guaranteeing a fixed pension after 60 years of age, based on contributions made during working years. APY aims to create a pensionable society, especially among those who lack access to formal social security schemes. APY has emerged as a significant social

security initiative, attracting over 7.65 crore subscribers as of April 2025. It plays a crucial role in promoting long-term financial discipline among low-income households and addressing the vulnerability of the unorganized workforce in old age. The scheme has also witnessed a growing participation of women, accounting for over 55% of new subscribers in FY 2024-25. APY contributes to India's vision of "Pension for All," ensuring financial independence and security for the elderly.The following are the Key features and benefits of this scheme:

i. Individuals who are in the unorganized sector who do not have any formal pension provision, like daily wage workers, maids, drivers, etc are the eligible for this scheme. However, private sector employees and those not covered by employer-backed pension plans can also subscribe for this scheme.

ii. Subscribers receive a guaranteed monthly pension ranging from ¹ 1,000 to ¹ 5,000 after reaching 60 years of age, depending on their contributions.

iii. Subscribers must contribute for a minimum of 20 years, starting between the ages of 18 and 40.

iv. Contributions can be made monthly, quarterly, or half-yearly through auto-debit from a savings bank account.

v. The Government of India initially co-contributed 50% of the subscriber's contribution or ¹ 1,000 per annum (whichever was lower) for five years (2015-16 to 2019-20), to subscribers who joined between June 1, 2015, and March 31, 2016, were not covered by any statutory social security scheme, and were not income taxpayers. This co-contribution is no longer available for new subscribers.

vi. In the event of the subscriber's death, the spouse is entitled to receive the same pension amount until their death. Upon the death of both the subscriber and spouse, the nominee receives the accumulated pension corpus.

vii. Contributions to APY may be eligible for tax deductions under Section 80CCD (1) of the Income Tax Act, 1961.

viii. Contributions are invested as per guidelines prescribed by the Pension Fund Regulatory and Development Authority (PFRDA), with funds managed by designated pension fund managers.

ix. Accounts can be opened through any bank branch or through the internet banking facility of participating banks. Online registration through the e-APY portal and other digital platforms is also available.

J. Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY): The Pradhan Mantri Jeevan Jyoti Bima Yojana (PMJJBY) is a government, one-year renewable term life insurance scheme launched in 2015 to provide affordable life insurance coverage to Indian citizens. It is aimed at individuals in the age group of 18 to 50 years who hold a savings bank account with participating banks/post offices. The scheme offers a life insurance cover of ₹ 2 lakh upon the death of the insured due to any reason.The key features and benefits are as follows:

i. Individuals between the ages of 18 and 50 years, who have a savings bank account with a participating bank/post office, can enroll in the scheme. In case an individual holds multiple bank accounts, they can enroll through only one account.

ii. PMJJBY provides a life insurance cover of ₹ 2 lakh upon the death of the insured due to any cause.

iii. The annual premium for PMJJBY is ₹ 436, which is automatically debited from the subscriber's savings bank account. Pro-rata premiums are applicable for enrollment during the middle of the policy period.

iv. A waiting period of 30 days is applicable from the date of enrollment, meaning that death due to any cause other than an accident occurring during this period will not be covered. However, this waiting period is waived in the case of accidental death.

v. In the event of the insured's death, the nominee can claim the insurance amount by submitting the claim form, discharge receipt, death certificate, and a copy of the nominee's bank

account details to the bank.

vi. One unique aspect of PMJJBY is that no physical policy document is issued, which can sometimes lead to unawareness among families about the existence of the policy or the claim process.

PMJJBY has been instrumental in extending life insurance coverage to a large segment of the Indian population, particularly those in the lower-income brackets who previously lacked access to such financial security. As of April 2025, over 23.6 crore enrollments have been made under the scheme, with claims worth ¹ 18,398 crore settled for over 9 lakh families (according to PIB). The scheme's focus on affordability and easy enrollment through bank accounts has contributed significantly to financial inclusion and social security.

K. Pradhan Mantri Suraksha Bima Yojana (PMSBY): The Pradhan Mantri Suraksha Bima Yojana (PMSBY) is an insurance scheme launched in May 2015 by Government of India, aiming to provide affordable accident insurance coverage to Indian citizens, particularly those from economically weaker sections. It provides insurance against accidental death and disability, complementing other social security initiatives. The key features and benefits of this scheme are as follows:

i. This scheme is open to individuals with a savings bank account in participating banks/post offices, aged between 18 and 70 years.

ii. This scheme provides a sum of ¹ 2 lakh to the nominee in case of the policyholder's accidental death.

iii. This scheme offers a sum of ¹ 2 lakh for total and irrecoverable loss of both eyes or loss of use of both hands or feet or loss of sight of one eye and loss of use of one hand or one foot. A sum of ¹ 1 lakh is provided for total and irrecoverable loss of sight of one eye or loss of use of one hand or foot.

iv. It requires a low annual premium of ¹ 20, making it accessible to a wide range of the population.The premium is automatically debited from the account holder's bank/post office account

through an auto-debit facility, simplifying renewals.

v. The scheme boasts a streamlined claim settlement process to ensure hassle-free claims for beneficiaries.

vi. Enrollment to this scheme can be done by visiting the bank/post office branch, through a Business Correspondent (BC), or through internet banking in some cases. Some banks also facilitate online enrollment through their internet banking platform.

PMSBY plays a crucial role in providing a safety net against unforeseen accidents, especially for vulnerable sections of society. It helps mitigate the financial stress families face during times of loss or disability. As of April 23, 2025, the scheme has garnered over 51.06 crore enrollments and settled claims amounting to ₹ 3,121.02 crore (according to PIB). The scheme's focus on affordability and ease of enrollment has broadened access to insurance and fostered greater financial inclusion across the country.

L. e-Shram Portal: Launched by the Ministry of Labour and Employment in August 2021, the E-Shram Portal aims to create a National Database of Unorganised Workers (NDUW) in India. This centralized, Aadhaar-verified platform registers unorganised workers, provides them with a Universal Account Number (UAN), and connects them to government social security and welfare schemes. The portal's main goals include establishing a comprehensive database of various unorganised workers, improving access to social security services, and integrating different welfare schemes. It facilitates the portability of benefits for migrant workers and construction workers. Additionally, it supports job matching and skill development by connecting with portals like the National Career Service (NCS). The e-Shram One-Stop-Solution further consolidates access to schemes. Registered workers receive accidental insurance cover under PMSBY, and the database helps the government provide aid during crises. Unorganised workers who are Indian citizens aged 16 to 59, and are not members of EPFO or ESIC, are eligible to register. Registration can be done online through

the official website or at Common Service Centres. As of March 2025, over 30.68 crore unorganised workers have registered, with women making up a majority. The portal is available in 22 languages and has a mobile app to increase accessibility. The e-Shram portal is a crucial tool for delivering benefits and empowering the unorganised sector. The E-Shram Portal is a significant step towards formalizing and recognizing the unorganised workforce, which is a vital part of India's economy.



CHECK YOUR PROGRESS

Q 5: What are the key features of the Pradhan Mantri Awaas Yojana–Gramin (PMAY-G) scheme?

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Q 6: How does the Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) support rural youth?

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Q 7: Explain the role of Jal Jeevan Mission in ensuring basic amenities in rural areas.

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Q 8: What is the purpose of the National Social Assistance Programme (NSAP), and who are its primary beneficiaries?

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11.7 LET US SUM UP

In this unit, we have discussed the following key areas related to rural welfare and social security in India:

- We began by understanding the concepts of rural welfare and social security, exploring how they aim to improve the quality of life and provide protection to vulnerable populations in rural areas.
- We examined the key aspects of rural welfare, such as access to infrastructure, livelihood opportunities, education, healthcare, financial inclusion, women's empowerment, and participatory governance.
- We also looked at the concept of social security, including its forms like social insurance, social assistance, and public services and its relevance in safeguarding rural communities from risks like old age, illness, unemployment, and poverty.
- The unit further highlighted major rural welfare policies and programmes like MGNREGA, PMAY-G, DDU-GKY, NRLM, Jal Jeevan Mission, and PMGSY, explaining how each addresses specific developmental needs. On the social security side, we discussed schemes such as NSAP, PMJDY, Atal Pension Yojana, PMJJBY, PMSBY, and the e-Shram portal.
- In sum, we explored the conceptual and practical landscape of rural welfare and social security in India. We examined their importance, structural components, and how various policies and programmes like MGNREGA, PMAY-G, and APY work in practice. We also understood the critical role of PRIs, social equity, and digital inclusion in making welfare work. Despite challenges, these schemes form the backbone of rural development and citizen protection in India.



11.8 FURTHER READING

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11.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Rural welfare focuses on improving living conditions through development initiatives like housing, roads, and employment, while social security provides financial or protective support during hardship such as illness, unemployment, or old age.

Ans to Q No 2: Because a large part of India's population lives in rural areas, where poverty, limited services, and social exclusion require targeted development and protection to ensure inclusive growth.

Ans to Q No 3: Social insurance is contributory, where workers and employers pay into a fund (e.g., EPF). Social assistance is non-contributory and government-funded, like old-age pensions for the poor.

Ans to Q No 4: Because most rural workers are in the informal sector without stable jobs or benefits, so social security protects them during illness, old age, or job loss.

Ans to Q No 5: PMAY-G provides financial assistance to rural families for constructing pucca houses with basic amenities like toilets, electricity, and LPG. Beneficiaries are identified through SECC 2011 data, and funds are directly transferred to their bank accounts in instalments.

Ans to Q No 6: DDU-GKY offers skill training aligned with industry needs and facilitates job placements for rural youth aged 15–35 from poor families. It enhances employability and provides post-placement support.

Ans to Q No 7: NSAP provides financial support to the elderly, widows, and persons with disabilities from Below Poverty Line (BPL) households. It ensures a basic level of income security for vulnerable groups.



11.10 MODEL QUESTIONS

Short Answer Type

Q 1: Define rural welfare in the Indian context.

Q 2: What are the objectives of the PMAY-G scheme?

Q 3: What role does the NRLM play in women's empowerment?

Q 4: Explain the function of the e-Shram Portal.

Q 5: Describe the basic features of MGNREGA.

Q 6: List two features of Atal Pension Yojana.

Q 7: What is the purpose of PMJDY?

Q 8: Differentiate between contributory and non-contributory schemes.

Long Answer Type

Q 1: Critically examine the role of MGNREGA in rural employment.

Q 2: Analyse the importance of PMGSY in rural connectivity and growth.

Q 3: Explain how social security schemes support informal workers in India.

Q 4: Discuss the challenges in implementing rural welfare programmes.

Q 5: Suggest policy reforms to improve the reach of rural social protection schemes.

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UNIT 12 : RURAL EMPLOYMENT AND POVERTY: APPROACHES AND PROGRAMMES

UNIT STRUCTURE

12.1 Learning objectives

12.2 Introduction

12.3 Rural employment and poverty

12.4 Approaches to Rural Employment and Poverty Alleviation

12.5 Earlier Programmes for Employment generation and Poverty Reduction

12.6 Recent Programmes for Employment generation and Poverty Reduction

12.7 Let Us Sum Up

12.8 Answers to check your progress

12.9 Further Reading

12.10 Model question

12.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- understand rural poverty and unemployment.
- identify key rural employment schemes.
- explain how employment reduces poverty.
- apply knowledge to real rural scenarios.
- compare old and new development programmes.
- assess the role of SHGs and PRIs.
- suggest improvements to rural schemes.

12.2 INTRODUCTION

Rural in simple words is an area which is characterised by less population mostly agricultural societies with farmlands and sharing communities. India's soul resides in villages as conveyed by the father of the nation Mahatma Gandhi, signifies its necessity to improve the condition

of the rural areas which can lead to India's development as a nation. However rural areas are facing development challenges which need to be addressed for overall growth and development of the country.

Since independence, the Government of India has prioritized rural development, particularly to address poverty and income inequality, through various schemes and programmes aimed at enhancing economic opportunities. The core objective of rural development is to improve the socio-economic conditions of rural communities and enhance their overall quality of life. Poverty remains a major underlying factor that gives rise to numerous other challenges. Therefore, breaking the cycle of poverty is essential, and one of the most effective solutions is to ensure employment opportunities for all, which can serve as a pathway to sustainable development and poverty eradication.

12.3 RURAL EMPLOYMENT AND POVERTY

Poverty is a condition where individuals or communities lack the financial resources to meet even the basic necessities of life, such as food, clothing, and shelter. Poverty can be categorized into absolute poverty, where basic needs are unmet, and relative poverty, which compares the economic status of individuals or groups to the broader society. Unemployment, a state where individuals willing to work are unable to find jobs, is closely linked to poverty. A lack of employment opportunities can perpetuate poverty, while poverty itself can limit access to education and resources, further entrenching unemployment. Addressing poverty requires creating income-generating opportunities, highlighting the critical relationship between employment and poverty alleviation.

Rural employment and poverty share an inverse relationship: as employment opportunities increases, poverty levels decreases, and when employment diminishes, poverty rises. Therefore, to effectively reduce poverty, it is essential to focus on creating employment opportunities and enhancing employability for all.

In the Indian context, poverty eradication has been a central focus of policy - making since independence. Over the years, various

developmental approaches have been adopted to address this issue.

MEASURES OF POVERTY ALLEVIATION

In the post-independence era, two main measures were considered for poverty alleviation: Egalitarian measures and Ameliorative measures. Initially, policymakers focused on creating a socialist society with equal distribution of resources. Land reforms were a key part of this strategy, aimed at redistributing land to the landless through land ceiling laws. However, the implementation of these reforms was largely ineffective, leading to limited impact on poverty reduction. As Egalitarian measures fell out of favor, the focus shifted to Ameliorative measures, where the government sought to enhance the income of the poor through subsidies and credit schemes. These measures aimed to alleviate poverty by directly improving the economic well-being of the poor.

DEPARTMENT OF RURAL DEVELOPMENT

In India, unemployment is a significant factor contributing to poverty, particularly in rural areas. Generating employment is essential as it helps increase or maintain income levels for poor households, reduces poverty, and curbs rural-urban migration.

The Government of India has implemented various poverty alleviation programs aimed at eradicating poverty by offering wage employment opportunities on demand. Such programmes are implemented by Rural Development Department directly or indirectly.

The department of Rural Development came into existence as a part of Ministry of Food and Agriculture initially in October 1974. And from 1979 to 1995 the ministry has elevated to different names and merged with the related ministries for some time. In March 1995, the Ministry got its existence as the Ministry of Rural Areas and Employment with three corresponding department namely Department of Rural Employment and Poverty Alleviation, Rural Development and Wasteland Development. Later in 1999 it was renamed as Ministry of Rural Development and implementing schemes and programme with an objective of eradicating poverty in the country.

Since inception the department has been acting as a catalyst

effecting the change in rural areas through implementation of wide spectrum of programmes which are aimed at poverty alleviation, employment generation, infrastructure development and social security. The main objective of the department is to alleviate rural poverty and ensure improved quality of life for the rural population especially those below the poverty lines.

12.4 APPROACHES TO RURAL EMPLOYMENT AND POVERTY ALLEVIATION

Several strategies have been employed to address rural employment and poverty, focusing on holistic development and equitable resource distribution:

INTEGRATED RURAL DEVELOPMENT

The Integrated Rural Development Program (IRDP) was launched by the Government of India in 1978 and implemented in 1980 and continued till 1999. After that, IRDP, along with 5 other schemes, was rebranded as the Swarnjayanti Gram Swarozgar Yojana. It is aimed at the self-employment of the rural poor.

The objective of this program is to provide rural poor with opportunities to earn more and improve their economic condition." This approach combines various sectors like agriculture, industry, education, and health to ensure comprehensive rural development.

Key strategies include:

- **Agricultural Development:** Enhancing agricultural productivity through improved seeds, fertilizers, and irrigation systems.
- **Diversification:** Promoting non-agricultural activities such as cottage industries and services to reduce dependency on agriculture.

IRDP was implemented through District Rural Development Agencies (DRDA) and block level agencies. It has several partner programmes associated with it. A few of them are:

- Development of Women and Children in Rural Areas (DWCRA)
- Ganga Kalyan Yojana (GKY)

- Million Wells Scheme (MWS)
- Supply of Improved Toolkits to Rural Artisans (SITRA)
- Training of Rural Youth for Self-Employment (TRYSEM)

However, these partner programs were implemented as separate programmes, and they failed to achieve the main objective of the IRDP. For example, only 3% of IRDP participants received training under TRYSEM.

LAND REFORMS

Land reform is a critical strategy for rural development, aiming to restructure land ownership and ensure equitable distribution. It plays a crucial role in improving the socio-economic conditions of rural populations, particularly small farmers, landless laborers, and marginalized communities. In the rural areas where agriculture was the main source of income equitable land distribution is necessary for eradicating poverty and proving employment opportunities. Land reforms prevented the concentration of land in the hands of few and given opportunity to small farmers to own a productive land.
Land reforms aim to ensure more equitable access to land resources by redistributing land to the landless and small farmers.
This includes:

- **Abolition of Zamindari:** Eliminating intermediaries between the state and farmers and ensured direct ownership of land by cultivators.
- **Tenancy Reforms:** Providing security of tenure and regulating rent for tenant farmers to prevent exploitation.
- **Land Ceiling:**Imposing a maximum limit on land ownership and redistributing surplus land among landless farmers.
- **Land Consolidation**: Reducing land fragmentation to improve farm efficiency.

Land reform is a crucial approach to rural development, addressing economic disparities, enhancing agricultural productivity, and ensuring social justice. Effective implementation of land reforms can significantly contribute to sustainable rural growth and national economic development.

MICROFINANCE AND SELF-HELP GROUPS (SHGS)

Microfinance and Self-Help Groups (SHGs) have emerged as powerful tools for rural development, particularly in empowering marginalized

communities, enhancing financial inclusion, and fostering economic self-sufficiency. These mechanisms work by providing small-scale financial services, including credit, savings, and insurance, to individuals who lack access to traditional banking facilities.

Microfinance institutions (MFIs) offer small loans to the rural poor, enabling them to start or expand small businesses. It plays a crucial role in bridging the financial gap in rural areas by:

- Offering collateral-free loans to rural entrepreneurs, particularly women.
- Encouraging income-generating activities such as agriculture, small businesses, and handicrafts.
- Enhancing the standard of living by improving access to healthcare, education, and basic amenities.
- Promoting self-employment and reducing dependence on exploitative moneylenders.

SHGs, small groups of 10-20 individuals (mostly women), function as collective savings and credit units. Their impact on rural development includes:

- Financial Empowerment: SHG members pool their savings and access microcredit for income-generating activities.
- Social Capital Development: They foster a sense of community, collective decision-making, and leadership skills.
- Women's Empowerment: SHGs enhance women's participation in household decision-making and economic activities.
- Poverty Alleviation: By facilitating entrepreneurship and self-employment, SHGs contribute to reducing rural poverty.

Microfinance and SHGs serve as vital instruments for economic and social transformation in rural areas. With adequate support from government policies, financial institutions, and NGOs, they can significantly contribute to achieving sustainable rural development

FIVE-YEAR PLANS IN INDIA

The Five-Year Plans in India have been instrumental in shaping the country's economic and social landscape since independence. Introduced

in 1951, these plans aimed at systematic and strategic development, focusing on key sectors such as agriculture, industry, infrastructure, and rural upliftment. Rooted in the principles of economic planning, they played a crucial role in addressing poverty, unemployment, and regional disparities. Over the years, the Five-Year Plans evolved to meet emerging challenges, shifting from state-led growth models to market-driven reforms. While the planning era formally ended in 2017 with the replacement of the Planning Commission by NITI Aayog, the legacy of these plans continues to influence India's developmental policies, especially in rural development, employment generation, and inclusive growth.

India's Five-Year Plans have been instrumental in shaping the country's approach to rural employment and poverty alleviation. Each plan reflects the changing priorities and strategies adopted by the government:

- First Five-Year Plan (1951-56): Focused on agricultural production and rural infrastructure development through irrigation projects and land reforms.
- Second Five-Year Plan (1956-61): Emphasized industrialization but recognized the importance of rural development programs for balanced growth.
- Fifth Five-Year Plan (1974-79): Marked a significant shift towards integrated rural development with the introduction of programs like the Integrated Rural Development Program (IRDP).
- Eighth Five-Year Plan (1992-97): Aimed at reducing poverty through employment generation programs while enhancing access to education and health services in rural areas.
- Eleventh Five-Year Plan (2007-12): Focused on inclusive growth with specific targets for generating employment opportunities for marginalized groups.



CHECK YOUR POGRESS

Q 1: Which of the following was a key objective of the Integrated Rural Development Programme (IRDP)?

A) Free distribution of food grains

B) Providing government jobs to rural youth

C) Promoting self-employment among the rural poor

D) Building highways in rural areas

Q 2: TRYSEM, under the IRDP, was mainly aimed at:

A) Training women for household work

B) Providing credit to farmers

C) Training rural youth for self-employment

D) Offering government subsidies to artisans

Q 3: One major reason for the limited success of early rural employment schemes like IRDP was:

A) Excessive foreign funding

B) Overdependence on urban labor

C) Lack of implementation and monitoring

D) High participation of private companies

Q 4: Land reforms in India aimed primarily to:

A) Promote urban migration

B) Encourage industrial development

C) Distribute surplus land to the landless

D) Increase exports of agricultural goods

12.5 EARLIER PROGRAMMES FOR EMPLOYMENT GENERATION AND POVERTY REDUCTION

1. National Rural Employment Programme [NREP]: 1980-89
2. Rural Landless Employment Guarantee Programme [RLEGP]: 1983-89
3. Jawaharlal Rozgar Yojana [JRY]: 1989-99
4. Employment Assurance Scheme [EAS]: 1993-99
5. Jawahar Gram Samridhi Yojna [JGSY]: 1999-2002
6. Sampoorna Grameen Rozgar Yojna [SGRY]: September 2001-March 2008
7. National Food for Work Programme [NFFWP]: launched on November 14, 2004

Challenges of the above schemes are many. Some notable challenges are as follows -

I. **Poor Implementation & Leakages** – Corruption, mismanagement, and **diversion of funds** led to inefficiencies and prevented benefits from reaching the targeted beneficiaries.

II. **Weak Monitoring & Evaluation** – There was **no robust mechanism** to track the effectiveness of the programs, leading to inefficiencies and fund misuse.

III. **Temporary Employment, No Sustainable Impact** – The focus was on **short-term wage employment**, without linking it to skill development or long-term income-generating opportunities.

IV. **Inadequate Funding** – The financial resources allocated were **insufficient** to provide guaranteed employment on a large scale.

V. **Ineffective Targeting** – The scheme aimed to provide employment to the rural unemployed, but due to **poor beneficiary identification**, many deserving individuals were left out, while others who were not eligible benefited.

VI. **Overlap with Other Schemes** – there are many rural employment and infrastructure schemes running simultaneously, causing **duplication of efforts** without significant improvements.

12.6 RECENT PROGRAMMES FOR EMPLOYMENT GENERATION AND POVERTY REDUCTION

In recent years, India has implemented various programs aimed at improving rural employment and reducing poverty:

1. Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA):
2. National Rural Livelihoods Mission (NRLM):
3. Deendayal Upadhyaya Grameen Kaushalya Yojana (DDUGKY):
4. Pradhan Mantri Awas Yojana – Gramin (PMAY-G):
5. Pradhan Mantri Gram Sadak Yojana (PMGSY):
6. National Social Assistance Programme (NSAP):

MGNREGA

The National Rural Employment Guarantee Act was notified in 2005 which is basically a social protection scheme for the most vulnerable people residing in rural India. It provides livelihood security for the poor irrespective of gender, caste and creed along with creation of durable assets, improved water security, soil conservation and higher productivity. The scheme has immense scope for empowerment of disadvantaged, especially women, SC and ST through the process of right based legislation.

Earlier the scheme was known as NREGA, as per an amendment to the Act, the words 'Mahatma Gandhi' were prefixed to the National Rural Employment Guarantee Act. The Act covers the entire country except for the districts that have cent percent urban population. MGNREGA is a first of its kind of scheme in the history of wage employment program which work as an act. Non-compliance of the provisions of the Mahatma Gandhi NREGA will be considered as an offence under the Mahatma Gandhi NREGA, thereby, attracting the provisions of section 25 of the Act.Mahatma Gandhi NREGA provides a number of legal entitlements to the job seekers through a series of provisions in the Act. While the Act makes provision for at least hundred days work per rural household in a year, it is the strong legal framework of rights and entitlements that come together to make the hundred days of work per year possible.

The core objectives of MGNREGA are:

i. Provision of unskilled manual work on demand
ii. Up to 100 days per household in a year
iii. Create productive assets
iv. Strengthen livelihood resource base of rural poor
v. Proactive social inclusion
vi. Focus on vulnerable
vii. Strengthen grass root democratic institution

Worker Rights Under the Mahatma Gandhi National Rural Employment Guarantee Act

There are some rights that the workers are entitled to get

I. All workers are entitled to the notified wage rate.

II. Men and women should be paid equally.

III. Wages should be paid within a week, or fifteen days at most.

IV. Wages will be deposited in your bank/post office account.

V. If you live more than 5 km away from the worksite, you are entitled to a travel and subsistence allowance (10% of the minimum wage).

VI. At the worksite Shade, drinking water and first-aid should be available at every worksite.

VII. If more than five children under the age of six years are present, childcare facilities should also be provided at the worksite

VIII. Free medical treatment for injured workers

IX. If a person employed under a scheme dies or becomes permanent disabled, the legal heirs of the deceased or the disabled shall get Rs.25000/- as compensation

MGNREGA has been instrumental in providing wage employment to rural families, especially during lean agricultural seasons. Local self-governments play a vital role in identifying and implementing MGNREGA projects, which range from road construction to water conservation and afforestation. According to a report by the Ministry of Rural Development, Assam has seen significant improvements in rural infrastructure due to MGNREGA.

However, the scheme faces challenges, such as delays in wage payments, insufficient quality control of projects, and issues related to land tenure, which sometimes hinder the effective implementation of MGNREGA.

DAY-NRLM

Deendayal Antyodaya Yojana - National Rural Livelihoods Mission (DAY-NRLM) is the flagship program of the Ministry of Rural Development (MoRD) for promoting poverty reduction through building strong institutions for the poor, particularly women, and enabling these institutions to access a range of financial services and livelihoods.

DAY-NRLM adopts a demand-driven approach, enabling the States to formulate their own State-specific poverty reduction action plans. The blocks and districts in which all the components of DAY-NRLM would be implemented, either through the State Rural Livelihood Missons or partner

institutions or NGOs.

The Mission of the NRLM is to reduce poverty by enabling the poor households to access gainful self-employment and skilled wage employment opportunities, resulting in appreciable improvement in their livelihoods on a sustainable basis, through building strong grassroots of the poor by organizing them into Self Help groups.

Day -NRLM seeks to achieve its objective through investing in four core components. The four components are

(a) social mobilization: strengthening of self-managed and financially sustainable community institutions of the rural poor women.

(b) Financial inclusion: Financial inclusion may be defined as the process of ensuring access to financial services and timely and adequate credit where needed by vulnerable groups such as weaker sections and low-income groups at an affordable cost.

(c) Sustainable livelihoods: Every SHG members individually or group wise should involve in income generating activities. In short livelihood should be Sustainable.

d) Social inclusion: social development and access to entitlements through convergence.

DEENDAYAL UPADHYAYA GRAMEEN KAUSHALYA YOJANA (DDUGKY)

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) is a flagship program of the Ministry of Rural Development (MoRD), Government of India, aimed at enhancing the employability of rural youth by providing them with skill training. It is part of the National Rural Livelihoods Mission (NRLM) and focuses on promoting wage employment opportunities for youth from poor families in rural areas.

DDUGKY projects are implemented in partnership with private organisation or civil society organizations known as project implementing agencies . The skill trainings are provided by such project implementing agencies selected by the government based on some technical parameters. The course duration and curriculum etc are specified by Sector Skill Council (SSC) of National Skill Development Corporation.

DDUGKY provides opportunities to unemployed youth from rural

poor households with employable skills that enable them to secure employment with monthly wages. DDU-GKY Follows its mandate to assist the rural poor by.

- Trainees are from poor rural households
- Trainees are able to access skilling and placement service free of cost
- Trainees are provided financial assistance for transport /lodging and food during training
- Trainees get post placement support, counselling facilitation and tracking
- Trainees can avail different trades that do not require formal education

The Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY), a key initiative under the Ministry of Rural Development, focuses on reducing poverty and generating employment by providing free skill training to rural youth from poor households. Implemented through partnerships with various agencies, it equips youth with employable skills, supports them with financial assistance during training, and facilitates job placements and post-placement support. By enhancing employability and promoting wage employment, DDU-GKY plays a crucial role in improving the livelihoods of rural families.

PRADHAN MANTRI AWAAS YOJANA (G)

Public housing programme in the country started with the rehabilitation of refugees immediately after independence and since then, it has been a major focus area of the Government as an instrument of poverty alleviation. Rural housing program, as an independent programme, started with Indira Awaas Yojana (IAY) in January 1996. Although IAY addressed the housing needs in the rural areas, certain gaps were identified during the concurrent evaluations and the Performance Audit by Comptroller and Auditor General (CAG) of India in 2014. These gap like non-assessment of housing shortage, lack of transparency in selection of beneficiaries, low quality of house and lack of technical supervision, lack of convergence, loans not availed by beneficiaries and weak mechanism for monitoring, were limiting the impact and outcomes of the programme. Government has

committed to provide “Housing for All” by 2024. To fulfil the Government’s commitment and address rural housing gaps, Pradhan Mantri Awaas Yojana-Gramin (PMAY-G) was implemented on 1st April 2016.

One of the key features of PMAY-G is the fair and transparent selection of beneficiaries. To ensure that help reaches those who truly need it, beneficiaries are chosen based on housing deprivation data from the 2011 Socio Economic and Caste Census (SECC), and this list is verified by the Gram Sabhas.

Objective:

To provide pucca (permanent) houses to all rural households living in kutcha (temporary) houses or are houseless.

Beneficiary receives other scheme benefits Like

- Housing beneficiaries are entitled to receive 90–95 days of wage employment under MGNREGA for unskilled labor. This support is provided to help them earn an income while constructing their own house, so they do not have to leave the construction site for work during the construction period.
- Each PMAY-G beneficiary is provided with one free LPG connection under this scheme, ensuring access to clean cooking fuel.
- Each beneficiary receives financial assistance of ¹ 12,000 to build a toilet, promoting cleanliness and better sanitation in rural areas.

PRADHAN MANTRI GRAM SADAK YOJANA (PMGSY)

Rural Road Connectivity a key component for socio economic development of any area as it promotes accessibility to economic and social services and thereby generating increased agricultural incomes and employment opportunities, and a key ingredient in ensuring sustainable poverty reduction.

Government had launched the Pradhan Mantri Gram Sadak Yojana on 25th December 2000 to provide all-weather access to eligible unconnected habitations. The Pradhan Mantri Gram Sadak Yojana (PMGSY) is a 100% Centrally Sponsored Scheme.

The primary objective of the PMGSY is to provide Connectivity, by way of an All-weather Road (with necessary culverts and cross-drainage

structures, which is operable throughout the year), to the eligible unconnected Habitations in the rural areas with a population of 500 persons and above in Plain areas.

It involves decentralized and evidence-based planning, with the preparation of District Rural Roads Plans and Core Networks to identify roads required for connectivity and prioritizes connectivity to critical facilities like rural markets, education, and health facilities. The roads constructed are also to be maintained by the Panchayati Raj Institutions.

PMGSY Provides all-weather connectivity, facilitates easy movement of goods and vehicles, and boosts rural incomes with new livelihood opportunities. PMGSY has multiple phases, including PMGSY-III and PMGSY-IV, with the latter focusing on connecting eligible unconnected habitations with populations of 500+ in plains, 250+ in NE & Hill States/UTs, and 100+ in LWE affected districts.

NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

National Social Assistance Programme was launched in 1995 as a Centrally Sponsored Scheme of the MoRD, Government of India.It represents a significant step towards the fulfilment of the Directive Principles in Article 41 of the Indian Constitution. Article 41 directs the State to provide public assistance to its citizens in case of unemployment, old age, sickness, disablement, etc., within the limit of its economic capacity and development

Presently, NSAP comprises of five schemes

a. Indira Gandhi National Old Age Pension Scheme (IGNOAPS),
b. Indira Gandhi National Widow Pension Scheme (IGNWPS launched in 2009),
c. Indira Gandhi National Disability Pension Scheme (IGNDPS launched in 2009),
d. National Family Benefit Scheme (NFBS) and
e. Annapurna (launched in 2000).

Tackling rural poverty and unemployment in India demands a multidimensional approach that combines economic empowerment, social inclusion, and infrastructure development. Over the decades, the Government of India has implemented a wide range of strategies—from

land reforms and self-employment schemes to skill development and social protection programmes. Initiatives like MGNREGA, DAY-NRLM, DDU-GKY, and PMAY-G demonstrate a shift towards sustainable and inclusive rural development, focusing not only on income generation but also on enhancing the quality of life for the rural poor.

The involvement of Panchayati Raj Institutions and community-based models such as Self-Help Groups ensures that development efforts are participatory and locally grounded. Despite some challenges in implementation, these programmes collectively reflect a comprehensive effort to break the cycle of poverty through employment creation, financial inclusion, and access to basic services. Continued policy innovation, effective monitoring, and convergence of schemes will be crucial in building resilient rural communities and achieving long-term poverty reduction.



CHECK YOUR POGRESS

State true or false

Q 5: MGNREGA guarantees 200 days of wage employment per rural household every year.

.....

Q 6: DAY-NRLM mainly focuses on empowering rural women through Self-Help Groups.

.....

Q 7: PMAY-G aims to provide temporary shelters to urban slum dwellers.

.....

Q 8: The DDU-GKY scheme offers free skill training and job placements for rural youth from poor families.

.....

Q 9: Rural Development department do not play any role in poverty eradication.

.....



12.7 LET US SUM UP

- Rural poverty means people in villages do not have enough money to meet basic needs like food, housing, and clothing.
- Unemployment and low-paying jobs are major reasons behind the widespread poverty in rural areas.
- Creating employment opportunities is one of the most effective ways to reduce rural poverty.
- Since independence, the Indian government has launched various schemes to improve rural livelihoods.
- Land reforms were introduced to give land to the landless and reduce inequality in ownership.
- Earlier programmes like IRDP and TRYSEM aimed to promote self-employment and skill training among the rural poor.
- The MGNREGA scheme guarantees 100 days of wage employment to every rural household that demands work.
- The DAY-NRLM scheme focuses on forming and supporting Self-Help Groups, especially for empowering rural women.
- DDU-GKY provides free skill training and helps rural youth find wage employment in different sectors.
- PMAY-G aims to provide permanent houses with basic facilities to rural families living in poor conditions.
- Despite some challenges, these programmes help promote sustainable development and reduce poverty in rural India.



12.8 FURTHER READING

1) AMC_2024-25-English.pdf
2) https://nrlm.gov.in
3) https://nsap.nic.in/

4) https://pwdroads.assam.gov.in

5) Ministry of Rural Development. (n.d.). *DDUGKY guidelines (English)*. Government of India. https://rural.gov.in/sites/default/files/DDUGKY_Guidelines_English_1.pdf



12.9 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q no 1: C) Promoting self-employment among the rural poor

Ans to Q no 2: C) Training rural youth for self-employment

Ans to Q no 3: C) Lack of implementation and monitoring

Ans to Q no 4: C) Distribute surplus land to the landless

Ans to Q no 5: False

Ans to Q no 6: True

Ans to Q no 7: False

Ans to Q no 8: True

Ans to Q no 9: False



12.10 MODEL QUESTIONS

Q 1: Discuss the major approaches adopted by the Indian government to address rural poverty and unemployment since independence.

Q 2: Explain the objectives and key features of the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA). How has it contributed to rural development?

Q 3: Evaluate the role of Self-Help Groups (SHGs) and microfinance in empowering rural women and reducing poverty.

Q 4: Compare and contrast the earlier employment generation programmes like IRDP and JRY with recent programmes such as DAY-NRLM and DDU-GKY.

Q 5: What are the main challenges in the implementation of rural employment schemes in India? Suggest measures to overcome these challenges.

Q 6: Examine the role of Panchayati Raj Institutions in implementing rural employment and poverty alleviation programmes.

*** ***** ***

UNIT 13 : RURAL BASIC SERVICES AND RURAL INFRASTRUCTURE

UNIT STRUCTURE

13.1 Learning Objectives

13.2 Introduction

13.3 Rural Basic Services

13.3.1 Housing

13.3.2 Drinking Water

13.3.3 Sanitation as a rural service

13.3.4 Rural Electrification

13.4 Rural Infrastructure

13.5 Let Us Sum Up

13.6 Further Reading

13.7 Answer to Check Your Progress

13.8 Model Questions

13.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- to learn the importance of rural basic services and infrastructure
- to understand various Government programmes directed at providing basic services and infrastructural facilities to the rural population of India.

13.2 INTRODUCTION

*"India is not Calcutta and Bombay; India lives in her seven hundred thousand villages":*This is one of the most famous quotes of Father of the Indian Nation, Mahatma Gandhi who emphasised that the soul of India resides in its villages.

India is primarily a rural agrarian country with two thirds of its population and 70% of its workforce residing in villages and actively engaged with agriculture based activities. Rural economy constitutes 46 per cent of

the country's national income. Despite the rise of urbanisation more than half of India's population is projected to be rural by 2050. Hence, India's growth story heavily relies on the development of its rural sector and the corresponding rural economy.

Theissue of Rural Development is multi-faceted. It is a process which includes action based reformations aimed at enhancing the quality of life and financial well-being of Rural Indians along with focussing on providing adequate basic infrastructural and human services like provision of housing facilities, sanitation, electrification, building of roads, health care and educational services etc to the rural population.

While Mahatma Gandhi emphasised on building a new India through his notion of Gramin Swaraj i.e. making each Indian village a unit of self-governance and self-sufficiency by promoting the development of small scale cottage industries, adopting sustainable modes of agriculture, empowering rural communities to actively take part in community development programmes and provision of basic services to ensure dignity of human life, the Government of Independent India have also given ample importance in restructuring the countryside and resolving some of the grave socio-economic problems like poverty, economic inequality, absence of basic infrastructural facilities etc through adoption of some community development programmes since 1952.

The necessity of rural development in India can be understood from the following points:

1. To develop rural area as whole in terms of culture, society, economy, technology and health.
2. To develop living slandered of rural mass.
3. To develop rural youths, children and women.
4. To develop and empower human resource of rural area in terms of their psychology, skill, knowledge, attitude and other abilities.
5. To develop infrastructure facility of rural area.
6. To provide minimum facility to rural mass in terms of drinking water, education, transport, electricity and communication.
7. To develop rural institutions like panchayat, cooperatives, post, banking

and credit.

8. To provide financial assist to develop the artisans in the rural areas, farmers and agrarian unskilled labour, small and big rural entrepreneurs to improve their economy.
9. To develop rural industries through the development of handicrafts, small scaled industries, village industries, rural crafts, cottage industries and other related economic operations in the rural sector.
10. To develop agriculture, animal husbandry and other agricultural related areas.
11. To restore uncultivated land, provide irrigation facilities and motivate farmers to adopt improved seed, fertilizers, package of practices of crop cultivation and soil conservation methods.
12. To develop entertainment and recreational facility for rural mass.
13. To develop leadership quality of rural area.
14. To improve rural marketing facility.

13.3 RURAL BASIC SERVICES

Improvement of rural basic services is a primary focus of augmenting rural development because without these services the basic human rights remains vulnerable to violation. Some of the basic rural services provided by Union Government include housing, drinking water, sanitation and electrification. Let us look into each services individually:

13.3.1 Housing

Shelter is a basic human right and requirement. Therefore, provision of housing or accommodation facilities is crucial for a country's development. Adequate and affordable housing is crucial for the health, well-being, and economic prosperity of rural communities. Apart from providingbasic shelter provision of housing facilities influence social behaviour, and contributes to the overall quality of life. Improved housing can also stimulate economic growth by creating jobs in the construction and related industries, and by

increasing disposable income for residents. Therefore, the aim of the Indian Government was to provide a dwelling for each family giving special emphasis to rural poor and deprived. The major step taken in this regard was the introduction of rural housing programme such as the Indira AwaasYojana (IAY), SamagraAwaasYojana, Pradhan MantriGramodayaYojana (PMGY) etc. Let us look into the thrust of these programmes-

a) Indira AwaasYojana (IAY): The programme was launched as a part of JawaharRojgaarYojana in 1985 but was later introduced as an independent housing programme for the rural poor in 1996. It aims at helping below poverty line rural households belonging to SCs/STs, free bonded labourers, widows of next of kin of defence personnel, ex-servicemen and retired members of the paramilitary forces and also non SC/ST rural poor by providing them with grant-in-aid for construction of new dwelling units and upgradation of existing unserviceable kutcha houses. Its objectives also include the need to address the shortage of housing in rural India and help the rural poor to have their independent and permanent residences. The programme is implemented as 75:25 funding share between the Centre and the State Governments. The programme was renamed as Pradhan Mantri Awaas Yojana in 2016.

The benefits provided by this programme are as follows:

1. Financial assistance for construction of houses to the families living below poverty line in rural areas.
2. The scheme gives priority to weaker sections of the society like Scheduled Castes/Tribes and freed bonded labourers.
3. Loan facility was also provided to the beneficiaries under the scheme.

b) SamagraAwaasYojana: This programme was launched in 1999 and its objective is to improve the quality of life of people

and overall habitat in the rural areas. The yojanaseeks to provide convergence to the existing rural housing, sanitation and water supply schemes, with special emphasis on technology transfer, human resource development and habitat improvement with people's participation.

c) **Pradhan MantriGramodayaYojana: GraminAwaas:** The programme was launched as part of the social welfare scheme with an aim to enhance sustainable development in 2016. The basic aim of this programme is to provide proper housing or shelter for all in rural areas especially pucca houses. The programme is targeted at reducing the shortage of houses for rural poor and homeless living below poverty line. And the construction of houses is aimed to be done by involving the use of local materials, local design and trained masons.

13.3.2 Drinking Water

One of the basic human necessity is the availability of clean and potable drinking water for all. And the Government in order to mitigate water scarcity or access to potable drinking water in rural areas have undertaken numerous schemes in this regard such as:

a) **The Accelerated Rural Water Supply Programme (ARWSP):** It was introduced in 1972-73 by the Government of India (GOI), to assist the States and Union Territories to accelerate the pace of coverage of drinking water supply. To ensure maximum inflow of scientific and technical input into the rural water supply sector to improve the performance, cost effectiveness of the ongoing programmes and ensure adequate supply of safe drinking water, the entire programme was given a Mission approach. The Technology Mission on drinking water and related water management was launched in 1986. It was also called the National Drinking Water Mission (NDWM)

b) **Rajiv Gandhi National Drinking Water Mission (RGNDM):**

It is a fully central government funded programme which is aimed to bring sustainability with regard to access to drinking water in rural areas. The programme envisages active community participation in planning and implementation of the requirement of drinking water in rural areas. It also includes initiatives to tap groundwater resources and identify potential recharge zones along with adoption of sustainable water management policies.

c) **Jal Jeevan Mission**: This mission was launched on 15th August 2019, with the aim of providingdrinking water to every individual household by 2024 in rural areas. It is an approach aimed at encouraging community participation in regard to sustainable use of potable drinking water and adoption of means of its conservation to enhance sustainability. Its mission is to provide tap water connection to every rural household along with augmentation of reliable drinking water sources. The main objectives of the mission are:

- To provide Functional Household Tap Connection (FHTC) to everyhousehold.
- To prioritize the provision of FHTCs in quality affected areas, villages indrought-prone and desert areas, SansadAdarsh Gram Yojana (SAGY)villages, etc.
- To provide FHTC to Schools, Anganwadicenters, GP buildings, healthcenters, wellness centers, and community buildings.
- To monitor the functionality of the tap connection.
- To promote and ensure voluntary ownership among the local communityby contribution in cash, kind and/ or labour, and voluntary labour(shramdaan).
- To empower and develop human resources in the sector such that thedemands of construction, plumbing electrical, water qualitymanagement, water treatment, catchment, protection, O & M, etc. aretaken care of in

the short and the long-term.

- To bring awareness on various aspects and significance of safe drinkingwater and involvement of stakeholders in a manner that make watereveryone's business

13.3.3 Sanitation as a Rural Service

Sanitation broadly refers to the conditions relating to public health especially provision of clean drinking water and adequate disposal of waste materials both solid and liquid. The issue of sanitation also includes control of water borne diseases and maintenance of domestic and personal hygiene.

Sanitation in rural India has long been a significant public health and development challenge as many rural communities still practice open defecation, driven by age-old traditions or misconceptions about hygiene.There is a shortage of adequate waste disposal mechanism in rural areas along with shortage of individual as well as community toilets and lack of awareness regarding the importance of sanitation in maintaining community and personal hygiene. To mitigate these challenges, the Indian Government has taken certain necessary steps in this regard such as:

a) **The Central Rural Sanitation Programme:** This was the first ever rural sanitation programme undertaken by the Union Government in 1986 which was supply driven focussing mainly on providing subsidies to people in rural areas to construct sanitation facilities. However, a study done by the government in 1996-97 showed that it was more important to raise awareness about sanitation as a whole rather than to just provide subsidies for construction. This understanding marked the first shift in the programme and led to its restructuring.

b) **Total Sanitation Campaign (TSC) :**The Central Rural Sanitation Programme was restructured in 1999 and named as Total Sanitation Campaign. The Total Sanitation Campaign

is a community-led, people-centred program in India aimed at improving sanitation in rural areas by promoting behavioural changes and encouraging the construction of household toilets. It focuses on eradicating open defecation, safe disposal of human excreta, and better hygiene practices. The TSC utilizes Information, Education, and Communication (IEC) as a core strategy to motivate communities and provide financial assistance for individual household latrines, school toilets, Anganwadi toilets, and community sanitary complexes. The aim of this campaign is to make sanitation a purely people centric concept and approach wherein the people understand the need of making sanitation sustainable for promotion and protection of rural health and hygiene. The onus here is to lay importance on cost effective methods of establishing hygienic toilets for the rural population which is locally designed to make it rural user friendly.

c) **Swacch Bharat Abhiyan:** Swacch Bharat Abhiyan or Swacch Bharat Mission is a popular contemporary sanitation campaign launched by the Union Government on October 2, 2014 to translate Mahatma Gandhi's vision of a Clean India into a functional reality. The campaign is one of the biggest-ever drives to accelerate efforts towards achieving universal sanitation coverage, improving cleanliness and eliminating open defecation in India. The Mission comprises components such as the construction of individual household toilets, community and public toilets, and solid and liquid waste management, etc. The campaign is targeted towards scientific management of solid waste, eliminating open defecation and creating a complete open defecation free rural India. The objectives of the mission are to build a effective network of rural sanitation facilities that are scientifically created and community managed for efficient cleaning of rural ambience or surroundings including roads and neighbourhoods, proper

disposal of solid and liquid waste management to ensure total rural hygiene. Moreover, the mission seeks to enhance the quality of living of rural population and reduce the chances of spread of diseases due to unhygienic sanitation and waste disposal facilities in the rural areas. With its motto of Swacchata he Sewai.e. Cleanliness is Service the mission through celebrity and social media engagements is trying to sensitize the common population about the violation of human dignity caused by open defecation, increase of diseases owing to improper disposal of solid and liquid waste as well asenable the citizens to adopt healthy living choices.

The mission seems to be one of the most significant programmeas it has garnered a large number of people to participate at different levels of the cleanliness campaign and turn this mission intoa mass movement. Since its launch, a record 1071.5 lakh toilets have beenconstructed in the rural areas till July 2021, which resulted in an increase of61,24% in terms of toilets availability at the household level. In theaforementioned period, a total of 711 districts has been declared as opendefecation free and more than six lakh villages have also joined the list ofOpen Defecation Free units.

13.3.4 Rural Electrification

Rural electrification is considered to be the backbone of the rural economy. The electricitygeneration capacity in India is the fifth largest in the world. India is the sixth largest consumer of electricity and accounts for 3.4 percent of the global energy. Expansion of electrification and electricity services are vital to both the economic and social development of India. Rural electrification was taken up as a development goal as early as 1951 under the First Five Year Plan to meet the energy requirement of the country especially in the rural areas.

Rural electrification is the process of bringing electrical power to rural and remote areas. Electricity is used not only for lighting

and household purposes, but it also allows for mechanization of many farming operations, such as threshing, milking, and hoisting grain for storage. In areas facing labour shortages, this allows for greater productivity at reduced cost. To meet the demand for electricity, the Central Government has launched several electrification programmes for the rural areas from time to time such as:

a) **Rajiv Gandhi GrameenVidyutikaranYojana (RGGVY):** RGGVY was launched by the Government of India in April 2005 as a comprehensive scheme for providing access of electricity to all rural households along with creation of adequate electrical infrastructure to promote reliable electricity supply in rural areas. The scheme involved electrification of all un-electrified villages plus a free connection for BPL households. The scheme provided a subsidy of 90 per cent of the total project cost and balance 10 per cent of the project cost was to be provided by the Rural Electrification Corporation (REC) as loan. The Union Government through this scheme tried not only to meet the energy need of rural India but also create positive impact on education, health and employment opportunities to the rural population through provision of electricity. The major achievements of the scheme were that Against a target of 1 lakh villages and 1.75 crore BPL households, the government has provided electricity to 1.04 lakh villages and provided free connections to 1.95 crore BPL households.

b) **Deen Dayal Upadhyaya Gram Jyoti Yojana:**Launched in 2015 by the Ministry of Power, Government of India and named after Pandit Deen Dayal Upadhyay, an iconic proponent of integral humanism and rural development in India, the scheme is a major initiative by the Government of India aimed at strengthening rural electricity infrastructure and achieving universal electrification.Its main focal areas are separating

feeders for agricultural and non-agricultural loads to improve supply to both, enhancing sub-transmission and distribution networks to ensure reliable power supply, Electrification of un-electrified villages and households and installing meters at all levels, including input points, feeders, and distribution transformers to improve accountability and reduce electricity losses. The scheme replaced the Rajiv Gandhi GrameenVidyutikaranYojanaand through it until 2024 India was able to 2.8 crore rural households and improve agricultural yield and social security in rural India.

c) **Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya):**the Pradhan Mantri Sahaj Bijli Har Ghar Yojana more popularly known as the Saubhagya Yojana was launched in 2017 with an objective to ensure that every household in India, especially in rural and remote areas, has access to electricity. While previous schemes like RGGVY and DDUGJY focused on electrifying villages and building infrastructure, Saubhagya took the final step by targeting individual households, including those that were left out due to logistical, financial, or geographic challenges. The benefits of the scheme are: availability of 24*7 electricity to improve the quality of life in rural areas, reduce the use of kerosene lamps and promote enhanced socio-economic and other rural activities.



CHECK YOUR PROGRESS

Q 1: What do you mean by Rural Development?

.....

.....

Q 2: Write two rural basic services.

.....

.....

13.4 RURAL INFRASTRUCTURE

Infrastructure is considered as an essential pillar of a nation's development. It is also an important component for enhancing connectivity for ensuring human sustenance. Building of Roads, Telecommunication networks and markets are some of the necessary infrastructural requisites to boost rural economy and development.

Let us look into them:

a) **Rural Roads:** Construction of rural roads brings multifaceted benefits to the rural areas. The road transportation is an effective means of bridging remoteness of geographical areas and enhancing people to people communication. Road connectivity stimulates rural economy and its effects get transmitted to the entire economic structure of the rural society. Creation of proper roads is responsible for enabling the rural population to avail various social security measures like adequate medical treatment, education, better employment and business opportunities. It also reduces the effects of rural migration to urban areas in search of jobs and better life opportunities. One of the flagship programmes of the Central Government relating to road communication is the launch of Pradhan Mantri Gram Sadak Yojana (PMGSY) to build proper roads in rural areas thereby linking even the last and the most remote village of the nation.

b) **Pradhan Mantri Gram SadakYojana (PMGSY):** This programme started in 2000 under Ministry of Rural Development, Govt. of India aims to provide all weather roads to all villages even the unconnected ones to alleviate poverty due to poor connectivity. Its primary objectives are to enhance economic opportunities through improved access, provision of better social services in rural areas and integrating the rural economy with the urban market to increase economic productivity. The roads constructed under this programme are Centrally funded with optimum use of advanced technology like Geographic Information system (GIS), technology induced road mapping etc with an aim to build quality roads that are all weather friendly. The major achievements

of the programme are construction of 7 lakh kilometre rural roads covering 1.8 lakh habitation, enhancing better school enrolment, access to modern healthcare facilities and increase of rural income.

c) **Rural Telecommunication:** Telecommunication is a cornerstone of modern development, facilitating communication, commerce, education, and governance. In India, a nation with over 65% of its population residing in rural areas, equitable access to telecommunication services is essential because it provides various opportunities such as access to varied information relating to government schemes, agricultural developments, news etc, digital literacy opens up avenues to achieve online education, telemedicine facilities along with enhancing financial inclusion by bringing banking facilities to one's fingertip with the initiation of mobile banking. The Digital India programme and Internet revolution has helped expand communication and connectivity in rural areas with both the Government owned BSNL and private players like Airtel, Jio etc providing 4g and 5g internet facilities to the rural population and helping them overcome the digital divide between rural and Urban India.

d) **Rural Marketing:** Rural marketing in India refers to the strategies and activities involved in promoting and selling products and services to the rural population, which constitutes a significant portion of the country's market. It is crucial for economic growth, bridging the urban-rural divide, and addressing the specific needs of rural consumers. Rural Marketing aims to improve standard of living of rural consumers by providing them greater awareness and accessibility to new products and services. Rural marketing isn't just about selling to rural areas; it also involves the flow of products and resources from rural areas to urban centres. Therefore, adopting 4A's i.e. Availability, Affordability, Acceptability and Awareness as key marketing strategies the focus is to make rural marketing a two-way process i.e. expanding the rural consumer base as well as connecting the rural market with the urban counterpart to boost the nation's commercial transactional activities at large and creating a smart and aware consumer.



CHECK YOUR PROGRESS

Q 3: Write the full form of PMGSY.

.....

.....

Q4: Discuss the benefits provided by Indira AwasYojana.

.....

.....



13.5 LET US SUM UP

- The progress of India as a nation depends majorly on the upliftment and empowerment of the rural population.
- Toaugment this objective achieving positive transformation in the overall rural landscape is vital which involves not just infrastructural developments but also innovations in providing access to basic as well as modern services to the rural population and enabling them to become aware about the need of overcoming their age-old limitations.
- The efforts of the Government towards creating a new and modern India with emphasis on giving a facelift to the rural population in general and the rural areas in particular through introduction of various welfarist programmes is a notable step towards building bridges between rural and urban India and reducing the divide that lay therein.



13.6 FURTHER READING

1) Desai, V. (2024). *Rural Development in India* (2nd ed.). Himalaya Publishing House.

2) Mahadeva, M. (2024). *Rural Social Infrastructure Development in India: An Inclusive Approach*. Emerald Publishing.

3) Ghosh, M. (2017). *Infrastructure and Development in Rural India*.

Margin: The Journal of Applied Economic Research, 11(3), 246–264.

4) Gandhi, V. (2018). *A Rural Manifesto: Realizing India's Future Through Her Villages*. Rupa Publications.



13.7 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: Rural development is a process which includes action based reformations aimed at enhancing the quality of life and financial well being of Rural Indians along with focussing on providing adequate basic infrastructural and human services like provision of housing facilities, sanitation, electrification, building of roads, health care and educational services etc to the rural population.

Ans to Q No 2: Provision of Safe Drinking Water and Housing Facilities

Ans to Q No 3: Pradhan Mantri Gram SadakYojana

Ans to Q No 4: Indira AwasYojana a rural housing service launched by Union Government provides the following benefits to the rural population:

1. Financial assistance for construction of houses to the families living below poverty line in rural areas.
2. The scheme gives priority to weaker sections of the society like Scheduled Castes/Tribes and freed bonded labourers.
3. Loan facility was also provided to the beneficiaries under the scheme.



13.8 MODEL QUESTIONS

A: Short Questions (Answer each question in about 150 words)

Q 1: What is the objective of the Pradhan Mantri Gram SadakYojana (PMGSY)?

Q 2: What does the term "rural electrification" mean?

Q 3: Discuss the major government initiatives for improving access to drinking water in rural India.

B: Long Questions (Answer each question in about 150 words)

Q 1: Explain the significance of rural infrastructure in enhancing the rural economy.

Q 2: Describe the features and achievements of the Swachh Bharat Abhiyan in rural India.

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UNIT 14 : FOOD SECURITY AND PUBLIC DISTRIBUTION

UNIT STRUCTURE

14.1 Learning Objectives

14.2 Introduction

14.3 Understanding food security

14.3.1 Dimensions of Food Security

14.4 Importance of Food Security in India

14.5 The Public Distribution System (PDS)

14.6 Food Security and distribution:- A global concern.

14.7 Let us sum up

14.8 Further reading

14.9 Answers to check your progress

14.10 Model Questions

14.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- understand the concept of food security.
- analyze the role of the Public Distribution System (PDS) in ensuring food security.
- evaluate the impact of food security initiatives on vulnerable populations.

14.2 INTRODUCTION

Food security is a fundamental human right, essential for the well-being and dignity of individuals and communities. Despite significant progress in global food production, millions of people worldwide still face food insecurity, struggling to access nutritious food to lead active and healthy lives.From the ancient time to the modern contemporary world, food security was regarded as a crucial matter for everyone in the globe and its importance became more pivotal with this digitized world. The challenge of ensuring

food security is complex, multifaceted, and influenced by various factors, including climate change, population growth, poverty, and inadequate distribution systems.

Food distribution plays a critical role in ensuring food security. Effective distribution systems are essential for ensuring that food is available to those who need it, when they need it. However, food distribution systems can be disrupted by various factors, including natural disasters, conflict, and economic shocks, exacerbating food insecurity.

There is a crucial need to explore the challenges and opportunities related to food security and distribution and need to examine the current state of global food security, the factors that influence food distribution, and the strategies that can be used to improve food security and distribution. By understanding the complexities of food security and distribution, whole people can work towards creating a more equitable and sustainable food system that ensures everyone has access to nutritious food.

The pursuit of food security is not just a matter of food availability, but also about ensuring that food is accessible, affordable, and nutritious. This chapter aims to provide insights into the critical issues surrounding food security and distribution, and to explore potential solutions to this pressing global challenge.

14.3 UNDERSTANDING FOOD SECURITY

Definition of Food Security:

Based on the 1996 World Food Summit, food security is defined when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and food preferences for an active and healthy life. It is a fundamental human right and a critical aspect of national development. So

Food security means having access to enough safe, nutritious food to lead an active and healthy life. It involves:

1. Availability of food
2. Access to food (physical and economic)
3. Utilization (proper nutrition and safety)

4. Stability (consistent access over time)

In simple terms, food security is about having reliable access to food that meets our dietary needs.

14.3.1 Dimensions of Food Security

Food security is a multifaceted concept that encompasses four key dimensions: availability, access, utilization, and stability. Each dimension plays a crucial role in ensuring that individuals and communities have a reliable supply of nutritious food.

1. Availability

Having enough food available for everyone (FAO, 2008). Imagine a farmer's market overflowing with fresh produce. So, Food availability refers to the physical presence of food in a given area or community. This dimension is influenced by factors such as agricultural production, food imports, and food storage. When food is available, individuals and families can access it, either by growing it themselves or purchasing it from markets. For example, a local farmer's market overflowing with fresh produce can contribute to food availability in a community.

2. Access

Being able to obtain food, either by growing it or buying it (Sen, 1981). Picture a family shopping for groceries without worrying about affordability. So, food access refers to the ability of individuals and families to obtain food, either by growing it or purchasing it. This dimension is influenced by factors such as income, prices, and social and economic status. When individuals have access to food, they can afford to buy it, and it is within their reach. For instance, a family with a stable income can afford to buy nutritious food from a local market, ensuring they have access to food.

3. Utilization

Getting the nutrients and energy needed for a healthy life (FAO, 2008). Think of a mother cooking a balanced meal for her family. So, Food utilization refers to the ability of individuals to absorb

and use the nutrients in food to maintain a healthy and active life. This dimension is influenced by factors such as food safety, nutrition knowledge, and healthcare. When individuals can utilize food effectively, they can maintain good health, energy, and productivity. For example, a mother who understands the importance of balanced nutrition can prepare healthy meals for her family, ensuring they utilize food effectively.

4. Stability

Having consistent access to food over time, without worrying about shocks or crises (FAO, 2008). Envision a community with a reliable food supply, even during tough times. So, food stability refers to the consistency of access to food over time. This dimension is influenced by factors such as climate change, conflict, and economic shocks. When food is stable, individuals and communities can rely on a consistent food supply, even during times of crisis or uncertainty. For instance, a community with a well-developed food storage system can maintain a stable food supply during natural disasters.

In addition, the four dimensions of food security - availability, access, utilization, and stability - are interconnected and essential for ensuring that individuals and communities have a reliable supply of nutritious food.

14.4 IMPORTANCE OF FOOD SECURITY IN INDIA

Food security is a critical issue in India, where a significant portion of the population struggles to access nutritious food. Ensuring food security is essential for India's development, as it directly impacts the well-being and livelihoods of its citizens. Here are some key reasons why food security is vital for India:

Reducing Malnutrition and Hunger

1. **High malnutrition rates:** India faces a significant malnutrition challenge, with high rates of stunting, wasting, and micronutrient deficiencies among children and women. Food security can help address these issues.

2. **Hunger and poverty:** Food insecurity exacerbates hunger and poverty, leading to a vicious cycle of deprivation. Ensuring food security can help break this cycle.

Improving Health and Productivity

1. **Better health outcomes:** Food security can lead to better nutrition, reduced malnutrition, and improved health outcomes. A well-nourished population is more productive and contributes to economic growth.
2. **Increased productivity:** When people have access to nutritious food, they are more likely to be healthy, energetic, and productive, leading to increased economic productivity.

Supporting Economic Growth and Development

1. **Economic benefits:** Food security can contribute to economic growth by reducing healthcare costs, increasing productivity, and improving human capital.
2. **Reducing poverty:** Food security can help reduce poverty, as individuals and families can allocate a larger share of their income to other essential needs.

Enhancing Social Stability

1. **Social unrest:** Food insecurity can lead to social unrest, protests, and conflict. Ensuring food security can help maintain social stability and reduce the risk of social unrest.
2. **Human dignity:** Food security is essential for human dignity, as it enables individuals to lead healthy and fulfilling lives.

14.5 THE PUBLIC DISTRIBUTION SYSTEM (PDS)

In India, where a significant portion of the population faces challenges related to hunger and malnutrition, ensuring food security is of paramount importance. The Public Distribution System (PDS) has been a cornerstone in the government's efforts to provide subsidized food grains to the needy. So,the PDS is a government-sponsored chain of shops established to distribute subsidized food and non-food items to the population.

The PDS aims to:

1. Ensure food security for vulnerable populations
2. Reduce poverty and hunger
3. Stabilize food prices

Structure and Functioning

1. **Procurement:** The Food Corporation of India (FCI) procures food grains from farmers at Minimum Support Prices (MSP).
2. **Storage:** Procured grains are stored in government warehouses.
3. **Transportation:** Food grains are transported to various states and union territories.
4. **Distribution:** Fair Price Shops (FPS) distribute the grains to eligible households.

The PDS plays an important role in supporting India's food security and poverty alleviation efforts.

Coverage of the PDS

Under the National Food Security Act (NFSA), 2013, the PDS covers approximately 75% of the rural population and 50% of the urban population, providing 5 kg of food grains per person per month at subsidized rates.

Challenges in the Public Distribution System (PDS)

The Public Distribution System (PDS) in India faces numerous challenges that hinder its effectiveness in ensuring food security for the vulnerable populations. These challenges can be broadly categorized into operational issues and structural issues.

Operational Issues

1. **Leakage and Diversion**

   Leakage and diversion of food grains are significant challenges in the PDS. A substantial portion of food grains intended for the poor are siphoned off and sold in the black market, depriving the intended beneficiaries of their entitlements. This not only results in financial losses to the government but also undermines the effectiveness of the PDS in ensuring food security.

2. **Corruption**

   Corruption is another major challenge in the PDS. Corruption at various

levels, including procurement, storage, transportation, and distribution, leads to inefficiencies and misallocation of resources. This results in food grains not reaching the intended beneficiaries, further exacerbating the problem of food insecurity.

3. **Inaccurate Targeting**

Inaccurate targeting of beneficiaries is a significant challenge in the PDS. Flaws in identifying Below Poverty Line (BPL) households result in exclusion and inclusion errors, where some deserving households are excluded from the benefits, while some non-deserving households are included. This not only leads to inefficiencies in the distribution of food grains but also undermines the effectiveness of the PDS in ensuring food security for the most vulnerable populations.

4. **Storage and Transportation**

Inadequate infrastructure for storage and transportation of food grains is another significant challenge in the PDS. Poor storage facilities lead to spoilage and wastage of food grains, while inadequate transportation infrastructure results in delays and inefficiencies in the distribution of food grains. This not only leads to financial losses but also undermines the effectiveness of the PDS in ensuring food security.

Structural Issues

1. **Overemphasis on Wheat and Rice**

The PDS has traditionally focused on providing wheat and rice to beneficiaries. However, this overemphasis on these staples neglects the nutritional needs of the population. A more diversified food basket that includes other essential nutrients like pulses, fruits, and vegetables would be more effective in ensuring food security and nutritional well-being.

2. **Environmental Concerns**

The intensive cultivation of wheat and rice has significant environmental implications. The use of groundwater for irrigation, fertilizers, and pesticides has led to soil degradation, water pollution, and loss of biodiversity. Moreover, the focus on these crops has also led to a shift away from traditional crops that are more suited to local conditions,

further exacerbating environmental degradation.

The challenges faced by the PDS are complex and ambiguous. Addressing these challenges requires a comprehensive approach that includes improving operational efficiency, reducing corruption, and promoting sustainable agriculture practices. By strengthening the PDS and making it more responsive to the needs of the vulnerable populations, India can ensure food security and nutritional well-being for all its citizens.

REFORMS AND INITIATIVE

a) National Food Security Act (NFSA), 2013

The National Food Security Act (NFSA), 2013 is a landmark legislation in India that aims to provide food security to the citizens, particularly the vulnerable sections of the society. The Act mandates the provision of subsidized food grains to approximately 75% of the rural population and 50% of the urban population.

Key Features of NFSA, 2013

1. **Coverage:** The Act covers a large section of the population, including priority households and Antyodaya households.
2. **Entitlement:** Eligible households are entitled to receive 5 kg of food grains per person per month at subsidized prices.
3. **Subsidized Prices:** The Act specifies the subsidized prices for food grains, which are Rs. 3 per kg for rice, Rs. 2 per kg for wheat, and Rs. 1 per kg for coarse grains.

Objectives of NFSA, 2013

1. **Food Security:** To provide food security to the vulnerable sections of the society.
2. **Nutritional Support:** To provide nutritional support to pregnant women, lactating mothers, and children.
3. **Protection of Interests:** To protect the interests of the most vulnerable sections of the society.

Impact of NFSA, 2013

The NFSA, 2013 has been instrumental in providing food security to millions of people in India. According to a study, the Act has led to a

significant reduction in hunger and malnutrition among the vulnerable sections of the society (Khera, 2014). Another study highlights the importance of effective implementation of the Act to ensure that the benefits reach the intended beneficiaries (Muralidharan, 2015).

b) Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY)

The Pradhan Mantri Garib Kalyan Anna Yojana (PMGKAY) is a flagship scheme launched by the Government of India to provide additional food grains to the vulnerable sections of society. The scheme aims to ensure food security and alleviate poverty among the poor and marginalized.

Key Features of PMGKAY

1. **Free Food Grains:** The scheme provides 5 kg of free food grains per person per month to National Food Security Act (NFSA) beneficiaries.
2. **Targeted Beneficiaries:** The scheme targets approximately 80 crore beneficiaries, covering priority households and Antyodaya households under the NFSA.
3. **Duration:** The scheme has been extended multiple times since its inception in April 2020, with the latest extension aimed at continuing support to vulnerable populations.

Objectives of PMGKAY

1. **Food Security:** To provide food security to vulnerable sections of society during times of crisis.
2. **Poverty Alleviation:** To alleviate poverty and hunger among the poor and marginalized.
3. **Support during Crisis:** To provide support to vulnerable populations during the COVID-19 pandemic and other crises.

Impact of PMGKAY

The PMGKAY has been instrumental in providing food security to millions of people in India. According to a report, the scheme has helped to mitigate the impact of the pandemic on food security and poverty (Dreze, 2020). Another study highlights the importance of schemes like PMGKAY in ensuring food security and supporting vulnerable populations (Khera, 2020).

c) Direct Benefit Transfer (DBT)

Direct Benefit Transfer (DBT) is a game-changer in India's food security landscape. By transferring subsidies directly into beneficiaries' bank accounts, DBT aims to eliminate leakages, reduce corruption, and ensure that benefits reach the intended recipients.

Key Features of DBT in Food Security:

Cash Transfers: DBT involves transferring cash subsidies directly to beneficiaries' bank accounts, enabling them to purchase food and other essential items.

Targeted Beneficiaries: DBT targets vulnerable populations, including those below the poverty line, pregnant women, lactating mothers, and children.

Increased Transparency: DBT promotes transparency by providing a clear trail of transactions, reducing corruption and leakages.

Benefits of DBT in Food Security:

Improved Efficiency: DBT ensures timely delivery of subsidies, reducing delays and increasing the effectiveness of food security programs.

Reduced Corruption: By eliminating intermediaries, DBT minimizes corruption and ensures that benefits reach the intended recipients.

Increased Financial Inclusion: DBT promotes financial inclusion by bringing more people into the formal banking system.

Examples of DBT in Food Security:

Nikshay Poshan Yojana: A DBT program providing INR 500 per month to TB patients for nutritional support.

d) One Nation, One Ration Card (ONORC)

ONORC is a transformative initiative that ensures food security for migrant workers and their families across India. By allowing beneficiaries to access subsidized food grains from any Fair Price Shop (FPS) nationwide, ONORC eliminates the need for multiple ration cards and streamlines food distribution.

Key Benefits:

Portability: Ration cards are portable across the country, enabling

migrants to access food grains anywhere.

Increased Accessibility: ONORC ensures that beneficiaries can obtain food grains even when they move to a different state or city.

Reduced Leakages: The scheme minimizes corruption and leakages in the Public Distribution System by leveraging technology and biometric authentication.

Impact on Food Security:

Improved Food Access: ONORC enhances food security for migrant workers and their families, who often face challenges in accessing subsidized food grains in new locations.

Streamlined Distribution: The scheme promotes efficient and transparent distribution of food grains, reducing administrative hurdles and ensuring timely access to benefits.

By promoting portability, accessibility, and transparency, ONORC plays a crucial role in ensuring food security for India's migrant population.

Case studies:-

Tamil Nadu:-

Tamil Nadu's PDS is considered one of the most efficient in the country. The state has implemented measures such as decentralized procurement, transparent distribution, and regular monitoring to ensure the effectiveness of the PDS.

Chhattisgarh:-

Chhattisgarh has adopted innovative approaches like decentralized procurement and community-based monitoring to strengthen the PDS and ensure food security for its population.



CHECK YOUR PROGRESS

Q 1: Defines food security.

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Q 2: What is the primary objective of the National Food Security Act (NFSA), 2013?

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Q 3: What is the main benefit of the One Nation, One Ration Card (ONORC) scheme?

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Q 4: How does the Public Distribution System (PDS) contribute to food security in India? Explain with examples.

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Q 5: What are the key challenges faced by the PDS in India, and how can they be addressed?

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Q 6: How does Direct Benefit Transfer (DBT) improve food security, and what are its benefits?

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14.6 FOOD SECURITY AND DISTRIBUTION: A GLOBAL CONCERN

Food security and distribution have become pressing issues that affect not just developing countries, but the entire world. Ensuring that everyone has access to nutritious food is a fundamental human right, yet millions of people globally struggle to put food on the table. The complexity of food security goes beyond just availability; it's also about access, utilization, and stability.

The world has made significant progress in food production, but the challenge lies in ensuring that food reaches those who need it most. Poverty, conflict, and climate change are major obstacles to food security. In many parts of the world, people are forced to live on meager diets, leading to malnutrition and related health issues.

The impact of food insecurity is far-reaching. It affects not just individuals but also communities and entire nations. Malnutrition can lead

to stunted growth, reduced productivity, and increased mortality rates. Moreover, food insecurity can lead to social unrest, migration, and conflict.

To address food security and distribution challenges, a multifaceted approach is needed. This includes investing in sustainable agriculture, improving infrastructure, and implementing effective distribution systems. Governments, international organizations, and civil society must work together to ensure that everyone has access to nutritious food.

One promising approach is the use of technology to enhance food distribution. Digital platforms, mobile apps, and data analytics can help track food supplies, identify areas of need, and streamline distribution. Additionally, initiatives like direct benefit transfers and cash-based programs can empower people to purchase food that meets their dietary needs.

Ultimately, ensuring food security and distribution requires a commitment to equity, justice, and human dignity. It's about recognizing that food is a fundamental human right and working towards a world where everyone has access to nutritious food. By working together, we can build a more food-secure world, where everyone can thrive.

The future of food security depends on our collective actions. Let's strive to create a world where food is not just a privilege, but a right that everyone can enjoy. By doing so, we can build a more just, equitable, and sustainable food system for all.



CHECK YOUR PROGRESS

Q 7: What are the major obstacles to food security globally?

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Q 8: How can technology enhance food distribution and security?

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14.6 LET US SUM UP

Food security is a fundamental human right that ensures all people have physical and economic access to sufficient, safe, and nutritious food. In India, food security is crucial for development, as it impacts citizens' well-being and livelihoods. The Public Distribution System (PDS) provides subsidized food grains to vulnerable populations, but faces challenges like leakage, corruption, and targeting issues. Reforms like the National Food Security Act (NFSA), 2013, Direct Benefit Transfer (DBT), and One Nation, One Ration Card (ONORC) aim to improve the PDS's effectiveness. Globally, food security is threatened by poverty, conflict, and climate change. Technology can enhance food distribution through digital platforms and data analytics. Ensuring food security requires a multifaceted approach involving governments, organizations, and civil society. By working together, we can build a more food-secure world where everyone has access to nutritious food and leads an active, healthy life. Effective implementation of food security initiatives can reduce malnutrition, hunger, and poverty, ultimately contributing to a more equitable and sustainable food system.



14.7 FURTHER READING

1) FAO (2008). An Introduction to the Basic Concepts of Food Security.
2) Sen, A. (1981). Poverty and Famines: An Essay on Entitlement and Deprivation.
3) Khera, R. (2014). Impact of National Food Security Act on Food Security in India. Economic and Political Weekly, 49(11), 38-45.
4) Muralidharan, K. (2015). Implementing the National Food Security Act: Challenges and Opportunities. Journal of Social and Economic Development, 17(1), 1-15.
5) Drèze, J. (2020). COVID-19 and India's Food Security. The India

Forum.

6) Khera, R. (2020). Food Security and Social Protection in India. Journal ofSocial and Economic Development, 22(1), 1-15.



14.8 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No.1: Based on the 1996 World Food Summit, food security is defined when all people, at all times, have physical and economic access to sufficient safe and nutritious food that meets their dietary needs and foodpreferences for an active and healthy life.

Ans to Q No. 2: The primary objective of the National Food Security Act (NFSA), 2013 is to provide food security to the vulnerable sections of society.

Ans to Q No. 3: It enables migrant workers to access subsidized food grains from any Fair Price Shop nationwide.

Ans to QNo.4: The PDS contributes to food security in India by providing subsidized food grains to vulnerable populations, thereby ensuring access to essential nutrition. Examples include the distribution of wheat and rice at subsidized rates under the NFSA.

Ans to Q No. 5: The PDS faces challenges such as leakage and diversion of food grains, corruption, inaccurate targeting, and inadequate storage and transportation infrastructure. These challenges can be addressed through measures like digitization, community-based monitoring, and improving storage and transportation infrastructure.

Ans to Q No.6: DBT improves food security by transferring subsidies directly to beneficiaries' bank accounts, eliminating intermediaries, and reducing leakages. Its benefits include improved efficiency, reduced corruption, and increased financial inclusion.

Ans to Q No.7: Poverty, conflict, and climate change are major obstacles to food security.

Ans to Q No.8: Technology can enhance food distribution and security

through digital platforms, mobile apps, and data analytics to track food supplies, identify areas of need, and streamline distribution. Additionally, initiatives like direct benefit transfers and cash-based programs can empower people to purchase food that meets their dietary needs.



14.9 MODEL QUESTIONS

Q 1: How does the PDS impact food security for India's poor?

Q 2: Analyze the role of technology in enhancing food distribution.

Q 3: What are the implications of climate change on India's food security?

Q 4: Compare NFSA and PMGKAY's impact on food security.

Q 5: How does DBT improve food security in India?

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UNIT 15 : E-GOVERNANCE

UNIT STRUCTURE

16.1 Learning Objectives

16.2 Introduction

16.3 Meaning and Definition of E-Governance

16.4 Evolution and Development of E-Governance

16.5 National E-Governance Policy

16.6 Digital India

16.7 Benefits of E-Governance

16.8 Challenges of E-Governance in India

16.9 Let Us Sum Up

16.10 Further Reading

16.11 Answers to Check Your Progress

16.12 Model Questions

15.1 LEARNING OBJECTIVES

After going through this unit, you will be able to-

- understand in detail the meaning, of E-Governance.
- get an overview of the benefits of E-Governance in the Indian context.
- understand the Government of India's initiatives on E-Governance and the challenges underneath.

15.2 INTRODUCTION

In the broad arena of governance, E-Governance plays a vital role. It is through the use of Information and Communication Technology (ICT) that electronic governance or e-governance helps in the functioning of the governmental machinery. Scholars mention that e-governance marks a move towards'SMART' governance, one that focuses on simple, moral, accountable, responsive and transparent governance.

E-governance is motivated towards ensuring that citizens enjoy a user-friendly governmental set-up with a focus on simplification of

governmental rules and regulations through the use and application of ICT tools. It has put a renewed focus on improving the efficiency of the various governmental agencies and has therefore, highlighted the need to develop such systems which help in ensuring the accountability of public service functionaries. By streamlining and speeding up the processes, e-governance makes the system more responsive. Transparency in the overall governance structure is attained by making information available in the public domain. Thus, e-governance has ushered in a new era of governance, which is natured around the ideas of a simple, moral, accountable, responsive and a transparent system of governance.

This unit looks into the varied aspects, evolution, meaning and significance of e-governance. It explores benefits of e-governance and highlights the importance of the National e-Governance Plan while also navigating through its challenges in the Indian context.

15.3 MEANING AND DEFINITION OF E-GOVERNANCE

E-Governance can be defined as the application of information and communication technology (ICT) for providing government services, exchange of information, transactions, integration of previously existing services and information portals. The “e” in e-Governance stands for ‘electronic’.

According to The Council of Europe, e-governance encompasses the relations between the public authorities and the civil society. It also implies the use of electronic technologies in the functioning of the public authorities at all stages of the democratic process. E-governance also includes the provision of providing electronic public services.

The United States of America, one of the pioneer countries in devising and practice the concept of e-governance defined it as “the use by the Government of web-based Internet applications and other information technologies, combined with processes that implement these technologies, to

a) enhance the access to and delivery of Government information and services to the public, other agencies, and other Government entities

or

b) bring about improvements in Government operations that may include effectiveness, efficiency, service quality, or transformation;" (U.S. Congress, 2002).

The Organisation for Economic Cooperation and Development (2003) has defined e-government as "The use of ICTs, and particularly the Internet, as a tool to achieve better government".

The European Union has used another way to define e-government, which is highlighted below:

"e-Government is the use of Information and Communication Technologies in public administrations combined with organisational change and new skills in order to improve public services and democratic processes" [EU, 2004].

According to Das (2022),

"E-Governance could be defined as an IT-led reconfiguration of public sector governance and how knowledge, power, and purpose are redistributed in light of new technological realities. To make it more simpler E-Governance or digital governance would refer to governance processes in which Information and Communication Technology play a significant role. The role played by ICT could be wide ranging in delivery and standard of governance services, to how people access such services and the participation of people in governance sphere. In other word, E-Government refers to the use by government agencies of information technologies that have the ability to transform relations with citizens, businesses, and other arms of governments."

In this context, it is important to understand the difference between governance and government. Riley (2004), has mentioned that "Government's foremost job is to focus society on achieving the public interest [....] Governance is a way of describing the links between government and its broader environment - political, social and administrative".

Table 1: Comparison between Government and Governance

Government	Governance
Decisions	Processes
Rules	Goals/Performance
Implementation	Coordination
Outputs	Outcomes
e-Government	**e-Governance**
Electronic service delivery	Electronic consultation
Electronic workflow	Electronic controllership
Electronic voting	Electronic engagement
Electronic productivity	Networked societal guidance

Source: Riley (2004)



CHECK YOUR PROGRESS

Q 1: Define E-Governance.

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Q 2: State a difference between governance and government.

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15.4 EVOLUTION AND DEVELOPMENT OF E-GOVERNANCE

The term e-government emerged in the late 1990s. The IT revolution is deemed to be the cause of the emergence and growth of this concept around the 1970s. It has been argued, that the term e-governance was perhaps coined “after the success of E-commerce to represent a public sector equivalent to E-commerce.” The use of Information Technology or IT in governance, particularly in tasks like office automation was exclusively dealt with by various scholars like Kraemer, et al (1978) and Dangzier and Andersen (2002). While during that period, the role of IT in governance was limited to its use within the government, new definitions and meanings of the concept of e-governance/e-government attach great importance to

organisational change and the role of the government while discussing the meaning of e-governance.

The United States of America had made the first strides in advancing the ideas of e-governance. The then Vice-President of the US led the National Performance Review, which considered the role of e-government in federal services. Many conferences in the international level had led to the evolution of the concept of and ideas around e-governance.

In the context of India, e-governance found home with the introduction of the Internet in the country in the year 1995 (Das, 2022). The Government of India, with an aim at addressing the vast diversities of the population, has recognised the importance of e-governance as an excellent opportunity for improving governance in India and other developing countries. The Indian Government has deemed e-governance as a strategic tool for transforming governance and improving the quality of services provided by the government to its people.

Table 2: Chronology of Evolution of E-Governance in India

Year	**Detail**
15 August, 1995	Launch of the Internet in India
1998	Initiation of the Department of Information Technology, Government of India e-Procurement, Statewide Area Network, Common Service Centers, State Data Centre
May, 1998	Establishment of the National Taskforce of Information Technology and Software Development.
May 18, 2006	Government of India approves the National E-Governance Plan. (NeGP)
2007	Launch of the Broadband services
2010	Introduction of 3 G Services.
2015	4G introduced across India in limited phases. Digital India boosts E-Governance
2016	Announcement of the Smart Cities concept

There are some important milestones in the development of e-governance in India. First, due to the evolution of Information Technology

in the country, public administration has turned into public management. Different governments at different points of time have contributed immensely to the development of IT sector in India. For instance, Rajiv Gandhi has been credited with the introduction of telecommunication in the 1980s, PV Narasimha Rao and Dr. Manmohan Singh with the introduction of liberalization policies, and credit for the IT revolution goes to Pramod Mahajan and the erstwhile Prime Minister Atal Bihari Vajpayee for the efforts at revolutionising the IT sector in the early 2000s. By legislating the IT Act in 2001, India ventured into e-governance at the national, state and local levels. The 10th Five Year Plan (2002-2007) laid out its main objectives to be 'Connectivity' and 'Computerization'. The Government had set to electronically deliver at least 25% of all its dealings and services. Although the same was not accomplished, yet considerable strides were made.

The National Task Force on IT recommended the creation of a new Ministry of Communication and Information Technology. As such, the Ministry was created in 1999 to act as a nodal agency for implementing official policies on IT and to facilitate the growth of the IT sector. In the following year, under the said Ministry, a centre for e-governance called the Electronics Niketan was set up in Delhi.

Fig. 1: Tasks of Electronics Niketan



The Right to Information Act, 2005 too has played a major role. Under pretext of the Official Secret Act of 1889, government information to public was denied. However, the RTI Act, 2005 passed by the Indian

Parliament on June 15, 2005 has provisions to provide information to any citizen who has requested of such information from any government office. Computerization of records and publication of information by government offices is also mandated under the same.

The Government of India's approval of the National E-Governance (NeGP) Action Plan was a momentous decision. The Plan provided an impetus for the long term growth of e-governance in the country. With a budget of Rs. 6000 million allotted by the Planning Commission and $500 million assistance from the World Bank, the Plan was implemented during the year 2006-2007. As a part of the Plan, presently all the ministers in the central and state level, along with the various government departments have their web pages on the National Informatics Centre (NIC) website, which displays their objectives, functions and responsibilities, policy, programmes and key decisions.

India's experience in e-Governance/ICT initiatives has demonstrated significant success in improving accessibility, cutting down costs, reducing corruption, extending help and increased access to un-served groups. In this phase of experimentation, e-government initiatives have reached millions of people belonging to these sections of society. Improved access to information and services has provided opportunities for economic and social development; facilitated participation and communication in policy and decision making process and empowerment of the weakest groups. This has led to fostering a sense of ownership and building of social capital, which in turn, constitute a basis for local revitalization.

15.5 NATIONAL E-GOVERNANCE PLAN

In India, citizen-centricity, service orientation and transparency have been the bedrocks of the various state and central level government initiatives on e-governance. To speed up the implementation of e-governance across the various arms of Government at national, state, and local levels, it was accepted that a holistic programme approach was required to be adopted, which is to be guided by a common strategy. It was with this idea that the National e-Governance Plan (NeGP) was approved on May 18,

2006. The Plan was formulated by the Department of Electronics and Information Technology (DEITY) and Development of Administrative Reforms and Public Grievances (DARPG). The vision statement of the National e-Governance Plan (NeGP) states: "Make all Government services accessible to the common man in his locality, through common service delivery outlets, and ensure efficiency, transparency, and reliability of such services at affordable costs to realise the basic needs of the common man." The approach of NeGP was based on: (i) Centralised Planning - Decentralised Implementation, (ii) BPR: Pre-decided Service levels - Identified Services, (iii) Services to Common Man at 'doorstep', (iv) Common Support Infrastructure, (v) Public-Private Partnerships, (vi) Programme Approach at the National and State Levels, (vii) Facilitator Role of Department of Electronics and Information Technology (DEITY), and (viii) Ownership of Mission Mode Projects by the Ministries.

Mission Mode Projects

Mission Mode Projects (MMPs) focus on any one aspect of e-governance, such as, banking, commercial taxes, land records, etc. The term 'mission mode' indicates that such projects have a clearly defined set of objectives, guidelines, timeline for implementation, achievable milestones and measurable outcomes.

The various components of the MMPs include:

i. Capacity building scheme like the setting up of the State e-Governance Mission Team (SeMT), imparting of specialized training, conducting orientation program for SeMTs and decision makers, and setting up of a central Capacity Building Management Cell, etc.

ii. Awareness and communication, through which stakeholders, particularly citizens and the civil society are made aware about the e-governance services and the various service delivery points.

iii. Impact and outcomes is measured by DEITY by undertaking e-Readiness Assessment of States and Union Territories.

At present, the NeGP comprises of 44 MMPs (17 central MMPs, 16 state MMPs and 11 integrated MMPs). Ministry of Electronics and Information Technology (MEITY) acts as the facilitator and catalyst for the implementation

of NeGP and provides technical assistance to various Ministries / Departments and State Governments.

Table 3: Mission Mode Projects under NeGP

Central MMPs	State MMPs	Integrated MMPs
Banking	Agriculture 2.0	CSC
Central Excise and Customs	Commercial Taxes	e-Biz
Income Tax (IT)	e”District	e-Courts
Insurance	Employment Exchange	e-Procurement
MCA 21	Land Records (NLRMP)	EDI for eTrade
Passport	Municipalities	National e-governance Service Delivery Gateway
Immigration, Visa and Foreigners, Registration & Tracking	e-Panchayat	India Portal
Pension	Police (CCTNS)	Financial Inclusion
e-Office	Transport	Roads and Highways Information System
Posts	Treasuries	Social Benefit
UID	PDS	National GIS
Central Armed Para-Military Forces	Education	
e-Sansad	Health	
e-Bhasha	e-Vidhaan	
NMEICT - National Mission on		
Education through ICT	Rural Development	
IVFRT- Immigration, Visa Foreigners Registration & Tracking(Immigration)	Women & Child Development	
Urban Governance		

Source: Das (2022)



CHECK YOUR PROGRESS

Q 3: When was the IT Act passed?

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.....

Q 4: Which Department had formulated the National e-Governance Plan?

.....

.....

Q 5: What do you understand by MMPs?

.....

.....

15.6 DIGITAL INDIA

With the aim of transitioning India into a digitally empowered society and a knowledge-based economy, Digital India was launched in the country in 2015. The purposes of the initiative are as follows:

i. Digital Infrastructure as a Fundamental Utility for Every Citizen: Through the initiative, it had been mandated that availability of high speed internet would be made a fundamental utility for the citizens. Also, a unique, lifelong, online and authenticatable digital identity for every citizen would be established. Citizens would have easy access to the Common Service Centres and the cyberspace would be safe and secure for every citizens.

ii. Governance and Services on Demand: Under Digital India, seamless intergration of services across departments had been provided. Moreover, promoting electronic and cashless financial transactions is also an important aspect under the initiative.

iii. Digital Empowerment of Citizens: Digital India prescribes the promotion of universal digital literacy, ensuring the universal accessibility of digital resources. This, in turn, as mandated, would eliminate the need for the citizens to physically submit government documents or certificates.

Some of the major initiatives of Digital India are:

i. Common Services Centres, which offer government and business services in digital mode in rural areas through Village Level Entrepreneurs (VLEs).

ii. Unified Mobile Application for New-age Governance (UMANG), which provides government services to citizen through mobile.

iii. e-District Mission Mode Project (MMP) has benefitted all citizens by delivering various e-Services such as Certificates (Birth, Caste, Death, Income and Local Resident), Pension (Old Age, Disability and Widow), Electoral, Consumer Court, Revenue Court, Land Record and services of various departments such as Commercial Tax, Agriculture, Labour, Employment Training & Skill Development etc.

iv. DigiLocker facilitates paperless availability of public documents.

v. Unified Payment Interface (UPI), the leading digital payment platform has integrated around 330 banks across the country.

vi. CO-WIN was a platform for management of registration, appointment scheduling & managing vaccination certificates for Covid-19.

vii. MyGov is a citizen engagement platform that is developed to facilitate participatory governance.

viii. National Agriculture Market (e-NAM) has provided the creation of online transparent competitive bidding system to facilitate farmers with remunerative prices for their produce.

ix. M-KISAN portal has been adopted for sending advisories on various crop related matters to the registered farmers through SMSs.

x. Soil Health Card provides soil related information to facilitate farmers in farming activities.

15.7 BENEFITS AND IMPORTANCE OF E-GOVERNANCE

As is clear from the discussions above, e-governance is of utmost importance in the context of rural development in India. Rural India is grappled with a range of issues and problems concerning citizens of varied socio-economic background. In catering to the needs of the rural Indian

population, e-governance through the use of Information and Communication Technology delivers timely and reliable information on various aspects of governance. This helps the rural people in having better access to information and quality services. Through the simplification of complicated processes and structures of governance, e-governance helps in increasing the efficiency across government agencies, thereby contributing to an overall environment of a more accountable government machinery. Due to the rapid growth in communications technology and its adoption in governance, citizens have been able to enjoy governmental services at their doorsteps. The spread of the internet and expansion in mobile telephony has helped in the smooth and efficient delivery of public services. This has in effect, expanded the reach of governance to the last person in the rural areas.

Table 4: Internal and External Benefits of e-Governance

Internal	External
Avoidance of duplication	Faster service delivery
Reducing transaction costs	Greater efficacy
Simplifying bureaucratic procedures	Increased flexibility of service use
Greater efficiency	Innovation in service delivery
Greater coordination and communication	Greater participation
Enhanced transparency	Greater citizen empowerment
Information sharing between agencies	Citizen participation

Alongwith improvements in the delivery and efficiency of government services and government interactions with business and industry, e-governance empower the citizens through access to information. E-governance is also hailed as a more efficient government management system. Corrupt practices in the public administrative system have also lessened due to the enhanced role of e-governance systems and structures. The governments have found increased legitimacy amongst the masses due to greater accountability and transparency in the system. E-governance

has reduced paperwork and red-tapism in the administrative process which has resulted in better planning and coordination between different levels of government.

Benefits of E-Governance include:

I. It has led to the improvement in the delivery and efficiency of government services.

II. It has improved government interactions with business and industry.

III. Empowerment of citizens through improved access to information has occurred due to e-governance.

IV. The management of governance systems and structures have become more efficient.

V. There has been less corruption and increased transparency in the administration.

VI. E-governance has also contributed towards cost reductions and growth in government revenue.

VII. Due to greater transparency and accountability, there has been increased legitimacy of government.

VIII. Organisational structure has become less hierarchic.

IX. The entire administrative processes have been re-structured.

X. There are improved relations between the public authorities and the civil society.

15.8 CHALLENGES OF E-GOVERNANCE

Various barriers and challenges have been observed in implementing e-governance across the country. From the infrastructural point of view, the country lacks basic infrastructural facilities like electricity and internet in its remotest corners. However, government initiatives like BharatNet and Saubhagya have been adopted in this regard. One of the major impediments in the implementation of e-governance initiatives is the cost of projects. e-Governance measures are costly affairs and require huge public expenditure. A huge digital divide across people of different sex, place of residence and economic background is observed in the country. This makes e-government services inaccessible to a range of the Indian citizens. Moreover, cases of

data leaks have made the concept of e-governance shaky in the minds of the common people.

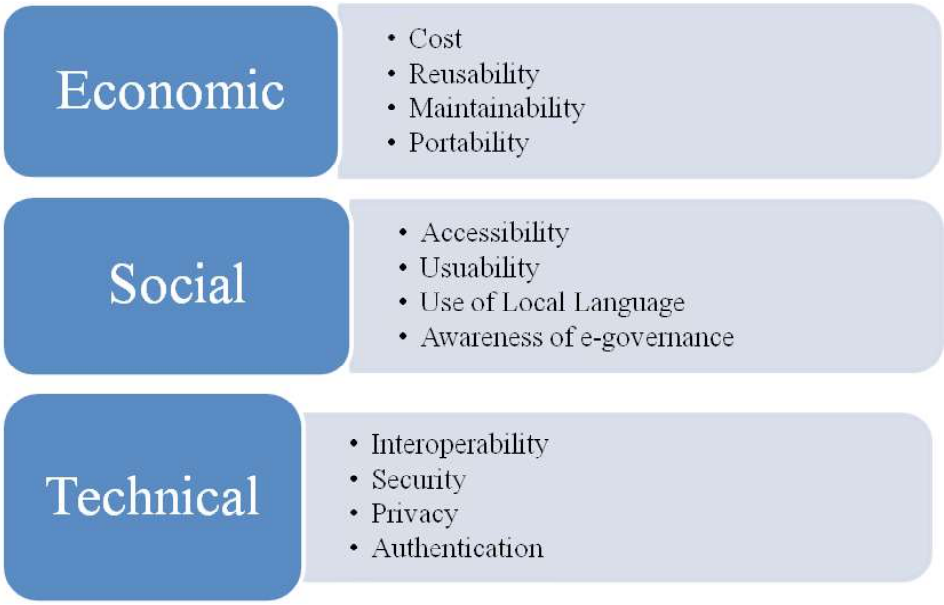


Fig.2: Challenges/Issues Related to e-Governance



CHECK YOUR PROGRESS

Q 6: State the purposes of the Digital India initiative.

.....

.....

Q 7: Enumerate some of the benefits of e-Governance.

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15.9 LET US SUM UP

- E-governance is motivated towards ensuring that citizens enjoy a user-friendly governmental set-up with a focus on simplification of governmental rules and regulations through the use and application of ICT tools.
- E-Governance can be defined as the application of information and

communication technology (ICT) for providing government services, exchange of information, transactions, integration of previously existing services and information portals. The “e” in e-Governance stands for ‘electronic’.

- The term e-government emerged in the late 1990s. The IT revolution is deemed to be the cause of the emergence and growth of this concept around the 1970s. It has been argued, that the term e-governance was perhaps coined “after the success of E-commerce to represent a public sector equivalent to E-commerce.”
- The United States of America had made the first strides in advancing the ideas of e-governance. The then Vice-President of the US led the National Performance Review, which considered the role of e-government in federal services. Many conferences in the international level had led to the evolution of the concept of and ideas around e-governance.
- The Government of India’s approval of the National E-Governance (NeGP) Action Plan was a momentous decision. The Plan provided an impetus for the long term growth of e-governance in the country.
- The approach of NeGP was based on: (i) Centralised Planning - Decentralised Implementation, (ii) BPR: Pre-decided Service levels - Identified Services, (iii) Services to Common Man at ‘doorstep’, (iv) Common Support Infrastructure, (v) Public-Private Partnerships, (vi) Programme Approach at the National and State Levels, (vii) Facilitator Role of Department of Electronics and Information Technology (DEITY), and (viii) Ownership of Mission Mode Projects by the Ministries.
- Mission Mode Projects (MMPs) focus on any one aspect of e-governance, such as, banking, commercial taxes, land records, etc. The term ‘mission mode’ indicates that such projects have a clearly defined set of objectives, guidelines, timeline for implementation, achievable milestones and measurable outcomes.
- With the aim of transitioning India into a digitally empowered society and a knowledge-based economy, Digital India was launched in the

country in 2015.

- Alongwith improvements in the delivery and efficiency of government services and government interactions with business and industry, e-governance empower the citizens through access to information. E-governance is also hailed as a more efficient government management system. Corrupt practices in the public administrative system have also lessened due to the enhanced role of e-governance systems and structures. The governments have found increased legitimacy amongst the masses due to greater accountability and transparency in the system. E-governance has reduced paperwork and red-tapism in the administrative process which has resulted in better planning and coordination between different levels of government.



15.10 FURTHER READING

1) P

2) P



15.11 ANSWERS TO CHECK YOUR PROGRESS

Ans to Q No 1: E-Governance can be defined as the application of information and communication technology (ICT) for providing government services, exchange of information, transactions, integration of previously existing services and information portals. The "e" in e-Governance stands for 'electronic'.

Ans to Q No 2: Government's foremost job is to focus society on achieving the public interest., whereas, governance is a way of describing the links between government and its broader environment - political, social

and administrative.

Ans to Q No 3: 2001.

Ans to Q No 4: Department of Electronics and Information Technology (DEITY).

Ans to Q No 5: Mission Mode Projects (MMPs) focus on any one aspect of e-governance, such as, banking, commercial taxes, land records, etc. The term 'mission mode' indicates that such projects have a clearly defined set of objectives, guidelines, timeline for implementation, achievable milestones and measurable outcomes.

Ans to Q No 6: The purposes of the initiative are as follows:

i. Digital Infrastructure as a Fundamental Utility for Every Citizen: Through the initiative, it had been mandated that availability of high speed internet would be made a fundamental utility for the citizens. Also, a unique, lifelong, online and authenticatable digital identity for every citizen would be established. Citizens would have easy access to the Common Service Centres and the cyberspace would be safe and secure for every citizens.

ii. Governance and Services on Demand: Under Digital India, seamless intergration of services across departments had been provided. Moreover, promoting electronic and cashless financial transactions is also an important aspect under the initiative.

iii. Digital Empowerment of Citizens: Digital India prescribes the promotion of universal digital literacy, ensuring the universal accessibility of digital resources. This, in turn, as mandated, would eliminate the need for the citizens to physically submit government documents or certificates.

Ans to Q No 7: The benefits of E-Governance include:

I. It has led to the improvement in the delivery and efficiency of government services.

II. It has improved government interactions with business and industry.

III. Empowerment of citizens through improved access to information has occurred due to e-governance.

IV. The management of governance systems and structures have become more efficient.

V. There has been less corruption and increased transparency in the administration.

VI. E-governance has also contributed towards cost reductions and growth in government revenue.

VII. Due to greater transparency and accountability, there has been increased legitimacy of government.

VIII. Organisational structure has become less hierarchic.

IX. The entire administrative processes have been re-structured.

X. There are improved relations between the public authorities and the civil society.



15.12 MODEL QUESTIONS

A. Very Short Questions

Q 1: In which year did e-Governance find home in India?

Q 2: State any one economic challenge related to e-Governance.

B: Short Questions (Answer each question in about 150 words)

Q 1: Write briefly on the challenges of e-Governance.

Q 2: Briefly mention some of the important milestones in the development of e-Governancein India.

C. Long Questions

Q 1: Discuss the National e-Governance Plan.

Q 2: Elaborate on the development and evolution of e-governance in India.

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