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**JAGAT GURU NANAK DEV  
PUNJAB STATE OPEN UNIVERSITY, PATIALA**

**(Established by Act No. 19 of 2019 of the Legislature of State of Punjab)**

**Certificate Course**

**In**

**Rural Management**

**CCRM2**

**RURAL DEVELOPMENT: PLANNING AND PROGRAMMES**

**Head Quarter: C/28, The Lower Mall, Patiala-147001**

**WEBSITE: [www.psou.ac.in](http://www.psou.ac.in)**

**SELF-INSTRUCTIONAL STUDY MATERIAL FOR JGND PSOU**

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**JAGAT GURU NANAK DEV PUNJAB STATE OPEN UNIVERSITY, PATIALA**  
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**PREFACE**

Jagat Guru Nanak Dev Punjab State Open University, Patiala was established in December 2019 by Act 19 of the Legislature of State of Punjab. It is the first and only Open University of the State, entrusted with the responsibility of making higher education accessible to all, especially to those sections of society who do not have the means, time or opportunity to pursue regular education.

In keeping with the nature of an Open University, this University provides a flexible education system to suit every need. The time given to complete a programme is double the duration of a regular mode programme. Well-designed study material has been prepared in consultation with experts in their respective fields.

The University offers programmes that have been designed to provide relevant, skill-based and employability-enhancing education. The study material provided in this booklet is self-instructional, with self-assessment exercises, and recommendations for further readings. The syllabus has been divided in sections, and provided as units for simplification.

The University has a network of 110 Learner Support Centres/Study Centres, to enable students to make use of reading facilities, and for curriculum-based counselling and practicals. We, at the University, welcome you to be a part of this institution of knowledge.

Prof. G S Batra  
Dean Academic Affairs

## **CERTIFICATE COURSE IN RURAL MANAGEMENT**

### **CCRM 2 RURAL DEVELOPMENT: PLANNING AND PROGRAMMES**

Max. Marks: 100

External: 70

Internal: 30

Pass: 40%

Credits: 6

#### **Objective:**

Aware human resource regarding rural planning process and programs to develop rural India.

#### **INSTRUCTIONS FOR THE CANDIDATES:**

Candidates are required to attempt any two questions each from sections A and B of the question paper and any ten short questions from Section C. They have to attempt questions only at one place and only once. Second or subsequent attempts, unless the earlier ones have been crossed out, shall not be evaluated.

#### **Section A**

Unit 1: Rural Development Planning, Planning Process, Types, Function and level of Planning

Unit 2: Multi-level Planning, District Planning

Unit 3: Grassroots Level Planning (Block Level Planning), Grassroots Level Planning (Village Level Planning).

Unit 4: Rural Development Administration: Administrative Structure

Unit 5: Institutions of Rural Sector: Panchayati Raj Institutions (PRIs): Evolution–Structure–Functions.

Unit 6: 73rd Constitutional Amendment Act – Devolution of Powers and Functions to PRIs, Role of Panchayati Raj Institutions in Rural Development.

#### **Section B**

Unit 7: Cooperative Institutions: Concept and Principles of Cooperation

Unit 8: Types and working of Rural Cooperatives: Credit Cooperatives

Unit 9: Marketing Cooperatives, Dairy Cooperatives

Unit 10: Rural Development Programmes, Poverty Alleviation Programmes: Programmes for Self & Wage Employment

Unit 11: Rural Empowerment

Unit 12: Social Security of Women, Other Development Programmes and Start up India in Rural sector.

**Suggested Reading**

- A.R. Desai (Ed). Introduction of Rural Sociology in India.
- B.C. Mehta, Rural poverty in India, concept, publisher.
- K.R. Gupta, Rural Development in India, Atlantic Publishers and Distributors (P) Ltd.
- M. Soundarapandian, Rural Entrepreneurship: Growth and Potentials, Kanishka Publisher.
- C.B. Mammoria, Indian Social Problems, Kitab Mahal Publisher



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**CERTIFICATE COURSE IN RURAL MANAGEMENT**

**CCRM 2 RURAL DEVELOPMENT: PLANNING AND PROGRAMMES**  
**COURSE COORDINATOR AND EDITOR: DR. PINKY SRA**

**SECTION A**

UNIT NO.	UNIT NAME
UNIT 1A	AN OVERVIEW OF THE DEVELOPMENT
UNIT 1B	RURAL DEVELOPMENT PLANNING
UNIT 2	DECENTRALIZED PLANNING
UNIT 3	GRASS ROOTS LEVEL PLANNING (AT VILLAGE AND BLOCK LEVEL)
UNIT 4	RURAL DEVELOPMENT ADMINISTRATION
UNIT 5	PANCHAYATI RAJ INSTITUTIONS (PRIs) (EVOLUTION AND STRUCTURE)
UNIT 6	PANCHAYATI RAJ INSTITUTIONS(PRIs) DEVOLUTION OF POWERS AND IT's FUNCTIONS

**SECTION B**

UNIT NO.	UNIT NAME
UNIT 7	CONCEPT AND PRINCIPLES OF COOPERATION
UNIT 8	RURAL COOPERATIVES (CREDIT COOPERATIVES)
UNIT 9	NON-CREDIT COOPERATIVES (MARKETING COOPERATIVES AND DAIRY COOPERATIVES)
UNIT 10	RURAL DEVELOPMENT PROGRAMMES
UNIT 11	RURAL EMPOWERMENT
UNIT 12	SOCIAL SECURITY OF WOMEN AND START-UPS TARGETING RURAL AREAS OF INDIA

# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## UNIT 1A: AN OVERVIEW OF THE DEVELOPMENT

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### Summary:

- 1.0 OBJECTIVES
- 1.1 INTRODUCTION
- 1.2 CONCEPT OF THE DEVELOPMENT
- 1.3 DIFFERENCE BETWEEN ECONOMIC GROWTH AND DEVELOPMENT
- 1.4 FIRST, SECOND AND THE THIRD WORLD COUNTRIES
- 1.5 DIFFERENT FEATURES OF AN UNDERDEVELOPED ECONOMY
- 1.6 MODERN PERSPECTIVE OF THE THEORIST ON DEVELOPMENT
- 1.7 DIFFERENT STEPS TOWARDS SUSTAINABLE DEVELOPMENT OF A COUNTRY
- 1.8 ROLE OF THE INFORMATION AND COMMUNICATION TECHNOLOGY IN THE DEVELOPMENT OF A COUNTRY
- 1.9 LET US SUM UP
- 1.10 KEY WORDS
- 1.11 REFERENCES AND SUGGESTED READINGS

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### 1.0 OBJECTIVES

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#### After reading this unit, you should be able to:

- Define the concept of development.
- Identify the indicators of development.
- Compare economic growth and development.
- Differentiate between first, second and the third world countries also understand the concept of underdeveloped countries and its characteristics.
- Identify the steps to sustainably develop an economy and how can ICT help in the development of a country.

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### 1.1 INTRODUCTION

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Development is a wide ranged societal process which can benefit the underdeveloped nations by shifting them from their current state of economic backwardness and slow sociocultural change to a more unique state which involves sustainable economic growth as well as sociocultural and political transformation that improves the quality of life of all members of the society. It moves the people from agriculture age to industrial age by ensuring that sacrifices and benefits related to development are shared among all the members of the society. The United Nations Development Programme (1990) has defined **development as**



**to move towards that state which involves proper access to the resources that are required to enjoy a reasonable standard of living, participate in life of a community and to be able to lead a long and healthy life**. Thus, development can only be acquired when society attains the skills that are essential in order to exploit its human as well as natural resources proficiently to improve the worth of life for all the citizens. Countries development is always based upon the resources that it owns and its people and it further depends upon how that people use those resources in order to acquire development in a more rapid way. Like people are responsible for the development of a country, in the same way education also plays a significant role in developing and shaping a person in a better way. Education provides the capability to change the information into knowledge which is essential to solve various problems and in building analytical skills. Country with high literacy has lower unemployment rates as well as high GDP rate. Education further helps in eradicating various issues from the countries such as crime rates, unemployment, poverty, diseases etc. and helps in attaining peace and prosperity. Therefore, Government of each country must focus on mandatory education till age and should provide free education to the lower segments of the society. Among different development goals, the main Millennium Development Goal (MDG) is to offer primary education to all the children. Nelson Rolihlahla Mandela once said, **“Education is such a strong weapon which can be utilized to change the world”**. So, education is the first and the foremost step for developing a country and it should be promoted by all to the highest level.

Thus, the principal purpose of this chapter is to help you understand the concept of development which includes indicators of development and how can we differentiate it from economic growth. This will help you to differentiate between first, second and third world countries and why are the third world countries known as underdeveloped countries. The indicators of development will help you to make a difference between the countries which are less developed and which are most developed. The data provided in this chapter will help you to know the position of India in comparison to different countries in terms of the indicators. Various steps are also given in this chapter which can be further followed to make a country developed and the role of Information and communication technologies in the development of the country and how it has impacted the important aspect of development i.e., education. The end section will tell you about the COVID-19 and how ICT has helped the people and businesses in this difficult time of pandemic.

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## **1.2 CONCEPT OF THE DEVELOPMENT**

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The term “Development” implies a growth in the quality of life of the population by generating and expanding the level of income and employment prospects for the people without producing any further damage on the resources of the environment. In 1950s and 1960s, development was all about quantitative change rather than qualitative change in economic performance and it was referred as economic growth. But it was observed that no economy can truly develop on the basis of these quantitative measures if it leaves culture aside. The culture regulates the people way of thinking who are responsible for formulating strategies for development. It was stated in the year 1970, that economic growth will not be

going to increase at the prevailing level and will not be sustained for future because of the depletion of natural resources which gave rise to the concept of ‘Sustainable development’. Later, it was admitted that development is both a quantitative as well as qualitative concept. Quantitative in terms of rise in economic production and qualitative in terms of improvement in life conditions along with protection of the environment without compromising the wellbeing of future generations.

So, the significant fundamentals of development are as follow:

- Reduction of discrimination and poverty in a country
- Increase in social well-being which includes education, health, housing etc.,
- Increase in social well-being (education, health, housing, etc.)
- An equal distribution of the gains and expenses of development among different groups of people in a region or country
- An improvement in technology and the capacity to produce a broader range of goods and services.
- Building those organized structures which allows participation of employees at all the levels of decision making.

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### **1.3 DIFFERENCE BETWEEN ECONOMIC GROWTH AND DEVELOPMENT**

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Economic growth refers to growth in the value of all goods and services produced in an economy. The sum total of volume of goods and services produced in an economy is termed as the Gross Domestic Product (GDP). Development, on the other hand refers to an advancement in the quality of life and living standards, e.g., measures of literacy, life-expectancy and health care. Economic growth just looks at the GDP per capita but development looks for the wider measures such as:

- Real income per head – GDP per capita
- Levels of literacy and education standards
- Levels of healthcare e.g., number of doctors per 1000 population
- Quality and availability of housing
- Levels of environmental standards
- Life expectancy.

**Table 1: Top ten countries on the basis of GDP (2019):**

<b>Rank</b>	<b>Country</b>	<b>GDP Per Capita</b>	<b>Population</b>
1	United States	66678.0263	332915.1
2	China	10710.3777	1444216
3	Japan	43596.8659	126050.8
4	Germany	49548.2308	83900.47

5	India	2337.9495	1393409
6	United Kingdom	42914.5839	68207.12
7	France	43958.7034	65426.18
8	Italy	34628.7455	60367.48
9	Brazil	9638.1461	213993.4
10	Canada	48137.4033	38067.9

Source: IMF World Economic Outlook database,2018 and World Development Indicators,2018.

## **1.4 FIRST, SECOND AND THE THIRD WORLD COUNTRIES**

Some countries and regions of the world are extremely poor and other are very much flourishing. After the Second World War, the world got separated into two main geopolitical blocs and spheres with contradictory political beliefs about government and the right society. These countries were named as: First world, Second world and Third world countries. First world countries were the industrialized capitalist nations which were associated with NATO and the USA and were also referred as the “Western bloc”. The United States, Canada, Japan, South Korea, Western European nations and their allies were characterized under the "First World",

### **Top 10 First World Countries in terms of their Gross National Income:**

**Table 2: The GNI based on purchasing-power-parity (PPP) per capita in int'l Dollars**

<b>S.No.</b>	<b>Country</b>	<b>Region</b>	<b>GNI per Capita</b>
1	Luxembourg	Western Europe	66 821
2	Norway	Northern Europe	41 941
3	United States	North America	41 557
4	Ireland	Northern Europe	40 003
5	Bermuda (overseas territory of the UK)	North America	*36 000
6	Iceland	Northern Europe	35 686
7	Denmark	Northern Europe	34 718
8	San Marino	Southern Europe	*34 600
9	Canada	North America	34 444
10	Switzerland	Western Europe	33 168

Sources: IMF -- International Monetary Fund, World Economic Outlook Database, April 2005

(\*) CIA The World Factbook (covers countries not mentioned by the IMF, information may refer to 2004 or earlier.)

**Table 3: Top 10 first world countries with the highest Human Development Index (HDI):**

S.No.	Country	HDI	GDP rank minus HDI rank
1	Norway	0.956	1
2	Sweden	0.946	19
3	Australia	0.946	9
4	Canada	0.943	5
5	Netherlands	0.942	6
6	Belgium	0.942	7
7	Iceland	0.941	1
8	USA	0.939	-4
9	Japan	0.938	6
10	Ireland	0.936	-7

Source: UN Human Development Report 2004

Countries that are associated with Warsaw Pact and less industrialized are part of the “Second world” also known as “Eastern bloc”. Soviet Union, China, Cuba, and their allies are categorized under the "Second World".

The third category of the countries are included in the category of “Third world countries” also known as developing countries, least developed countries or the Global South. These countries are neither aligned with NATO nor Warsaw Pact and are commonly characterized by high rates of poverty, economic and political instability and high mortality rates. These are economically poor or non-industrialized countries.

**Table 4: Top ten Third World Countries in Terms of their Human Development Index**

Sr. No.	Country	HDI score
1	Mauritania	0.546
2	Benin	0.545
3	Uganda	0.544

4	Rwanda	0.543
5	Nigeria	0.539
6	Côte d'Ivoire	0.538
7	Tanzania	0.529
8	Madagascar	0.528
9	Lesotho	0.527
10	Djibouti	0.524

Sources: [CIA - The World Factbook](#), [UN World Food Programme](#), [BBC](#), [OHCHR News Archive](#)

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## **1.5 DIFFERENT FEATURES OF AN UNDERDEVELOPED ECONOMY**

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Country, which is characterized by poverty, improper infrastructure, lack of government services, poor communication, few educational institutions and hospitals is known to be an underdeveloped country. Most of the people of such type of country are illiterate and only few persons have isolated islands of wealth and are living a luxurious life. The banking system is also poor and small loans have to be acquired from the money-lenders who exploit people by demanding high rate of interests and by giving loan against their properties. So, some of the characteristics associated with underdeveloped economies are:

### **1) Low per capita income:**

India's per capita net national income was about 135 thousand rupees in the year 2020. The per-capita income is a basic indicator of the wealth of a country. The gross national income at constant prices is over 128 trillion rupees. Though GNI and NNI are both indicators for a country's economic performance and welfare, the GNI is equal to the gross domestic product plus the net receipts from abroad which includes wages and salaries, property income and net taxes and subsidies receivable from abroad. On the other hand, the NNI of a country is equal to GNI minus depreciation. The per capita income of the citizens of India is less as compared to that of USA, UK, Canada, Australia and Japan. Low standards of people generally reflect the low per capita income. In India food is the major item of consumption and about 75 per cent of the income is spent on it compared to 20 per cent in advanced countries. Individuals in India generally take grains and different starches to the absolute shortfall of dietary food varieties like meat, egg, fish and dairy items. Schooling is a vital piece of the country's advancement cycle; yet just 52% individuals of India are educated. Individuals live in very polluted conditions and with no appropriate clinical consideration. 35% individuals live beneath the poverty line, who are not properly taken care of, not well dressed, poorly housed and less educated. Poverty is an essential issue confronting the country.

## **2) Inequitable Distribution of Wealth and Income:**

There is an unequal distribution of income and wealth in the underdeveloped countries like India. Only few are enjoying the economic power and the wealth and others are deprived of both the benefits. So, the gap between haves and have-nots has not been increasing day by day. Private players are gaining the advantage of monopoly in production of certain products which are leading towards the concentration of wealth in the hands of few. This gap is required to be shortened which will remove the inequality in distribution of Income in the economy.

## **3) High dependability on Agriculture:**

In an underdeveloped country like India, majority of the people live in rural areas and are highly dependent on agriculture and less industrialization prevails in such countries. According to the data of Food and agriculture organization (FAO) in India, 70 percent of its rural households still depend mainly on agriculture for their livelihood among whom 82 percent of farmers are small and marginal. The higher share of the national income is derived from agriculture and its allied activities, and it contributes 16-17% of India's GDP whereas the share of the manufacturing sector is very less. In a developed economy like USA only 3 per cent people are dependent upon agriculture and there is high level of industrialization. This high dependance on agriculture is the important element of poverty because agriculture in India is not so productive as agriculturists are either not aware of the new methods and technologies of production or they themselves ignore such methods and want to work with the traditional methods of cultivating the crops. Also, farmers don't see any future opportunities in shifting from monocropping to crop diversification which is the most important component of sustainable agriculture due to lack of legal guarantee on the MSP for the crops that they grow.

## **4) High level of growth in population:**

The population of India has been increasing at a disturbingly high rate. India's population was 85 crores in 1991 and now it has increased to 138 crore and its population is equivalent to 17.7% of total world population. India ranks number 2 in the list of countries by population. The population density in India is 464 per Km square and the total land area is 2,973,190 Km square. 35% of the population of India is living in urban areas. India is facing a big issue as death rate is falling without an equivalent decline in birth rate. Due to rapid growth of population, ratio of people to land and other sources of raw materials also increases which in turn leads to reduction in production per unit of variable cost. India is also facing low life expectancy which means there are more children below 15 years of age which accounts for nearly 40 percent of total population who are required to be supported and very few adults on whom they can depend upon for their subsistence which impedes the rate of economic growth. The data related to population of India in year 2020 is presented in table no.5:

Table No.5: Population of India in year 2020 and its comparison with other countries:

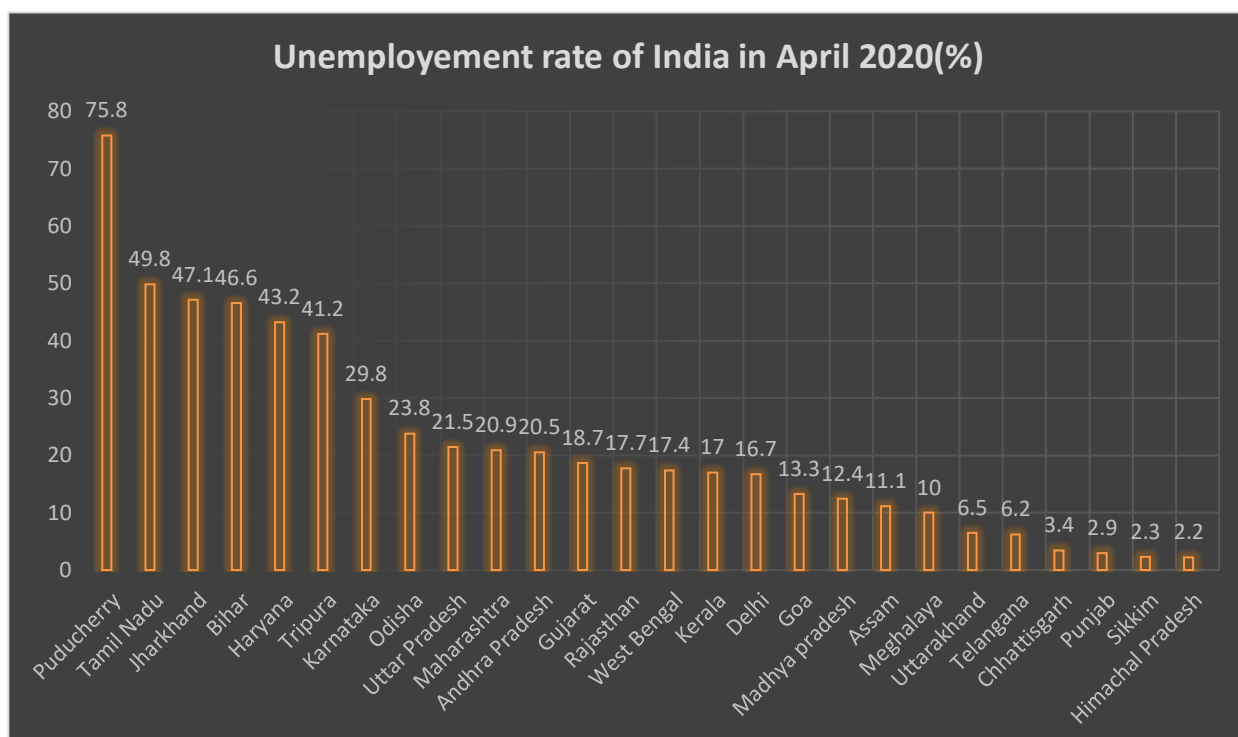
Sr. No.	Country	Population (2020)	Yearly change	Net change
1	China	1,439,323,776	0.39%	5,540,090
2	India	1,380,004,385	0.99%	13,586,631
3	United States	331,002,651	0.59%	1,937,734
4	Indonesia	273,523,615	1.07%	2,898,047
5	Pakistan	220,892,340	2.00%	4,327,022
6	Brazil	212,559,417	0.72%	1,509,890
7	Nigeria	206,139,589	2.58%	5,175,990
8	Bangladesh	164,689,383	1.01%	1,643,222
9	Russia	145,934,462	0.04%	62,206
10	Mexico	128,932,753	1.06%	1,357,224

Source: **Worldometer** ([www.Worldometers.info](http://www.Worldometers.info))

##### 5) Unemployment and Underemployment:

Unemployment and underemployment are a vital feature of Indian economy as supply of labour exceeds the demand for labour and it is very problematic to offer profitable employment to all. According to the CMIE survey, which was started in 2016, it is observed that India's unemployment rate has increased to its highest level i.e., 23.5% in April 2020 due to the outbreak of COVID-19. The unemployment rate in urban India stood at 24.95%, while in rural India it was 22.89% Highest unemployment rate of 75.8% was recorded in Puducherry followed by 49.8% in Tamil Nadu 47.1% in Jharkhand 46.6% in Bihar and 43.2% in Haryana.

**Fig 1:** State wise unemployment rate of India in April 2020(%):



Source: CMIE survey

There are two explanations for unemployment in urban areas. First, the industrial sector has failed to develop at a fast rate due to lack of capital which gave rise to an industrial unemployment. Secondly, the demand of white-collar jobs has increased due to the advancement in educational sector and urban economy is unsuccessful in providing the jobs according to the requirement of the job seekers.

#### 6) **Technical Backwardness:**

The technological base of underdeveloped countries is not well established. India has also continued to use outdated and traditional methods of production which were discontinued long ago by the developed countries like United states of America. India's ranking in digital competitiveness fell to the 48th position in 2020 which was 44<sup>th</sup> in the year 2019. Still, lot more is required to be done in order to make India more technically equipped. Illiteracy and lack of skilled labour are the major hindrances in the escalation of technological advancements in the backward economy. Further the shortage of capital also hampers the process of getting rid of old technologies and replacing it with modern technologies.



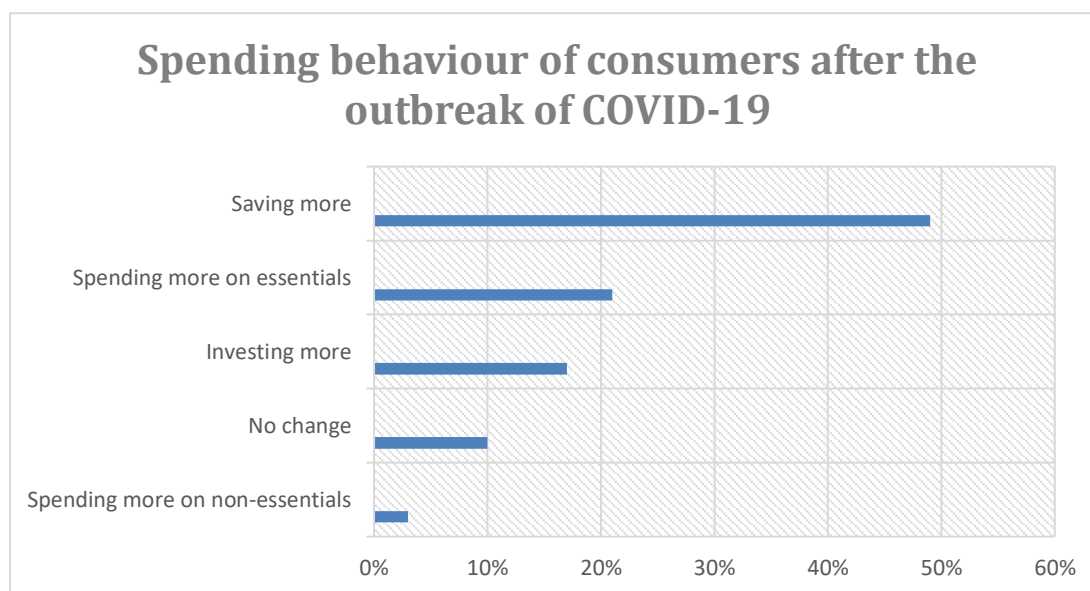
### 7) A Dualistic Economy:

Indian economy is known to have a dualistic economy as it embraces the characteristics of both underdeveloped as well as advanced economy. A large proportion of people belongs to rural areas and are backward and are indulged in farming and very less proportion of people belong to rich and developed class and are more industrialized. The developed part of economy uses modern techniques of production and monetary and fiscal measures are also effective. The underdeveloped part comprised of agriculture and the people are self-sufficient and transactions are based on barter system. Most of the credit is acquired from money lenders and the income of the people of this economy is very low. Therefore, we can say that Indian economy is a dualistic economy.

### 8) Shortage of Capital:

There is a slow rate of capital formation in underdeveloped countries like India and the reasons for this slow rate are the less ability and willingness to save and further savings are not mobilized in productive way. As, poor people find it difficult to save certain amount from their earnings which in turn leads to lack of capital formation. Even people have the ability to save, still they believe in more spending rather than saving. Further, most of the savings of the people are kept in the form of gold and cash which are not invested further in fruitful way. Due to shortage of capital, people invest their available capital in agriculture and labor-intensive consumer goods industries and invest less in the heavier capital-intensive capital goods industries. After the outbreak of COVID-19 about 90 per cent of Indian consumers had changed their spending behaviour as per the Consumer Spending Sentiment Index Report' by Intermiles and 70 percent of consumers have secured their future by increasing savings and investments. If we talk about spending, 21 per cent of consumers have increased their spending on essential products, while only 3 percent of consumers have increased their spending on non-essential products.

**Fig 2:** Spending behaviour of consumers after the outbreak of COVID-19:



Source: Consumer Spending Sentiment Index Report' by Intermiles

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## 1.6 MODERN PERSPECTIVE OF THE THEORIST ON DEVELOPMENT

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Various theorists have contributed in the concept of development by providing various theories such as Karl Marx has given the theory of Economic Determinism, Comte has explained the Stages of Development, Durkheim gave Holistic and Functionalist Approach, Charles Darwin gave Evolution Theory, Thomas Malthus explained Principles of Population, Rodney gave Dependency Theory, Wallestein gave World System Theory etc.,

Rostowian (1960) theory identifies the stages of development through which every country has to pass in order to become developed

**1. *Traditional society*:** this stage is characterized by subsistence farming with intensive labour and low level of trading. Further, there is an absence of access to contemporary science and technology.

**2. *Preconditions for take-off*:** the features of this stage are specialization, manufacturing of surplus goods and trade as society starts to move towards manufacturing. Physical infrastructure is installed such as roads, railways etc., to support trade.

**3. *Take-off*:** in this stage industrialization increases as it is a short period of rigorous growth and the economy shifts from agriculture to manufacturing. Workers shift their concentration towards the new industry.

Table 5: Tentative take-off dates

Country	Take-off PPeriod
Great Britain	1783-1802
Russia	1890-1914
United States	1843-1860
Germany	1850-1873
Canada	1896-1914
China	1952
India	1952

Source: Rostow, W. W. (1962)

**4. *Drive to maturity*:** in this stage wider industrial and commercial base is developed and the economy expands itself into new areas and there is less dependance on imports.

Table 6: Tentative drive to maturity dates

Country	Maturity Year
Great Britain	1850
Russia	1950
United States	1900
Germany	1910
Canada	1950

Source: Rostow, W. W. (1962)

**5. High mass consumption:** this stage is characterized by mass production and consumerism. According to Rostow, western country like United States has occupied this last stage i.e., the stage of mass production. Per capita income of country increases to such a high level that consumption pattern of people increases from basic necessities of life such as food, clothing and shelter to luxury products. High industrialization leads to urbanization and people start to prefer those luxurious products which increases their standard of living. These new industries manufacturing durable consumer goods turn out to be the new leading sectors of economic growth.

## **1.7 DIFFERENT STEPS TOWARDS SUSTAINABLE DEVELOPMENT OF A COUNTRY**

An underdeveloped country like India can become developed as well as world power if its government follow various measures. So below given are some of the measures which can be adopted by different underdeveloped countries in order to improve its economy which could further shift them from the category of underdeveloped countries to developed countries:

- 1) By controlling quickly increasing population as it is the root cause of various problems such as poverty, crime, unemployment, illiteracy, pollution etc.,
- 2) Poverty is required to be eradicated from the country in order to improve the economy of the country. So, there must be equal distribution of various resources and the upper and lower segment of the society.
- 3) Literacy rate should be increased by providing free education and by making education compulsory for all. Various initiatives should be taken to increase the awareness among the lower segment of the society so that they willingly provide schooling to their kids. When country will achieve this goal of maximum literacy, then it will turn out to be easier for the government to improve the adoption of ICTs, mobile payment apps etc., among the citizens.

- 4) By creating employment opportunities for the youth of the country so that they do not migrate to other countries in search of career opportunities. By generating employment for the people, human resources of the country will be properly utilized and country will progress.
- 5) By reducing pollution which further impacts the well-being of the individuals and affects their competence through various form of diseases.
- 6) By controlling the crime rate because a peaceful country can progress more rapidly than the countries where crime rate is very high.
- 7) By making some effective laws which will put an end to corruption as India is on 87<sup>th</sup> position in international corruption index.
- 8) By bringing back the black money which is hidden abroad in foreign banks which will be further used in the development of the country.
- 9) Using latest and modern technologies of production which will further assist India in becoming self-sufficient in production of different categories of food grains and will also reduce the dependency on other countries.
- 10) Proper income tax policy should be adopted which will further motivate the individuals to not to refrain from tax dodging.
- 11) By equally distributing the natural and other resources of the country.
- 12) By establishing more industries which will further generate employment for the people of the country and national income will also rise by following the concept of rapid industrialization.
- 13) Abolishing reservation and preference should be given on the basis of the merit instead of caste in public employment. By following this approach companies can hire and retain skilled people which will further lead to the better development of the country.
- 14) India still basically depends upon countries for its defence equipments such as aircrafts, tanks, spy satellites etc., India must become self-sufficient in the manufacturing of all of its defense equipment in order to become a super power.

Various other factors are also there which a country should follow in order to sustainably develop itself. But by strictly following these steps which are mentioned above, country can move itself from the position of underdeveloped to developed country.

**CHECK YOUR PROGRESS**

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

1) Explain the difference between economic growth and development.

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2) Explain the concept of first, second and third world countries.

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3) What are the most useful indicators of development?

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4) What features differentiate underdeveloped economy from a developed economy?

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**1.8      R O L E      O F      T H E      I N F O R M A T I O N      A N D  
C O M M U N I C A T I O N      T E C H N O L O G Y      I N      T H E  
D E V E L O P M E N T      O F      A      C O U N T R Y**

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Today information and communication technology such as radio, television, mobile phones computers, Internet have changed how we do different things. Everything is going online like instant data access, social media, e-commerce, mobile communication, cloud computing and the Internet-of-things. In our globalized knowledge-based world, the spread of mobile phones, communication systems and internet infrastructure had a great impact on trade and

development. Information and communication are critical tools for job creating, e-commerce and economic growth. So, there is a link between Information and communication technologies and economic growth. It is observed in various studies that increase in the equipment of mobile broadband leads to increase in economic growth which is closely related to productivity and further productivity leads to sustainability because with increase in productivity poverty can be reduced with more rapid rate and this is very important from the perspective of policy and sustainable development. Increase in ICT development can lead to increase in growth and welfare of the population as maximum companies are using internet networks in transferring huge data. But benefits that we get from ICTs cannot be taken as granted. In order to make ICT useful for development, there is a need to expand the access to affordable infrastructure. So various frameworks such as legal, institutional and policy frameworks are required to be created by the government for productive use of ICTs. **ICT has changed the way people live and work and has linked the world through networking** as people can interact with each other anywhere around the world without travelling from one place to another. Okwuonu (2015) has discussed the role of ICT in eradicating poverty by also creating the employment opportunities for many people. Education sector is also experiencing growth with the help of ICT as access to information through ICT increases the knowledge and skills of the person accessing it.

As the government consider education as a main factor for development of the nation and for the educational development, all the schools should have ICT-driven education system and students should have proper access to information. The role of ICT in education is explained in the following point:

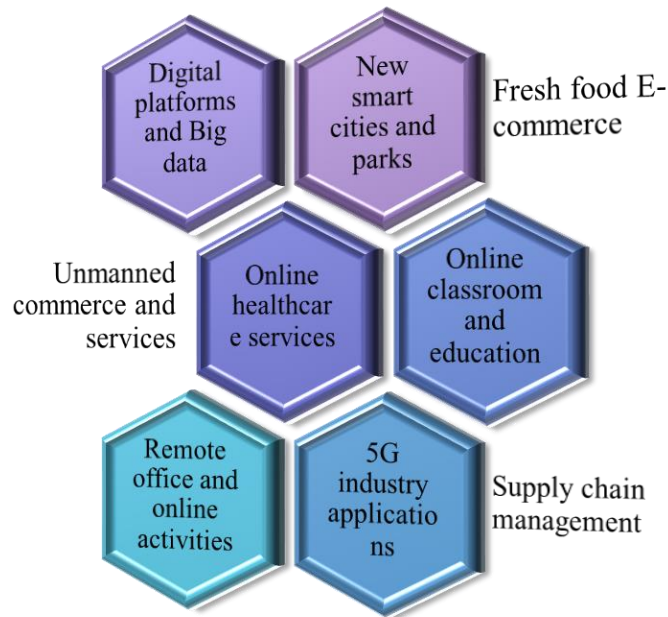
- 1) ICT helps to bring a vital change in teaching and learning methods and assists in overcoming the barriers of time and place by providing never-ending prospects for students and teachers through research and learning on the internet.
- 2) It can provide knowledge and skills to the students on computer, internet and other digital equipped devices which will further help students by making them more experienced and comfortable. It can also help the students in accessing digital information which further assists in solving various issues/problems.
- 3) Helps in accelerating learning process by increasing the efficiency of teachers and by replacing the current face-to-face interaction.

Increases the information base of the students through which they can react intelligently to any future changes.

After the outbreak of COVID-19, various facets of human lives have been affected. Several businesses have been even temporarily shut down due to the various restrictions imposed by the government in order to control the spread of this deadly virus which included wearing masks, social distancing, washing hands time to time etc., But due to the non-seriousness of people regarding the various measures, government had to impose area wise lockdown in various states. But many businesses are still running effectively by taking support of ICT technologies through which employees can work remotely by sitting at their homes and in a safe environment and various other benefits can also be availed with the utilization of ICT technologies such as: Digital payment and Online shopping in which face to face interaction

is not required and maximum safety is assured. Various areas where ICT application has been increased after the outbreak of coronavirus are education, health, finances, banks, administration, insurance, industrial factories, ...etc.). So, the outbreak of COVID-19 has brought various ICT opportunities such as:

**Fig 3:** Major ICT potential opportunities after the outbreak of COVID-19.



Source: Aljumaily (2020)

This pandemic has taught the importance of preparing ICT infrastructure in early stages as it is not less important than other areas such as education or health. We have also learned that the international economic system is extremely susceptible and can be shattered simply by any health or crisis. So, this encourages us to improve the self dependance systems such as ICT services and applications.

**ACTIVITY**

Discuss the current situation of COVID-19 in your area and how you think Information and communication technologies has helped you to conquer the negative consequences of this ongoing pandemic?

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## 1.9 LET US SUM UP

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Development is a wide ranged societal process which can benefit the underdeveloped nations by shifting them from their current state of economic backwardness and slow sociocultural change to a more unique state which involves sustainable economic growth as well as sociocultural and political transformation that improves the quality of life of all members of society. Country which is characterized by poverty, improper infrastructure, lack of government services, poor communication, few educational institutions and hospitals is known to be an underdeveloped country. Most of the people of such type of country are illiterate and only few persons have isolated islands of wealth and are living a luxurious life. These types of countries are also called “Third world countries”. Some of the steps can be followed in order to develop an economy sustainably are controlling quickly increasing population, by eradicating poverty, by increasing literacy rate, by reducing crime rate, by establishing more industries, by developing modern technologies like ICT which could help in acquiring required information etc., Information and communication are critical tools for job creating, e-commerce and economic growth. So, there is a link between Information and communication technologies and economic growth.

In order to make ICT useful for development, there is a need to expand the access to affordable infrastructure. So various frameworks such as legal, institutional and policy frameworks are required to be created by the government for productive use of ICTs. Outbreak of COVID-19 has also shifted various people from Non-ICT to ICT as ICT usage has helped them in making digital payments, online shopping, online businesses which are more secure than face to face interactions. So, the growth of ICT will keep on increasing in future also because it has taught the people and helped them in exploring more businesses which can be done online which will further enhance the economic growth of the countries.

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## 1.10 KEY WORDS

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- 1) **Information and communication technologies (ICT):** ICT refers to all the communication technologies such as internet, wireless networks, cell phones, computers, video-conferencing, social networking etc., which enables the users to access, store, spread and manipulate information which in an electronic form.
- 2) **Gross Domestic Product:** The sum total of volume of goods and services produced in an economy
- 3) **Gross National Product:** GDP plus net factor income from abroad
- 4) **Third world countries:** Also known as developing countries, least developed countries or the Global South. These countries are neither aligned with NATO (North Atlantic Treaty Organization) nor Warsaw Pact and are commonly characterized by high rates of poverty, economic and political instability and high mortality rates. These are economically poor or non-industrialized countries.
- 5) **Sustainability:** The capability of being maintained at a certain rate or level



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## 1.11 REFERENCES AND SUGGESTED READINGS

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# **PROGRAMME: CERTIFICATE COURSE IN RURAL MANAGEMENT**

## **COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES**

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### **UNIT 1B : RURAL DEVELOPMENT PLANNING**

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#### **Summary:**

#### 1.0 OBJECTIVES

#### 1.1 INTRODUCTION

#### 1.2 RURAL DEVELOPMENT

##### 1.2.1 OBJECTIVES OF RURAL DEVELOPMENT

##### 1.2.2 NATURE AND SCOPE OF RURAL DEVELOPMENT

##### 1.2.3 RURAL DEVELOPMENT STRATEGIES IN INDIA

#### 1.3 CONCEPT OF PLANNING

##### 1.3.1 PLANNING FOR RURAL DEVELOPMENT

##### 1.3.2 TECHNIQUES OF RURAL DEVELOPMENT PLANNING

##### **1.3.3 RURAL DEVELOPMENT PLANNING PROCESS**

#### 1.4 INNOVATIVE IDEAS FOR RURAL DEVELOPMENT IN INDIA

#### 1.5 LET US SUM UP

#### 1.6 KEY WORDS

#### 1.7 REFERENCES AND SUGGESTED READINGS

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### **1.0 OBJECTIVES**

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#### **After reading this chapter, you should be able to:**

- Explain the concept of rural development-its nature, objectives, scope, etc;
- Describe the notion of planning, its importance, components, process, etc;
- Clear the concepts on planning for rural development, various approaches of rural development planning, and a brief retrospective of rural development planning in India;
- Explain which innovative ideas can be followed to develop a rural economy of India.

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### **1.1 INTRODUCTION**

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The majority of the population in India lives in a village in the rural area and they don't have access to even basic facilities. People in rural areas are still dependent on agriculture to earn their livelihood. Mahatma Gandhi once said the real development does not mean the growth

of industry and expansion of urban areas, but real development lies in the progress of people by providing with them all necessities of life in the rural areas. The real development lies in the progress of villages. Why the idea of real development of the nation moves around the progress and development of villages even today? Why do we still believe in the notion that if the villages are prospering then only, we can consider the real development of any nation, though industrialization is in the progress and we are thinking of smart cities planned colonies, etc. in this modern era? Still, we give preference to the development of rural development why?

The answer lies that one-fourth population of the country lives in villages and under miserable conditions. So, we can't think of the development and progress of the nation in the absence of the progress of this one-fourth population living in villages. So, this chapter will help you to understand the concept of rural development, its objective, nature, scope, strategies, concept of rural development planning, etc.,

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## **1.2 RURAL DEVELOPMENT**

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Now the question arises then what does rural development mean? Before moving ahead, we must have a clear idea about the concept of rural areas. According to the RBI, "Rural areas are those areas with a population less than 49000 (tier 3 to tier 6 cities)". According to the 2011 census, the rural area houses are 68.84% of India's population. Another definition is given by the National sample survey (NSSO) about the rural area,

"An area with the population density of up to 400 per square kilometre with clear surveyed boundaries but no municipal board". An area where a minimum of 75% of the male working population is involved in agriculture and allied activities. The reason behind the involvement of a major share of the rural population in agricultural activities is not that it is remunerative but rural labour do not have another alternative to earn their bread and butter. Hence rural India contributes of good share to India's GDP in the form of agriculture self-employment services and construction etc. Now here it will be worthy to say the development and progress of the nation is of no use if we ignore the development of around 69% population of the nation which is living in rural India. Rural development should be the key agenda in the development policy of the nation.

So, in simple words, rural development means an enhancement in the quality of life and general well-being of the people who live in rural areas. It also comprises utilization protection and enhancement of natural physical and human resources needed to make long-term improvements in rural living conditions. In other words, rural development is a very wide term that covers the comprehensive area of development its talks about the development of those areas which are lacking behind in the overall development of the rural economy.

Some areas which facing challenges in the development in rural areas are such as: -

- 1) New skill development among rural people.
- 2) Infrastructure development like irrigation, electricity, transportation facilities, facilities for agriculture research, and extensions.
- 3) A special initiative for poverty alleviation
- 4) Credit facilities.

- 5) Improving the standard of living of the poor
- 6) Family planning campaigns
- 7) Education programs
- 8) Sanitation and public health.
- 9) Providing employment opportunities by establishing industry and service sector in rural areas.
- 10) Land reforms.

According to Dr. S. Vijay Kumar, in the present day, the term inclusive rural development is more specific than the term rural development which covers three different dimensions but otherwise, they are interrelated, and these are: -

- a) Economic dimensions.
- b) Political dimensions.
- c) social dimensions.

In economic dimensions, it covers capacity building and creating opportunities for poor and low-income households and their participation in economic activities and growth while providing them economic benefits from the economic growth. Under the social dimension providing social security to the poor, women empowerment protection to children, promotion of gender equality, and equal participation of men and women in social development. Political dimensions take into consideration the involvement and participation in political matters of poor and low-income people at village level two equal participation in the political matters at village level. It also considers the Equal participation of men and women in village politics.

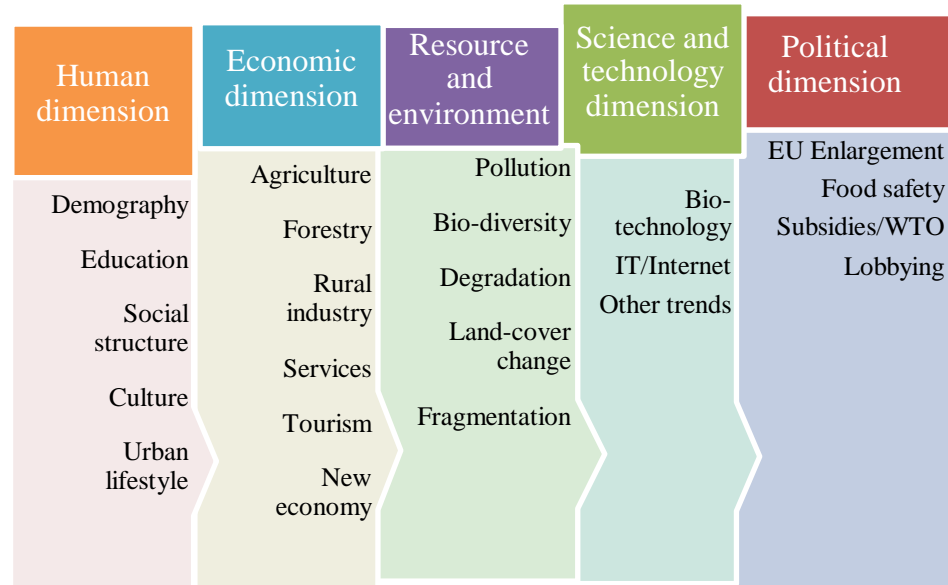
Following are the key areas covered under rural development: -

- 1) Providing primary health services to every village.
- 2) Improving the standard of living of poor and low-income rural people by providing them employment opportunities and increasing their productivity.
- 3) Ensuring the equal involvement of people in rural planning and development, political and administrative positions at the village level.
- 4) Providing justice and equal opportunities to the rural people.
- 5) Providing uninterrupted electricity supply clean potable water, drainage system safe roads, transportation facility and means of communication.

Rural Development is a comprehensive term that essentially focuses on action for the development of the areas that are lagging in the overall development. Planning for rural development has gained importance in recent times because of the growing realization that benefits from development have, by and large, by passed large

segments of rural society. At the same time, it has been recognized that the organization and structure of the process planning must be modified so that policies and programs reflect the development needs of rural areas. There are various dimensions of rural development which can be classified as:

**Fig 1: Dimensions of Rural development**



- Human dimension:** The basis of any development are people. It will be very difficult to bring a positive change in the economy, if enormous out-migration of young people take place in rural areas or if large numbers of farmers are above the age of 65. So, the human dimension consists of the Demography, Education, Social structure, Culture and Urban lifestyle. We must also contemplate the effect of change in urban lifestyle on the rural areas such as change in the consumption of food, leisure activities etc.,
- Economic Dimension:** Agriculture and forestry are the most important economic activities in rural areas. Most of the rural people are dependent upon Agriculture or other allied activities related to agriculture for their livelihood. That is why, subsidies of agriculture are on higher side in comparison to other sectors. Agriculture and other allied activities make a huge contribution in the total output of the country as well as generates more employment than any other sector. Even if the contribution of agriculture sector is output as well as employment is decreasing day by day, still it is the main sector which provides more employment opportunities to the rural people. Today, other sectors are also gaining more importance such as rural services and rural industry and people are shifting more towards these sectors as they provide more income and better standard of living and also consider the well-being of the people. In order to develop an economy, integrated development of all the sectors is much important.

- **Science and technology dimension:** Now-a-days each sector of modern society is affected by the various developments that took place in science and technology. So, for this we must study the impact of latest bio-technology on livestock production, agriculture and food industry. It must be examined that what type of technologies can be expected in future and how they can impact the development of rural sector. As we can see the impact of technology in various sectors such as tourism and direct marketing which opens new areas for the development of an economy. It consists of Bio-technology, IT/Internet, Other trends
- **Environment and resources dimension:** Rural development can be proved to be beneficial if it does not waste different essential natural resources (like water), if it does not increase air or water pollution in future, if it preserves culture landscape etc., Every activity which is required in order to develop an economy must be consider and evaluated on the basis of its effect on the environment. As rural people are mostly dependent upon natural resources for their economic activities such as tourism, forestry, food production etc. So, environment and natural resources must be preserved for the sustainable development of any economy.
- **Political dimension:** Opinion of the public and their participation in political debate about the development priorities are major dimensions for bringing a change in rural economy. It can be seen from previous protests that was done by farmers which bought a huge change in agricultural policies of Europe both on national and EU level. So, rural development must take into account the political pressures also along with the other dimensions.

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### 1.2.1 OBJECTIVES OF RURAL DEVELOPMENT

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Rural development programs, in the Indian context, have aimed at achieving a number of objectives:

1. Changing the attitude of rural people towards development and transformation of the village community
2. Endorsing the democratic leadership at a lower level which can also be called a grass root level by setting up self-governments at a local level.
3. Providing basic amenities such as fresh drinking water, health care facilities, proper sanitation, housing, and employment opportunities.
4. Improving infrastructure facilities in villages, particularly transport and communication facilities, etc.
5. Ensuring a tension-free life for the rural population by promoting communal harmony and unity, level of literacy education, and cultural activities.

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## **1.2.2 NATURE AND SCOPE OF RURAL DEVELOPMENT**

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Rural development denotes the overall development of rural areas. It covers besides agricultural development, a comprehensive set of activities, pertaining to all aspects of the rural economy. Rural development confers a benefit on a number of classes of cultivators, landless labour, and rural artisans. So, it requires a vast infrastructure. Provision of this is not an easy task because it has to be undertaken by the government. However, evolving and appropriate technology has to simultaneously achieve the twin objective of raising growth rates and stepping up opportunities for employment the setting up of appropriate institutions and coordinating their activities are crucial for any rural development strategy.

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## **1.2.3 RURAL DEVELOPMENT STRATEGIES IN INDIA**

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1. Provide MSP (Minimum support price) for various crops to the farmers apart from providing crop
2. insurance.
3. Irrigation facilities for all the agricultural fields should be provided.
4. Electricity for farmers should be supplied at subsidy rates.
5. Instead of giving directions. Cash into the Hands farmers government has to provide free of cost all required inputs like quality seeds, fertilizers, pesticides, etc.
6. Establish new agricultural godowns in addition to the existing godowns.
7. For purchasing tractors, electric and crop failure due to floods, etc. govt. must provide loan facility to the farmers

8. Programmes to improve agricultural production and marketing should be organized

### CHECK YOUR PROGRESS

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

1) What is Rural Development? Discuss the various objectives and nature of Rural development.

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2) Explain the scope and importance of Rural development.

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3) Explain the concept of rural society and elaborate its features.

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### 1.3 CONCEPT OF PLANNING

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Planning is the process of thinking and deciding in advance the future course of action. It means deciding in advance What, how, when, and who will perform the activities that are required to achieve the desired goal. Planning is always done before any other activity. It consists of a selection of goals and objectives that are required to be achieved and the actions to achieve those objectives. That is why every organization gives more emphasis on planning.

Some of the features of Planning are:

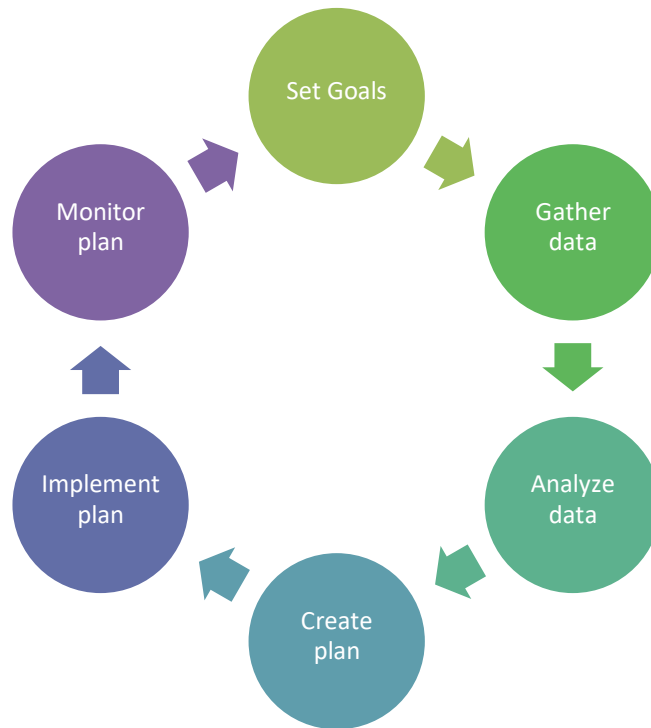
- 1) It involves decision making
- 2) It is a managerial function as it is done by the top level of management.
- 3) Goal-oriented as it focuses on the long-term goals of the organization
- 4) It is an intellectual activity
- 5) It is a future-oriented activity
- 6) It is a continuous activity -Never ending activity



- 7) It is pervasive- Planning is everywhere, in every organization, and at each level of organization.

Planning is also done in a systematic way by following various steps. So, planning is done by following a proper process which is depicted in the given figure:

**Figure 2: Planning process**

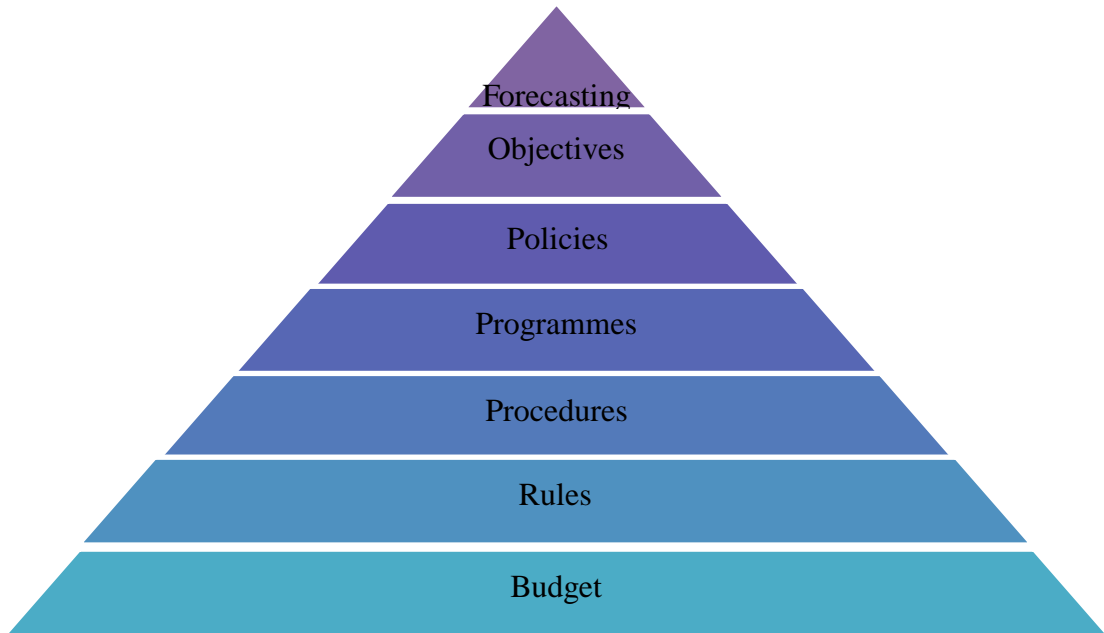


**Source: Yadav (2020)**

**Various steps involved in the process of planning are:**

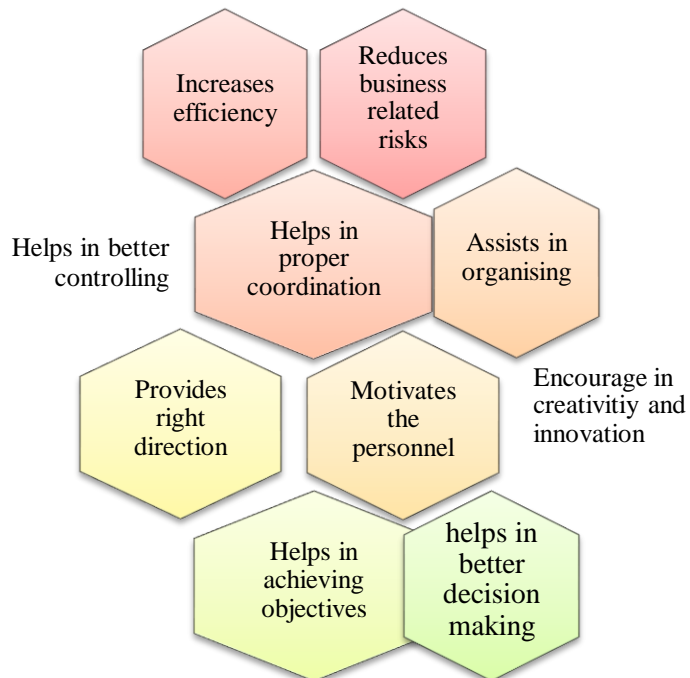
1. Identify the Necessity for Action
2. Setting various Objectives
3. Development of Premises
4. Identify the Alternatives
5. Formulation of Auxiliary Plan
6. Implementing the Plan

**Fig 3: Various components of planning are:**



**Source: Yadav (2020)**

**Fig 4: Why planning is important?**



**Source: Yadav (2020)**

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### 1.3.1 PLANNING FOR RURAL DEVELOPMENT

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Rural development planning is all about deciding in advance the various courses of action for the development of the rural society. It refers to the process of improving the quality of life and general well-being of the persons living in isolated and not well-developed areas. So, the importance of rural development planning is explained below:

- 1) It involves the development of all the areas of rural sectors such as society, culture, technology, economy, and health.
- 2) Improving the standard of living of the rural masses.
- 3) Developing the youth, children, and women section of the society
- 4) Empowerment of human resources of rural area by improving their skills, knowledge, attitudes, etc.,
- 5) Development of infrastructure facilities of rural areas.
- 6) Providing basic amenities to rural people in terms of drinking water, education, transportation, electricity, and communication.
- 7) Development of rural institutions like cooperatives, Panchayats, banks, etc.,
- 8) Development of small-scale industries, village industries, cottage industries, and other related economic operations in the rural sector.
- 9) Development of agriculture and other activities allied to the agriculture sector
- 10) Motivating the farmers to opt for high yield variety of seeds and fertilizers and further insisting them to follow modern practices of farming
- 11) Development of entertainment and recreational facilities for rural people
- 12) Improvement of rural marketing facilities
- 13) Improving the employment opportunities for the rural sector people
- 14) Rural development planning is done to sustainably develop rural areas.
- 15) To eradicate rural poverty.

A decentralized planning approach can be opted for a country like India. It involves the delegation of decision-making responsibility to the lower levels of administration. The process of planning is decentralized from national level to state level and then from state to regional level which is further transferred to district level and then sub-divisional level and in the end, it is decentralized from sub-divisional level to the village level. It is also known as grass-root level planning whereas planning which is done at the top level is termed as centralized planning or macro-level planning. Thus, we can say that the benefits of decentralized planning exceed centralized planning as it offers an opportunity to the people by involving them in decision-making through which they can demonstrate their capabilities in a more effective way.

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### 1.3.2 TECHNIQUES OF RURAL DEVELOPMENT PLANNING

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Based on the progressive changes in the approach the techniques evolved for rural development. Planning can be described under three categories:

1. Growth center technique
2. Welfare oriented technique
3. Responsive technique
4. Integrated development technique

- **Growth Oriented Technique**

This approach relies upon the philosophy of rational decision-making by the rural areas people just like other people who make full utilization of their decision-making power and try to maximize their incomes as much as possible if provided with the proper opportunities. This is the most suitable approach for integrated planning of rural development. It works on the principle of equal accessibility of all the facilities services as well as local administration like panchayats for all the people of rural areas and that too within easy reach for the total population.

The basic aim of the state under this approach is to build infrastructure and provide a favourable climate to the poor people so that they can enjoy the benefits of increased production. The direction and management of all the activities of private and public agencies are done through market mechanisms. This model formed the roots for predominant agriculture development strategy when programmes like the intensive agriculture district programme (IADP) the intensive capital development programme (ICDP) and the high yielding varieties programme (HYVP) were launched. But this model was found unsuccessful in bringing any decline in the level of poverty, unemployment, and inequality.

- **Welfare Oriented Technique**

This approach aims to improve the well-being of the rural population in general and particular through various large-scale programs such as applied nutrition program, mid-day meal program, etc. The primary purpose of using this technique is to provide free Goods, services, and civil amenities to the rural areas. One of the critical assumptions of this technique is that people are not as competent in identifying and solving their problems and only government specialists can identify such problems and solve them by providing financial assistance because managerial resources are available only with the government. The welfare-oriented programs depict a mixed picture because in some areas rural poor can get benefits significantly but not in others. The two major criticism of this approach are:

1. It has created many dependencies on the government
2. It requires those resources that are even beyond the reach of the government.

- **Responsive Technique**

Under this approach, rural people help themselves by creating their own organizations and support systems. The responsibility of the government is to provide self-help resources that are not available nearby. Rural poor identify their problems and resolve them if provided with minimum support. Various examples of this technique are India's operation flood in the 1970s, Operation flight of Anand Pattern dairy cooperatives whose main intention was to modernize and develop India's dairy industry through a three-tier structure. Different voluntary agencies are also following this model of development.

- **Integrated Development Technique**

Previous approaches failed to address the issues of inequalities in the dispersal of employment, incomes, and assets. This approach is a mixture of all the positive characteristics of the previous three techniques and is intended to concurrently achieve the goals of growth, equity, welfare, and community participation. This model takes a very wide-ranging but combined view of the basic complications of poverty, unemployment, inequality and tries to find the economic, physical, technological, social, organizational, motivational, and political foundation of these problems. It refers to the series of interconnected farm and non-farm activities which focus on rural sector improvement as a whole. Various examples of the programmes which followed this approach are the anti-poverty programmes launched in the year 1970 in India such as the integrated Rural Employment Programme and Training of Rural Youth for Self -Employment.

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### **1.3.3 RURAL DEVELOPMENT PLANNING PROCESS**

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- **FIVE YEAR PLANS**

The main vehicle of planning in India, however, is a five-year plan. We began the process in 1951 and after three successive plans, the period between 1966 and 1969 saw three annual plans. The government formulated a draft five-year plan for 1978- 83 to give effect to its policies and programs.

Before the beginning of a five-year plan period, the Planning Commission and the state government initiate the planning exercise for example the process of preparing the eight-year plan (1990-85) began in 1987. The approach, strategy, and main issues (growth rate, resources mobilization, social justice, considerations) are discussed within the Planning Commission through a series of internal meetings.

The central ministries begin their planning exercises based on the guidelines given by the Planning Commission. Some key issues of an intersectoral nature, the Planning Commission constitutes steering groups/ task force. Simultaneously the state Planning Commission department begins work to prepare the state plan proposals. The departments are asked to prepare the sectoral proposal which is then reviewed, modified, and integrated within the

overall state plan frame, taking into consideration the state's priorities and the resource position.

All the exercises of central ministries and state government were completed by the Planning Commission, the central and state plans were integrated and outlays for various sectors as well as programs in these sectors were indicated. The approval of the Planning Commission, the union cabinet, and the NDC is then sought.

- **ANNUAL PLANS**

Annual plans are prepared both ways by the central ministries and state government for the sector concerned within the time framework of the respective five-year plan.

The central ministries/dept. prepare their annual plan proposals and submit them to the Planning Commission. The planning departments keep in mind the requirements of spill over expenditure on continuing schemes. Funds required to meet the commitment already made by the government and funds needed to maintain the tempo of development and also the new programs that could be taken up in the next year, subject to availability of resources.

Keeping in view the requirements of the funds the estimates of likely resources that can be mobilized, as also the intersectoral priorities a tentative annual plan ceiling with its sectoral physical and financial breakup is prepared and submitted for approval to the Council of Ministers. Thereafter the sectoral financial allocations are intimated to the departments concerned, which make the planning exercise and submit the sectoral plan, the scheme-wise proposals for preparation of the time annual plan document to be submitted to the Planning Commission.

A consolidated draft document is prepared and submitted to the Planning Commission. The proposals are discussed in the working groups constituted by the Planning Commission with representatives of the state government. The suggestions of the working groups are considered and finalized in a meeting between the chief minister, the minister in charge of the planning of the state, and the deputy chairman of the Planning Commission. The state government, thereafter, integrates this annual plan into their annual budget which is presented to the state legislature normally in February or March

- **BUDGET**

The budget which is prepared at the union and state government level every year is an instrument of fiscal policy. It covers the period between 1st April and 31<sup>st</sup> March of the next year. It includes both the receipts and expenditures of the government. It includes the non-plan and plans expenditures. The plan expenditures are a development budget of the government and reflect the annual plan of the government. It aggregates the annual plans of the various ministers/departments in the case of the central state plan.

- **MID-TERM APPRAISAL**

Normally during a five-year plan, a mid-term appraisal is undertaken by the Planning Commission. In the case of the seventh five-year plan 1985 -90, this was undertaken by the Planning Commission during 1987-89. This exercise provides an opportunity to review the progress of the plan and generate signals for action both for the remaining period of the five-year plan and the possibility for the next 5-year plan also.

The process followed for the 7<sup>th</sup> plan midterm appraisal was that sectoral assessments were prepared by the subject divisions of the Planning Commission. The ministries concerned were also involved by the Planning Commission in the review of the progress. The current problems and issues and the course of action. The document approved by the Planning Commission was then placed before the NDC and was tabled in the two Houses of Parliament.

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## **1.4 INNOVATIVE IDEAS FOR RURAL DEVELOPMENT IN INDIA**

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- **Utilization of local resources:**

If there are water resources like rivers and tanks nearby villages in summer itself, arrangements must be made to tap this resource by removing slit in the tanks constructing new reservoirs, bunds, canals and simultaneously strengthening the existing ones so that the water cannot go waste. Similarly, if there are any mines like iron, coal, and granite, they should be excavated so that the local population can be provided employment

- **Establishment of rural industries:**

All the village industries come under the following broad categories

- Agro-based industries
- Forest-based industries
- Textile Industries
- Engineering and Services

- **Services:**

There are a wide range of services including Mobile Repair, agriculture Machinery services, etc. which are being undertaken in this category:

1. **Computer and Internet Services:**

Providing computer training and repairing services, Internet-based business, like e-commerce, rail, and bus ticket booking digital marketing social media marketing

2. **Encourage rural entrepreneurship:**

This may be of the following types

- a. Individual entrepreneurship
- b. Group entrepreneurship

- c. Cluster formation entrepreneurship
- d. Corporative entrepreneurship

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## 1.5 LET US SUM UP

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Rural development means an enhancement in the quality of life and general well-being of the people who live in rural areas. It also comprises utilization protection and enhancement of natural physical and human resources needed to make long-term improvements in rural living conditions. In other words, rural development is a very wide term that covers the comprehensive area of development as it talks about the development of those areas which are lacking behind in the overall development of the rural economy. Rural development planning is all about deciding in advance the various courses of action for the development of the rural society. It refers to the process of improving the quality of life and general well-being of the persons living in isolated and not well-developed areas.

Various approaches of rural development planning are named as Growth center technique, Welfare oriented technique Responsive technique, and Integrated development technique. Various innovative ideas which can be followed for the development of rural areas are by establishing the rural industries, utilizing local resources, providing computer training and repairing services, and encouraging rural entrepreneurship. So, it can be observed that rural development programs should combine infrastructure development, education, health services, and investment in agriculture and the promotion of rural non-farm activities in which women and the rural population can engage themselves. Government should go for appraisal of various rural Development Schemes and Programmes in order to uplift rural areas.

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## 1.6 KEY WORDS

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- 1) **Self Help Groups (SHG):** Informal groups of people who come in a collective way to address their shared glitches.
- 2) **Minimum Support Price (MSP):** Price set by the government for the agriculture products which are purchased directly from the farmers to support them by providing them minimum profits for their harvest
- 3) **Decentralised planning:** Delegation of decision-making responsibility to the lower levels of administration.



## CHECK YOUR PROGRESS

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

1) Explain briefly, in your own words:

a) Five Year Plans

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b) Annual Plans

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2) Define the term planning and explain the role of planning in rural development.

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3) Explain the Growth centered and integrated development approach of rural development planning.

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### 1.7 REFERENCES AND SUGGESTED READINGS

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# PROGRAMME: CERTIFICATE COURSE IN RURAL MANAGEMENT

Course: Rural Development: Planning and Programmes

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## UNIT 2: DECENTRALIZED PLANNING

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### Summary:

- 2.0 OBJECTIVES
- 2.1 INTRODUCTION
- 2.2 DECENTRALIZED PLANNING
  - 2.2.1 DECENTRALISED PLANNING IN INDIA
- 2.3 MULTI-LEVEL STRUCTURE OF PLANNING
  - 2.3.1 MERITS AND DEMERITS OF DECENTRALISED PLANNING
  - 2.3.2 IMPORTANCE OF MULTI-LEVEL PLANNING IN INDIA
- 2.4 MULTI-LEVEL PLANNING IN INDIA
  - 2.4.1 GRAM PANCHAYAT
  - 2.4.2 PANCHAYAT SAMITI
  - 2.4.3 ZILA PARISHAD
- 2.5 OBSTACLES AND ISSUES IN DECENTRALISED PLANNING IN INDIA
- 2.6 SUGGESTIONS FOR IMPROVING THE PERFORMANCE OF DECENTRALISED PLANNING IN INDIA
- 2.7 LET US SUM UP
- 2.8 KEYWORDS
- 2.9 REFERENCES AND SUGGESTED READINGS

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### 2.0 OBJECTIVES

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#### After reading this chapter you should be able to :

- Create a clear understanding of decentralised and multi-level planning.
- Understand the current scenario of decentralised planning in India and how its performance can be enhanced.
- Understand the structure and importance of multi-level planning along with its merits and demerits.
- Understand how these planning tools can enhance both the efficiency and transparency in resource allocation.

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### 2.1 INTRODUCTION

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Since the formation of the Indian constitution, the Government has formulated several five-year plans focusing on different sectors of the economy and society. These five-year plans were developed, implemented and reviewed by a central agency known as the 'Planning Commission of India'. With the nature of plans highly central in nature, the plans have suffered majorly in development and implementation as they did not include all fractions of the system i.e. bottom, middle and top. This is where decentralized and multi-level planning makes the most sense. These planning processes include allocation of responsibilities at

different levels i.e. the process of developing, implementing and reviewing is decentralized, unlike the central system where all these tasks are given to a central authority. The decentralized process holds immense value in a country like India where there are wide social, demographical, economical, political and climate disparities and making the process decentralized can result in the formation as well as the implementation of these tasks as per local conditions. It is necessary for designing coordinated projects, making programmes, understanding the needs of all the regions and implementing strategies from top to bottom. However, one should understand that although a decentralized process is more realistic to local conditions, the planning at different levels needs to be coordinated and integrated to reach a wider objective. In other words, planning at all village levels should be integrated such that a task is implemented successfully at the district level. Similarly, the development and implementation of plans at district levels should be integrated at the state level and so on.

The need for decentralised planning provides the basis for multi-level planning. Multi-level planning provides more meaningful and democratic insights into the whole planning process. In multi-level planning, the national territory is divided into various small regions for proper formulation as well as the implementation of plans.

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## 2.2 DECENTRALIZED PLANNING

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**Decentralised planning is considered as the form of planning where all the plans are delegated to different level insist of central authority.** Regional and local bodies have the powers to formulate the plans according to their will and execute them as per their own choice keeping the wider objective in mind. Decentralised plans are more suitable to local conditions. In decentralised planning, there is the direct involvement of people from all levels in addressing the issues. **Decentralized planning is a type of economic system in which decision-making is distributed amongst various economic agents or localized within production agents.** Decentralised planning provides an opportunity for the local people to formulate and execute the various development plans and programmes. Hence it can be very effective for the development of activities because they can be done according to the local communities.

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### 2.2.1 DECENTRALISED PLANNING IN INDIA

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Decentralised planning is of utmost importance in a country like India, where the population is scattered across urban and rural areas and no one central agency can implement any plan successfully without involving the local people. Decentralised plans raise the involvement of the people in the formulation and implementation of the plans. In the initial years of planning, it was quite difficult to make decisions due to issues of national security and unity, but over time these processes emerged successfully. In this context, the Indian government formed a 'Sub-division Planning and Development Council' at different levels which were responsible for preparing various plans for the development of agriculture, irrigation, education and other infrastructural sectors.

**In India, Government activities were formulated at the centre level and then they further delegated to the lower levels i.e. at the state level and then at the local level (district, villages).** But it was observed by the commission that the process was not yielding significant results for the betterment of Indian citizens. **Thus in order to make the planning**

process effective, the decentralised planning system was introduced by the planning commission of India in the Seventh five-year plan. Although in most of the Indian states, the decentralised planning was extended to the district level but in some states including West Bengal and Assam, the plan was decentralised even up to the sub-division level. To solve local problems, decentralised planning leverage local resources and made the overall process more effective.

### Check Your Progress I

- a. Use the space provided below for answering
- b. Compare your answers with the text

1. Define decentralized planning its development in India.

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2. List down the five points to improve the performance of decentralised planning in India.

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## 2.3 MULTI-LEVEL STRUCTURE OF PLANING

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In a centralised or single-level planning system, the central government formulates the development plans and then delegates the plans to the state level and local level. On the other hand, in the multi-level planning process, the small territorial units are collectively responsible for formulating and implementing tasks. The number of units to be formed depends upon the size of the country along with its administrative, regional and geographical structure.

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### 2.3.1 MERITS AND DEMERITS OF DECENTRALISED PLANNING

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#### ❖ Merits

- a. Proper utilisation of resources: Multi-level planning involves the proper utilization of resources. The resources are disbursed by the national committees to all the bodies in the planning process and are properly used for development works as per the formulated plan.

- b. **Decision making:** Under multi-level planning, the process of decision making is non-centralized and involves participation from all local bodies in terms of identification of problems and optimal solutions for the same. This results in taking high-quality decisions as local bodies are well aware of problems in their regions.
- c. **The concentration of power:** Along with decision making, multi-level planning also scatters the concentration of power among different individuals. This enables in curbing the concentration of power at one place like in a centralized planning system. It also helps in the individual initiative to showcase their talent.
- d. **Greater freedom and flexibility:** It provides greater flexibility to the regional bodies to develop their plans. Apart from development, these local bodies also have the freedom to make decisions on their own.
- e. **Tackling actual ground-level problems:** In centralized planning, formulators might not be aware of the actual problems at ground level and thus might offer standardized schemes which might be useful at one place but not so much at the other. Decentralised planning overcomes this by identifying specific problems and devising custom solutions/schemes to eradicate the same.

❖ **Demerits**

- a. **Time-consuming:** While consulting all regions in decision making leads to a more effective planning process, the time taken for coordinating and integrating the same is quite high. Thus, the multi-level planning process is a lengthy process involving high costs and time effort.
- b. **Ignoring national priorities:** Focussing too much on the regional problems might sometimes result in a non-unified approach at the national level. Therefore, multi-level planning might lead to ignorance of national priorities. Some core sectors and areas of national importance such as defence require centralised planning.
- c. **Confusion over the degree of decentralisation:** The level of decentralization i.e. whether units are to be formed at the district level, or village level or at block level needs to ascertain. If they are to be formed at the block level, then how much area should comprise one block. Issues like these often cause conflict among participating bodies. The level of responsibility in terms of power and resources is also debatable.

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### **2.3.2 IMPORTANCE OF MULTI-LEVEL PLANNING IN INDIA**

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- a. **Linking different regions:** As the population of India is scattered across different regions, multi-level planning creates a vital link between all these regions in terms of formulating plans. Earlier, with a lack of communication among different regions, planning would not be coordinated leading to poor integration in development. Therefore, interaction among these local bodies can set certain standards in achieving infrastructural development resulting in low disparity among them.

- b. Realistic and flexible plans: Multi-level **planning is more realistic as it coordinates with all locally available resources, local requirements, local manpower, and local skills.** It is also more flexible than a centralized planning system as it can be easily adjusted and adapted under changing local conditions and requirements. Moreover, it is more practical and fulfils **the requirements of the rural population. Adaptation and flexibility of planning largely depend upon the environment prevailing in each region and sub-region. Thus multi-level planning can give the best results by implementing plan projects at the local level.**
- c. Suitable for the agriculture sector: This type of planning is most suitable for all those sectors which require planning at the micro level such as the agriculture sector, small scale and micro industries. As setting up of these small industrial units requires the knowledge of local society & law as well as the availability of land, labour, infrastructure & raw materials, multi-level planning is immensely beneficial as it involves these local bodies in its planning and implementation stages.
- d. Active participation of local communities: Multi-level **planning provides an opportunity to participate the local bodies in formulating the various development plans and programmes at the local level. Thus it enhances the involvement of local communities in the development activities,** so the plans can be effectively developed and implemented in a short period and by utilizing minimal resources.

### Check Your Progress II

- a. Use the space provided below for answering
- b. Compare your answers with the text

1. Discuss the merits and demerits of multi-level planning in India.

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2. List five points highlighting the importance of multi-level planning in India.

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## 2.4 MULTI LEVEL PLANNING IN INDIA

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India has been plagued with a centralized single-level planning process for a long. This single-level concentrated planning process resulted in the poor formulation of plans leaving the aspirations of local and regional units. Moreover, a single implementation mantra resulted in different levels of implementation due to the absence of any involvement from the lower levels. It was a pure case of top to bottom i.e. where plans are formulated at the top with the expectations of implementing the same across all layers. Drawbacks of such a central system insisted Indian policymakers understand the multi-level planning process and how it could be put in place in a diverse country such as India.

**In the multi-level planning process, the whole nation is divided into small regions. The number of such units is to be formed based on the geographical structure. In India, there are five stages of multi-level planning i.e.**



**Fig 2: stages of multi-level planning**

This multi-level plan was formulated by the centre in conjunction with the State governments. At the implementation phase, lower levels including district, block and village/panchayat came into the picture. Over time primarily after the year 1992, more powers have been conferred to **the lower levels of planning for formulation and implementation of their plans and financial provisions.**

- a. The Planning Commission of India is the national agency responsible for the country's planning at the apex level. The Prime Minister is the ex-officio chairman of this commission. The national commission is entrusted with the task of preparing plans and also coordinating the implementation of the same with various lower agencies such as states and union territories. **The functions of the Planning Commission are observed by the National Development Council. In order to execute the plans, the prior approval of the Planning Commission is required. The Commission formulates three types of plans:**
  - **Perspective plans for 15-25 years,**
  - **Five-year plans, and**
  - **Annual plans within the framework of Five Year Plans**



- b. The State Planning Board acts exactly like the lower level of the National Planning Commission in the sense that while the latter deals with coordinating with different states, the State Planning Board is responsible for coordinating the development plans with various districts. They also have the task of formulating, implementing and monitoring the plans and are in continuous contact with the National Planning Commission for allocation of resources. Under the federal setup, states are given powers in certain subjects and play a vital role in the implementation of national planning programmes. It is at the state level that all types of economic and social data are available and developing strategies can be made keeping in mind the regional interests. The states which are well aware of their duties and those which show interest in plan formulation & implementation exhibit better performance in development programmes.
- c. At the district level, the district administration is majorly responsible for the overall charge of the duties. They are **supposed to maintain the law and order in the district. They also work as a mediator between the various departments** just like the state acts as a liaison between various districts. District administration is responsible for coordinating with several departments including agriculture, irrigation, animal husbandry, dairy, forestry, industries, social welfare, employment, police, education, medical & public health, electricity etc.
- d. Block-level planning serves as an important unit of lower-level planning. These blocks were formed to observe the implementation of development plans under the 'Community Development Programme' started during the first five-year plan. Under this, each district was divided into several blocks and each block comprised a specific number of villages. The programme works on the mobilization of local resources, involving local people in decision-making and implementation of the development programmes. This new unit of planning was formulated under the guidance of a block development officer (BDO) along with subject experts. The supervision of these blocks was done by the elected member of 'Block Samitis.'

The importance of block-level planning is based on the size of the population, problems at the regional & local level, proper utilization of resources, and active participation of people in plan creation as well as implementation. The main objective of this process is to become independent, generate employment, remove socio-economic inequalities, self-employment skills, improvement in productivity and proper utilization of resources especially for the weaker sections of society.

- e. The last level of the multi-level planning process is panchayat. It is a democratic organisation at the grass-root level in the country. The Panchayati raj system is a three-layer structure:
- Village level,
  - Block level and,
  - District level

The first level at village level is known as Gram Panchayat (village assembly), the second level at block-level as Panchayat Samiti and the third level at district-level is Zila Parishad. As per the government body guidelines,

Members of the gram panchayats are elected democratically and its elections are held at an interval of 5 years. Reservation provision is made for SCs & STs and not less than one-third of seats are reserved for women. Gram panchayats are responsible for the promotion of education and medical facilities, women & child welfare, maternity, agriculture, agriculture, wells, tanks, roads, sanitation and other development programmes.

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#### **2.4.1 GRAM PANCHAYAT**

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The Gram Panchayat is the first tier of the Panchayati Raj System. Gram Panchayat or Village panchayat is the lowest unit in the structure of Panchayati Raj Institution. If the population of any village is too small then there should be a Panchayat in the village. The Panchayat mainly comprised of representative selected by the peoples of the village.

The main functions of Gram Panchayat are maintenance of the roads, wells, schools, burning and burial grounds, sanitation, public health, libraries, reading rooms, community centre etc. The records of births and deaths are also maintained by the Gram Panchayat of the village. The Gram Panchayat makes the essential arrangement for the promotion of agriculture, animal husbandry, cottage industries and co-operative society etc. In the village minor disputes of residents are also settled by the Panchayat. Gram Panchayat is responsible to increase agriculture production and maintaining a minimum standard of cultivation. Apart from this Panchayat also works as an agent of Panchayat Samiti to implement the schemes of development at the village level.

#### **Standing Committees of Gram Panchayat**

Every Gram Panchayat establishes a standing committee by-election. The following are the standing committees.

**Production Committee:-** The production committee of Gram Panchayat is responsible for agriculture production, animal husbandry, rural industries and poverty reduction programmes.

**Social Justice Committee:-** This committee is accountable for the promotion of education, economic, social and cultural. The social justice committee protects the Scheduled Caste, Backward Classes and other weaker sections. It also provides social justice, protection from exploitation, do welfare of women and children.

**Amenities Committee:-** Some functions of Gram Panchayat like education, public health and public works are done by the Amenities Committee.

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#### **2.4.2 PANCHAYAT SAMITI**

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The second tier of the Panchayati Raj System is Panchayat Samiti. The Balwant Rai Committee report shows Samiti is a single representative and energetic democratic institutions to assume responsibility for all parts of development in the rural area. According to the committee, Samiti has a large area for work to perform as compared to village panchayat and which can attract the interest and service of the residents. Ordinarily, on the basis of area and population, panchayat Samiti contains 20 to 60 villages. The range of population under the Samiti is from 35000 to 100000 and the average population is 80000.

In Panchayat Samiti, there is President who is known as Pradhan. The Pradhan is selected by the electoral college, which is made of all the members of the Panchayat Samiti and all the panchayats of the Gram Panchayat. Apart from Pradhan, there is one Up- Pradhan also appointed. The Pradhan organize and directs the meetings of Panchayat Samiti. Pradhan guides Panchayats in making a plan and implements the development programmes in rural areas.

### **Standing committees of Panchayat Samiti**

**General committee:-** The work related to the establishment of matters, communication, building, rural housing, village extension and relief against natural calamities and water supply performed by the General Committee.

**Finance, Audit and Planning committee:-**This committee do the work of Panchayat Samiti related to the preparation of the budget, checking of receipt and payment statement, examining the proposals of increasing revenue. It considered all the proposals which affect the finance and revenue and expenditure of Panchayat Samiti.

**Social Justice Committee:-** This committee is accountable for the promotion of education, economic, social and cultural. The social justice committee protects the interest of Scheduled Caste, Backward Classes and other weaker sections of the society. It also provides social justice to SCs, Backward Classes and women and so on., protect from exploitation, do welfare of women and children.

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### **2.4.3 ZILLA PARISHAD**

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Zilla Parishad is the uppermost unit in the three-tier structure of the Panchayati raj system which represents an entire district. The members of the Zilla Parishad are also elected for the term of five years. The state government appoints a Chief Executive Officer of the Zilla Parishad and Chairman of the Zilla Parishad is selected from among its members. In all the states, there are subject matter specialist works at the district level for various development programmes. Zilla Parishad works as a coordinator and supervisor for most part of the state. All the activities of Panchayat Samiti controlled and coordinated by Zilla Parishad which fell under its jurisdiction. The state and central government often seek suggestion from the Zilla Parishad for the drafting of various development schemes. It is also responsible for the maintenance of primary and secondary schools, dispensaries, minor irrigation works and so on. It likewise advances neighbourhood businesses and workmanship. Zilla Parishad get financial aids from Grants of the State Government and part of the local government.

### **Standing committees of Zilla Parishad**

**General committee:-**The work related to the establishment of matters, communication, building, rural housing, village extension and relief against natural calamities and water supply performed by the General Committee.

**Finance, Audit and Planning Committee:-** The committee is responsible for the finance of Zilla Parishad and also prepare the budget, verify the proposal for increasing revenue, check receipt and payment account. Apart from this, the committee performs more task plan priorities, allocation of expenditure and follow the guidelines of the state government.

**Social Justice Committee:-**This committee is accountable for the promotion of education, economic, social and cultural. The social justice committee protects the interest of Scheduled Caste, Backward Classes and protecting them from social injustice.

**Education and Health Committee:-** This committee perform the function of promotion of educational activities at the district level. It evaluates the educational activities of Zilla Parishad and within the framework of national and state policy undertaken planning of education in the district. Besides, the committee has more work related to education like improve adult literacy rate and organize cultural activities, maintenance of drainage, health service, hospitals, water supply and family welfare and so on.

**Agriculture and Industry Committee:-** This committee is responsible for agriculture and industry development functions in the district. The committee focus on agriculture production, animal husbandry, cooperation, contour bunding and retrieval, village and cottage industries.

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## **2.5 OBSTACLES AND ISSUES IN DECENTRALISED PLANNING IN INDIA**

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Although decentralized planning is a realistic and reliable concept that reduces the gap between the rich and poor and also help in building up various types of community assets there are some factors responsible for the dismal performance in the country which is mentioned below:

- The success of decentralized planning is very much dependent on the implementation of various land reform measures such as consolidation of holdings, imposition of land ceiling, redistribution of surplus lands, tenancy reforms, and many more. The Panchayati raj institutions are often controlled by landowners and lenders, hence they did not show any interest in the execution of beneficiary-oriented programs in rural areas within the country.
- Decentralized planning in India is not able to progress due to the lack of adequate administrative bodies at the local level for the execution of various development plans. Even today, the various state government have not developed proper administrative bodies at the block as well as district level for the representation of local people with adequate norms.
- Instead of regular elections of village panchayats and local bodies, state governments often adopt ad-hocism for the management of these bodies. Therefore, decentralized planning is not proved to be an effective and powerful instrument for social change in a country like India.
- There is a scarcity of organizations for protecting the interest of marginal and small farmers, artisans, landless agricultural labourers, communities belonging from schedule caste, scheduled tribe, and backward class which leads to the lack of adequate representation of these sections in the local administrative bodies to present their economic interest.
- Various states who have adopted decentralized planning did not make many efforts to reduce the regional disparity for economic development.

- Many states among themselves have accentuated the disparity concerning economic development like northern parts of West Bengal, Vidarbha and Maratha Wada in Maharashtra, Rayalaseema in Andhra Pradesh, and Uttarakhand, etc. Moreover, district planning machinery has failed to curb the problem of regional backwardness in the many states which demotivate and discourage the idea of decentralized planning among the non-executing states.
- In the rural area, resources are often being controlled by the elite groups of the society and various productive resources such as minerals, water, and forest lands, etc. are under the control of the richer section of the society who are having enormous financial resources. As a result, decentralized planning machinery uses resources of inferior quality which have a low potential return to factors. Thus, the overall performance of the decentralized planning machinery is not at all satisfactory due to the lack of quality resources.
- The difference in the ideology among political parties in the delegation of power among state and the center governments is a serious issue in a country like India.
- The elected members of Panchayats or Panchayati Raj Institutions are often unaware of the economic and political rights and duties. They are also lacking in planning skills, which is a big constraint in rural development.
- It is also observed that the smallest unit of planning is gram panchayats and the development block is the smallest unit to collect data which is difficult to collect. Hence this problem keeps most of the villages deprived of development.
- Lack of trained staff and training facilities is also a big issue in the collection of data from rural areas.
- Lack of interest among people to participate in data collection.
- Planning without knowing the ground realities of resources is also a big challenge to make concrete planning for rural areas.

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## **2.6 SUGGESTIONS FOR IMPROVING THE PERFORMANCE OF DECENTRALISED PLANNING IN INDIA**

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In India, social scientists, economists, and political thinkers deemed decentralized planning as an effective tool to tackle the serious economic problems in the country such as poverty, regional inequalities, poor growth rate, unemployment, and inequality, etc. Till 1992, with the policies of centralized planning, the country was failed to manage these economic problems appropriately. Therefore, to overcome these obstacles, a decentralized planning process was needed to be adopted at the grass-root level. Although, the seventh five-year plan has mentioned provisions related to decentralized planning but, the eighth five-year puts more stress on the decentralized planning for the rural and urban area developments.

Some of the vital measures which need to be adopted for the improvement in the performance of the Indian decentralized planning were as follows:

1. There is a scarcity of organizations for protecting the interest of marginal and small farmers, artisans, landless agricultural labourers, communities belonging from

schedule caste, scheduled tribe, and backward class. Therefore, the proper organization needs to be established to represent the views of backward communities in the local bodies.

2. Land reform and other institutional methods need to be introduced for the effective execution of decentralized planning at the local level.
3. To effectively implement the decentralized machinery at the local level, the Panchayati raj institutions need to provide additional powers and functions.
4. Panchayati raj institutions are dependents upon government grants for their fund requirements. Government should make such provisions that allow PRIs to raise funds from the local private capital to perform their function effectively.
5. To effectively implement decentralized planning at the district level, the state government should establish the district planning board by taking various eminent personalities from the field of economics, banking, agriculture, sociology, statistics and animal husbandry, etc.
6. To minimize the conflicts between various planning boards for their power and responsibilities need to be clearly defined. Modalities related to its implementation need to be sorted out systematically.
7. Decentralized planning needs to be simultaneously adopted among all the states within the country to wipe out the regional disparities concerning economic development. There should be a uniform policy that needs to be implemented at the country level to shift properly from the centralized to the decentralized planning process.

For the proper implementation of the decentralized planning system in India, the government's administrative machinery, banks, and people's elected representatives need to effectively cooperate with each other. Therefore, the need of the hour is to bring the decentralized planning process, to properly implement the economic planning within the country.

### **Check Your Progress III**

- a. Use the space provided below for answering
- b. Compare your answers with the text

1. Discuss the five levels of multi-level planning in India.

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2. Discuss the importance of consistency in multi-level planning.

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## 2.7 LET US SUM UP

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1. In this unit we have discussed several aspects of decentralised and multi-level planning and how they are better than a centralised planning system in terms of lower corruption, greater freedom & flexibility, quality decisions and proper utilization of resources. The link between the center and other levels of the country is a must for the proper functioning of the country. The implementation of various structured programmes can be made effective only if the decentralization planning for rural and the total system is in coordinated terms. Multi-level planning ensures the plans are operational at all levels of the country. It ensures the proper functioning of activities planned by the planning committees. The development of any nation depends upon the development of the villages or rural area as rural area is the source to fulfill the basic necessities of people of the nation. We get raw material and basic resources to serve the industry from rural area . Hence planning at different level to serve the needs of the people at different level can be more effective. Various eminent personalities from the field of economies, banking, agriculture, sociology, statistics and animal husbandry, etc. should be involved in making the Decentralized planning so that persons with different specialties can provide their expert advice in the formulation of plans.

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## 2.8 KEYWORDS

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<b>Plan:</b>	It is a blueprint for action.
<b>Planning:</b>	A process of preparing for decision making.
<b>Decentralised planning:</b>	It is a process of planning where some of the planning functions and responsibilities of decision-making are delegated from the centre to the lower levels of administration. It is also known as grass-root level planning or planning from below.
<b>Macro-level planning:</b>	Planning at the center level for the entire nation as a whole.
<b>Civil Society:</b>	All voluntary organizations, institutions and corporate bodies that are less than the state but greater than the family.

<b>Planning Commission:</b>	It is an organization of the Government of India which formulate Five-Year plans for the nation along with other important functions.
<b>NITI Aayog:</b>	The premier institute of India for making policies and plans to push the economic growth of India.

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## 2.9 REFERENCES AND SUGGESTED READINGS

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# PROGRAMME: CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## UNIT 3: GRASSROOTS LEVEL PLANNING (AT VILLAGE AND BLOCK-LEVEL)

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### Summary:

#### 3.0 OBJECTIVES

#### 3.1 INTRODUCTION

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- 3.2.1 THE HISTORY AND EVOLUTION OF THE GRASSROOTS LEVEL PLANNING
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### 3.0 OBJECTIVES

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**After reading the chapter you will be able to know:-**

- 1) Meaning of Grassroots level planning;
- 2) Scope of Grassroots level planning;
- 3) History and evolution of Grassroots level planning;

- 4) Meaning and features of Panchayati Raj Institutions;
- 5) Various responsibilities of Panchayats
- 6) Grassroots level planning at the block level.

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### **3.1 INTRODUCTION**

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Social Planning is a rational activity that is conceived with a proposition that an endeavour is made to bring about certain changes having a wide-ranging impact on the society or a community. A substantial amount of deliberate thinking, action and evaluation of the existing resources goes into the designing of this blueprint. The aim behind all these efforts is to obtain maximum results at a minimum cost. The fundamental goal is to attain self-reliance, maximize job opportunities and achieve economic growth with social justice. Enhancing income, removal of regional and caste-class disparities and alleviating poverty also go hand in hand with a motive to improve the standard of living of people across the nation. Basically, it's an effort to sculpt the future by deliberate action.

The study of Indian demographics shows the residential segregation of the Indian population into two groups namely- the rural and the urban respectively, out of which around 70% of the Indian population resides in rural areas. So, while formulating the social planning the upliftment of the major chunk of this population needs to be kept in mind. This becomes all the more important because we as a nation believe in the sanctity of the principle of democracy. If democracy means running the routine activities with the participation of people then it is nowhere as transparent as at the local level where the contact between people and their representative is more apt and strong and manageable.

Lord Bryce explained the concept of democracy in very few words, "The best school of democracy and the best guarantee for its success is the practice of local self-government".

The development of the agrarian sector is directly proportional to our country's economic and social development. If the rural masses remain in the oblivion of the developmental opportunities, then any thought of taking the country to the zenith of development will be a futile effort. And this is what exactly happened in our country. After attaining independence, the first and foremost target of the Indian government was to free the country from the shackles of poverty and lead the nation onto the path of progress. The sagacious leaders with their visionary approach formulated various plans and programmes but couldn't achieve the desired results. Something in their approach was a major miss which they were unable to recognize. Closer scrutiny of their plans exposed the flaw of their 'trickle-down approach'. For almost forty years it's in the hand of institutions at a higher level that what type of plans are to be designed and implemented in rural areas but the target population remained oblivious about them. This incognizance created a hiatus between the desired and the achieved results.

It's then the need for grassroots level planning was felt and the measure of "planning from below" was adopted so that people from rural areas may decide that what are their priorities

and needs hence keeping these needs and priorities in mind they can make plans for their development in rural areas. 73<sup>rd</sup> and 74<sup>th</sup> Constitutional Amendment Act 1992 gave the concept of democratic decentralization so that people's participation can be further institutionalized.

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### **3.2 MEANING AND SCOPE OF GRASSROOTS LEVEL PLANNING**

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American Planner Michael Chandler in his article "Bringing a Plan to Life" once stated, In the views of Management experts organizational change becomes less problematic when people for whom these changes are implemented involved in planning for change. Because the base of change is the planning and people affected by the change should not only be involved in planning goals and objectives but also focusing on how they are being implemented. Members of the public should be questioned to see the connection between different phases of planning such as dreaming, dreaming phase of planning and doing phase of plan implementation.

And this is what exactly grassroots level planning aims at. The ideas of 'decentralisation', 'planning from below', 'peoples' participation', 'multi-level planning', 'Planning at Panchayat level', all sum up the essence of Grassroot Level Planning only. There is no doubt in it that the constitutional amendments hurled in a new era of democratic decentralisation in the political history of India. But that doesn't mean that prior to these amendments the idea of grass root level planning was unheard of by the Indians. In fact, the Utopian image of a welfare state as envisaged by Mahatma Gandhi, our father of the nation, spoke of the same idea.

According to Gandhi Ji "If the villages perish, India will perish too. It will no more be India. Her own mission in the world will get lost." He firmly believed that self-reliant villages form a sound basis for a just, equitable and non-violent order. This can be a guiding principle for all citizens, constructive workers and policymakers in India. For him, rebuilding the nation could be achieved only by reconstructing villages.

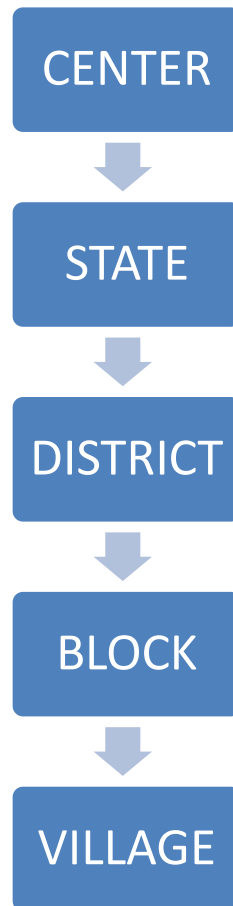
Perhaps, this vision of Gandhiji became the guiding principle of our Planning commission too. After the independence, several reliable efforts were made to bring development to the rural areas. Preference was given to launch the community development Programmes (CDP) during the first five-year plan and the core issue considered was Agricultural development. Through various grassroots level, institutions like Block Samiti, village Panchayat, Gram Sabhas, youth clubs and block level institutions, Mahila Mandili etc were considered for the People's participation. But these grass-root level institutions were self-motivated without any legal support.

Although a sufficient amount was being spent but it didn't have a far-reaching impact. Poor planning and capabilities at the block level and the absence of effective village-based institutions and participation of villagers made the institutions more worsen at grassroots level planning.

The following figure (Figure A) reveals the true state of affairs. The planning process flowed from "top to bottom" and the real benefits never reached the targeted population. The plan

information and resources seemed to have lost in the quagmire of the bureaucratic iron cage while being on their way to the lowest strata. The short-sightedness was apparent in such a kind of approach.

**Figure A:- Flow of Planning, information and resources from top to a lower level:**



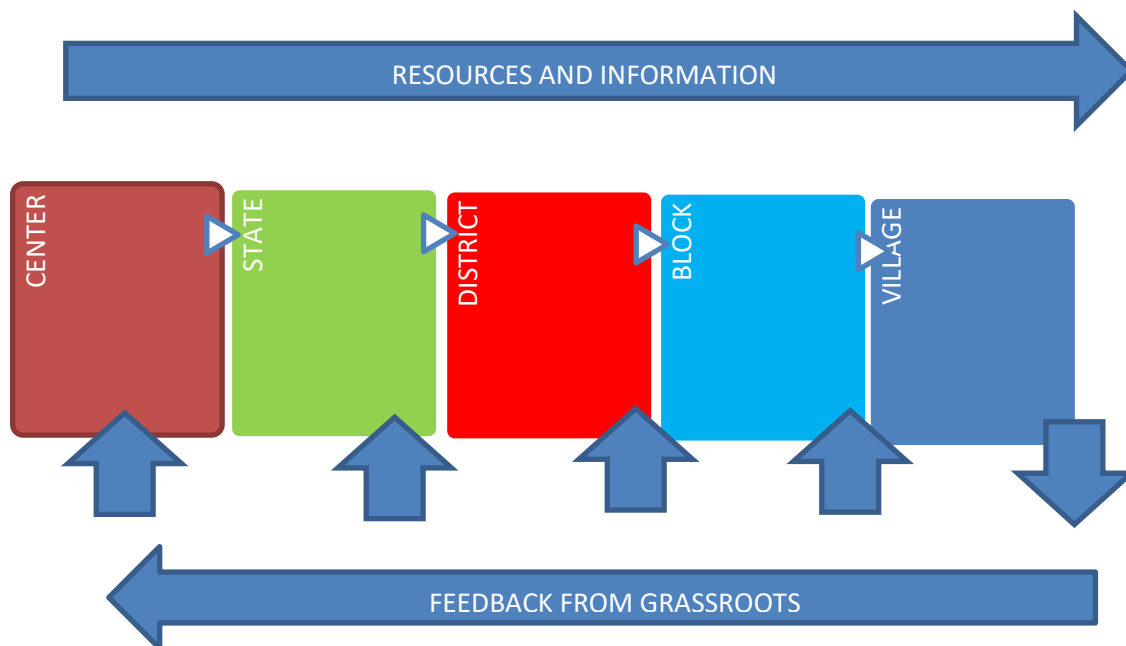
**Source : IGNOU .**

Therefore, the need involvement of rural people in the planning process was earnestly required for the progress of the entire community. To bridge this gap between the planning and implementation of the policy and programmes for rural masses, a volte-face or complete U-turn in the planning process was required. That's how preference to planning from below was given instead of planning from the top which was the main motive of grass root level planning. Grassroots level planning involves the participation of the ultimate beneficiaries of developmental planning.

Grassroots Level planning thus can be defined as the form of planning in which community members are involved with an aim to improve their collective livelihoods. It is a bottom-up and locally accountable approach that promotes inclusiveness and resilience. It provides a space, people for from all sections of the society to get together and address their local issues, assess their available resources to implement the plan for the welfare and development of their own community. The whole process involves a participatory approach and that's how decentralized planning is born.

The following figure depicts the planning process and the flow of information and resources in the grass-root level planning:-

**Figure B: The order of delegation of powers from the Centre to villages**



**Source : IGNOU**

This could be the only method of restructuring an overly-centralized system of planning of the past. Ironically, the centralized planning which was meant for the social welfare and development of a commoner in reality led to his overly dependent and apathetic attitude towards the developmental policies. There was a feeling of alienation and the connection was missing. Decentralization, on the other hand, directly involved these vulnerable communities in the process of planning and development based on the recognition of their real needs and values and thus resulted in the empowerment of the people and increased efficiency.

Talking about the vulnerable sections of the society, who didn't have a say in the decision-making process earlier, were now given the legal right to be a part of the grassroots level planning. These sections included the scheduled castes, scheduled tribes, other backward classes and women. The new approach proposed the due reservation of seats for these weaker sections of the society and this is what can be termed as the true victory of grassroots level planning.

Through its various institutions of operation, grassroots level planning deals with a wide array of subjects. From the issues related to animal husbandry, dairy farming, irrigation, fishing, small scale industries, housing, water supply, electricity and energy, to education, public works, public health and sanitation, social welfare, poverty alleviation, development and welfare of scheduled castes and scheduled tribes, promotion of sports and cultural affairs, public distribution system, relief work during natural calamities, etc. it pertains to a lot more

activities. So, we can easily assume that its scope is quite vast. The Panchayats must ensure the holistic development of the communities residing in their arena and also see to their full-fledged participation in all the developmental activities.

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### **3.2.1 THE HISTORY AND EVOLUTION OF THE GRASSROOTS LEVEL PLANNING**

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The government of India had realized that a blanket strategy cannot be adopted for the development of a country as diverse as India. But this realisation dawned upon only after a series of failed attempts. Let's take a brief look at the evolution of the Panchayati Raj system through the different phases of Indian history.

1. **Pre-Independence Era**-Before independence when our national leaders emphasised the demand for autonomy at the national level, the British Government offered concessions at the lowest level. As a result, District Boards were formed in 1882, to give the powers of self-government to Panchayats in rural areas and municipalities in urban areas. Various enactments like Bengal Local self-government Act,1885; The Bengal Municipal act,1884; the Bengal Village Self-Government Act,1919 were passed. Later on, in the Government of India act,1935 the power to enact legislation was given to the provincial Legislature. The Panchayats were vested with powers of administration, including criminal justice. Unfortunately, all these attempts proved to be futile efforts because the pattern of governance varied from place to place and was discouraged by the princely states.
2. **Post-Independence Era** - When India became independent in 1947 perhaps one-third of the villages of India had traditional Panchayats and their functioning was not up to the mark. The Congress Government made a determined effort to promote the creation of Panchayats to make them effective units of local government as declared by Article number 40 of the Directive Principles of State Policy

**“The state must take various steps in order to organize the Panchayats in the villages and should grant those powers and authority which would further help them to function as units of Self-government”**

The subject of Panchayati Raj was included on the State List.

3. The **Community Development Programme** was launched in October 1952 to seek people's participation and involvement in the task of rural reconstruction. The programme failed in its mission without an agency at the village level. The Planning Commission, in the Second Five Year Plan, recommended reviewing the programme.
4. In January 1957, a team for the study of Community Projects and National Extension Service, headed by **Balwant Rai Mehta**, was appointed. The Committee asserted,

“So long as we do not discover create a representative and democratic institution which will supply the local interest, supervision and care necessary to ensure that expenditure of money upon local object conforms with the needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we will never be able to evoke local interest and excite local initiative in the field of development.”

❖ **The key recommendations of the Balwant Rai Mehta committee were:**

1. A **three-tier structure** of local self-government should be followed from the village to the district with the village at the bottom and the district at the top with its intermediary link of institutions all organically related to one another;



2. There should be a sensible exchange of force and obligation to these institutions of local government;
3. Adequate resources should be allocated to these bodies to empower them to release those duties ;
4. All economic and social development programmes formulated through network planning should be permitted through these institutions;
5. The whole system of Panchayati Raj should facilitate further devolution and dispersal of power, responsibilities and resources in the future

Several states adopted this three-tier system. Even the National Development council affirmed the basic principles underlying democratic decentralisation. On October 2, 1959, Pt Nehru inaugurated the Panchayati Raj at Nagaur in Rajasthan. He characterised it as **“the most revolutionary and historical step in the context of new India.”**By the mid-60s, other states also passed legislation for the introduction of Panchayati Raj. But this glory of Panchayati raj was short-lived. In the latter half of the 1960s, it started witnessing its downfall. There were several reasons behind that:

1. One of the reasons was that no uniform pattern of PanchayatiRaj was being followed by the State governments. While few States followed a two-tier system, the others followed a system of three tiers.
2. The political leaders viewed the democratisation and decentralisation of power to the rural sector as a threat to their political stature. The rural development and raised socio-economic standards of the people would belittle their stature. So, in order to further their vested interests, some politicians and bureaucrat attached a deliberate plan to check the ascendancy of the Panchayati Raj.
3. Since the elections to the Panchayati Raj institutions (PRIs) were being held by the State governments themselves, their fairness and independence was seriously dubious.

Moreover, there were no standard guidelines with regard to the delegation of powers to such institutions.

4. Besides the irregular elections for Panchayats, lack of financial resources and limited power of the Panchayat members were some of the other contributory factors for the decline of the Panchayati Raj.

In 1977, the government, appointed the Ashok Mehta committee to study the causes for the wilting of the Panchayati Raj system and suggest measures to resuscitate the same. Later on, many more committees were set up, all of them came up with valuable suggestions. Some of these are listed as under:

April 24, 1993, also known to be the red-letter day was the day when the 73<sup>rd</sup> Amendment Act of the constitution took effect whose basic aim was to grant legitimate status to all the institutions of Panchayati Raj. It added Part IX to the Constitution concerning local self-government. This act enables the village panchayats to take major decisions on the subjects such as planning and implement programs related to small scale industry, agriculture, animal husbandry, land improvement, family and social welfare, health and sanitation, employment generation and poverty alleviation programs and the like.

The salient features of the act are as follows:-All the States which are having a population above 20 lakh should be granted a 3-tier system of Panchayati Raj

1. To conduct the free and transparent Panchayat elections regularly after every 5 years.
2. To make certain that a minimum 33% of the seats must be reserved for Scheduled Castes, Scheduled Tribes and women.
3. To hire State Finance Commission so that he/she can make recommendations regarding the fiscal powers of the Panchayats.
4. To form District Planning Committee so that they can prepare a draft of the development plan for the district as a whole.

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### **3.2.2 KEY AREAS OF GRASSROOTS LEVEL PLANNING**

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Through the 73rd Constitutional Amendment Act, 29 items covering varied aspects concerning social and economic life of villages such as social services and amenities, infrastructure development, rural development, enhancement of economic resources of villages, welfare and economic development of a weaker section of the society especially the families living Below the Poverty Line(BPL) and these 29 items

<b>DECENTRALIZATION: CHRONOLOGY OF ATTEMPTS AND COMMITTEE REPORTS</b>		
<b>Year</b>	<b>Item</b>	<b>Ideas and Concepts</b>
<b>First Plan, 51-56</b>	Community Development Blocks	To break up planning exercise into National, State, District and Local Community levels
<b>Second Plan, 56-61</b>	District Development Councils	Drawing up of village plans and popular participation in planning through the process of democratic decentralization
<b>1957</b>	Balwant Rai Mehta Committee	Village, Block, District Panchayat institutions established
<b>1967</b>	Administrative Reforms Commission	Resources to be given/ local variations



		accommodated, purposeful plan for area.
<b>1969</b>	Planning Commission	Formulated guidelines: detailed the concept of the district plan and methodology of drawing up such a plan in the framework of annual plans, medium term plans perspective plans
<b>1978</b>	Prof. M. L. Dantwala	Block Level planning to form a link between village and district level planning
<b>1983-84</b>	Centrally Sponsored Scheme/ Reserve Bank of India	Strengthen district Plan/District Credit Plan
<b>1984</b>	Hanumantha Rao Committee	Decentralization of function, powers and finances; Setting up of district planning bodies and district planning cells
<b>1985</b>	G V K Rao Committee	Administrative arrangements for rural development: district panchayat to manage all development programmes

transferred to the Panchayati Raj Institutions can be grouped into seven sectors which have been discussed below:

**1<sup>ST</sup> SECTOR: Agriculture and Allied Activities:** Land up-gradation, reforms of land, Conservation of soil and water, extension activities, Animal husbandry, dairy farming, poultry farming, Minor irrigation, Fishing etc.,

**2<sup>ND</sup> SECTOR: Forestry and Environment:** Includes Fuel, fodder, small products of the forest, social as well as farm forestry and Non –conventional sources of energy.

**3<sup>RD</sup> SECTOR: Industries:** This includes Khadi as well as Cottage industries and small industries such as food processing industries.

**4<sup>TH</sup> SECTOR: Infrastructure, Social services and Minimum needs:** Includes Roads Bridges, Drinking water, Libraries, Technical and vocational education, Rural housing, Rural electricity facilities, Health and Sanitation, Public distribution system, Festivals, Cultural activities, Fairs and Markets etc.

**5<sup>TH</sup> SECTOR: Social Welfare:** Which includes the welfare of Women and child, Welfare of handicapped as well as mentally retarded people, SC and ST of Grassroots Level.

**6<sup>TH</sup> SECTOR: Alleviation of Poverty**

**7<sup>TH</sup> SECTOR: Community Maintenance**

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### 3.2.3 SALIENT FEATURES OF PANCHAYATI RAJ INSTITUTION AT VILLAGE LEVEL

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“India lives in its villages” – Mahatma Gandhi.

This famous observation made by the Father of the Nation many years ago still holds true. Villagers comprise the core of Indian society and also represent the real India. And it is for these villagers that we need to make sure we build a system that effectively delivers basic

social infrastructure. The Panchayati Raj system evolved by our government was a step in this direction only.

As a part of a three-level (tier) structure of local self-governance at the village level, village panchayat participate in civic and development administration. On the other hand, **Block panchayat** assists the village Panchayats and provide guidance on the execution of technical and development programs. At the village level, there are two main bodies in the Panchayati Raj: the **Gram sabha** and the **Gram Panchayat**.

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### 3.2.4 'GRAM SABHA' OR 'VILLAGE ASSEMBLY'

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Gram Sabha is the fundamental unit of the Panchayati Raj system. The Gram Sabha consists of all persons registered as voters in the village electoral roll. Every adult citizen of that area is eligible to participate in the planning at the grassroots level and which is only through the Gram Sabha. Constitution endows a special right to Gram Sabha to participate in the planning and supervision of the activities being implemented in its respective area. It also monitors the financial status of the programmes. It plays a key role in the effective functioning of Panchayats. The Gram Sabha has the right to take note of all development works and activities from the village Panchayat. So, Gram Sabha acts as **a supervisory body over the working of lower-level Panchayat**. Active functioning of the GramSabhathus ensures a participatory democracy with transparency, accountability and achievement.

Some of the important factors regarding Gram Sabha are listed below:

- ❖ GramSabha should meet at least once in each quarter preferably on Republic Day, Labour Day, Independence Day and Gandhi Jayanti.
- ❖ Decide developmental work to be undertaken by Panchayats by assessing the needs of the people
- ❖ Suggest remedial measures for economy and efficiency for the smooth functioning of the Panchayats.
- ❖ Question and scrutinize the decisions of Panchayats in the meeting of GramSabha.
- ❖ Discuss the Annual Financial Statement of Gram Panchayat

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### 3.2.5 INTEGRATION OF TRADITIONAL TRIBAL PANCHAYATS WITH THE PRIs

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Tribal societies are well known just because they are characterised by the different life-style, routine laws and their lively socio-culture. They are categorised as a different group in terms of their demographic characteristics, education and economy. Their population varies considerably and many of them are autarkical, cut off from the rest of the society. So, it was really a humongous task to integrate them into the mainstream.

To extend the Panchayats in various scheduled areas, a committee which was named as "Bhuria Committee" was appointed. The motive of the committee was to offer appropriate grassroots level planning and that too without creating any damage to the customs and traditions of the tribal society. A bill named "The provisions of Panchayats Act, 1996' for the

extension of Panchayats to the scheduled areas was passed in 1996 in the parliament on the recommendation of the Bhuria Committee.

Under the **Panchayat Act 1996**, **Gram Sabha** has been vested with powers for –

- ❖ Ownership of Minor Forest Produce
- ❖ Development plans approval- Gram sabha holds the power through which it can either accept or reject the various plans as well as programmes that are formulated for the social as well as economic welfare of the society by the village panchayat.
- ❖ Selection of beneficiaries under various programmes-The gram Sabha also recognizes and selects beneficiaries to reduce poverty and for other welfare programmes.
- ❖ Safeguard and preserve the traditions, customs and cultural identity of the people
- ❖ Consultation on land acquisition
- ❖ Manage minor water bodies
- ❖ Control mineral leases- Tribal communities hold the power to have proper control upon the different type of natural and economic resources and are responsible for managing minor water resources. But the Panchayats are in a hold of providing license for mining and leasing of minor minerals. By following this approach illegal mining activities and over-exploitation of natural resources can be controlled.
- ❖ Regulate/Prohibit the sale of intoxicants
- ❖ Prevent alienation of land and restore unlawfully alienated land of STs
- ❖ Manage village markets
- ❖ Control money lending to STs
- ❖ Control institutions and functionaries in all social sector
- ❖ village panchayat should get the certificate from Gram Sabha for utilization of funds on the welfare and development of villages and for using the natural resources.

The Gram Sabha is thus the most powerful element of decentralized governance. It ensures that the elected representatives are directly and regularly accountable to the people. Participation of people has been properly established under this act in such a way that even a common tribal person can actively participate in planning and implementing various programmes and policies for the development of their own community.

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### **3.2.6 GRAM PANCHAYAT**

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The Gram Panchayat is the pillar of "GramSwarajya" or "gram Swaraj". Elected by the Gram Sabha, it may have five to 40 members. The Gram Panchayat Members are elected directly from territorial constituencies. Every village is separated into smaller units which are called **Wards** and further, each ward holds a responsibility to elect one representative who will act as a **Ward Member or Panch**. Members of the Gram Sabha also elect a **Sarpanch** who is the president of the Panchayat. The minimum age to contest the elections is 21 years. Elections are held at the end of every five years. Elections to Panchayats are conducted by the State Election Commission.



2) Explain the concept of Democracy.

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3) Discuss the flow of resources and information planning process under Grassroot level planning.

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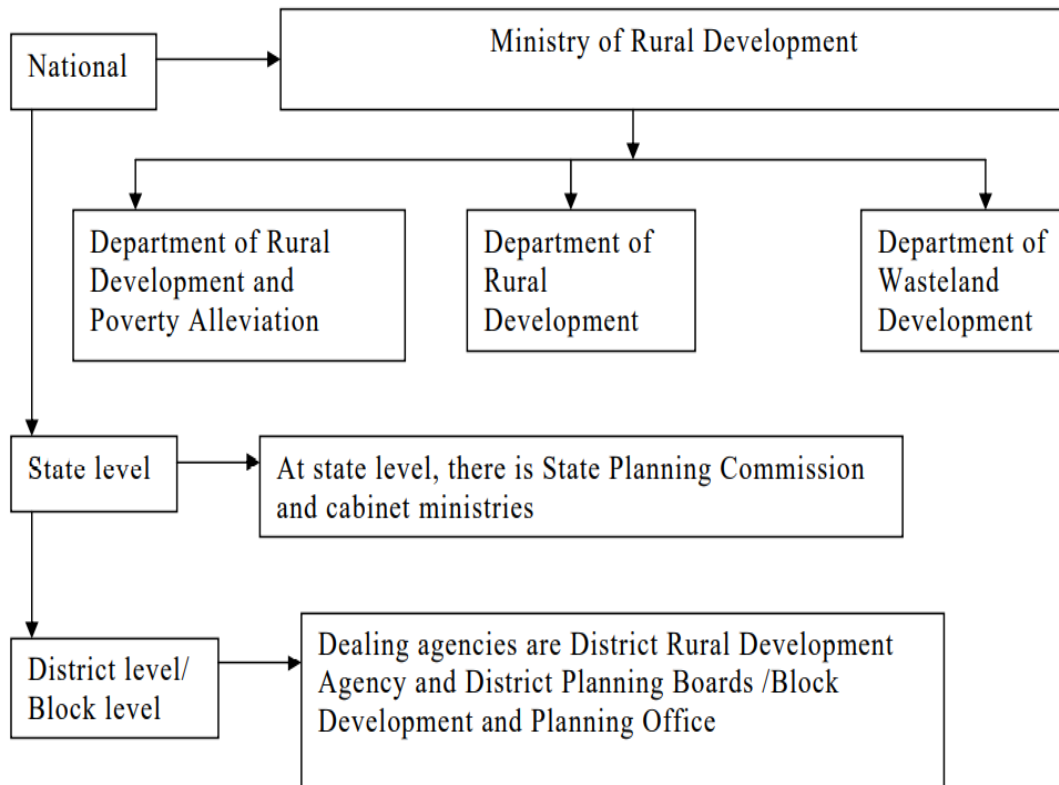
### **3.3 GRASSROOTS LEVEL PLANNING AT BLOCK LEVEL**

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Commonly known as The Panchayat Samiti, the Block constitutes the second or middle tier of the Panchayati Raj system. According to the Balvant Rai Mehta committee “Panchayat Samiti is an area which is large enough to perform those function which cannot be performed by the Village Panchayat and small enough in a sense that it can attract the attention and services of residents.”

The Sixth Plan Working Group appointed by the Planning Commission under the Chairmanship of M.L.Dantewala recommended ‘Block Level Planning’. Block with a population of 60,000 to 80,000 persons and covering 80 to 125 villages was identified as a convenient unit for rural planning and development.

As indicated in the figure below it’s a micro-level unit of planning of rural areas hence, it’s directly related to the planning of local resources, and at the same time bearing in mind the key problems and potentials of the given area.



Block development plans are prepared in synchronisation with the national and state five-year plans objectives and implemented accordingly, the only difference between them both being where the national plans are formulated at a macro level the block development plans on the other hand concentrate on the grassroots or local level only.

The success or failure of any endeavour at such a level is glaring. Even a minute change comes into the limelight very quickly. This encourages popular participation. Such public involvement makes the block planning exercise more broad-based and, therefore, very vital to grassroots level planning.

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### 3.3.1 COMPONENTS OF BLOCK DEVELOPMENT PLANNING

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There are 2 major components of Block development Planning:

- ❖ Component related to the area development.
- ❖ Programmes for the beneficiary benefit i.e. the target groups.

The function of the Area development component is to plan for the resources as well as the infrastructure development and to provide socio-economic facilities. Agriculture, Horticulture, Forestry, Infrastructural facilities like rural roads and rural electrification, Social services like health, nutrition and education all come under the umbrella of the Area development component of Block development planning.

The beneficiary-oriented programmes on the other hand cater to specific target groups only with a clear rationale of providing support to the deprived sections of the society. Normal development programmes do not provide them with the proper benefits as per the expectations, so such kind of beneficiary-oriented programmes are always welcomed.

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### **3.3.2 OBJECTIVES OF BLOCK LEVEL PLANNING**

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The important objectives of block-level planning are :

#### **1. Social objectives**

- ❖ Removal of disparities
- ❖ Elimination of exploitation and injustice.
- ❖ To encourage peoples' initiative and participation to inculcate in them the spirit of self-reliance.
- ❖ To foster a community feeling and sense of mutual help, cooperation and sharing among the people.
- ❖ Dispersal of benefits of development to the weaker section of the society i.e. small and marginal farmers, agricultural labourers, etc.
- ❖ Upgrading technology, increasing productivity and contributing to skill formation.

#### **2. Economic Objectives**

- ❖ To provide employment opportunities to every person in the community through the public employment programmes, starting from the most impoverished ones
- ❖ Bringing local resources and means of production progressively within the jurisdiction and direction of the local community to make equality a reality thus encouraging a more democratic structure of possession of the asset in the area.
- ❖ Optimum utilisation of both material and human resources augmented by outside inputs wherever necessary.
- ❖ Production aligned to the meeting of basic, minimum needs along with the availability of surplus for capital formation and further development.
- ❖ To build infrastructural facilities, such as roads, markets, energy sources, warehouses, agricultural inputs, distribute on centres and cooperatives.

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### **3.3.3 INTEGRATED AREA APPROACH**

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It's mandatory for Block level planning to take into account the divergent socio-economic conditions or else the whole planning would go for a toss. Hence the integrated area development approach is a must for the success of the programme.

Integrated Area development planning identifies the potential of the area and the various factors that affect its growth and then aims at devising a plan by which this potential can be completely realised. It's a strategy package seeking to achieve enhanced rural production and productivity, greater socio-economic equity, a spatial balance in social and economic development broader-based community participation in the process of development.

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### **3.3.4 COMPREHENSIVE DEVELOPMENT PLAN**

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Comprehensive planning is a process that determines community goals and aspirations in terms of community development. For the holistic development of any type of area, all sectors which are related to each other must be planned concurrently. In order to attain progress at the block level, wide-ranging development plans must be formed. So, the

comprehensive plan includes various components such as plans for the development of resources, infrastructure and social service.

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### **3.3.5 BLOCK PLANNING AND THE DISTRICT PLAN**

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Block planning and district planning are thoroughly interlocked and they should be observed as advanced steps in the progression of decentralized planning. The plans related to Block must be combined with the plans of the district as well as the state on one hand and also with the plans of its sub-units on the other hand.

Various schemes of development such as generation of power and topmost irrigation projects are planned at the state or national level, but still, there is a scope for a number of other schemes which are coordinated with local needs. Horizontal as well as vertical associations play a pivotal role in the success of the block planning exercise.

Time and again the question regarding the ascendancy of block or the district level has arisen. Ashok Mehta committee for instance wanted to do away with this middle order and recommended a two-tier approach. Though it has not been adopted, one needs to adopt a broader outlook and rise above this rigidity and consider all the levels of planning. It was further observed by the Committee on Block Planning in the year 1978, that the team of block planning must be grounded out of the headquarters of the districts and they must also join the exercise of District Planning. The Committee of Block Planning also observed that :

“The major aim of block-level planning is to hasten the process of delegation with an expectation of making plans in a more systematic way which will further assist in speeding up the pace of development by also considering and being more receptive to the requirements of the weaker sections of the society”

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### **3.3.6 PROGRESS IN BLOCK LEVEL PLANNING**

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The Block Planning exercise was originated on the recommendation of the Community Development Programme (CDP) in 1952. These type of blocks are considered to be those the most convenient units for the purpose of planning and development and also considered as an appropriate tool for facilitating the involvement of people as well as their participation in formulation and implementation of plans.

But due to the lack of expertise and coordination among different functionaries, it didn't yield the desired results. To propose an established and conceptual framework for block planning, a committee under the Chairmanship of Professor M.L. Cantwala was appointed.

Various operational guidelines were suggested by this Committee for devising block plans. As it was impossible to form planning machinery for each block separately, so for this purpose the committee recommended the constitution of a planning team at the district level too. Special instructions were made and responsibilities were distributed. Staff at the block level was made accountable to collect data and further analyse the data whereas the district planning team were made responsible to formulate plans for the block and that too under the direction of the State Planning Boards.



The additional committee was formed under the Chairmanship of Shri Ajit Majumdar in 1978 to set the operative strategies for block-level planning which was followed by the Integrated Rural Development Programme (IRDP) which was launched in 1978.

Unfortunately, the comprehensive development plans could not be prepared as intended, so the Planning Commission responded to the development plans of the district. States like Maharashtra, Bihar etc. have carried the planning to the block level whereas other states like Andhra and Karnataka have approved the planning which was based on the Mandala group of villages. Alongside, the District Rural Development Agencies (DRDAs) also framed various plans at the block level sustainably for the execution of IRDP throughout the country. Thus, on the national level, the only scheme that has used the concept of block-level planning was IRDP.

Thus, we can conclude that despite the strenuous efforts the block planning has, by and large, failed to cast its magical spell. Therefore, in future, first, we have to figure out the methodology of creating a coherent block planning exercise before actually installing this structure in the planning machinery. If we don't take this necessary step we will just be discussing almost that tier which is non-existent in the structure of planning.

### CHECK YOUR PROGRESS

**Note:** Use the space provided for your answers

- 1) Explain the various objectives of Block planning.

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- 2) Discuss the concept of Grassroot planning at the block level.

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### 3.4 LET US SUM UP

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Although the Panchayati Raj system has heralded a new era of decentralization in the history of Indian social and political structure, however, the visionary impact with which it was conceived has not been that strong. As they say, changes come at their particular speed, the new Panchayati Raj system is also building a strong base in numerous states but with some initial problems. It certainly ensures the common man's participation in the planning process

for his own community and that's what the grassroots planning actually intended to achieve- A plan for the people and by the people.

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### 3.5 KEY WORDS

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1. **Panchayati Raj Institutions:** System of local self-government of villages in rural India.
2. **Democracy:** Rule by the people in which they have the right to change their rulers passively.
3. **Decentralization:** Dispersing functions from the higher level to lower levels of government.
4. **Integrated Rural Development Program:** Program which aimed at providing employment opportunities to the poor people of rural areas.
5. **Grassroots Level Planning:** Planning at village or Block level where people from all sections of the society are involved to prioritize the area of intervention while taking the view of their resources and formulate plans.

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### 3.6 REFERENCES AND SUGGESTED READINGS

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## UNIT 4: RURAL DEVELOPMENT ADMINISTRATION

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### Summary:

#### 4.0 OBJECTIVES

#### 4.1 INTRODUCTION

#### 4.2 RURAL DEVELOPMENT ADMINISTRATION

#### 4.3 RURAL DEVELOPMENT ADMINISTRATION: ORIGIN AND GROWTH IN INDIA

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##### 4.4.3 ADMINISTRATIVE SETUP AT DISTRICT LEVEL.

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##### 4.4.5 DISTRICT RURAL DEVELOPMENT AGENCY (DRDA)

#### 4.5 ADMINISTRATIVE SETUP AT THE DISTRICT LEVEL AFTER THE CONSTITUTION

##### AMENDMENTS (73<sup>RD</sup>) ACT 1992

##### 4.5.1 DISTRICT PLANNING COMMITTEE (DPC)

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##### 4.5.3 RURAL DEVELOPMENT BUREAUCRACY

#### 4.6 LET US SUM UP

#### 4.7 KEY WORDS

#### 4.8 REFERENCES AND SUGGESTED READINGS

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### 4.0 OBJECTIVES

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After reading this chapter, students should be able to understand the following concepts:

- About rural development administration.
- Origin and Growth of the Rural Administration
- Structure of rural development administration.
- Administrative Setup at the District Level after the Constitutional Amendment.

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## **4.1 INTRODUCTION**

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Rural development is one of the prominent factors for the growth as well as prosperity of the economic condition of India. The country, like India, is largely relying upon agricultural activities. Moreover, it mainly contributes more than one-fifth to Indian economy through gross domestic product. With the aim to make improvements in agriculture sector, the government of India has taken many useful initiatives in regard to rural development which results in increasing the role of this sector in contribution of nation's gross domestic product. In addition to this, there are various policies, regulations along with acts have been framed by the "Ministry of Rural Development" and it is the sole responsible for such practices.

Rural development usually refers to the group of all the activities which assist in the improvement of quality of life, living standard of people and also providing financial assistance to individuals, specifically those living in populated and remote areas. The part of land related to rural areas is being converted into urban land rapidly. Furthermore, this land would be utilized for the construction of houses, factories, government infrastructure and many more, but still most of the population lives in rural areas where there is lack of facilities like education, transportation public health, and sanitation, women empowerment, availability of credit, employment opportunities, and infrastructure development etcetera. Therefore, it becomes necessary to upgrade the standard of living of the people of such community and Ministry of rural development affairs has been planned for the implementation of numerous rural development programmes in order to not only rectify the imbalance, but also for the purpose of holistic development of rural areas.

In India, rural development has passed through varied changes like emphasis, approaches, strategies and programmes. As a result, it is assumed to be a new dimension and perspectives. So, with the participation of community people along with officials, rural development can become more beneficial and meaningful. Implementation in this field is just a planning for rural development, but to make it certainly successful, it is necessary that every individual has to be cooperative and try to indulge themselves to make their area more developed. It is also important for the development planners and administrators to ask different groups of rural people for their engagement in such activities so that it could be implemented successfully.

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## **4.2 RURAL DEVELOPMENT ADMINISTRATION**

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Rural development indicates that people of the country live satisfactory life and there would be greater social transformation. To furnish a better life to rural people depends upon economic development and also requires a rural development administration framework. The rural development administration framework should imagine the participation of rural people in the rural development programmes, decentralization of planning, better authorization of land change and more access to credit.

Rural development is linked with general development and it indicates to increase in the general growth rate of the country. Hence, in the similar manner, rural development tries to increase the rural growth rate in the nation. Rural development is a term which need to be understood separately and should be promoted consciously. Moreover, the purpose of rural development is to focus on the overall and integrated improvement in the communal people of backward areas and it has also multi-purpose agendas like growth in agriculture, rural

industry advancement, rural engineering, health, education and promotion of rural institutions. The life in these regions is interlinked with each other and every aspect need to be taken into consideration while deciding about general process of rural development.

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### **4.3 RURAL DEVELOPMENT ADMINISTRATION: ORIGIN AND GROWTH IN INDIA**

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From the ancient times, rural development and local self-government has been a very long journey in India. And, there are well-known economists like Kautilya's Arthashastra and Megasthenes who had their writing about functioning of some existing bodies in the village in their books at the time of 300 B.C (Before Christ). Besides this, two legends were found in Uttaramerur who explained the availability of different committees that regulated the villages along with Maha Sabhas. Those committees were also mentioned the process of selection, qualification as well as the rejection of members. Thus, in ancient India, there was a self-governing body in every village to look after its development affairs by its own. Though all these self-governing bodies of Mughal empire failed in such functioning due to the arrival of British administration in India. After that, it slowly and gradually reduced the role of villages' societies and other administrators like accountant as well as Headman etcetera to look into the concerned matters. Prior, the head of the group representatives of the village communities were existed and British rolled them into mere salaried employees.

After the first independence protest in India, the British government were decided to establish a local self-government in the rural areas where there the appointee would concentrate on the activities like education, health infrastructure and irrigation system etcetera.

In the last quarter of 19<sup>th</sup> century, a large number of famines and droughts were examined and it was felt the requirement of modern rural development practices to tackle with those kinds of natural calamities. By considering those issues, the government of India took numerous initiatives which would prove to be beneficial for rising up the standard of living of rural community. In support of that, the "Famine Commission" was come into existence in the year 1880 and the technical aspects of the regions of State as well as District level were evaluated and recommended by another sole governing body, named as "Aitchison Commission" (1886-87) which dealt with the problems of rural development.

Additionally, there were number of government bodies came into existence like Punjab Gram Panchayat Rules, 1965, Punjab Panchayati Raj Act, 1994, Punjab State Election Commission Act, 1994; and Punjab Panchayat Election Rules, 1994 etcetera which helped the rural development administration to implement their various plans through the structural self-governance bodies which has been framed under these acts. The new attraction towards rural development could be raised through two ways;

- i. Firstly, there is a need for reconstruction of inside administrative provisions.
- ii. Secondly, there is need to divide the accountability to self-governing local bodies.

Therefore, it can be observed that both rural development and local self-government bodies could become complementary to each other in India. The functions of local self-government are checked by "Royal Commission". Along with its report 1990, it was suggested that Panchayat system should be there at decentralized level.

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#### 4.4 STRUCTURE OF THE RURAL DEVELOPMENT ADMINISTRATION

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It is very important to understand the existing administrative structure of the rural development administration from the beginning. There is need to identify how to extend the present scenario and development approaches adopted by policy maker for planning of administrative infrastructure at different stages.

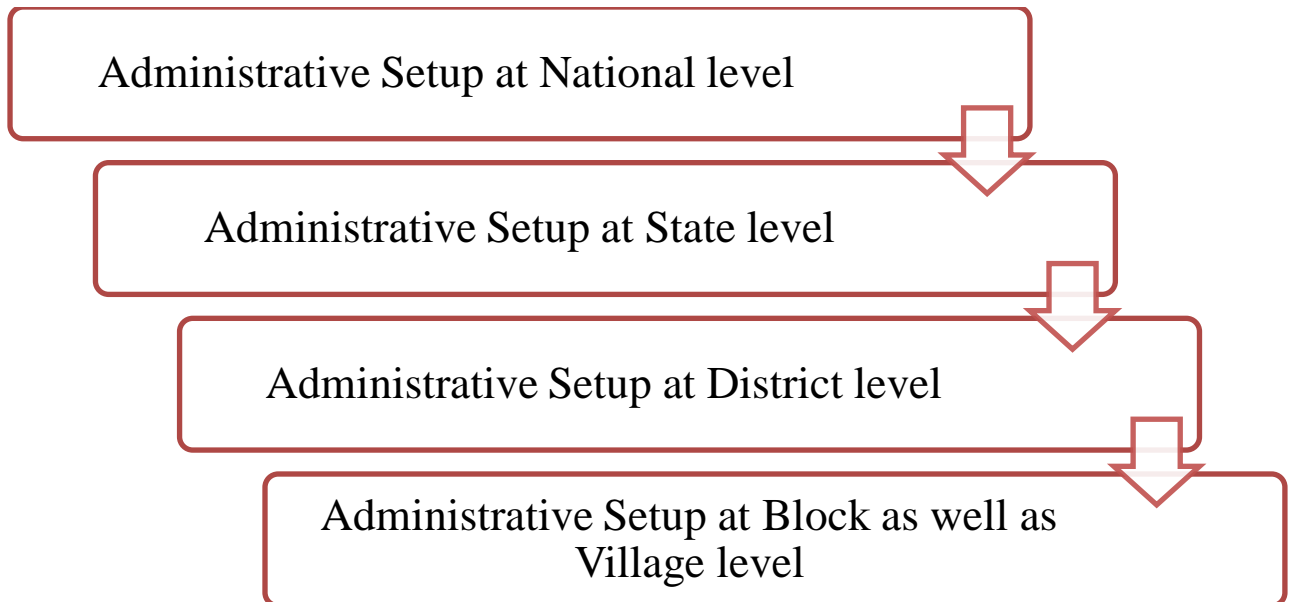
**Historical overview:-** The colonial rulers has inherited the current administrative structure in India. The structure mainly delegated with the functions and responsibilities related to the rural development. But time to time certain amendments have been made into it. The functions of rural development organized by revenue and general administrative organizations and its structure. In the initial stage of Community Development Programme in 1952 there are number of changes have been made and rural development administrative was set up at field level. The structure includes different technical expert and provide training to other staff to start the different schemes under its purview.

There is prerequisite of integrated organizational structure for rural development which was recommended by the Grow More Food Enquiry Committee in its report in 1952. The committee also fixed the setup at the National, the State, the Block and the Village level. The "Taluk" is a development block, which was established by the recommendation of the committee. The development officer who is known as Revenue Divisional Officers are in charge of 100 to 120 villages and also get help by other technical staff which includes the one officer from each agriculture, animal husbandry, cooperation and engineering departments. All the district level development activities are come under the incharge of collector who is assisted by some specialist officers. The state level development activities are controlled by Cabinet Committee which is administrated by Chief Minister and there is Non-official board which coordinates the policies and facilitates the joint actions.

The "Community Development Programme" (CDP) were launched in 1952, thereafter another programme "National Extension Services" (NES) were launched in 1953 which applicable in whole country. The development block was made for formulation of plan under the Community Development Programme. The agriculture, animal husbandry, rural industry, literacy, health, social welfare all are the part of integrated rural development programme and their main motive is self-help and public participation. One of the most outstanding managerial invention created by Community Development Programme were dividing blocks as the units of administration. It also engaged the extension officer and Village Level Worker for group of villages, they have managed the different development programmes of various departments. All the development activities of state level are coordinated by Commissioner apart from this he coordinates the integration development programmes of various departments at the block level and increase the participation of rural people in development programmes

While implementing Community Development Programme the requirement of administrative structure was felt. It recommended certain changes at district level at the time of fourth and fifth year plan period and made strategies for rural development programmes. The rural development initiatives taken by the government officials prove to be very beneficial for the proper allocation of resources to the backward areas to make such areas pollution free and try to alleviate poverty which can only be possible through the systematic flow of activities of such vast administration. Therefore, in order to bring modernization, transformation and development in the rural regions, there is a need for an administrative

structure of rural development. Moreover, it would be helpful for the proper implementation of all the government's rural development programmes in the most suitable manner. Thus, the administrative structure of rural development consists of the following:



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#### **4.4.1 ADMINISTRATIVE SETUP AT NATIONAL LEVEL:**

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The “Ministry of Rural development” had got many names in the historical time period. Prior the name of “Ministry of Rural development” was called as “Ministry of Rural Reconstruction” which was come into existence in the year 1979 and continued its operations till 1982. But in the beginning of the year 1985, it is known from another name which was “Department of Rural Development” regulated by one of the government body that was “Ministry of Agriculture and Rural Development” and same name was also replaced with the “Ministry of Agriculture” in September 1985, where the department of rural development was just a part of it. Finally, it got its appropriate name that is “Ministry of Rural development” in the year 1999.

In addition to this, the Ministry of rural development has mainly two different departments which are governed by a Secretary to the Government of India and various officials come under him. The name of the departments is:

- a) Department of Rural Development.
- b) Department of Drinking Water Supply.

We have our main focus on rural development; therefore, it is important to know the different divisions regulated by the Ministry of rural development which is given below:

#### **Divisions under Department of Rural Development:**

- i. Administrative and Panchayati Raj Division.
- ii. Poverty Alleviation Division.
- iii. Monitoring Division and Finance Division.
- iv. Swarnjayanti Gram Swarozgar Yojana Division.
- v. Rural Connectivity Division.
- vi. Land Resources Division.

These divisions of department of rural development play a vital role in identifying various issues in rural areas and try every possible measure to fix such kind of problems like timely health facilities, education to every student of these areas and also other essential facilities like providing financial grants etcetera. Moreover, every division is headed and regulated by the “Joint Secretary” level officer and the supporting staff as well as other technical officials assists him in the smooth functioning of the operations of such divisions.

Although, the Ministry of Rural development comprises all the activities like planning, directing, formulating of policies along with programmes, coordinating and also providing sufficient financial funds to all its subsidiaries. There are four types of programmes which are categorized by this ministry to focus on the different aspects of the society as well as the rural sector of India which are as follows:

- Self-Employment Programmes.
- Wage Employment Programmes.
- Area Development Programmes.
- Basic Needs Programmes.

For the purpose of administrative control, this ministry has two main institutions in which one is autonomous body and other is a registered society like “National Institute of Rural Development” (NIRD) and “Council for Advancement of People’s Action and Rural Technology” (CAPART). It is also extremely essential to know that the Ministry of Rural development is not only a single functionary to implement various rural development programmes but it is also concerned with the other ministries which contributes in the enhancement of various other sectors. For instance, the “Department of Women and Child Development” initiate different programmes from time to time for the welfare of children as well as the women living in the society, on the other hand, the “Ministry of Social Justice and Empowerment” takes many development steps for the well-being of Scheduled Castes, Scheduled Tribes (SC/ST) along with the physically and socially handicapped individuals in the areas of backward regions.

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#### **4.4.2 ADMINISTRATIVE SETUP AT STATE LEVEL:**

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In India, there are twenty-nine states in the nation and each state has its own separate department of rural development which are headed by a “Development Commissioner” and after that a “Secretary”. Also, the State governments have its responsibility towards the proper administration of such rural development programmes which has been started by the central government. Surprisingly, in some states the Development Commissioner and the Secretary could be a sole individual who look after all the affairs regarding rural development at state level.

From the historical point of view, the “State Level Coordination and Review Committees” were introduced in every state by the Government of India (GOI) in order to synchronize the functions of different departments at the time of late 1960s. Each committee was controlled by a “Secretary” and a “representative” appointed by the national level government of India. Unfortunately, these committees had not satisfied the expectations of the state governments in many states and also failed in assistance along with support to the various government agencies as per the study of “Programme Evaluation Organization” (PEO) of the Planning Commission with the joint support of “Antodaya Programme” which



were specifically concerned with the Small and Marginal Farmers as well as Agricultural Labourers in year 1983.

While, all the development programmes like “Integrated Rural Development Programme”, “National Rural Employment Programme” (NREP), “Rural Landless Employment Guarantee Programme” (RLEGP), “Drought Prone Areas Programme” (DPAP), “Desert Development Programme” (DDP) etcetera had recommended by Ministry of rural development in which the overall control on the administrative functions up to the block levels should be in the hands of a single department so that, there would be no any confusion between the functioning of different departments with each other and they would perform their duties with adequate coordination at state level. Furthermore, it had recommended one finest post for the “Commissioner” who is guided by the middle level officers such as “Joint or Deputy Secretary” and dealt with the special development programmes started by the state government for the welfare of the people of the rural areas. The main tasks of such Commissioner are to monitor, formulate and implement all the development programmes with utmost care at district level.

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#### **4.4.3 ADMINISTRATIVE SETUP AT DISTRICT LEVEL:**

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In India, each state is divided into many divisions and such divisions are further classified as districts. At the district level, “District Collector” is known as the head of the district level administration of rural development. All the operations concerned with the revenue as well as development have been carried out in single office of District collector. He is one of the officials who coordinate diverse district development plans and programmes and having proper control over the “District Planning Committee” (DPC) which comprises of different numbers of officials and non-officials who further assisted by an upper level officer that is “District Planning Officer”.

On the recommendation of “All India Rural Credit Review Committee”, various agencies like “Small Farmers Development Agencies” (SFDA) and “Marginal Farmers and Agricultural Labourers Development Agencies” (MFALs) had been appointed by the “Reserve Bank of India” (RBI) in year 1969. The main idea to bring such agencies into existence was to provide financial support as well as technical agricultural guidance to all the small farmers who were living in the small parts of the country. Moreover, the “Coordination Committee” was formed at district level in order to coordinate all the activities of different departments which came under the control of “District Collector” (DC).

Additionally, the administering body at district level comprised of a “Chairman” (who was typically known as the “Collector of the district”), representatives of the State level Departments of “Agriculture” and “Animal Husbandry” and a leading Bank, a “Chairman” of the Central Cooperative Bank as well as a “Zilla Parishad” concerned and a couple of other non-officials. Further, every such development agency was permitted just a core staff involving a “Project Officer” along with the other three “Assistant Task Officers” drawn from the Departments of Agriculture, Animal Husbandry. The SFDA (Small Farmers Development Agency) had no field staff of its own and the office was assumed to work utilizing the administrations of the staff of other advancement divisions concerned.

Apart from SFDA, during fifth five year plan other numerous special programmes were launched for rural development. First Drought Prone Areas Programme (DPAP) then

Desert Development programme (DDP) was introduced in 1970. The state government and central government also established certain special project agencies at the district level.

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#### **4.4.4 ADMINISTRATIVE SETUP AT THE BLOCK AS WELL AS VILLAGE LEVEL:**

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The districts are further diversified into various blocks and villages in which blocks are headed by the block level officer that is, “Block Development Officer” (BDO) and village level workers that is, “Gram Sevaks/ Sevikas”. Furthermore, the Block Development Officer is assisted by the eight other personnel who are the representatives of different departments like agriculture, animal husbandry, social welfare, Rural Development Administration irrigation, cooperation etcetera. These Development Officers give special references to the self-help as well as public participation of the rural people by planning and integrating agricultural as well other development activities.

As per the report of “Balvant Rai Mehta study team” which was appointed by the Government of India in the year 1957 in order to review all the work done under the “Community Development Projects” and “National Extension Services”. It was suggested by such team that the decentralization should be carried out in the powers of the block officers and village level workers.

At the time of mid- sixties new programmes were launched such as Small Farmer Development Agency (SAFDA) and Marginal Farmers and Agriculture Labour Development Agency (MFAL), but at block level structural mechanisms have not been changed. The block development officer implements all the programmes and schemes of the District Rural Development Agency (DRDA) at block and village level. There are some other block staff and extension officer of agriculture department, animal husbandry, social welfare, irrigation and industries and khadi Supervisor from Khadi and Village Industry Corporation (KVIC) besides from BDO, who are responsible for implementation of the Integrated Rural Development Programme (IRDP). The department of agriculture also controlled the agriculture extension staff in some states which acquired Training and Visit system for agriculture extension.

Furthermore, all the reports of the development programmes organized at block level are being checked by the “Block Development Officer” and on the other hand, the activities of a block is examined by the “Panchayat Samiti” in quarterly general meeting under the chairmanship of a person named as “Pradhan” who is the member-secretary of BDO. All the members of the Panchayat Samiti, Su-divisional Magistrate, district level officers of the development departments, representatives of DRDA, “Sub-divisional Agricultural Officer”, “Tehsildar”, block level officers of other development departments and block staff must present in this meeting.

The BDO hold the meeting fortnightly of Village Level Workers (VLWs) and block staff for the purpose of examining the development programmes at block level. In quarterly general meeting, all the activities of a block were examined by the Panchayat Samiti under the guidance of pradhan. All the members of Panchayat Samiti, Sub-divisional Magistrate of the area, district level officers of the development departments concerned, representatives of DRDA, Sub-divisional Agricultural Officer, Tehsildar of the area, block level officers of other development departments and the block staff must be present in this meeting. To

control and manage the supply of credit, there is “Block Level Coordination Committee” (BLCC) which held meeting once in a month on a predetermined date. Moreover, the “Pradhan of the Panchayat Samiti” is the chairperson of such committee. This committee is attended by all the members of branch managers of banks in the block along with the Tehsildar of the area. The Panchayat Samiti has gained significance in the development process with the delegation of power and management of all the development activities. However, there is requisite to take certain steps to improve the managerial capability of selected members related to administrative and economic problems. So that, they can work at every block as well as village level with efficiency.

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#### **4.4.5 DISTRICT RURAL DEVELOPMENT AGENCY (DRDA)**

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Former Ministry of Rural Development had suggested that the District Rural Development Agency (DRDA) should be planning and implementation agency at district level for rural development. The District Rural Development Agency would work under collector, Deputy Commissioner or District Magistrate of the district. During the starting of the sixth year plan the District Rural Development Agency was set up as an autonomous body. Similarly, Integrated Rural Development Program (IRDP) and National Rural Employment Program were inaugurated in all the blocks of the nation. The overall responsibility of DRDA is formulation, application, checking and assessment of anti-poverty reduction programmes at district level.

##### **Functions of District Rural Development Agency**

- The DRDA provide information to district and block level agencies regarding parameter, dimensions and requirements of the programmes and also assign them duties to complete the tasks.
- The DRDA coordinate and supervise the activities of blocks, on the basis of that prepare the perspective and annual plans for the block, in the end prepare a plan for the district.
- The DRDA regularly evaluate and monitor the programmes to confirm the effectiveness.
- It also protects the inter-sectoral and inter-departmental coordination and participation.
- The DRDA spread information about poverty reduction programmes for rural development.
- DRDA should be professional agency itself and must be able to cooperate with other agencies effectively. DRDA coordinate with all the poverty reduction agencies like line department, Panchayati Raj Institution, the bank and other financial institutions, NGOs and technical institutions for providing support and resource in their efforts in the district.
- DRDA provides necessary executive and technical support to poverty reduction programmes of Zilla Parishad.
- The DRDA ensure that accounts are properly maintained in respect to fund issue for poverty reduction programmes and send annual reports of fund utilization to State Government in the given formats.

The following members are included in the governing body of DRDA besides Chairperson.

- All the MPs and MLAs of the District,
- Head of the Central Cooperative Bank of the District,
- Chairman of Regional Rural Bank,
- Chairman of Zilla Parishad or its representative,
- An officer of the Lead Bank,
- District Employment Officer
- One representative of rural women, preferably a beneficiary

The President of DRDA has authority to appoint an executive committee to support the DRDA. The members of committee are district level officers. There is compulsory meeting of governing body in every quarter and the Executive committee meets once in every month. The project officers of DRDA get support from 2 to 3 Assistant Project Officers (APO) who are specialist in their field. The development of Women and Children in Rural Areas Programme and women's component are looked after by women APO.

The District Development Committee was set up under the guidance of District Collector with the recommendation of former Ministry of Rural Development. The BDOs are the heads of district level development departments and they are representative of banks and non-official's bodies. The BDO coordinate the work of all the district level departments, Khadi and Village Industries Board, District Industries Centre Banks etc. It also examined the various programmes which are in process in the district and solve the problems regarding implementation and administration of the programmes.

### **Check your Progress**

**Note: Write your answer in the given space.**

1) Define the rural development administration its Growth and Origin

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2) What is the mandate of the Ministry of Rural Development and what are the kinds of programmes it deals with?

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3) Write a note on District Rural Development Agency.

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**4.5 ADMINISTRATIVE SET UP AT THE DISTRICT LEVEL AFTER THE CONSTITUTIONAL AMENDMENT (73<sup>rd</sup>) ACT,1992**

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The evaluation of the present administrative setup and delivery mechanisms at the district, the block and the village level give thought to establish Constitution (73rd Amendments) Act 1992. The ideas to establish the Act come slowly and progressively through delegation of powers and resources to the three tiers Panchayati Raj Institutions (PRIs). It also acts allocate the responsibility for planning and implementation of various poverty reduction programmes at district level. The Ministry of Rural Development takes numerous initiatives to delegate managerial and financial powers to the Panchayati Raj Institutions. The designation of Chief Executive Officer (CEO) of Zilla Parishad may have to be assigned to an officer who is correspondent to District collector for coordination purpose. On the request of Conference of the Ministers of the Panchayati Raj in July 2001, a mission force was set up to provide powers to the Panchayati Raj Institutions. All the issues mentioned in XI schedule of Constitution was analysed by this force and all the special activities related to different issues were recognized. Further, the Act gave suggestions to divide these activities to three tier structure of Panchayats, and also provide powers and funds to PRIs to work efficiently. It also solved the issues mentioned in constitution and may transferred to PRIs to manage it. Presently, there are different agencies like DRDA which integrated with Zilla Parishad to achieve the common objective that is rural development. The DRDA functions under the supervision and guidance of Zilla parishad as its unit. However, the procedure of decentralization of powers has enhanced in the recent past, otherwise it remain suffer from bureaucratic resistance and lack of political will at the state level. Still, the functions of district administration have changed as compare to earlier functions that are administration and implementations.

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**4.5.1 DISTRICT PLANNING COMMITTEE**

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To implement the concept of decentralized planning successfully all the states are required to set up District Planning Committee (DPCs) as predicted under Article 243 of the constitution (74<sup>th</sup> Amendment) Act. The District Planning Committee formed in every district of the state which is responsible for formulation of compile plans for urban and rural areas. The committee makes effective coordination with the urban civic development bodies and Panchyati Raj Institution for urban along with rural development areas. In India all the states has established the District Planning Committee in every district. The Chairperson of Zilla Parishad and District Planning Committee is a common person. In numerous states, District Planning Committee is managed by Ministers of the State Government which is against the

constitutional provision of the Act. A core planning team must be formed which includes the expert from various disciplines to make plan at the district level. Such teams could help in preparations of plan on various matters.

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#### 4.5.2 GRAM PANCHAYAT

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In the three-tier structure of Panchayati Raj Institution, the responsibility of recognizing various development schemes given to the Gram Panchayat. The Gram Panchayat on the basis of these schemes prepare action plans to implement in rural areas with the prior approval of the Gram Sabha. The role of Gram Panchayat is to handle the all development activities in rural areas. However, the Gram Panchayat established to implement the development schemes with increasing the involvement of rural people. It also conducts the meetings of Gram Sabha on time relating to the various activities which are not up to mark in actual situations. It also organized various awareness programs to solve the problems of rural people. It will provide all the assistance to Gram Panchayat to act in the true spirit of the Constitution (73<sup>rd</sup> Amendment) Act, 1992.

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#### 4.5.3 RURAL DEVELOPMENT BUREAUCRACY

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Bureaucracy is one of the important agent for formulation, implementation and evaluation of the rural development policy.

##### Bureaucracy at different level

Central Level	Secretary
State Level	Secretary
District Level	District Magistrate
Sub Division Level	SDO
Block Level	BDO

#### Check your Progress

**Note: Write your answer in the given space.**

1) Define Gram Panchayat.

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2) What is the DPC and what are its functions?

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3) Explain district level administrative set up after the constitutional amendment.

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#### 4.6 LET US SUM UP

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In this current chapter, we have discussed various development strategies implemented from time to time, for instance in the beginning as well as at time of structure of administration which assists in achieving the objective of economic development and change the life of rural people. The starting of PRIs and the outcomes of the Constitution (73rd Amendment) Act has provided the powers and freedom to work to the people who belongs to rural areas. In the concerned study different recommendations along with observation has come out of the box which reveals diverse suggestive measures to bring growth in agricultural activities by eliminating inhabiting bottlenecks. All these developments were possible through people participation in various programmes which were made by government for rural development, because participation of people is necessary for development process from technical and philosophical point of view.

Additionally, the rural development administrative structure has been divided into different hierarchal levels such as administrative setup at National Level, State Level, District Level, Block Level as well as village level, where each level has its own importance, authoritative acts which contribute in the economic prosperity to all the diversified backward areas. Moreover, they implement numerous governmental initiatives, programmes and development strategies to overcome all the hurdles in the way of living people of such areas where there is even lack of basic necessities of life. Hence, the “Rural Development Administration” is extremely essential for implementation of various schemes and programmes made by government that results the holistic growth in agriculture, rural industry advancement, rural engineering, health, education and promotion of rural institutions etc.

Furthermore, in order to develop the rural areas in the most effective way, there are different governing bodies at every hierarchical level, as such discussed earlier, which operates at numerous stages to deal with every hurdle in the way of rural development. They have their own functionaries which submit their reports time to time to the higher authorities to determine the progress of such backward areas. Moreover, the most important aspect is that responsible authoritative personnel (like “Block development officer” supervises at

village and gram Panchayat level etcetera.) monitor each and every action of the governmental initiatives which are mainly concerned with the growth and prosperity of the rural areas.

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#### 4.7 KEY WORDS

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**Growth:** The process of growing and developing or an increase.

**GDP:** Value of the goods and services produced within the country during a specified period.

**Administration:** The control or the act of managing something.

**Century:** A particular period of 100 years that is used for giving dates.

**Autonomous Body:** A self-governing body, independent, or subject to its own laws.

**Drought:** A long period without rain

**Poverty Alleviation:** Lift people out of poverty.

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#### 4.8 REFERENCES AND SUGGESTED READINGS

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES.

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## UNIT 5: PANCHAYATI RAJ INSTITUTIONS (PRIs) (EVOLUTION & STRUCTURE)

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### Summary

- 5.0 OBJECTIVES.
- 5.1 INTRODUCTION.
- 5.2 PANCHAYATI RAJ EVOLUTION.
  - 5.2.1 BALWANT RAI MEHTA COMMITTEE OF PRIs.
  - 5.2.2 ASHOK MEHTA COMMITTEE OF PRIs.
  - 5.2.3 L M SINGHVI COMMITTEE OF PRIs.
  - 5.2.4 SARKARIA COMMISSION
- 5.3 STRUCTURE OF PANCHAYATI RAJ INSTITUTIONS.
  - 5.3.1 GRAM PANCHAYAT.
  - 5.3.2 PANCHAYAT SAMITI.
  - 5.3.3 ZILLA PARISHAD.
- 5.4 LETS US SUM UP.
- 5.5 KEY WORDS.
- 5.6 REFERENCE AND SUGGESTED READINGS

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### 5.0 OBJECTIVES

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After reading this lesson, the students should be able to understand the following concepts:

- Objective to setup Panchayati Raj System.
- Committee's to set up Panchayati Raj System.
- Gram Panchayat, Panchayat Samiti and Zilla Parishad.
- Functions of Three-tier structure of Panchayati Raj System.

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### 5.1 INTRODUCTION

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The Indian administration three-tier structure for rural development is known as "Panchayati Raj". The primary objective of Panchayati Raj is not only to create local self-government bodies at district, zonal, and village levels, but also to make developments in rural areas. Usually, Panchayats have been working by different names for centuries. Several attempts have been made to create a functioning system that is based on democratic processes for the last five decades. Moreover, one of the main causes for the failure of the Panchayat Raj system was insufficient funds, rescheduling of elections, formation of similar bodies, and

merging of the general administration at the state as well as on district level. The lack of democratically selection of decentralized structure was also a major problem in the social, economic, and political development of India, thus, the interest in Panchayat has revitalized again in the mid-1980. Finally, it directed to made constitutional amendments in 1982, which instructed all states and union territories to set up regular democratically elected bodies that were called local self-Government.

In India, to encourage more participation of people in their local self-governance, Panchayati Raj Institutions efforts to create decentralize government. The constitution 73 Amendment act allows to establishment of the process of democratic decentralization in the Indian Parliament, 1992. Panchayati Raj Institution empowered the decentralized governance in rural areas. The 73rd Constitutional Amendments Act 1992, made it mandatory for all Panchayats to establish a three-tier structure at the village, zone, and district level, which would be strong, feasible, and approachable. Same year 74th amendments constitution Act 1992 was passed for the establishment of Municipalities in urban areas. The municipality in urban areas and Panchayati Raj in rural areas are responsible for basic as well as higher education, practical training, professional and non-professional education. The state government performs a supervisory function and holds the powers to solve the issue regarding whole educational norms, preparation of schedules and educational programs, arrangement and recommendation of course books, and conduct of public examinations.

To mobilize the interest in Panchayats and to encourage effective participation, the central government organizing massive publicity campaign, and whole educational norms, preparation of schedules and educational programs, arrangement and recommendation of course books, and conduct of public examinations. Panchayati Raj Institutions works at grass root level in every village and unit of local self- government. It has been declared as the vehicles of socio-economic conversion of rural India. The effective and significant working of Panchayati Raj Institutions has relied upon active participation and involvement of rural people. Every village keep aim to be live with freedom and Panchayats has powers to make this aim to convert into reality by introduction of Panchayati Raj framework with maximum rural people participation.

The Panchayati raj is not a new concept in rural India and its philosophy is greatly effects on tradition and culture. The local self-governance system at village level is provided by Panchayati Raj. Nonetheless, Panchayati Raj did not have a constitutional status. The Constitution (73<sup>rd</sup> Amendment) Act, 1992 gave the required status and Framework to the Panchayats that create the third level of governance. In the history of Panchayati Raj, 23rd April 1993 is a landmark day because on this day Panchayati Raj was given constitutional status through the constitutional (73rd Amendment) Act 1992, in this way trying to change Mahatma Gandhi's dream of Gram Swaraj into a reality. This Act mandates and provides for.

- Act Establish three-tier structure of Panchayati Raj institutions (Village Panchayat, Panchayat Samiti and Zilla Parishad.
- Establishment of Gram Sabhas at the village level.
- Regular elections to panchayat every five years.
- Proportionate seat reservation for SCs/STs.
- Reservation of not less than 1/3 seats for women.
- Constitutions of state finance commissions to recommend measures to improve the finances of panchayats.
- Constitution of State Election Commission.

The system of Panchayati Raj is applicable in all the states and union territory except certain states like Nagaland, Meghalaya, Mizoram and Delhi (Union territory). It is also not applicable some area that includes:

- a. The scheduled areas and the tribal areas in the states
- b. The hill area of Manipur for which a district council exists and
- c. Darjeeling district of West Bengal for which Darjeeling Gorkha Hill Council exists.

Today, throughout the country there are approximately 2,53,268 Gram Panchayats at the village level, 6614 Panchayat Samiti at the block level and 630 district panchayats and a total of about 31 lakhs elected representatives at all three tiers. Total Panchayati Raj Institution in the country was 2,60,512, this is the largest representative base in a democracy anywhere in the world, developed or underdeveloped (Basic statistics of Panchayati Raj Institutions, 2019).

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## **5.2 PANCHAYATI RAJ EVOLUTION**

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In India, the Panchayati system is not purely a phenomenon after-independence. In rural India the village Panchayat has been the dominant political institution for centuries. The Panchayat were chosen in ancient India for executive and judicial power. The importance of village Panchayats were reduced by natural and socio economic changes, by foreign domination especially Mughal and British. Before the time of independence, panchayats were the source of dominance of the upper caste over rest of the village, which extended the division based on either the socio-economic status or the caste hierarchy. The Panchayati Raj was developed after drafting the constitution and after getting independence.

The development of Panchayati Raj system started after attainment of independence and drafting of constitution. Article 40 is related to the constitution of India stated that every state can take initiative to establish Panchayats at village level. It also provides power and authority for the efficient working of Panchayats as local self-government. There are number of committees which are recommended by government of India to implement the idea of local self-government at village level. The following committees are recommended:-

- Balwant Rai Mehta Committee of PRIs
- Ashok Mehta Committee of PRIs
- G V K Rao Committee of PRIs
- L M Singhvi Committee of PRIs

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### **5.2.1 BALWANT RAI MEHTA COMMITTEE OF PRIs**

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A committee was appointed by National Development Council to examine a project plan. In 1956, the committee appointed a study team to examine the Community Development Projects and National extension service, under the chairmanship of a senior legislator Balwant Rai Mehta. The committee also suggests techniques required for effecting economy and improving efficiency in their implementation. The team was instructed to examine the range at which community development movement is successful in using local initiatives and to make sure continuously improving the economic and social conditions in rural area. The basic principles of the committee were:-

- The committee recommended three-tier structure for local self-government from village to district level and relation among them well defined and practical.
- The committee recommended that to avoid excessive state control adequate administrative power may granted to Panchayats.
- The committee recommended that power and responsibility should be transfer to them in reality so that they can perform their duty efficiently.
- The committee recommended that sufficient resources should be provided to the new bodies so that they can discharge their responsibility.
- All the new development programmes should be implemented.
- The system evolved should aim at further devolution and dispersal of responsibilities in future in the real sense.

State government passed law to make these bodies in their states after accepting the recommendation given by the National Development council (NDC). Every state created various types of structures as per its requirement of the state by keeping in mind their existing structure. These laws are made for development of main units of district. At the same time, to implement the development plans of Panchayat Raj Institution at district and lower level, these bodies were given sufficient powers not only to raise resources but also to requisition of machinery. In the Third Five year plan the idea of decentralization was again repeated and it was planned that the state should made annual plans on the basis of district and block level, at least in the following activities.

- Agriculture, including minor irrigation, soil conservation, village forests, animal husbandry, dairying etc.;
- Development of co-operatives;
- Village industries;
- Elementary education, especially provision of school buildings for local communities;
- Rural water supply, Programme of minimum rural amenities, including construction of approach roads linking each village to the nearest road for rail head; and
- Works/programmes for fuller utilization of manpower resources in rural areas.

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### **5.2.2 ASHOK MEHTA COMMITTEE**

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Simultaneously, another committee was appointed under the chairmanship of Ashok Mehta, the purpose of this committee is to investigate how Panchayati Raj Institutions works at village level. The committee recommended certain ways to make stronger the Panchayati Raj so that it can implement decentralized system effectively. The committee seems that greater coordination and complicated designing needed in future development work, which would be a foolish attempt at the state level. Ashok Mehta committee recommended that a professional qualified team worked at district planning segment that should be placed with Zilla Parishad.

As per conclusion of Ashok Mehta Committee, it is revealed that massive number of collaborative development efforts was taken in past times not only to challenge the Panchayati Raj structures but also make them unproductive. Consequently, it has been a good time for PRIs to initiate planning along with implementation work at a significant level except two regions that was Maharashtra and Gujarat.

Under the guidance of “C.H. Hanumantha Rao” a working group in regard to district level planning is introduced again by the Planning Commission. Furthermore, this working group has suggested the “Stages Approach” to district planning in its work report of 1984. Rao Committee has proved to be beneficial in order to come with the decentralization in the operations for the Seventh Plan document (1985-90). With the introduction of a new committee under the supervision of “G.V.K. Rao” which assists in the evaluation of prevailing administrative functionality in the area of rural development along with providing suggestive suitable measures in order to strengthen PRIs’ machinery.

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### **5.2.3 L. M. SINGHVI COMMITTEE**

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On the recommendation of ministry of Rural Development, "L.M Singhvi" committee submitted its report in 1986 in which it has enlightened all the aspects regarding various sections of society which the Gram Sabha has forgotten. This could be done after proper evaluation on growth and development of democratic decentralization, which seemed to be a clear picture of democracy. The opinion of LM Singhvi committee was that country was weakened due to Panchayati Raj Institutions consisted absence of clear concept, political will, and lack of research, evaluation, and monitoring. L M Singhvi committee was in favour of making methods for arrangement of sufficient funds for PRIs. The constitutional status for Panchayats was recommended by LM Singhvi Committee. The “Gram Sabhas” was first searched by his committee after the era of India’s research with decentralization. The recommendations of the committees are:-

- In the constitution of India new section should be included that ensures provisions of free, regular, and unbiased election in the PRIs. it should be constitutionally recognized and protected.
- The opinion of Singhvi Committee was that there should be optional and compulsory taxes for revenue collections, this work should be assigned to PRIs. Before this, the tax was imposed by the state government on behalf of PRIs. This disbursement of funds should be made on the basis of recommendations given by the State Finance Commission.
- The Nyaya Panchayats should be setup for a group of villages under the jurisdiction of the PRIs.
- The arguments related to the elections of Panchayati Raj Institutions should be resolved by Judicial Tribunals and it was set up by the Singhvi Committee.

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### **5.2.4 SARKARIA COMMISSION**

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The thought of L. M. Singhvi committee to provide the status of constitution to the Panchayati Raj Institution in 1988 was not approve by the Sarkaria Commission on Centre state relation. The state had power to pass any law related with Panchayat indicated by Sarkaria commission. In India, it is compulsory to bring equality in all the aspects of the law. The equality can be saved by selecting of the following given alternatives.

- At the meeting of Inter-state council made a model bill on the basis of the consent. According to that bill all the state legislature recommended establishment of law related to uniformity under Art 263.

- The law with the consent of all the state legislatures passed on this subject under parliament Art 252 (1).
- According to Article 172 and 174 of the constitution the parliament law Uniformity implement in the whole of India.

**Evaluate your Growth**

**Note: a) write your answers in the given space.**

1) Briefly describe the Panchayati Raj Institutions.

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2) Write a detail note on Evolution of Panchayati Raj Institutions.

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3) Explain the various committees of PRIs.

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**5.3 STRUCTURE OF PANCHAYATI RAJ INSTITUTIONS(PRIs)**

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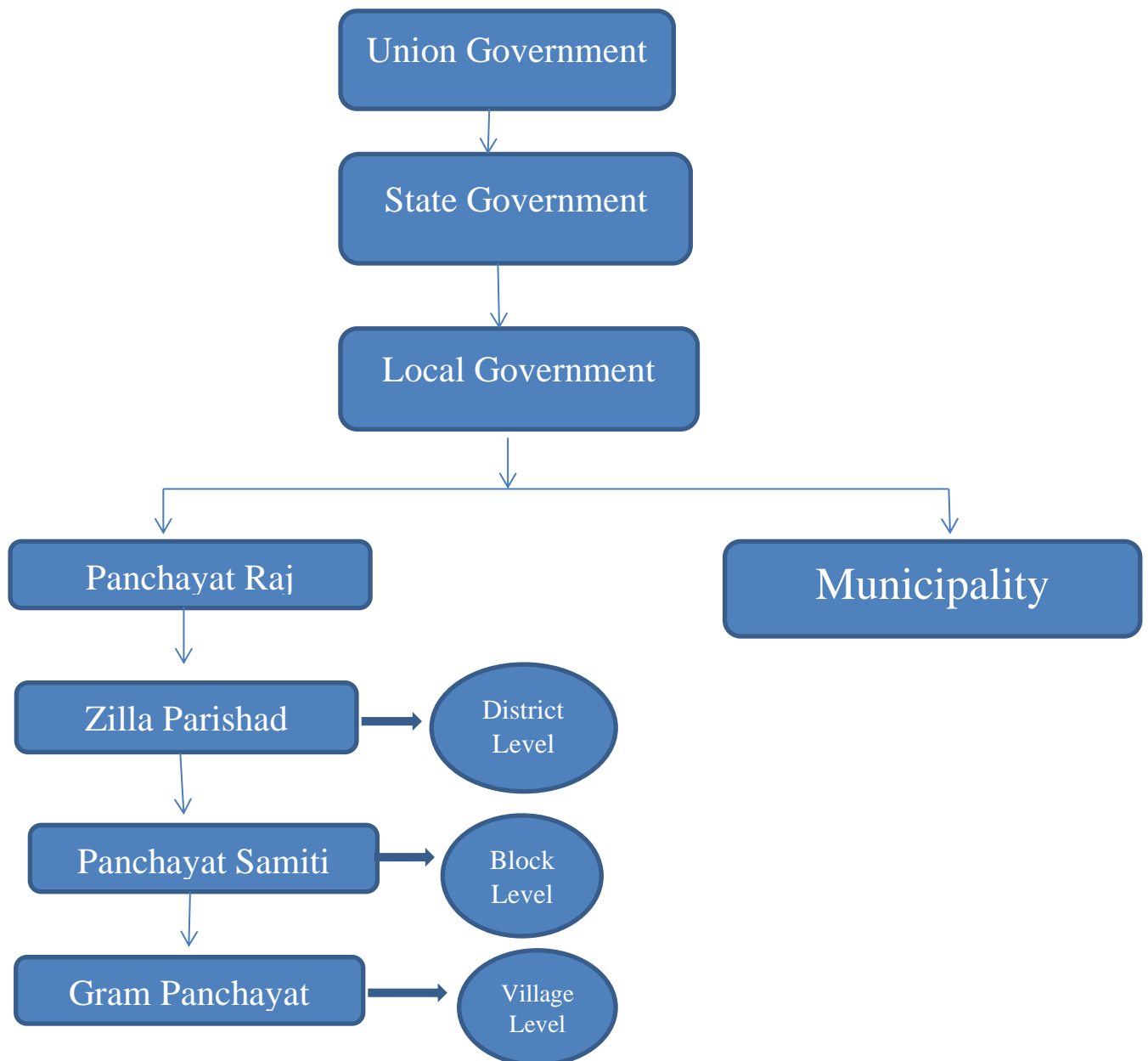
Until now, decentralized planning was limited up to one of planning technique, but there is a requirement to expand the entire process to socio-political changes. There is need to establish a favorable climate for these institutions to catch the roots by electorate, elected agent and the organization. After the development of the economy and the responsibilities of the government increased, it became difficult for the central guidance cluster to manage every one of the everyday administrative issue and to handle difficult situation, which are continuously rising. It is usually admitted that to give more attention of power on central guidance cluster become the reason of delay, increases cost, decreased efficiency, limited initiative and discourage innovation and cluster itself become the reason of bottleneck in the process of development. Consequently, there are at least six zones where local government strengthening is tried to be achieved through constitutional methods". These are:

- Typology and Size.

- Electoral portrayal.
- Institutional existence and self-sufficiency.
- Local functions.
- Local finance.
- External responsibility.

While ‘social audit and transparency’ is crucial in the working of PRIs for evoking people participation, the institutional structure should support financial and administrative devolution of power. While rural development requires decentralization, political compulsions, multiple times pull towards centralization. Political parties in powers are always uncertain of their position (Ku. Dass, 2017). So they will in general oppose and dislike any effort to set up of local organizations beyond their control. Any solid decentralized institutional political leadership looked with doubted eyes by central and state leadership and so there is need to develop the ways and means to control the power and authority of local government.

### Administrative Structure of Panchayati Raj in India



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### **5.3.1 GRAM PANCHAYAT**

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The Gram Panchayat is the first tier of the Panchayati Raj System. Gram Panchayat or Village panchayat is the lowest unit in the structure of Panchayati Raj Institution. If the population of the any village is too small then there should be a Panchayat in village. The Panchayat mainly comprised of representative selected by the peoples of the village.

The role of Gram Panchayat is to maintain the road, boreholes, education institutions, cremation ground, cleanliness, public health, libraries, reading rooms, community centre etc. The records of births and deaths are also maintained by the Gram Panchayat of the village. The Gram Panchayat makes the essential arrangement for the promotion of agriculture, animal husbandry, cottage industries and co-operative society etc. In the village minor disputes of resident are also settled by the Panchayat. Gram Panchayat is responsible to increase agriculture production and maintained minimum standard of cultivation. Apart from this Panchayat also works as agent of Panchayat samiti to implement the schemes of development at the village level.

#### **Functions of Gram Panchayat**

The functions, powers and duties were laid down under the Panchayat Act. A Gram Panchayat shall perform:-

- The Gram Panchayat should provide sanitation, conservancy and drainage to the villagers.
- Gram Panchayat should arrange Curative and preventive measures in respect of any epidemic in the village.
- Gram Panchayat should conscious about the Supply of drinking water and cleansing the sources of supply and storage of water.
- Gram Panchayat take care of maintenance, repair, construction, and protection of public streets.
- It should remove encroachments of public streets or public places.
- It should manage and care of public tanks.
- Gram Panchayat should organize voluntary labor for upliftment of its area.
- It should arrange administration of the Gram Panchayat Fund.
- Gram Panchayat administrate the Nyay Panchayat.
- Gram Panchayat imposes, assesses and collection of the taxes, rates or fees.

#### **Functions delegate by State Government.**

- Gram Panchayat arrange primary, social, technical, vocational education for villagers.
- Gram Panchayat should arrange Rural dispensaries, health centers, maternity and child welfare centers at the village.
- Gram Panchayat should provide irrigation, public ferry, food campaign, rehabilitation centers, improve breed cattle, rural housing programs, rural electrification, women and child development and so on.
- It should utilize waste land under cultivation through land improvement and soil conservation.
- It should promote village plantations, social forestry and farm forestry.



- It should provide all the schemes which are provided by the government.

### **Standing Committees of Gram Panchayat**

Every Gram Panchayat establishes a standing committee by-election. The following are the standing committees.

**Production Committee:** - The production committee of Gram Panchayat is responsible for agriculture production, animal husbandry, rural industries and poverty reduction programmes.

**Social Justice Committee:** - This committee is accountable for promotion of education, economic, social and cultural. The social justice committee protects the Scheduled Caste, Backward Classes and other weaker sections. It also provides social justice, protect from exploitation, do welfare of women and children.

**Amenities Committee:** - Some functions of Gram Panchayat like education, public health and public works are done by Amenities committee.

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### **5.3.2 PANCHAYAT SAMITI**

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The second tier of Panchayati Raj System is Panchayat Samiti. The Balwant Rai Committee report imagined that Samiti is a sole representative and independent institute which handle all the development aspects in rural area. According to the committee Samiti is has large area for work to perform as compare to village panchayat and which can attract the interest and service of resident. Ordinarily, on the basis of area and population, panchayat Samiti contains 20 to 60 villages. The range of population under the Samiti is from 35000 to 100000 and average population is 80000. The panchayat Samiti includes the:-

- The Panchayat Samiti included 20 members which are selected by Panches of all the panchayats of the same block
- There should be women members and one member each from scheduled caste and scheduled tribes to be co-selected.
- Samiti includes two persons having knowledge and experience of public life and administration which is helpful for rural development.
- There should be co-operative representatives who indulge in the operations with the concerned block.
- Panchayat Samiti includes one representative who belongs to a small municipality reside within the jurisdictions of the block.
- The associated members are those selected members who represent the assigned area by the State as well as Union government.

The one who called “Pradhan” is the president of Panchayat Samiti who is appointed by its responsible members under an electoral college. Along with him, “Up-Pradhan” is also elected for his assistance. The Pradhan organizes and directs the meetings of Panchayat Samiti. Pradhan provides guidance to Panchayat for making plans and implement such development programmes in rural areas.

The Pradhan is a responsible body for the proper applicability of all the judgments as well as the resolutions passed by the standing committee along with Samiti. Moreover, He assists in all the regulatory affairs to “Block Development Officer” (BDO) or “Vikas Adhikari” and his concerned staff. By virtue of a Pradhan, he is considered a member of Zilla Parishad and apart from this, he is considered ex-officio “Chairman” of Samiti’s standing committee. The “Chief Executive Officer” of the Panchayat Samiti delegated the power and responsibility to Block Development Officer (BDO) to implement the resolutions of the

Standing committee and Samiti. He formulates the budget of Samiti and gets approval from Samiti for implementation. He is responsible for making yearly report of Samiti and sending it to Zilla Parishad and State Government for approvals. He is responsible for his work to the President of the Samiti.

The functions of Panchayats are controlled by the Panchayat Samiti because all Panchayat comes under its boundaries. The Panchayat Samiti coordinates the activities of Panchayats and also examines its budget. It also provides suggestions for improving the functions of Panchayats.

The Samiti is accountable for Planning agriculture development, animal husbandry, fisheries, small-scale and cottage industries, and rural health, and implement all these plans for rural development. It seems that Panchayat Samiti has a lot of powers, but the reality is different. Panchayat Samiti is not an independent institute to take decision regarding to implement development project of its own choice. It generally follows the guidelines issued by the state government related to various development projects.

### **Functions of Panchayat Samiti**

The functions of Panchayat Samiti are classified into three parts.

1. Delegated function.
2. Community development function.
3. Supervisory function.

**Delegated function:** - Panchayat Samiti implement all the development policies which is made by the state government. The state government implements all the development project through Samiti at grassroot level and also include people of the village in such activities.

**Community Development function:** - The planning and implementation of social welfare programs in the field of agriculture, irrigation, cottage and small-scale industries, co-operatives and education etc. are called community development functions. With the help of this planning, Samiti get chance to solve the problems of the area and give chance to do experiment of development project.

**Supervisory function:** - Another important function of Panchayat Samiti is supervise the functions of Gram Panchayat within its jurisdictions. The budget of Gram Panchayat can be change and examine by the Panchayat Samiti. It is the mid-tier level of Panchayat Raj system and works as a source of democratic decentralization of power. These organizations actually work in the development projects of rural areas and create a link between the two-tier of the system.

### **Standing committees of Panchayat Samiti**

**General committee:** - The work related to establishment of matters, communication, building, rural housing, village extension and relief against natural calamities and water supply performed by General Committee.

**Finance, Audit and Planning committee:** - This committee do the work of Panchayat Samiti related to preparation of budget, checking of receipt and payment statement, examining the proposals of increasing revenue. It considered all the proposals which affect the finance and revenue and expenditure of Panchayat Samiti.

**Social Justice Committee:** - This committee is accountable for promotion of education, economic, social and cultural. The social justice committee protects the interest of Scheduled Caste, Backward Classes and other weaker sections of the society. It also provides social justice to SCs, Backward Classes and women and so on., protect from exploitation, do welfare of women and children.

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### 5.3.3 ZILLA PARISHAD

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In the Panchayati Raj System, Zilla Parishad remains at the top in three tier structure of Panchayati Raj system. Usually, there are representatives of Panchayat Samiti are included in Zilla Parishad. Every member of state government and parliament along with officers of district-level from the medical department, public health department, public works, engineering, agriculture, veterinary, education, and other development departments. In Zilla Parishad, there is provision of some special members from women of schedule caste and scheduled tribes. The Collector is additionally an individual from the Zilla Parishad.

The state government appoints the “Chief Executive Officer” for the Zilla Parishad, and also select the “Chairman” from its members. In all the states, there is subject matter specialist who works at the district level to implement various development programmes in rural areas. Zilla Parishad works as a coordinator and supervisor for the most part of the state. All the activities of Panchayat Samiti controlled and coordinated by Zilla Parishad which fell under its boundaries. Zilla Parishad approves the budget of Panchayat Samitis for various purposes in certain states. The government also seeks suggestions from the Zilla Parishad for application of various development schemes in rural areas. Zilla Parishad took the responsibility of the maintenance of school education, dispensaries, irrigation facilities and so on. It likewise advances neighborhood businesses and workmanship. Zilla Parishad get financial aids from Grants of state Government and part of local government.

#### **Functions of Zilla Parishad**

In the Panchayati Raj System, Zilla Parishad occupies the top position in the three tier structure at the district level. Zilla Parishad contains the chairman of the Panchayat Samiti as ex-officio members, MLAs and MPS. The members of Zilla Parishad are representatives of women, scheduled caste, tribes, and backward class. The organization like co-operative central bank and marketing society designated as members of Zilla Parishad and can act as official members. The Chairman of Panchayat Samiti can select the Chairman and Vice Chairman of Zilla Parishad in the district. The functions of Zilla Parishad are as follow:-

**Development functions:** - Zilla Parishad look after the development work which were implemented earlier in the district. All the blocks which come under the district, zilla parishad secure the implemented development project and other activities. At the time of implementation of projects, all difficulties are discussed at top level, which will find solution to solve the problem by negotiation with state government.

**Civic functions:** - Zilla Parishad is responsible for construction and maintenance all the civic activities like public road, bridge, culverts, parks and water supply system.

**Welfare Functions:** - Civil welfare functions of Zilla Parishad are establishment of markets, running of public libraries, dispensaries, public health and family planning centers, providing relief in times of natural disasters.

**Coordinative functions:** - All the activities of Panchayat Samiti at block level are managed by Zilla Parishad. The district becomes prosper through these blocks. Hence, all the development projects are coordinate and consolidate by Zilla Parishad at block level.

**Financial Functions:** - The budgets of Panchayat Samiti are verify and approve by Zilla Parishad. It has financial work and provide financial assistance to Panchayat Samiti. All the financial activities of Panchayat Samiti and the Village panchayat are controlled by Zilla Parishad.

**Advisory Functions:** - All the activities of the State government at grass root level are advised by the Zilla Parishad. The advice of Zilla Parishad are followed by the state government and there are fewer chances it overlooked or neglected.

### **Standing committees of Zilla Parishad**

**General committee:** - The work related to establishment of matters, communication, building, rural housing, village extension and relief against natural calamities and water supply performed by General Committee.

**Finance, Audit and Planning Committee:** - The committee is responsible for finance of Zilla Parishad and also prepare budget, verify the proposal for increase revenue, check receipt and payment account. Apart from this, the committee perform more task plan priorities, allocation of expenditure and follow the guidelines of state government.

**Social Justice Committee:** - This committee is accountable for promotion of education, economic, social and cultural. The social justice committee protects the interest of Scheduled Caste, Backward Classes and protecting them from social injustice.

**Education and Health Committee:** - This committee perform the function of promotion of educational activities at district level. It evaluates the educational activities of Zilla Parishad and within the framework of national and state policy undertaken planning of education in the district. Besides, the committee has more work related to education like improve adult literacy rate and organize cultural activities, maintenance of drainage, health service, hospitals, water supply and family welfare and so on.

**Agriculture and Industry Committee:** - This committee is responsible for agriculture and industry development functions in the district. The committee focus on agriculture production, animal husbandry, cooperation, contour bunding and retrieval, village and cottage industries, promote the industry in the district.

### **Evaluate your Growth**

**Note: a) Write your answers in the given space.**

1) Define structure Panchayati Raj Institutions.

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2) What are various functions of Zilla Parishad, Panchayat Samiti and Gram Panchayat for rural development.

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3) Differentiate between the Zilla Parishad, Panchayat Samiti and Gram Panchayat.  
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## 5.4 LET US SUM UP

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The three-tier structure of Panchayati Raj system was set up at district, block and village level for the development of rural areas in India. Panchayati raj system has created decentralized government, to increase the participation of people in local self-governance. It also provides power and authority for the efficient working of Panchayats along with implementations of various programmes related to poverty alleviation. Moreover, numerous committees such as Balwant Rai Mehta Committee, Ashok Mehta Committee, G V K Rao Committee and L M Singhvi Committee have been formed time by time with the recommendation of Indian government to implement the concept of local self- government at village level. The structure of Panchayati Raj Institution includes Gram Panchayat at village level, Panchayat Samiti at block level and Zilla Parishad at district level. The Zilla Parishad works at top level, Panchayat Samiti works at middle level and Gram Panchayat at lower level. The work of all these three is to work at grass roots level and take care of roads, irrigation facility, education institutions, cleanliness, public health, libraries, agriculture development, animal husbandry, cottage industries and co-operative societies and so on. Zilla Parishad perform the supervisory function and control the affairs of Panchayat samiti and Gram Panchayat along with providing financial assistance to them. All the schemes and programmes made by the government are implemented successfully at grass roots level with the assistance of people's participation. It helps in rural development as well as poverty alleviation in rural areas.

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## 5.5 KEY WORDS

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1. **Samiti:** An Association formed to [organize](#) political activity
2. **Decentralization:** Divide the Organization into several parts.
3. **Democracy:** All people should be treated equally
4. **Panchayat:** The local governing body of a village.
5. **Massive:** Very large in size
6. **Devolution:** The moving of power or responsibility from a main organization to a lower level.

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**UNIT 6: PANCHAYATI RAJ INSTITUTIONS(PRIs)  
DEVOLUTION OF POWERS AND IT's FUNCTIONS**

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**Summary:**

- 6.0 OBJECTIVES
- 6.1 INTRODUCTION
- 6.2 STRUCTURE OF THE PANCHAYATI RAJ
  - 6.2.1 GRAM SABHA
  - 6.2.2 GRAM PANCHAYAT
  - 6.2.3 PANCHAYAT SAMITI
  - 6.2.4 ZILA PARISHAD
  - 6.2.5 RESERVATION FOR WOMEN IN PANCHAYATI RAJ INSTITUTIONS
- 6.3 DEVOLUTION OF POWER
- 6.4 POWER AND FUNCTIONS
- 6.5 FINANCE
- 6.6 ADMINISTRATION OF PRIs
- 6.7 LIMITATIONS AMONG PANCHAYATI RAJ INSTITUTIONS
- 6.8 ISSUES AMONG PANCHAYATI RAJ INSTITUTIONS
- 6.9 SUGGESTIONS FOR PANCHAYATI RAJ INSTITUTIONS
- 6.10 LET US SUM UP
- 6.11 ABBREVIATIONS
- 6.12 KEY WORDS
- 6.13 REFERENCES AND SUGGESTED READINGS

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**6.0 OBJECTIVES**

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After studying this unit, students should be able to understand the following concepts:

- Concept of Panchayati Raj System
- Role of PRIs in rural development
- Organizational Structure of PRIs
- Problems and issue in Panchayati Raj System

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**6.1 INTRODUCTION**

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In 1993, India has given the official status to the Panchayati Raj Institutions (PRIs). PRIs are in existence for the last 28 years, since the time they have been introduced by the 73rd constitutional amendment. The basic purpose behind the establishment of the Panchayati raj system was to bring democracy at the local level government which shall be driven by citizens' need and participation. So, to achieve this purpose, a three-tier system by the government was introduced which helped to decentralize decision making, governance, and local development. In the early stages of the Panchayati raj system, the panchayats in villages

were formed based on castes. But in today's times, PRIs have changed a lot in terms of their structure, processes, and functions.

Mahatma Gandhi was the first leader who recognized the importance of the Panchayati Raj Institutes in self-governance and rural development. His vision for a village Panchayat was a self-sufficient republic with the freedom to individuals, opportunities for all, and people's participation in decision making. With a future perspective, the provision for making Panchayati raj institutes was placed in Article 40 as a Directive Principle of State Policy in 1950. It defines that steps shall be taken to organize village panchayats and empower them with the necessary powers and authority required to perform functions as self-government.

However, in 1952 the central government chose a different path to facilitate rural development with the introduction of the Community Development Programme (CDP). The CDP adopted the expert-driven, top-down approach for the development, which opposed the approach adopted by the PRI system of self-governance. Despite the government support, the CDP does not succeed as expected. The major reason for the failure was the half-hearted participation of the people. This compelled the government to form Balwant Rai Mehta Committee, intending to review both the national Extension Service and CDP and to suggest further measures for their improvement. In their report, the committee has recommended that "the government should completely divest itself from the certain responsibilities and duties and delegate them to a body which will have the complete charge of all development work falls under its jurisdiction, restricting itself only to the functions of supervision, guidance and higher planning". The PRIs are now provided with specific duties and responsibilities to perform, thereby giving them a formal identity in the Indian constitution which was earlier an intent statement in Article 40. Following the acceptance of these recommendations by the government of India, many states came up to adopt the PRI system. Rajasthan was the first state to adopt this system, followed by Tamil Nadu and Andhra Pradesh. After this, other states also started adopting the PRI system in their respective states. Various committees were also formed between the period 1959-1988, to deeply analyze this system and to provide their suggestions for its improvement. After this, the PRIs were recognized officially through the 73rd Amendment in the Indian Constitution.

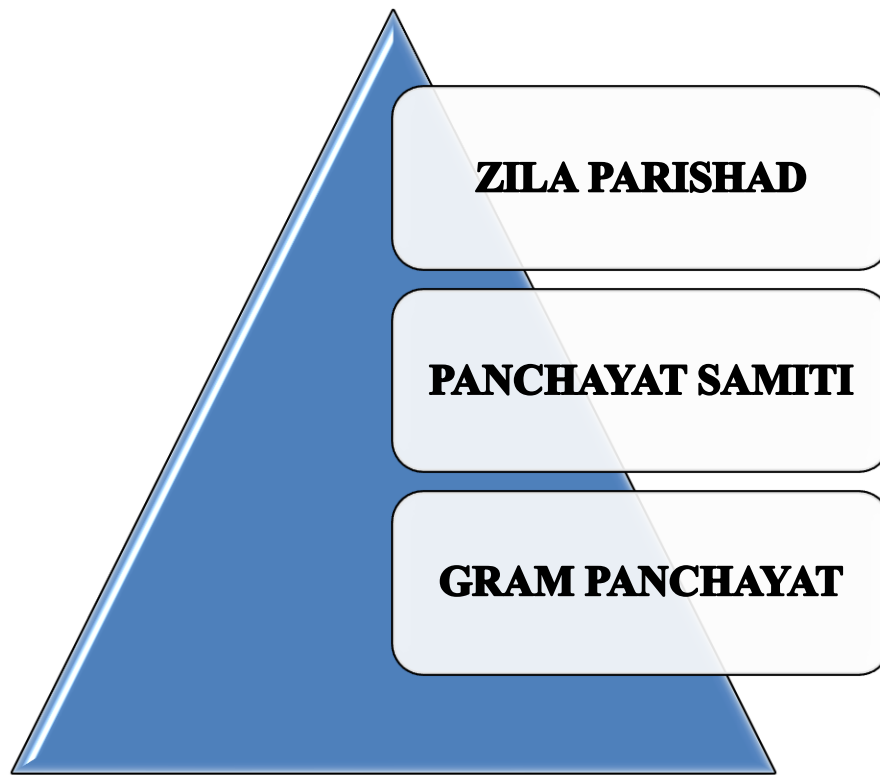
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## **6.2 STRUCTURE OF PANCHAYATI RAJ**

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On Date-1992, the Panchayati raj system has given constitutional status through the 73rd amendment in the Indian constitution. It has been made a constitutional compulsion for every state to form a three-tier structure in the Panchayati raj system which needs to be executed at the Village, block, and district level. However, an exception has been given to the states having a total population of less than 16 lakhs to form a two-tier Panchayati raj structure which needs to be executed at the village and district level only.





**Figure: Structure of Panchayati Raj**

### **6.2.1 GRAM SABHA**

As the word “Gram” means village and “Sabha” means an association, so gram sabha is an association of people at the village level to make decisions regarding the development of villages as a whole. These are supreme-level assemblies that have given legal status under the Law. It includes activities such as the construction of roads, tubewells, schools, etc. They exist only at the Tier I level. It is comprised of all adult voters listed on the electoral roll of a village within the Gram Panchayat's jurisdiction. Also, a person should have a minimum age of 21 years, to participate in the elections of Panchayati raj. It has been made mandatory for the members of Gram Sabha to conduct two to four general meetings every year. A gram sabha has the right to exercise and perform such powers and functions, as specified in the state legislature. Gram Sabha has given the constitutional powers to scrutinize the accounts of the gram panchayat, to approve the development plans and taxation proposals, and also to identify the beneficiaries under various schemes.

### **6.2.2 GRAM PANCHAYAT (Tier – 1)**

The Panchayati raj structure has village panchayat as the most basic unit throughout the country. Most of the states started recognizing the importance of village panchayat, due to their existence since ancient times. The village panchayats ensure more direct participation of people in executing the development programmes, due to their proximity with the communities. All the members were elected via direct elections by the territorial constituencies of the panchayat area for the seats of the gram panchayat. The provision has also been made for the reservation of seats of Schat's, ST's, and women.

### 6.2.3 PANCHAYAT SAMITI (Tier – 2)

Panchayat Samiti (PSs) is the second important constitutional body that comes after the Panchayati Raj. Almost in every state, PS's have been given a vital role. The members of Samiti were elected directly by the voters of that area. The State legislature may provide a representation of the Chairperson of the Village Panchayats, MPs, MLAs, and MLCs. PS's structure differs from state to state. Like Gram panchayat's, the provision for the reservation of seats of SC's, ST's, and women has also been given.

### 6.2.4 ZILA PARISHAD (Tier – 3)

After panchayat Samiti's, the uppermost constitutional body is Zila Parishad. In all states, the third tier i.e. Zila Parishad (ZP) has been established at the district level. Zila Parishad has the same structural pattern as of Panchayati system. The representative members are directly elected by the voters of such jurisdiction. Like Gram panchayat's, and panchayat Samiti's, the provision for the reservation of seats of SC's, ST's, and women has also been given. The representation of the chairpersons of PS's, MLA's, MP's and MLC's may be provided by the state legislature as stated in the law. The state-wise number of total ER (Elected Representatives) has been shown in Table 1 given below:

**Table 1: State Wise Number of Total Elected Representatives:**

Sr. no.	Name of the States/ UTs	Elected Representatives (ERs)			
		Gram Panchayat	Block Panchayat	District Panchayat	Total
1.	Arunachal Pradesh	143992	11398	660	156050
2.	Arunachal Pradesh	7416	1785	182	9383
3.	Assam	24200	2200	420	26820
4.	Bihar	114733	11497	1161	127391
5.	Chhattisgarh	166910	2973	402	170285
6.	Gujarat	137762	5168	1086	144016
7.	Haryana	66622	2997	416	70035
8.	Himachal Pradesh	26800	1673	250	28723
9.	Jammu & Kashmir	33847	--	--	33847
10.	Jharkhand	54807	5432	543	60782
11.	Karnataka	99981	3903	1083	104967
12.	Kerala	15962	2079	331	18372
13.	Madhya Pradesh	385339	6790	852	392981
14.	Maharashtra	234193	3939	1990	240122
15.	Manipur	1663	0	60	1723
16.	Mizoram	3502	--	--	3502
17.	Odisha	99833	6801	853	107487
18.	Punjab	94118	2731	331	97180
19.	Rajasthan	117604	6236	1014	124854
20.	Sikkim	986	--	110	1096
21.	Tamil Nadu	111857	5056	686	117599
22.	Tripura	6111	419	116	6646

23.	Telangana	96533	6497	438	103468
24.	Uttarakhand	60904	3266	436	64606
25.	Uttar Pradesh	745567	77769	3122	826458
26.	West Bengal	49262	9306	834	59402
27.	Dadra & Nagar Haveli	125	--	11	136
28.	Daman & Diu	15 2	--	20	172
29.	Goa	1514	--	50	1564
30.	Chandigarh	144	15	10	169
31.	Lakshadweep	85	--	25	110
32.	A & N Island	753	70	35	858
	<b>Total</b>	<b>2903277</b>	<b>180000</b>	<b>17527</b>	<b>3100804</b>

Source: MOPR Compilation as on 27.03.2018

## 6.2.5 RESERVATION FOR WOMEN IN PANCHAYATI RAJ INSTITUTIONS

The 73rd amendment in the Indian constitution has given the provision for 1/3rd of the seat reservation for women in Panchayati Raj Institutions; however few states have provided 50% reservation to the women as shown in **Table 2:**

**Table 2: States/UTs wise percentage of Elected Women Representatives (EWRs) viz-a-viz Total Elected Representatives (ERs):**

SI. No.	Name of the States/ UTs	Total ERs	Total EWRs	%EWRs
1	Andhra Pradesh	156050	78025	50.00
2	Arunachal Pradesh	9383	3658	38.99
3	Assam	26820	13410	50.00
4	Bihar	127391	57887	45.44
5	Chhattisgarh	170285	93287	54.78
6	Gujarat	144016	71988	49.99
7	Haryana	70035	29499	42.12
8	Himachal Pradesh	28723	14398	50.13
9	Jammu & Kashmir	33847	11169	33.00
10	Jharkhand	60782	30757	50.60
11	Karnataka	104967	50892	48.48
12	Kerala	18372	9630	52.42
13	Madhya Pradesh	392981	196490	50.00
14	Maharashtra	240122	121490	50.60
15	Manipur	1723	868	50.38
16	Mizoram	3502	828	23.64
17	Odisha	107487	53551	49.82
18	Punjab	97180	32393	33.33
19	Rajasthan	124854	70527	56.49
20	Sikkim	1096	548	50.00
21	Tamil Nadu	117599	39975	33.99
22	Tripura	6646	3006	45.23

23	Telangana	103468	51735	50.00
24	Uttarakhand	64606	35957	55.66
25	Uttar Pradesh	826458	272733	33.00
26	West Bengal	59402	30157	50.77
27	Dadra & Nagar Haveli	136	47	34.56
28	Daman & Diu	172	92	53.49
29	Goa	1564	516	32.99
30	Chandigarh	169	58	34.32
31	Lakshadweep	110	41	37.27
32	A & N Island	858	302	35.20
	<b>Total</b>	<b>3100804</b>	<b>1375914</b>	<b>44.37</b>

**Source: MOPR Compilation as on 27.03.2018**

### **Check your Progress-I**

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

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

1) Make a short note on the evolution of the Panchayati raj system.

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2) Briefly describe the three-tier structure of the Panchayati Raj system.

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## **6.3 DEVOLUTION OF POWER**

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In order to achieve sustainable and equitable development, communities are rigorously searching for innovative solutions around democratic decentralization, citizen-centered services, and participative local governance. It has been accepted nationwide that the decentralization which has emerged globally in the nineties has the following characteristics:

(i) Local democracy with a deep focus on the devolution of resources and power to PRIs with a degree of autonomy.

(ii) Focus of local economic development on the poor decentralized delivery of core social services.

(iii) To support decentralization, administrative reforms are taken for efficient and cost-effective civil services.

India incorporated this new wave of decentralization engulfing all its essential characteristics with the 73<sup>rd</sup> Constitutional Amendment Act, which binds the state legislatures for delegating power and authority to the PRIs. Without the devolution of power, decentralized self-government is of no use. The 73<sup>rd</sup> amendment provides for 29 subjects in the 11<sup>th</sup> schedule, over which complete authority has been vested in the hands of PRIs to plan, execute and monitor. However, the extant status of these varies from state to state. All the three aspects viz funds, functions, and the functionaries that are the vital most parts of the devolution of power are not in proportion to each other, which makes the system sick in many aspects.

The decentralization of power shows that both the state and the central governments are willing to give real power to PRIs. The ministry of the Panchayati raj published a report in 2015-16, which shows that there are two main aspects of devolution viz. the operational core which includes the funds, functions, functionaries, and support system encompassing the capacity building of PRIs, introducing the systems of accountability and transparency and operationalizing the constitutional mechanisms. The above-given report leads to the formation of an idea that real devolution of powers and authority still takes a long time to get implemented on the ground level. When we talk about the devolving of finance, functions, and functionaries, Tamil Nadu, Kerala and Maharashtra appear at the top of the list, whereas Jammu and Kashmir, Punjab, and Jharkhand are the bottom ones. State officials and leaders are unwilling to share the real power with the leaders elected at the local level.

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## 6.4 POWER AND FUNCTIONS

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### ❖ Gram Panchayat:

The constitution of India has given the responsibility to panchayats, for planning and implementing the subjects mentioned in Schedule Eleven, at the village level.

Gram Panchayat deals with the general functions which include the following:-

- To maintain the essential statistics of the villages comes under its jurisdiction,
- To prepare annual budgets,
- To make annual plans for the development of area come under GP,
- To restrict the encroachments at public places,
- To mobilize relief works at the time of the disaster, and
- To organize contributions and voluntary labour for community works.

There are other functions that Gram Panchayat performs for the development and improvement of rural areas that come under the jurisdiction of gram panchayat which were as follows:

- Animal husbandry
- Agriculture
- Rural housing

- Fisheries
- Rural electrification
- Drinking water
- Non-conventional sources of energy
- Rural sanitation
- Markets and fairs
- Maintenance concerning community assets
- Family welfare and Public health
- Welfare to the weaker sections
- Public distribution system
- Education including primary schools, secondary schools, cultural activities, libraries
- Women and child development
- Construction of cattle sheds, Dharamshala's, and public parks along with their maintenance.

The Gram Panchayats have been entrusted with both discretionary and obligatory functions. Both the functions are developmental as well as civic in nature. They have emphasized majorly on the development activities such as primary education, agriculture, local amenities, and health and sanitation. It seems that they are burdened with too many responsibilities/functions without adequate resources.

#### ❖ **Panchayat Samiti:**

The Panchayat Samiti executes various functions for the formulation and execution of plans regarding the development of rural areas.

The main functions and power of panchayat Samiti's were as follows:

- i) To prepare annual plans concerning the schemes entrusted to the Panchayat Samiti and to submit the same to the CEO for the consideration of the DPC (District Planning Committee) within the time span of two months of its receipt.
- ii) To consider and consolidate the Annual plans of all the gram panchayats, which come under such block, to submit it to the Zila Parishad.
- iii) To prepare the annual plans of all the gram panchayats, which come under such block, for its submissions to the Zila Parishad.
- iv) To provide relief during natural calamities or disaster to the villages which comes under the limits of panchayat Samiti's.
- v) To perform and execute the functions as assigned by the government or Zila Parishad.

In addition to the above-mentioned functions, the Panchayat Samiti's were entrusted with numerous functions such as minor irrigation, watershed development, land improvement, fisheries, dairying and poultry, animal husbandry, village and cottage industries, drinking water, khadi, rural electrification, etc.

#### ❖ **Zila Parishad**

The Zila Parishad works as a supervisory, advisory, and coordinating agency of the Panchayati raj system. It performs various functions which were as follows:

- They give valuable suggestions to panchayat Samiti's as required by the government or on the request made by the panchayat samiti's or they have the power to take sue moto actions.
- They consider and consolidate the various development plans in respect of panchayat samiti's and ensures the effective execution of various schemes and plans for the purpose of rural development.
- They advise the Government on various matters related to rural development and maintenance of services within the district.
- They provide their valuable suggestions to the government on matters referred to them which were related to the implementation of any executive or statutory order.
- They advise the government regarding the allocation of work among Panchayat Samitis and Gram Panchayats and also to coordinate their work.
- They bear the responsibility to approve the budget of Panchayat Samitis after intense examination in accordance with the instructions specified by the legislature.

The Zila Parishad on the special orders of government supervises and controls the administrative functions of Panchayat Samiti and Gram Panchayats, in part or full, within the district or any part thereof.

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## **6.5 FINANCE**

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The financial resources of Panchayati Raj Institutions can broadly be divided into the following categories:

- Raising loans from the public as well as private sector banks.
- Collecting taxes from the activities that fall under their jurisdiction such as vehicle tax, profession tax, etc.
- Receiving grants from the central as well as state government for various development motives.
- Income from productive enterprises like Cinema halls, flour mills, micro, small, and medium-sized industries, etc.

The major issue faced by PRI's is that they need to deal with situations of inadequate funds, which results in the inability to perform the development functions properly. Although the constitution has tagged them as the principal agencies of rural development, they have not been provided with the adequate resources required to perform their activities. As a consequence of which PRI's have become heavily dependent on the state's grants for their adequate functioning.

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## **6.6 ADMINISTRATION OF PRIs**

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The need for effective and efficient personnel in Panchayati Raj Institutions has been recognised since very beginning. These PRIs are responsible for performing several functions of rural development at local level like sanitization, proper lighting, ensuring drinking water facilities, maintenance of schools and hospitals etc. They are extensively involved in the development, execution and monitoring of various initiatives and plans at the field level, which require administrative and technical personnel. They ensure continuity in the programs

and policies of these bodies as the political executive changes from time to time. Competent personnel are also essential to ensure the unbiased and effective decision making.

There are two types of personnel in Panchayati Raj Institutions, first one is State cadre officers who are placed under the control of PRIs i.e. Block Development Officers (BDOs) and other technical officers of the State Department. The state government is responsible for their requirements, transfer, promotion and discipline. The second one is the constitution of a separate Panchayati Raj Cadre which is found in the states of Rajasthan, Andhra Pradesh and Maharashtra. In general, two types of officials can be identified in Panchayati Raj Institutions namely generalist and technical. Village Level Worker (VLW), Block Development Officer (BDO) and Chief Executive Officer (CEO) comes under the general category while District Technical Officer comes under technical category. Another classification is the local cadre officials and state cadre officials. Block development officers, technical officers, chief executive officer, etc. belongs to the state cadre and the state government is authorised to maintain and regulate their terms of services. Village level workers, Panchayat Extension Officers (PEOs), Pragati Parasar Adhikari, other clerks etc. Constitutes the local cadre officials. They are appointed at the district level and are regarded as PRI employees.

There is a high degree of uniformity in the staffing pattern of Panchayati Raj Institutions across the country. At the village level, an executive officer or a secretary manages the administrative functions of the panchayat. Village level workers are appointed from a group of villages. VLWs are primarily a multi-purpose functionary concerning with development programmes and schemes at the local level under their jurisdiction. At the block level, block development officer serves as a chief executive officer, coordinates and monitors the work of the officer under him and extension officers are also appointed for each development project. They work under the administrative control of BDO and technical supervision of district level officers. This dual control has resulted in the rise of numerous issues at the block level. In the Zila Parishad (ZP), District Development Officer or Chief Executive Officer are appointed as head of the ZP and one District Technical Officer is assigned to him for his assistance in development activities.

In the Panchayati Raj system, different types of problems related to personnel arises among the functionaries working in PRI's. These officials were appointed by different agencies and their terms and conditions related to service and promotional channels are completely different. The officers at state level were kept on deputing to different places, so they lack passion and dedication while serving with the PRI's. Problems such as frequent deputation, lack of growth opportunities, overload paper work etc. are few barriers affecting the smooth functioning of PRI's. The staff working in PRI's exhibit lack of proper training programmes, unmanaged work pattern and unsatisfactory work environment.

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## **6.7 LIMITATIONS AMONG THE PANCHAYATI RAJ INSTITUTIONS**

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Despite the well-defined provisions in our system, the Panchayati raj institutions carry few limitations at the implementation level:

1. The primary function of Institutional bodies such as district planning boards was to expedite decentralized planning, which is in reality either non-functional or they do not give much priority to the PRI's



2. Primary attention has been given to the training related to the programmes and schemes. The focus should rather empower the elected representatives of PRI with their constitutional functions.
3. State, as well as the central government, started giving special attention to create separate units or structures in order to implement projects related to health, education, etc. which limits the powers and role of PRI's.

As a consequence of the above flaws in the system, the representatives of the local government who works at the grounds level were not able to utilize the power in actual terms. Certain corrective actions need to be taken, to make PRI's efficient and effective in their workings. The need of the hour is to move towards the power delegation from political representation. Political leaders of the state need to recognize the long-term benefits and importance of PRI's and to delegate their powers to them as required by the law. To strengthen the PRI's, political leaders are required not only to vest the implementation rights but also to delegate them the powers to make plans as required.

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## **6.8 ISSUES AMONG THE PANCHAYATI RAJ INSTITUTIONS**

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1. **Inadequacy of funds:** The primary issue for PRI's is the lack of adequate funds required for their proper functioning. Local governments have the provision to raise funds through local taxes or receive inter-governmental transfers.
2. **Political Interference:** The interference of MP's and MLA's in the functioning of PRI's puts an adverse impact on their smooth functioning.
3. **The flaw in the law:** The 73rd constitutional amendment has mandated the creation of local self-governing bodies, however the decisions related to delegation of authority, functions, power, and finances has been vested in the hands of the state legislature, due to which PRI's are not able to take decisions as required.
4. **Delegation of Authority:** There is not any mandatory provision to transfer the various government functions such as health, education, water, and sanitization. Instead, the provisions were made regarding the functions that could be transferred and left it upon the state government to devolve functions.
5. **Power to levy tax:** The power to levy tax, for the subjects under the purview of PRI's, needs to be specifically authorized by the state legislature, which has been kept as a choice for the state legislature till now.
6. **Resistance:** PRI's are reluctant to consider projects which require high investments.
7. **Existence of Proxies:** Although the law has given the reservation to the women and SC/STs to represent them in PRI's, the provision for proxy representation and panch pati's is still in existence.
8. **Accountability: No clear accountability is defined in the legislature for the PRI's and States even after the three decades of their existence.**

9. **Lack of cooperation and coordination between official and citizens:** panchayati raj institutions was established with the objective of ensuring effective public participation in the administration of local bodies. Although major administrative and technical functions are handled by government employees, this is rarely done in practice. In general, there is lack of proper coordination and communication between the citizens and the officials such as district officers and block development officers etc.

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## 6.9 SUGGESTIONS FOR PRIs

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**According to the 6<sup>th</sup> report of ARC, it is recommended that the functions of all the three tiers need to be defined clearly.**

1. The states should adopt the concept of ‘activity mapping’ wherein every state should clearly and precisely define the roles and responsibilities of all the three tiers in respect to the subjects listed in the eleventh schedule of the Indian constitution.
2. There should be the division and assignment of subjects to all three tiers based on their respective accountability to the general public.
3. There should be the adoption of bottom-up approach, especially at the district level, based on the inputs received from the Gram Sabha, so that grass root level issues could be taken care of.
4. **The central government needs to provide financial incentives to the states, to encourage the effective delegation of authority to the lower levels.**
5. **Proper training programmes needed to be provided to the local representatives to develop expertise, so that there will be better planning and implementation of various policies and programmes.**
6. There should be clear mechanisms to ensure that States must comply with the constitutional provisions, specifically for the appointment and implementation of the recommendations by the State Finance Commissions (SFCs).

### Check your Progress-II

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

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

- 1) How Panchayat Samiti works as a coordinating agency between the Gram Panchayat and Zila Parishad?

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2) Discuss the problems and issues faced by the PRIs. Make a necessary suggestion to improve the working of these institutions.

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## 6.10 LET US SUM UP

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Panchayati Raj Institutes was a revolutionary decision in the Indian political system. it established a three-tier system of government to enhance the decentralization of power and authority at the grass-root level. **Balwant Rai Mehta Committee** was the first committee that gave the recommendations to establish a three-tier government system for overall development in the country. As a result, in 1959 the first Panchayati raj system was adopted in the Nagur district of Rajasthan. After then it was also adopted by Andhra Pradesh and Tamil Nadu, and by few other states as well. Between the period of 1959 and 1988 number of committees were formed to study the PRI system and give various recommendations, which ultimately culminated in Panchayati Raj Institutions and being officially recognized through the passing of the 73rd Constitutional Amendment Act in 1992 under the Narsimha Rao government. The chapter has been discussed the powers and functions, administrative structure, and financial resources of the Panchayati raj institutes. Although the purpose behind the establishment of PRIs was to provide autonomy at the grassroots level, however, these institutions could not perform effectively in most of the states. Even states have not performed their duties as expected to strengthen the Panchayats as rural self-government. The studies revealed that despite the well-defined provisions in our system, the Panchayati raj system has certain limitations, so PRIs could not perform effectively in most of the states. Even states have not performed their duties as expected to strengthen the Panchayats as rural self-government. In this context, the state and central government should make provisions related to proper devolution of power to strengthen the institutions of self-government through joint efforts. Moreover, proper devolution of funds will bring responsiveness, effectiveness, and efficiency in the delivery of public services.

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## 6.11 ABBREVIATIONS

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1. PRI - Panchayati Raj Institutions
2. CDP - Community Development Programme
3. PS - Panchayat Samiti
4. ZP - Zila Parishad
5. GP - Gram Panchayat

6. EWR - Elected Women Representatives
7. VLW - Village Level Worker
8. BDO - Block Development Officer
9. CEO - Chief Executive Officer
10. PEO - Panchayat Extension Officers

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## 6.12 KEY WORDS

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<b>Administration:</b>	The control or the act of managing something.
<b>Autonomous Body</b>	A self-governing body, independent, or subject to its laws.
<b>Reservation</b>	Seats which has been reserved for the lower sections of society.
<b>Devolution</b>	The act of transferring political power from central to local government.
<b>Population</b>	The number of people who live in a particular area, city, or country.
<b>Development</b>	The process of growing or changing and becoming more advanced.

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## 6.13 REFERENCES AND SUGGESTED READINGS

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## **UNIT 7: CONCEPT AND PRINCIPLES OF COOPERATION**

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### **Summary:**

- 7.0 OBJECTIVES
- 7.1 INTRODUCTION
- 7.2 MEANING OF CO-OPERATIVE
- 7.3 DEFINITION OF CO-OPERATIVE
- 7.4 FEATURES OF CO-OPERATIVES
- 7.5 OBJECTIVES OF CO-OPERATION
- 7.6 BENEFITS OF CO-OPERATION
- 7.7 PRINCIPLES OF CO-OPERATION
  - 7.7.0 ROACH DALE PRINCIPLE
  - 7.7.1 PRINCIPLE BY INTERNATIONAL CO-OPERATIVES ALLIANCE (ICA)
  - 7.7.2 KARVE COMMITTEE ON COOPERATIVE PRINCIPLE
  - 7.7.3 COOPERATIVE PRINCIPLE BY ICA IN 1995
- 7.8 ROLE OF COOPERATIVE SOCIETIES IN RURAL DEVELOPMENT
- 7.9 CO-OPERATIVE SOCIETIES BASED ON AGRICULTURAL ACTIVITIES
- 7.10 CHALLENGES FACED BY CO-OPERATIVE SOCIETY IN RURAL AREAS
- 7.11 LET'S SUM UP
- 7.12 KEY WORDS
- 7.13 REFERENCES AND SUGGESTED READINGS

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### **7.0 OBJECTIVES**

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After going through this lesson, students should be able to understand the following:

- Concept of cooperation and cooperative society
- Types of cooperatives
- Role of cooperatives in rural development
- Principles followed by cooperatives societies
- Challenges faced by the cooperatives

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### **7.1 INTRODUCTION**

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Cooperative Movement in India was formally started in the year 1904 after the enactment of the Cooperative Societies Act. Even before the formal cooperative structure came into existence, the practices of cooperative activities were very common in several parts of India. Cooperatives are considered one of the best way to maintain the spirit of collectivism and democracy in a country like India. The presence of a vast network of social organisations, such as cooperatives, would aid in the formation and utilization of social capital which in turn lead to the overall development of the society.

Cooperatives are self-help business organisations that are owned and controlled by a group of people for achieving their shared goal by joining hands together. In a legal sense, it is an association or corporation founded for the purpose of providing non-profit service to its

members. Cooperatives are formed for a variety of reasons, covering providing financial and housing services, food, and energy to needy farmers and poor members of the society. All the achievements that mankind has made in various fields like medical science, technology and astronomy, is to be attributed to the cooperative spirit of the people. The incredible achievements of science and technology, man's first successful flight to the Moon, and the quest to close the gap between the developed and developing worlds are all the results of human cooperation.

The cooperative movement has played a significant role in the overall development of rural areas. The feelings like brotherhood, oneness has grown far to a good extent among the members of these societies. Even a sense of real democracy is as a word of exchange. Cooperative marketing institutions have forwarded hands in safeguarding the poor from money lenders and unnecessary exploitation of middleman. With the help of these committees, farmers are helped towards saving money from moneylenders; as a result of which they built a habit of saving. This has made them self-dependent.

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## 7.2 MEANING OF COOPERATIVE

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The word co-operation comes from the formation of two Latin words “Co-operari” where “co” means “together” and “operari” means “to work”, hence co-operative means “to work together”. Thus, it is a joint activity performed to achieve shared goals.

An ancient Greece philosopher, names **Aristotle**, recognized man's social nature when he said "Man is a social animal". An isolated man cannot lead a contented and happy life. Hence, there is a dire need for co-operation, which is very essential for living a happy life. The historical concept of co-operation was more inclined to religious, cultural and social aspects. Co-operation was inherited in society. Although, the concept of co-operation in this modernized world has totally changed as compared to the primitive one.

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## 7.3 DEFINITION OF COOPERATIVE

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**Green** defines cooperation as “the continuous and common Endeavour of two or more persons to perform a task or to reach a goal that is commonly cherished.”

**McLegan Committee** defines the term Co-operation as, The Theory of co-operation is limited to some extent and is not in power, by collaboration with others and with support of moral development and mutual support, in his own degree with the material benefit available to wealthy or powerful persons and where they develop themselves to the maximum extent of his/her natural abilities. By the union of forces, material advancement is secured and by united action self-reliance is fostered and it is from the inter-action of the influences that it is hoped to attain the effective realization of the higher and more prosperous standard of life which has been characterized as "better business", "better farming" and "better living".

**Merrill and Eldredge** say that "Cooperation is a form of social interaction wherein two or more persons work together to gain a common end."

In this context, **Fairchild** also writes that "Cooperation is the process by which individuals or groups combine their effort, in a more or less organized way for the attainment of a common objective."

In the words of, **Cooley**, "Co-operation arises when men see that they have a common interest and have, at the same time, sufficient intelligence and self-control to seek this interest

through united action: perceived unity of interest and faculty of an organization are the essential facts in intelligent combination."

From the above-given definitions, it can be concluded that cooperation is a joint activity undertaken by two or more persons for achieving the shared goals in a planned and organized manner.

Lenin recognized the vital need for cooperation and opined that our society can be transformed from capitalism to socialism and finally to communism with the help of cooperative societies.

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## 7.4 FEATURES OF CO-OPERATIVES

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Co-operatives have various features which are discussed as follows:

- A cooperative is an association of persons which comes into the existence when two or more individual join up together towards the achievement of common/shared goals.
- Co-operation is basically an enterprise that stresses ethical principles and moral values. The affairs of cooperatives are managed and controlled by their members themselves.
- Cooperatives are voluntary in nature, any individual can voluntarily join or leave the membership at his own discretion.
- The prime objective of the co-operatives is to serve their members rather than earning profits.
- The co-operative societies stress upon the principle of democracy i.e., every man has the right to present their views, although affairs of the cooperatives are managed by the board of directors, who are elected among the members themselves.
- Cooperatives works on the principle of equity as no discrimination are made among members on the basis of their caste, religion, gender, educational qualification, political ideology etc.
- Capitalist and the working class all work under a single roof in case of co-operations i.e. social justice norms are followed.
- The various cooperative movements were considered as the constituent part of an overall socioeconomic movement of the nation.
- Profits earned by the cooperatives are distributed in proportion to the business operation, not as per their share in the capital.

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## 7.5 OBJECTIVES OF CO-OPERATION

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The main objectives of co-operatives were as follows:

- The primary objective of a cooperative society is **to bridge the gap between consumer and producer by removing the middlemen**, to reduce the product cost.
- The **profit motive of capitalism** was the major cause of exploitation, economic inequality and unfair practices. Cooperatives are formed to remove the ills which existed in capitalism. The profit motive of capitalism was the root cause of exploitation of members, economic inequality and unfair competition, which

adversely affects the interest of employees. Therefore, cooperatives aim to restrict profits in order to provide quality services to their members.

- Cooperatives also contribute to **raising the moral standards of their members**, so that they can lead a better and happy life.
- Cooperatives help **in increasing the prosperity of the community** as a whole. It aims to make welfare not at the individual level but for the whole community. Cooperatives aim to **bridge the gap between** a weaker and higher section of the society, which is a major cause for social tensions among the members.
- Various organizations prefer to work under the brand name of any religious group or political party; in contrast, cooperatives stay aloof from such groups and prefer to work on an individual basis.
- Cooperatives aim **to provide the culture of corporate** to the people of the weaker sections of the society.

### Check your Progress-I

Note a) Use the space provided for your answers.

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

1): Describe in brief the concept of a cooperative.

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2) Explain the various objectives of the cooperative society.

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## 7.6 BENEFITS OF CO-OPERATION

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The primary aim behind the establishment of cooperatives was social welfare. They provide several benefits to the societies which are as follows:

### 1. Economic Benefits:

A cooperative provides the following economic benefits:

- Equitable wealth distribution
- Employment Stabilization
- Marketing as well as the processing of farm products at an affordable price
- Elimination of unwanted middlemen
- Removal of market monopolistic tendencies.
- Encourage healthy relationship between employer and employees



- Structured division of business profits to serve the community as well.
- Increase in real wages and purchasing power of the individuals.

## **II. Political and Social Benefits:**

Some of the social benefits are as follows:

- Provide sufficient education
- To create employment opportunities in order to prevent unemployment and underemployment.
- Creates a sense of brotherhood among the members of the society.
- Apply unifying approaches and rational construction to the economic and social problems.
- The movement towards fair dealing practices like pure quality, proper weighting etc.

## **III. Educational Benefits**

- Cooperatives also sponsor education. Many co-operative schools and colleges were established with the aim to provide affordable along with employment to the educated unemployed youths.
- Individual gains knowledge and practical experience by working with cooperatives.

## **IV. Ethical Benefits**

- “Each for all and all for each” is the primary motto of cooperatives.
- Cooperatives are in favor of honesty, for the fair performance of their practices.

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## **7.7 PRINCIPLES OF CO-OPERATION**

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The word “principle”, is derived out of the Latin word “Principium” which means “basis”. It has different meanings such as “primary idea” or “rule of an organization”. The principles of co-operation are considered as the guidelines for the co-operative societies to perform various functions. These principles are essential for achieving the objectives of the co-operatives.

George Davidonic also said that "Principles are the set of rules which governs the life and activity of Co-operative Organization."

Principles are developed in various stages which were as follows:

First Stage: Principles stated by Roach Dale.

Second Stage: Principles stated by the “International Co-operative Alliance (ICA)”

Third Stage: Principles stated by “Karve Committee”

Fourth Stage: Principles stated by “International Cooperative Alliance (ICA)” in 1995

Each of these stages is explained in detail:

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## 7.7.0 ROACH DALE PRINCIPLES:

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The first Co-operative Society came into existence in 1160. It was established by “Chaton and Wool Wick”. Numbers of Cooperative societies were formed from 1160 to 1844 but they failed to succeed. In 1844, Flannel weavers in Roach Dale, England formed the consumer co-operative society with the aim to target and benefit the weaver's community. This society is currently operating in England with the name of “Wholesale Equitable Pioneers Co-operative Society”. The ventures formed by these societies were, succeed to survive as they were running their stores on the basic principles which are mentioned below.

**Following are the principles which are given by the flannel weavers:**

- a) **Open Membership:** - Membership of the society is open for all the individuals residing in that particular area and are in demand of their services.
- b) **Democratic Control:** - Members out of the management are selected than elected democratically via democratic principle, further, the elected members are responsible for management and control over the daily affairs of the society.
- c) **Restricted Interest on Share Capital:** - The members were given limited Interest on the amount of capital provided by them.
- d) **Equal distribution of Dividend:** - Dividend is distributed equally among the members.  
No special privilege is given to the members based on high contribution in the capital.
- e) **Cash Trading:** - All the goods were allowed for cash sales only. No credit sale was allowed.
- f) **Religious and Political Neutrality:** - All religions were given equal importance without any discrimination.
- g) **Promoting Education:** - Education is given importance for the overall development of cooperative societies.
- h) **Selling of Unadulterated Goods:** - The quality goods are sold at reasonable prices.

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## 7.7.1 PRINCIPLES BY INTERNATIONAL CO-OPERATIVE ALLIANCE (ICA):

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International Co-operative Alliance is an international body that was established to promote cooperative ideas and spread them across the world. The International Co-operative Alliance (ICA) planned to appoint a sub-committee in 1934 to refine the principles of co-operative due to various changes in social, economic and political fronts.

The principles given by the Roach Dale cooperative society were evaluated, and their relevance was observed as per the present time by ICA which was then submitted as a report in 1937. Based on the sub-committee report, instead of formulating new principles, ICA classified the Roach Dale principles in two categories namely Essential and Non-essentials which were as follows:

### **Essential Principles**

- i. Open Membership
- ii. Restricted Interest on Share Capital
- iii. Democratic Control
- iv. Political and Religious Neutrality
- v. Equal distribution of Dividend

### **Non-Essential Principles**

- i. Cash Trading
- ii. Selling of Unadulterated goods
- iii. Promoting Education

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## **7.7.2 KARVE COMMITTEE ON CO-OPERATIVE PRINCIPLE**

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In order to meet the requirements of the changing environment, ICA appointed a commission in 1964 and the member nations were the USA, UK, USSR, India and Germany. Prof. D.G. Karve who was a representative from India was appointed as the chairman of that commission, hence the commission is popularly known as **Karve Commission**.

Karve commission recommended six principles in 1996 which are as follows:

- a. Open and Voluntary Membership
- b. Democratic Management
- c. Limited Interest on Share Capital
- d. Equitable Distribution of Surplus
- e. Co-operative Education
- f. Co-operation among Co-operatives

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## **7.7.3 CO-OPERATIVE PRINCIPLES BY ICA IN 1995:**

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In 1992, the ICA conference was held in Tokyo (Japan) with the aim to review the already established ICA principles in 1996. Possible changes were made in the previously established principles, to meet the requirements of the present time. Dr. Ivan Mac Pherson (Canada) reviewed those principles and then submitted a report in 1994, which was later then approved in September 1995 by the ICA General assembly established in Manchester. The report contains seven principles which are as follows:

### **1. Voluntary and Open Membership**

Membership of the cooperative is open for all. An individual can freely join the membership and adopt the responsibilities without any social, racial, political and religious discrimination. It brings diverse people under one roof for the achievement of shared goals in order to better serve society.

### **2. Democratic Member Control**

These are the democratic organizations that are controlled and mainly managed by the members who are into participating actively, covering elements like framing policies and

implementing decisions. Elected members of the management like trustees/directors are obliged to the members. Members in primary cooperatives were given equal voting rights (one member, one vote) whereas cooperatives at other levels are organized democratically.

### **3. Member Economic Participation**

Members democratically control and equitably contribute to the capital of their cooperative. Some part of the capital is retained as common property. These cooperatives use the assets of the member as trustee, not as the owner of the organisation. Profits of the cooperative are utilized for various purposes such as setting up reserves, expanding the operations, sharing profits to members in proportion to their contribution and to support other activities as approved by the members.

### **4. Autonomy and Independence**

These cooperatives create self-help institutions that are managed by their members. If they wish to enter into an agreement with a public or private entity or to raise capital using external sources, they do so on the terms which ensure democratic control and their unique identity.

### **5. Education, Training and Information**

Cooperatives often organize various educational and training programmes for their members, employees, manager and elected representatives to manifold their work capacity and to contribute effectively to the development of society. Moreover, to prepare the leaders for future circumstances, cooperatives provide information about the importance of cooperatives to the general public especially young ones and opinion leaders.

### **6. Co-operation among co-operatives**

By working in unison through local, regional, national, and international structures, cooperatives enhance their services, strengthen local economies, and deal effectively with societal needs.

### **7. Concern for Community**

The cooperatives societies are established with the aim to benefit their members. They work for the continuous development of their communities through various programmes and policies. They owe special responsibilities so as to ensure the sustainable development of their communities from a social, economic and cultural perspective.

In a nutshell, the above-laid principle plays an important role in making the cooperatives effective, distinct and valuable. The government, recommends providing a conducive environment to the cooperatives so that they will get the opportunity to inbuild cooperative values, competitive strength in this globalized world.

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## **7.8 ROLE OF COOPERATIVE SOCIETIES IN RURAL DEVELOPMENT**

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Despite the fact that agriculture is the main source of earning and employment in rural parts of the country, the situation is that majority of the people residing in the rural areas are poor and starving with hunger. In those situation cooperatives plays an important role in improving the awful conditions of the rural areas.

Following are the point which shows how the cooperatives are helpful in the rural development:

- Agriculture has been a prominent source of livelihood in rural areas, as it employs half of India's population. People earn through the activities of forestry, fisheries, farming and livestock. In order to increase the employment opportunities for small and marginal farmer, agricultural cooperatives actively support and promotes the agrarian in many ways.
- Cooperatives often facilitate farmers by providing better product marketing services, which include storage facilities, high-yield variety of seeds, transportation and processing, and modern farming equipment.
- There are many cooperative societies which are working day and night on various aspects to help and improve the condition of the farmers and poor people.
- Cooperatives provide many services to the poverty-stricken sections, such as access to advanced technologies, proper training in natural resource management, and promoting agricultural productivity by increasing the supply of goods.
- In a co-operative organization, people are educated about human values in life and made to appreciate that beyond money, there is something more important and that is human spirit, human feelings and man in the human beings.
- Co-operatives are educating people in self-government because running cooperatives gives them adequate training to run democratic institutions. It is encouraging the local leadership to take up the important task of rebuilding a New India. Cooperatives are helping to produce better citizens who are honest and ready to make sacrifices.
- Co-operative institutions help to promote planned economics growth of a country. the flow of credit into agricultural credit through co-operative sector indicates the increase of resources to agricultural sector.
- The goal of a cooperative society is not only to provide social advantages, but also to provide financial security to poorer section of the society as well as people who engaged in agricultural activities. As a result, cooperatives collect finance from agricultural funds and distribute it to farmers in the form of loans and advances in order to improve their economic conditions.

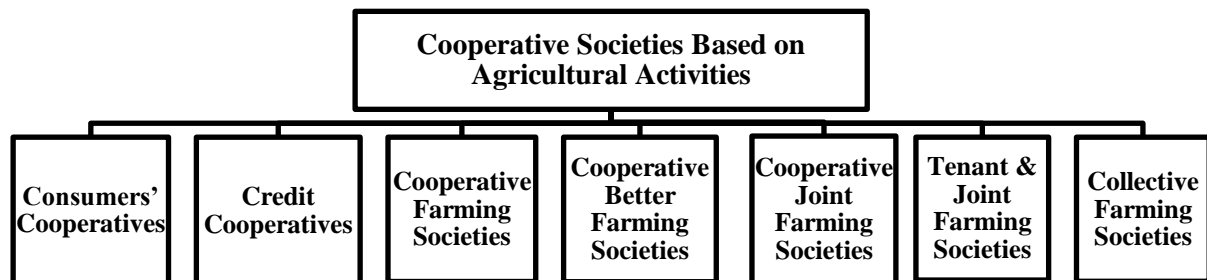
India lives in villages. Indian economy is exclusively agricultural economy and cooperatives play an important role in India. Agriculture is a profession where a large number of agricultural workers are scattered over a large area. In contrast non-farm business is always concentrated in a limited space. Many people come to work and go back home after work is over. Agriculture in India is also not seen as a business but as a way of life. Indian farmers are small and poor. They lack finance, capital and information. Therefore, they conduct their business in a primitive manner. They cannot improve agriculture because of faulty institutional arrangements. In the light of these defects, it is very necessary to adopt cooperative and it is a peaceful way to remove the shortcomings of agriculture in India. Thus, cooperative plays a dynamic role in the economic development of an underdeveloped country like India and it also promotes social welfare. It is an organization where human values are considered more important than anything else.

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## 7.9 COOPERATIVE SOCIETIES BASED ON AGRICULTURAL ACTIVITIES

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Co-operatives can be divided into various categories depending upon purposes, objectives and nature of the activity. Some of the societies are formed to achieve particular economic objectives, and others are framed with the objective of social upliftment of its members along with helping consumers, small producers, or small farmers and society.



The above-mentioned types of cooperative societies were explained in detail below:

### 1. Consumers' Cooperatives

These cooperatives are set up with the purpose to facilitate quality consumer products and services at a reasonable price by removing unnecessary middlemen's in return creating a direct relationship of wholesalers and manufacturers. Goods and service are purchased in large quantity at a cheaper price directly from manufactures and wholesalers then further sells forward in small portions. Some of the societies are engaged in housing construction businesses. They acquire the land from the general public, construct houses as per the demand of the members and then transfer its ownership to the members. In consideration, members can pay the due price in easy instalments spread over as long years.

### 2. Credit Cooperatives

Credit cooperatives are established with the aim to provide loans and finance to needy farmers and poor members of society at a lower rate of interest. They collect funds from the members of society in the form of capital as well as accepts deposits from the general public and also take loans from public and private banks. These collected funds are used in advancing loans to the poor farmers and needy members of society on easy terms and conditions. The main motive behind this setup is to safeguard the poor farmers from unnecessary exploitation by the greedy moneylender. Credit cooperatives can be two types:

- i. **Agriculture credit cooperatives:** these cooperatives provide credit facilities to rural people for different productive and non-productive purposes.
- ii. **Non-agriculture credit cooperatives:** in order to meet the short-term financial requirements of urban masses these non-agriculture credit cooperatives are formed.

### 3. Cooperative Farming Societies

In order to take the advantage of economies of scales, landless labourers join their hands with small and marginal farmers of a particular area to set up a cooperatives society. They adopt the mass farming method instead of individual farming to reduce the overall cost of production. Members contribute to the land, labour and capital for joint farming. It becomes very useful for the members in the below-mentioned ways:

- i. Pooled land, labour, and other resources
- ii. Application of advanced technologies, fertilizers and high yield seeds
- iii. Maximum output
- iv. Mass production
- v. Proper irrigation
- vi. No shortage of money to meet day-to-day expenses, etc.

### 4. Cooperative Better Farming Societies

These types of cooperative societies are formed for helping the members to adopt advanced technological methods for farming activities. To get the maximum output, these cooperatives arrange advanced equipment, high yielding seeds and fertilizer for the members. In return, cooperatives charge some fee for rendering these services. In this way, both members, as well as societies, are benefited.

### 5. Cooperative Joint Farming Societies

This society takes the land of its members, but the ownership remains vested in the hands of actual landholders. The members are privileged to make participate in agricultural activities or/ and timely receive consideration. Any profits realised from selling the outputs in markets are distributed among the landholders in the proportion to their land values.

### 6. Tenant & Joint Farming Societies

In this, the cooperative society acquires the land on a freehold or leasehold basis. The area of land is then distributed among the members of the society and they cultivate on the allotted land to produce the agricultural products. The members also pay rental charges for using such land. These societies are more beneficial for landless labourers. In **Joint Farming Societies**, the ownership lies with the society. The produced products belong to the society itself, whereas in the case of **tenant farming**, the benefits produced are retained by the landless labourers and they pay only rental charges for using such area of land.

### 7. Collective Farming Societies

Collective farming cooperative societies are quite different from joint farming societies in the terms of ownership of the land. Members of the society work collectively on the land owned by the society. The members get wages for rendering services and any surplus realised are distributed among the member in the proportion of their wages.

### Check your Progress-II

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

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

1) Kindly explain in brief the principles for the cooperative societies given by ICA in 1995.

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2) Explain in detail the different types of cooperatives for the farmer's welfare.

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## 7.10 CHALLENGES FACED BY CO-OPERATIVE SOCIETY IN RURAL AREAS

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Operating in the rural market is typically difficult for cooperative societies due to a variety of issues. There are so many problems that are faced by the cooperatives in the Indian market i.e. Unavailability of Financial resources, Misappropriate management, the loans are granted only for the agricultural purposes, lack of cooperation amongst the people, lot of political interference and even there is no balanced growth etc. Further these points are discussed below:

- **Lack of financial resources:** often cooperatives have to face the problem of limited working capital to carry out development activities. Having a weak owned fund base, co-operative societies are largely constrained in borrowing from the central funding agency. As a result, lack of financial resources and funds creates a barrier in fulfilling the requirements of indigents and landless farmers.
- **Availability of agricultural loans only:** even after actively contributing in the development of rural areas, cooperative societies are unable to provide financial assistance to all sectors. Co-operative societies' lending services are restricted to agricultural production. Credit societies generally ignores other financial needs of



farmers. Farmers also request cooperatives to fulfil a variety of finance needs, which leads to conflicts between them.

- **Political Interference:** the most serious problem for the co-operative society is that they often become the victim of politicians' tactics. Politicians take advantage of cooperatives to get an edge in elections and increase their voter base. They are like a leech on the cooperative society, which affects the overall productivity of the cooperatives.
- **Conflicting Motives:** it has happened on multiple occasions that some members of a cooperative society join the organisation to take the personal advantage. This not only goes against the basic purpose of mutual aid, but it also causes conflicts between private interests and cooperative interests, diverting resources away from the purpose of improving India's economy through rural development.
- **No Balanced Growth:** cooperative societies in the northeast region, including West Bengal, Bihar, and Orissa, are not as well developed as those in Maharashtra and Gujarat. There is a lot of conflict between states due to rivalry, and this conflict impacts cooperatives' operations.
- **Lack of co-operation on the part of the people:** In India, the majority of the population is hampered with illiteracy, ignorance, and conservatism. The growth of the cooperative movement is hindered by their unwillingness to participate.
- **Misappropriate management:** The cooperative lending system has been chastised since it is largely controlled by landowners and large farmers. As a result, small and medium-sized farmers do not receive their fair share. They are often deprived from getting assistance and financial aid from cooperative societies. The cooperatives are subjected to the partiality, favouritism and nepotism. The overall growth of the cooperative moment, thus, is severely affected.

Most of the cooperative societies are found in villages and underdeveloped areas to improve condition of poor farmers and needy people, which play an important role in the overall development of the national economy. Despite several obstacles, rural co-operative societies are successfully fostering economic welfare.

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## 7.11 LET US SUM UP

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Cooperative Societies are in work to help each other with the best possible methods. Cooperatives are the types of institutions that are framed for mutual assistance of their members. The main motive is to help the poor in improving and raising their standards of living. The weaker section of the society is granted the rights to create such societies in order to protect themselves from exploitation through modern means of production and distributions. A cooperative society is a voluntary organisation of individuals that basically consists of labour class workers. They are organised under joint management on democratic methods to improve their domestic and business conditions as well as capital collection. Cooperatives are formed to increase the overall prosperity and raise the moral standard of their society. They also try to bridge the gap between the weaker and higher section of society by providing them with adequate resources. Cooperatives provide several benefits to society by generating employment opportunities, removing the market anomalies for the farmers, removing monopolistic tendencies and encouraging healthy relationship between employer and employee. The chapter also discusses the various types of cooperative societies based on agricultural activities which includes societies such as cooperatives farming, cooperative joint farming, cooperative tenant and joint farming, collective farming etc. At

last, various committees laid down the principles for regulating the activities of cooperatives. Roach Dale committee was the first to lay down principles in 1960, which were later on taken into consideration for revision by ICA in 1937 which were again then revised in 1995 to meet the changing market conditions.

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## 7.12 KEY WORDS

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1. **Morals:** having a high standard of behaviour that is considered good and right by most people
2. **Society:** An organization of people who share a particular interest or purpose; a club
3. **Democracy:** the right of everyone in an organization, etc. to be treated equally and to vote on matters that affect them
4. **Autonomy:** the right of a person, an organization, a region, etc. to govern or control his/her/its affairs
5. **Community:** a group of people who have something in common
6. **Sustainable development:** economic development that is conducted without depletion of natural resources.
7. **Cooperation:** working together with somebody else to achieve something.

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## UNIT 8: RURAL COOPERATIVES (CREDIT COOPERATIVES)

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### Summary:-

- 8.0 OBJECTIVES
- 8.1 INTRODUCTION
- 8.2 DEFINITIONS AND MEANING OF COOPERATION
- 8.3 EVOLUTION
  - 8.3.1 PRE-INDEPENDENCE SCENARIO
  - 8.3.2 POST-INDEPENDENCE SCENARIO
  - 8.3.3 FIVE-YEAR PLANS
- 8.4 TYPES OF COOPERATIVES
- 8.5 EXPLANATION OF CREDIT COOPERATIVES
- 8.6 LET US SUM UP
- 8.7 ABBREVIATIONS
- 8.8 KEY WORDS
- 8.9 REFERENCES AND SUGGESTED READINGS

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### 8.0 OBJECTIVES

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In this chapter we will get to know about:

- The meaning, concept of the cooperative.
- The evolution of Cooperatives.
- Types of cooperatives working in India.
- How it is important for the rural development of India.

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### 8.1 INTRODUCTION

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India is a country of villages because the major population resides there. According to Census-2011, 69% of the total population of the country lives in rural areas, and in 2019 the total rural population was 895,386,226. There are some small businessmen, artisans, farmers, labours and some other service providers etc. The economy of rural areas was majorly dependent on their workings and hence in order to guide them, the cooperatives came into action.

The cooperatives came with the major objective of the rural development, because they provide term loans (both short-term and long-term), they can help the farmers in order to install the new machinery and technologies, new irrigation facilities, supply of the inputs, warehouse facilities and in last they have created the marketing network so that the finished goods can be reached to the end-users. Due to the fewer saving or no savings, the credit has become the most vital input for the development of the rural areas and to fulfil these needs the institutions were set up like Regional Rural Banks (RRBs), Cooperative Credit Institutions, Commercial Banks etc.

Earlier in the 1960s, the rural conditions were not so good; the money lenders lend the credit at a very high rate of interest which increases the chances of the exploitation of the farmers. That's why considering the rural conditions the policymakers have recognized the value of the Panchayati Raj system and the cooperatives institutions. These institutions have assigned them their role and they came with the major objective of Rural Development and to eliminate the poverty and the exploitation that was done amongst the farmers. These institutions are legal entities hence they work under the supervision of the committees (members) so there is no chance of inequality over there. They work at the grass-root level so that they can come directly in contact with the farmers and other artisans (one to one communication). The main aim of this unit is to get you to know about the concept of cooperatives, principles and the role that they have played in rural development.

**Importance of cooperatives in Rural Development.** Rural development is considered the main objective for all planners. The cooperatives came with this objective only, later they have started providing services other than the credit service. In every developing country, whenever the point of development came they all start with the development of rural areas first; basically the priority has been given to the development of the rural areas. There were so many issues in the rural areas regarding the supply of inputs/raw materials, poor infrastructure, less income, low standard of living, low profitability returns etc. and in order to cover up all these situations cooperatives came into action. The major source of employment and living in the rural areas is agriculture, livestock, fisheries etc. the major population of the world live there in the rural areas.

(a) Agricultural cooperative is very helpful to all the rural area farmers, producers by providing them ample opportunities by creating sustainable rural employment. As the name suggests, the agricultural cooperative came with the objective of helping the farmers or artisans whose prime business is agriculture, by providing them reasonable loan or any equipments so that they can work in an effective and efficient manner.

(b) Producer cooperative or Industrial cooperatives are also very helpful to all the villagers' artisans, producers and small entrepreneurs by providing them with the proper marketing facilities, by availing them the best production technologies, by providing them with the training, innovation etc.

(c) Dairy cooperatives help in the development of the rural areas by applying the Anand pattern of dairying which creates the proper platform for the all the milk traders and they will get their profits in the proportion of the contribution they made.

(d) Marketing cooperative helps the traders, producers and farmers by providing them with the proper marketing structure where they can sell their products and in fact, the cooperatives have eliminated the malpractices (charging high prices) from the market as well. The producer produces the goods but sometimes due to the unconditional market conditions he is not be able to sell the products, in this case marketing cooperatives help them either to sell their products or they help them by providing the space to store their produces.

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## **8.2 DEFINITION AND MEANING OF COOPERATION**

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The word cooperation can be perceived by different persons in a different manner, but in common sense it is thinking, working and living together. However, in our context

cooperation is defined as an organization of people who voluntarily participate together in order to achieve their common economic, social and cultural objectives.

The International Labour Organization (ILO) defines a cooperative society as it is an association of persons who join their hands for a common cause and work together voluntarily.

The International Cooperative Alliance (ICA) defines cooperative society as, Cooperative society is an association of persons united together voluntarily in order to achieve the common economic, cultural and social needs through the jointly owned enterprise. The members or participants of the cooperatives believe that the cooperative must be in the good faith, some ethical values must be there and there must be social responsibility amongst the members of the cooperatives. A Cooperative is a government organisation hence it is very different from the private enterprise in terms of - they are governed and controlled by the government, the share capital and the social responsibility.

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### **8.3 EVOLUTION**

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After understanding the meaning, concepts, principles of cooperative enterprises, we will get to know about the emergence of cooperatives in India i.e. since Independence. Somehow, it was related to the pre-independence scenario as well.

#### **(8.3.1) Pre-Independence scenario:**

In the earlier stages, the main motto of the cooperatives was to get back the farmers who were under the burden of debts. To protect the farmers from the moneylenders who were charging the high rate of interest against their debts in Pune and Ahmednagar the cooperative society came into action. As a result of the cooperative movement, the government has introduced three acts i.e. Deccan Agriculture Relief Act (1879), the Land Improvement Loan Act (1883) and the Agriculturists Loan Act (1884) in order to protect the farmers from the trap of the moneylenders. This was the first initiative of the cooperative society. But Cooperative movement came with structure and shape when the British enactment of the Cooperative Credit Societies Act, 1904. With the further development in 1919 Cooperation was added to the provincial subjects and the provinces were given their powers to make their own cooperative laws under the Montague-Chelmsford Reforms. In 1942, the British government enacted the Multi-unit Cooperative society act in order to cover the cooperative society with members from other provinces of British India.

The Cooperative movement in India is considered as the very important element in the Indian economy because it contributes towards the economic development of the country. The first cooperative society was established in Maharashtra in 1904 and it was very successful plan but on the other hand there were some criticism as well like malpractices, lack of management or improper management, and some failures by not satisfying the needs of the consumers. The first cooperative movement in India was started after the establishment of first cooperative society act i.e. in 1904. It came with the primary objective of providing credit facilities at a very cheap interest rate. Later in 1912, the act has come up with some new cooperatives like marketing cooperative, cooperative credit institutions, housing and farming etc. Earlier the limitations which have arised now they were gettiing an end in the later years of 1919 and 1925 basically they were gettiing stronger in the market so that the consumer can trust them and they can build the halty relationship with them.

### **(8.3.2) Post-Independence scenario:**

After getting Independence in 1947, the makers of the Indian constitution has adopted the mixed economy structure with the aim of economic development with the equal forces of the private sector as well. India's first Prime Minister Pt. Jawaharlal Nehru had a strong faith in the cooperative movement. In this regard, the National development council was set up in 1952 to strengthen and mobilize the efforts and resources of the nation of the Five Year Plans made by the Planning Commission. In order to promote the economic policies of the nation and to achieve the cooperative objectives, the planning commission came into action so that there will be rapid development in the nation.

### **(8.3.3) Five Years Plans:**

In the first five-year plan (1950-51 to 1955-56), the government has focused on the agenda to join many of the rural households as members of the primary agriculture cooperatives. In place of, the societies are here to protect the interest and take care of their needs. This plan was very effective for the development of the cooperatives because the number of members increased from 52lakhs in 1950-51 to 78lakhs in 1955-56.

In the year 1951, the Reserve Bank of India has set up the All India Rural Credit Survey Committee under the chairmanship of A.D Gorwala. The objective of the committee was to recommend practicable policies for the future on rural credit. The committee submitted its report in 1954. It was later found that a limited number of cooperatives were useful due to their limited operations and a large number of cooperative societies should be organized to do more business.

#### **\* Second to fifth five-year plans.**

In the second five-year plan (1956-57 to 1960-61), the main objective was on the development of the Public sector and to increase the growth of industrialisation. This five-year plan was based on the Mahalanobis model as this plan attempted to determine the investment funds in the productive sector so that there will be economic growth in the long run. **The third five-year plan (1961-66)**, the main agenda of this plan was to develop the agricultural sector but later on, due to unforeseen circumstances, it shifted on the defence industry. This plan works on the employment generation of the workers, consumer of cooperative etc. **In the fourth five-year plan (1969-74)**, the need for a cooperative society emerges because they want to develop the new economy. The Indian government has nationalized the 14 major banks and one committee was formed i.e. All India Rural Credit Committee in order to look over the credit supply in the rural areas. There were some major findings of this committee, the need for the proper and relevant education i.e. the primary schools in the rural areas, the reorganization of the capital in rural areas, the need of training activities etc. just to enhance the growth of the rural areas. **The fifth five-year plan (1974-78)**, this plan was majorly focused on the removal of poverty and attainment of self-reliance. The 'Gareebi Hatao' Andolan was set up in order to eliminate poverty and the government came up with many employment opportunities. This plan considered the cooperative societies as the major institution that helped in the growth of the weaker sections by fulfilling their needs.

#### **\* Sixth to Ninth five-year plans.**

In the sixth five year plan (1980-85), the main focus of this plan was to eradicate poverty and to enhance productivity in the industries. The National Bank for Agriculture and

Rural Development (NABARD) was established in order to maintain the growth of the rural areas, there was the beginning of the economic liberalisation, the prices tend to rise due to the scarcity but NABARD helped them out to grow their needs. The Sixth Five-Year Plan was a great success for the Indian economy because the target growth rate was 5.2% and there was an actual growth rate of 5.7%. **The seventh five-year plan (1985-90)**, this plan emphasized the enhancement of the productivity level of the industries by upgrading the outdated technologies. The main objective of this plan was to increase the growth in the respective areas of production of the food grains and to generate employment as maximum as possible. **The eighth five-year plan (1992-97)**, was the period where India faced the major crisis in the foreign exchange reserves and to get back from the edge the prime minister of India Dr. Manmohan Singh launched the free-market reforms i.e. the new economic policy was launched (Liberalisation, Privatisation and Globalization). The target growth rate was 5.6% and there was an actual growth rate of 6.8% in this plan. **The ninth five-year plan (1997-2002)**, the main objective of the ninth five-year plan was to grow with justice and equity. They pressured on some of the major dimensions- the quality of life, generating employment, developing self-reliance, reduction of poverty, and control on the population.

The white revolution and the green revolution have the great positive impact on the development of Indian economy. In the white revolution the country has become the world's largest milk and milk products producer, and in the green revolution they have decided to convert the villages into modern villages.

**\* Tenth to Twelfth five-year plans.**

**The tenth five-year plan (2002-07)**, was aimed to increase the per-capita income of India and to decrease poverty by 5% by 2007 and 15% by 2012. In **the eleventh five-year plan (2007-12)**, the agricultural growth was increased to 4% and there was rapid and inclusive growth (reduce poverty). In **the twelfth five-year plan (2012-17)**, the objective was to attain faster and the more inclusive and sustainable growth and to enhance access to higher education and to promote more value additions to protect the interest of the farmers, and improve the social and economic health of the rural people.

The government of India has launched the National policy on cooperatives in 2002m and the objectives of this national policy is

- (a) To reduce the imbalances or disparities
- (b) To strengthen the education, training and development
- (c) To provide mutual support to the development of the cooperatives.

**Check your Progress-I**

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

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

1) How cooperatives are helpful in the development of rural areas?

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2) Explain in brief the emergence of the cooperatives.

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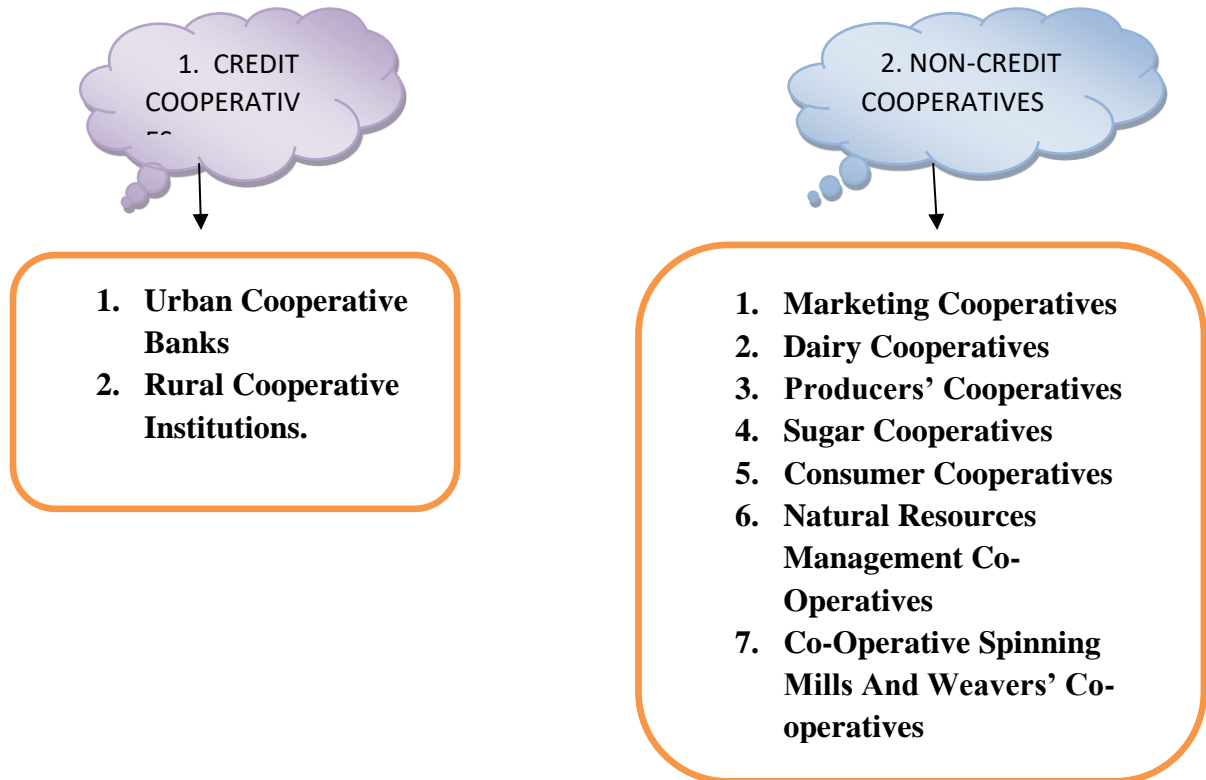
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#### 8.4 TYPES OF COOPERATIVES

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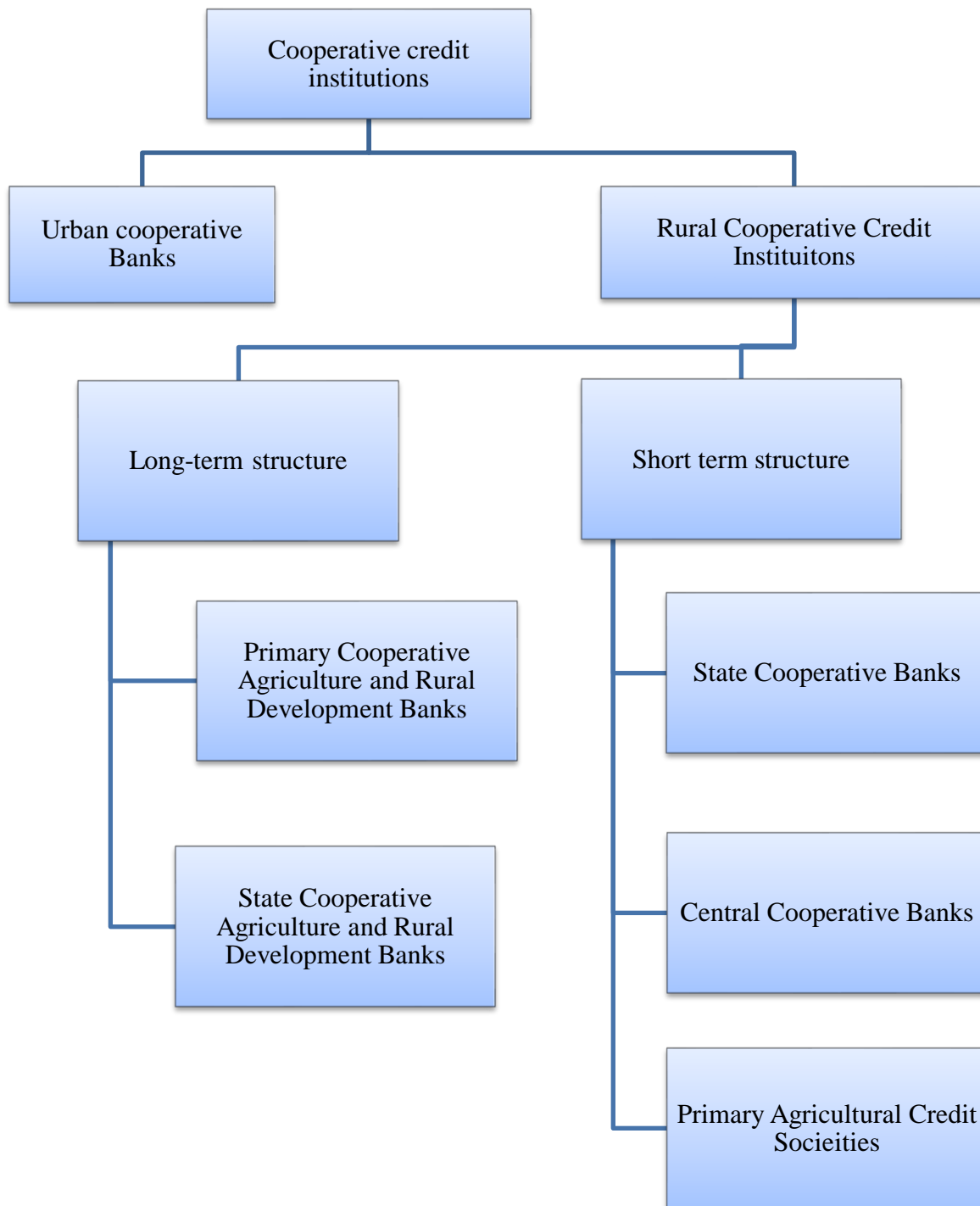
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#### 8.5 EXPLANATION OF CREDIT COOPERATIVES

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Cooperative credit societies are those societies which are formed to give the financial stability to the members of the different region. The main function of these societies is to accept the deposits from the members and to grant them a loan at a reasonable interest rate whenever needed. The main role of the credit cooperatives institutions is to assist agriculture and to develop the processing of industries in the rural and urban areas. The cooperatives are at present governed and controlled by the State Government, Reserve Bank of India (RBI) and the National Bank for Agriculture and Rural Development (NABARD).





❖ **ORGANIZATIONAL STRUCTURE:**

The cooperative credit institution has a unique structure comprising of the Urban Cooperative Banks (UCB) and the Rural Cooperative Credit Institutions. The Rural cooperative credit system (RCCS) has two tiers comprising of the short term structure which has the Primary Agriculture Credit Societies (PACS) at the root level and the State Cooperative Banks (SCBs) and the District Central Cooperative Banks (DCCBs) while in the long term structure we have State Cooperative Agricultural and Rural Development Banks (SCARDBs) and Primary Cooperative Agricultural and Rural Development Banks (PCARDBs).

## **A. URBAN COOPERATIVE BANKS (UCBs):**

The Urban Cooperative Banks (UCBs) refers to the primary cooperative banks which are located in the urban and semi-urban areas. These banks were supposed to lend only for non-agricultural purpose. They play the role of financial intermediaries for the small entrepreneurs and traders. The UCBs have the lead over the commercial banks because of their cost structure and they cover those people who were left behind by the commercial banks like unemployed, physically challenged etc. The operating cost of these banks was minimal as compared to the commercial banks. Being the local nature of the UCBs they develop the trust factor easily and hence they can be more responsive to the needs of the local community as compared to the national banks.

The UCBs work under the supervision of the Registrar of Cooperative Societies (RCS) of the particular state or by the Central Registrar of Cooperative Societies (CRCS). During 2003-04, a total of 104 licences were issued for opening the new branches to 86 UCBs. According to the Reserve Bank of India, the UCBs can open the Extension Counters (ECs) within the premises of educational institutions, big offices, factories, of which the UCB is the principal banker provided the nearest branch of the bank is beyond 10 km from the concerned institution.

UCBs have also followed the concept of “Know your Customer (KYC)”. They created the guidelines which help them to identify the customer before lending them the loan and UCBs were supposed to make the information confidential which was collected from the customer. This helps to protect themselves from fraudulent activities. The UCBs can even enter into the Insurance business but they must have a minimum net worth of Rs. 100 crore and the prior approval from the Reserve Bank of India (RBI).

### **Functions of UCBs:**

1. To accept the deposits.
2. To grant loan and advances.
3. To act as an agent for members who can discount the bills, endorse the bills.
4. To act as a custodian for the members who can keep the documents safe.
5. They provide the facility to withdraw the deposits by cheque.

### **Features of UCBs:**

1. The Urban Cooperative Banks are managed by the Principles of cooperation, and self help. The work on the rule of one member, one vote.
2. The commercial banks work in order to maximize their profits but in the case of cooperative banks they work on no profits no loss basis.
3. The primary work of the cooperative banks is similar to the the other banking functions like deposits, supply of credit etc.
4. The cooperative banks mainly performs the baking functions in agriculture and rural sector. But there are some other banks as well like UCBs, SCBs, CCBs who work in the semi-urban and urban areas.
5. The cooperative banks are the first financial agency which is subsidized by the government of India, supported and sponsored by the government of India.

6. The Urban Cooperative Banks take the financial and other help from the RBI, NABARD and the Government of India.
7. These Banks belongs to both the markets i.e. Money Market and Capital Market because there are lots of other cooperative banks which provide Short-term and medium-term loans.
8. The souce of funds of the Urban Cooperative Banks is-
  - RBI,
  - NABARD,
  - Central and state government
  - Other cooperative Institutions
  - Deposit funds etc.

## **B. RURAL COOPERATIVE CREDIT INSTITUTIONS:**

The **short-term** rural cooperative credit system comprises three tiers i.e. the State Cooperative Banks (SCBs) at the first level, District Central Cooperative Banks (DCCBs) at the intermediate level and the Primary Agriculture Credit Societies (PACS) at the root level. These all were designed in order to meet the short term credit needs of the people for the production process.

### **(I) STATE COOPERATIVE BANKS (SCBs):**

State Cooperative Banks (SCBs) are those organizations that provide short-term and medium-term loans to the members at the state level. The SCBs are established in every state in order to provide support by offering them funds and technical assistance etc. There are 31 State Cooperative Banks at present in India.

The major source of raising the funds of SCBs is from share capital, deposits, loan from commercial banks, loan from RBI and NABARD. The SCBs provide further finances to the District Central Cooperative Banks and also regulates and controls their activities. The authority of state cooperative banks lies in the hands of the general body and the committee that was formed by the state cooperative bank itself. They appoint the board of director as per the guidelines of the banking and regulation act and the board of director will choose the general manager who will be known as the managing director. These all activities were ultimately done under the supervision of the Reserve Bank of India (RBI).

#### **Workings or Functions:**

1. They provide rural credit facilities.
2. They provide finance to District Central Cooperative Banks
3. They act as the balancing centers for CCBs because they allocate the surplus of one CCB to other CCBs.
4. To keep an eye on all district cooperative banks.
5. They provide the facility of re-discounting the bills.
6. They provide credit to primary credit societies through central cooperative banks.
7. They mobilize the funds according to their needs.
8. They collect the money from the public.
9. To assist the central bank and to balance the surplus and the deficiencies in the resource of the central bank.

## **(II) DISTRICT CENTRAL COOPERATIVE BANKS (CCBs):**

The Central District Cooperative Banks (CCBs), the intermediate tier between the State Cooperative Banks (SCBs) and the Primary Agricultural Credit Societies (PACS). They mobilize the funds from the SCBs to the public and PACS. The banks constitute a managing committee and in order to run the day to day activities a full-time manager is appointed, who is responsible for the effective running of the bank.

The major source of generating the funds is from NABARD and the respective state government, the commercial banks and the State cooperative banks. As the name suggests these banks work on the district level and they accept the deposits from non-members also but they provide loans and advances to the members only.

The Central cooperatives banks are of **two types**:

1. Pure type district banks - membership is only for cooperative organizations.
2. Mixed type district banks - membership is for both cooperative organizations and individuals.

### **Workings or Functions:**

1. They supply money to the PACS.
2. They collect the money from the different members; farmers etc and render it to the PACS.
3. They provide money to the other cooperative institutes.
4. They perform the role of supervisor for the primary agricultural credit societies as they guide and train them.
5. They also act as the subsidiary or an agent because they accept the payments, cheques, bills on the behalf of the customers.
6. They can sell the securities on the behalf of the customers.

## **(III) PRIMARY AGRICULTURAL COOPERATIVE CREDIT SOCIETIES (PACS):**

The third tier in the short-term structure of the Rural Cooperative Credit Institutions is Primary Agricultural Cooperative Credit Societies (PACS). As we were very aware of the livelihood of India, the major population of India is still dependent on agriculture because it is the primary source of living and to let them survive the PACS came into action. Any person can become a member of these societies but he/she must have attained the age of 18 years and they have to pay the subscription fees.

The very first Primary Agricultural Credit Society came into action in the year 1905 in the state of Bombay and later on, they started growing fast. The Primary Agricultural Cooperative Credit Societies plays a very important role at the root level for the development of the local areas by providing them the loans at a cheaper rate of interest. The main aim of these societies is to help the farmers, as they come directly in contact with the farmers and to set them free from the exploitation and the fraudulent activities that were done by the local lenders. These societies were managed by their managing committee.

Initially, the PACS came intending to provide short-term and medium-term loans (i.e. crop loans only) to the farmers but now a day's these societies have attained the status of multipurpose societies. As they have started providing loans to the farmers not only for the

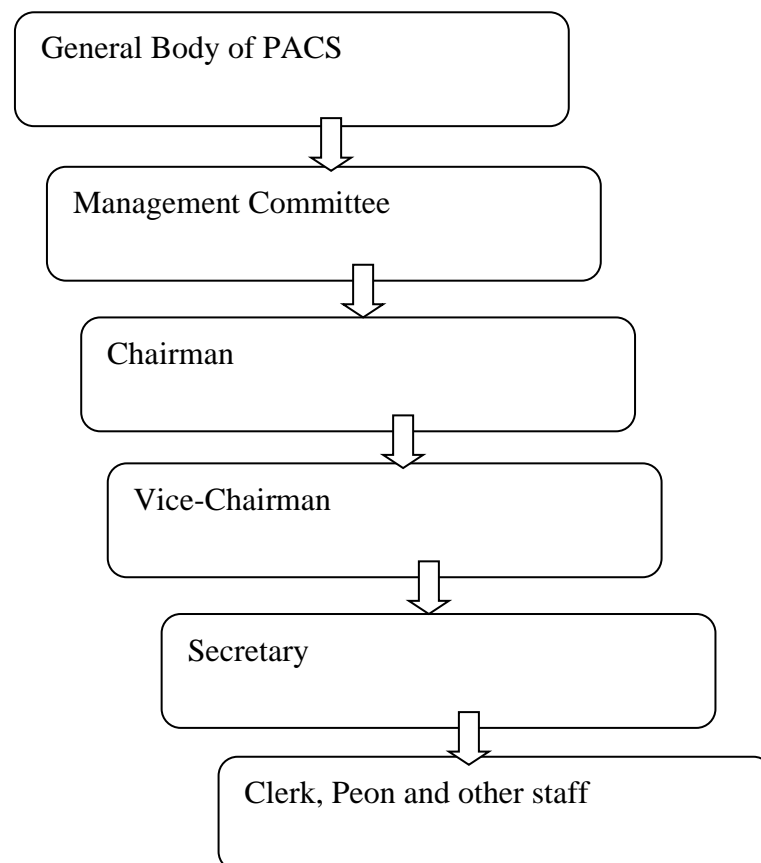
crops but for the necessary items also that are related to agriculture like storage goods, fertilizers, seeds that were certified by the government, pesticides, marketing facilities etc.

The major source of finance is from the deposits from the people, fees that were paid to become the members, the share capital and the loan from the Central Cooperative Banks (CCBs) or the State Cooperative Banks (SCBs).

### **Workings or Functions:**

1. The very important function of these societies is to provide short-term and medium-term loans and advances to the farmers at a cheaper rate of interest.
2. It is a multipurpose and multi-functioning society, they supply all the necessities that are required for agriculture such as seeds, agricultural tools, fertilizers and pesticides etc.
3. They develop the habits of savings amongst the members by catering them some interesting offers.
4. They are into the development of the economy.
5. They supply consumable goods like sugar, food grains, kerosene etc.
6. To store the produce till it is sold in the market.
7. The major population of India contributes to the agriculture as their main profession and in order to develop and enhance this The Primary Agricultural Cooperative Credit Societies helps it.

### **ORGANIZATION STRUCTURE OF PACS**



## **\* LONG-TERM RURAL COOPERATIVES:**

In the long-term structure, it comprises of two tiers i.e. State Cooperative Agriculture and Rural Development Banks (SCARDBs) and Primary Cooperative Agriculture and Rural Development Banks (PCARDBs). These all were designed to meet the long-term credits. The total number of SCARDBs is 20 and PCARDBs is 768.

Besides the short-term credit, the farmers also need the long-term credit to make the permanent changes in the land which require a huge amount, to repay the previous debts, or we can say to install the new machines etc., for that a person should look after the organization that can provide the loans and advances at a very reasonable rate. Earlier this work was done by the lenders which increase the chances of the exploitation of the farmers.

As the name suggests, these banks operate at the state level. The major aim of providing the long-term credit is to develop the land, to install the modern technology, new irrigation mechanism, plantation and horticulture etc. due to which objectives can be achieved very easily. The source of finance of these banks is from the deposits from the different persons, own funds i.e. the money that was paid by the members of these banks in order to become the member of the bank, reserve funds etc.

In India, agriculture contributes the major part of income and the majority of the farmers have either less land or low savings due to which they can't afford to extend the production. Hence, in order to increase the production, they must have to increase the land area which requires external long-term finance. That is why it is also known as "Land Development Bank". The long-term finance creates the long-term burden also for the farmers because they have to repay the amount after the specified period; hence the special institutions were set up i.e. the land mortgage bank now which is termed as Primary Cooperative Agriculture and Rural Development Banks (PCARDBs).

These Primary Cooperative Agriculture and Rural Development Banks (PCARDBs) have a large network over the root level and they have vast experience in providing the term loan to the rural areas at the minimum cost which brings the fulfilment of the major objective i.e. the rural development.

Section 35(6) of the Banking Regulation Act 1949 says that NABARD has to inspect all the short-term cooperative credit institutions and long-term cooperative credit institutions i.e. SCBs, CCBs, PACs and in addition the SCARDBs and PCARDBs

Functions of the NABARD:

1. To ensure that the business of entities was performing as per the law.
2. To check the financial condition of the entities.
3. To suggest to them how to strengthen themselves.
4. To tell them to work according to the guidelines of the government and RBI.
5. To issue the notes to the Reserve Bank of India after the inspection.

(Source: NABARD)

## **Check your Progress-II**

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

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

1) What is the difference between Urban Cooperative Banks and Rural Cooperative Credit Institutions?

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2) How PACs are helpful in the development of the Rural Economy?

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3) What are the definitions of cooperative society given by ILO and ICA?

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4) What are the different types of Cooperative Credit Institutions?

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## **8.6 LET US SUM UP**

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In the last, we can conclude that we have discussed the meaning of the cooperatives, different principles of the cooperatives, the evolution of the cooperatives, and the different types of cooperatives as well. The main motto of the cooperatives was to develop the rural areas and to help the farmers, artisans and all other small entrepreneurs in different ways. The cooperatives deal with the public at the grassroots level hence they create a connection with them. As the organization came to cope up with the exploitation that was done amongst the poor and illiterate people, they not only provide the finances to them even they help to grow them individually as well.

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## **8.7 ABBREVIATIONS**

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1. RRBs - Regional Rural Banks
2. ILO - International Labour Organization
3. ICA - International Cooperative Alliance
4. PCARDBs - Primary Cooperative Agriculture and Rural Development Banks
5. SCARDBs - State Cooperative Agriculture and Rural Development Banks

6. UCB - Urban Cooperative Banks
7. RCCS - Rural cooperative credit system
8. PACS - Primary Agriculture Credit Societies
9. SCBs - State Cooperative Banks
10. DCCBs - District Central Cooperative Banks
11. NABARD - National Bank for Agriculture and Rural Development.

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## 8.8 KEY WORDS

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1. **Section 35(6)** – Section 35(6) of the Banking Regulations Act 1949 says that there must be the proper inspection of both short-term and long-term institutions by NABARD.
2. **Credit cooperatives** – The term credit cooperatives can be defined as the institution which provides term loans or finances to small entrepreneurs or farmers in rural areas.
3. **ILO** – International Labour Organization (ILO), means an organization that was established to improve the labour conditions and their living standards.

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## CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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### **UNIT 9: NON-CREDIT COOPERATIVES (MARKETING COOPERATIVES AND DAIRY COOPERATIVES)**

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#### **Summary:**

9.0 OBJECTIVE (NON-CREDIT COOPERATIVES)

9.1 INTRODUCTION

9.2 MEANING

9.2.1 TYPES OF NON-CREDIT COOPERATIVES

9.3 MARKETING COOPERATIVE SOCIETIES

9.3.1 SINGLE-COMMODITY MARKETING COOPERATIVE SOCIETIES

9.3.2 MULTI-COMMODITY MARKETING COOPERATIVE SOCIETIES

9.3.3 MULTI-PURPOSE, MULTI-COMMODITY MARKETING  
COOPERATIVE SOCIETIES

9.4 DAIRY COOPERATIVE SOCIETIES

9.5 CONSUMER COOPERATIVE SOCIETIES

9.6 SUGAR COOPERATIVE SOCIETIES

9.7 PRODUCER COOPERATIVES.

9.8 ROLE OF COOPERATIVES IN INDIAN ECONOMY

9.9 PROBLEMS FACED BY COOPERATIVES IN INDIA.

9.10 LET US SUM UP

9.11 KEY WORDS

9.12 REFERENCES

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#### **9.0 OBJECTIVES**

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In the previous chapter we have discussed the meaning and different types of Credit-cooperatives and in this chapter, we will discuss the Non-credit cooperatives.

- The meaning and concept of the Non-credit cooperatives.
- Different types of Non-credit cooperatives.
- Role of cooperatives in India.
- Problems faced by cooperatives.

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#### **9.1 INTRODUCTION**

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In this chapter, we will talk about the Non-credit cooperatives that are equally important for the development of the rural economy.

There are different types of non-credit cooperatives i.e. Natural Resource Management Cooperatives, Consumer Cooperatives, Milk Cooperatives, Sugar Cooperatives, Marketing Cooperatives, Dairy Cooperatives and Cooperative spinning Mills and Weavers

Cooperatives. The credit cooperatives came into existence in order to help the farmers to improve their agriculture by providing them loan and advances but the Non-Credit cooperatives came with the objective of the infrastructure development of the rural as well as urban areas.

The Non-credit cooperative societies helped the Credit-cooperative societies indirectly because the credit societies came to help the farmers in the form of finances only but in order to fulfill the other needs of the farmers and the small entrepreneurs the non-credit cooperatives societies have raised their hands to help them. As the name suggests non-credit, which means the services provided were other than the credit services.

The main aim of this unit is getting to know about the meaning of non-credit cooperatives, the different types of non-credit cooperatives in India and their workings and functions, how the cooperatives are helpful for the development of the rural economy and what are the different problem that was faced by the cooperatives in India.

In the non-credit cooperative societies we will get to know about the facilities other than the credit like providing some help in order to sell the goods in the market at the right price (i.e. Marketing cooperative), to help the milk vendors and the other cooperative organizations to produce and procure the milk so that it can finally reach to the retailer and then consumer can purchase it from them at a good price (i.e. Dairy Cooperatives) other than that there are producer cooperative or industrial cooperatives as well in which the main aim is to produce the maximum products with the best techniques and to sell off those products in the markets , consumer cooperatives in which the bulk goods are purchased from the different producers and then they sell if off at the good price and they get their profits in the ratio of the goods supplied.

In the earlier chapter we studied about the credit cooperatives and their different types which are basically established for fulfilling the credit needs of the farmers, traders and small businessmen's so that they can grow easily, but here in non-credit cooperatives the aim was to settle the demands other than the credit (loans, advances). All of these societies work on different tier structure like some of them work at local level, at district level, at state level and some work at national level.

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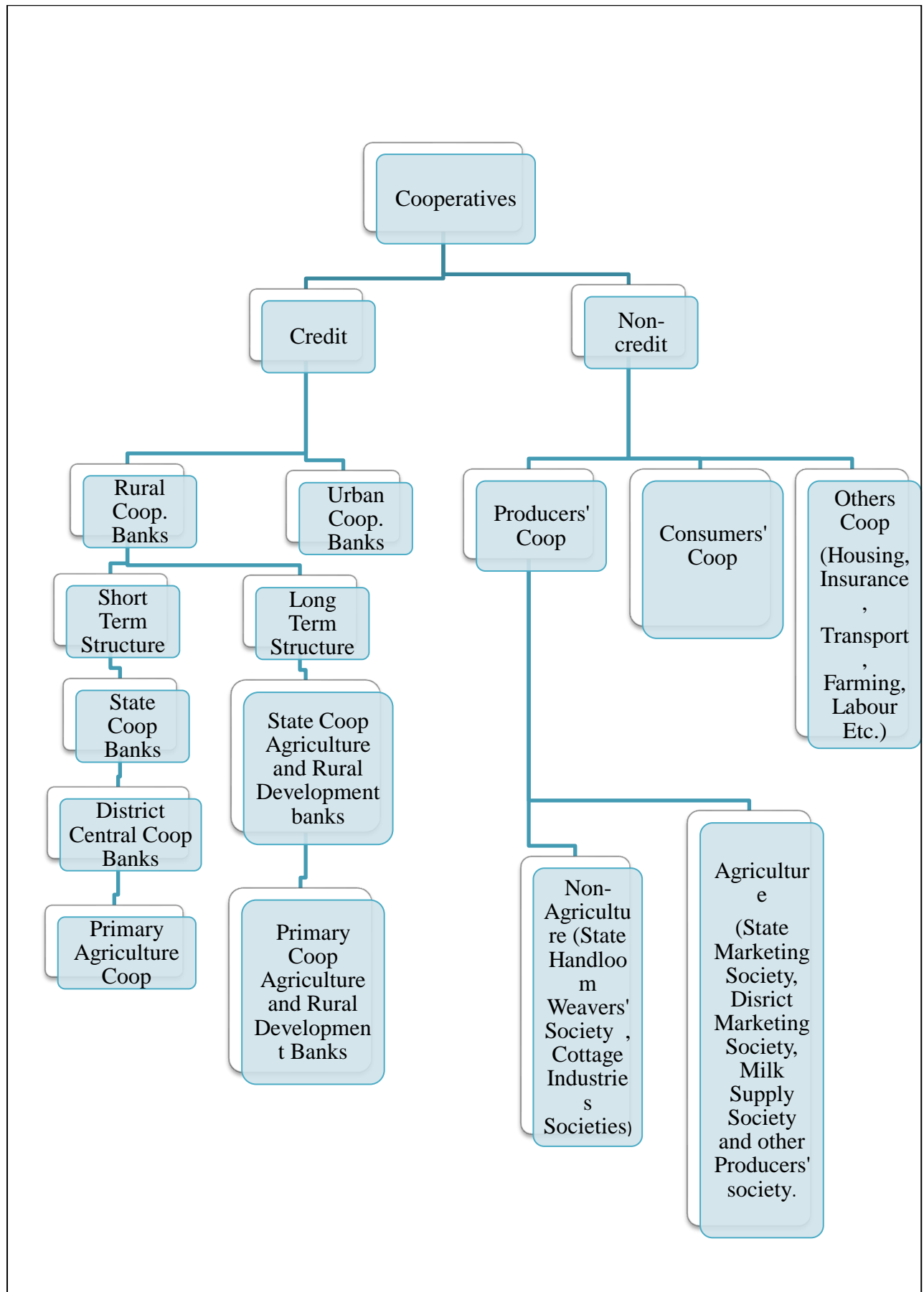
## **9.2 MEANING**

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The non-credit cooperatives can be determined by the role that they are doing in the development of a rural economy. The credit cooperatives are meant to provide loans and advances to the farmers, artisans and small entrepreneur so that they can efficiently do their work but here in the non-credit cooperatives the societies are here to help the rural people by providing them with services other than the loans.

There are so many Non-credit cooperative societies and all of them aim at rural development by enhancing their production level, improving their standard of living, giving them employment opportunities, protecting them from exploitation and by supporting the small level entrepreneurs and farmers.

## 9.2.1 THE DIFFERENT TYPES OF NON CREDIT COOPERATIVES IN INDIA



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### **9.3 MARKETING COOPERATIVE SOCIETIES**

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Marketing cooperative societies are those societies that are created to help individuals (farmers) to sell their products in the market at the best possible prices. The main purpose of setting up these societies is to get the best profitability for the farmers and to protect them from the exploitation that was done in the market.

These societies were emerged because of the heightened malpractices in selling and buying the produce. The farmers were not getting the right amount because they were supposed to sell the produce at the prices that were fixed by them and hence, they didn't get any kind of profits. In order to eliminate this exploitation, the need of these societies is increasing.

The private traders (middlemen or money lender) were doing the wrong practices because they dominate the market of food grains. Hence, the farmers were protesting to get a fair amount of profits against their produces. In order to demolish this structure, the government of India took the step and establishes the societies. Later these societies became the competitors to the private traders in the market reason being the "Fair-trade practices".

These societies take the farmers to produce and sell them at the best rates. Earlier, the farmers were not getting the right amount of profits but now after the enactment of these societies, the farmers will get their profits in the proportion of their produce. There are various other functions of these societies like they provide loans to the farmers at the cheapest rates, provides education to the farmers regarding the market and tell them the demand and supply relationship, they provide transportation and warehouse facilities to them, and such other marketing activities like packaging, grading, etc.

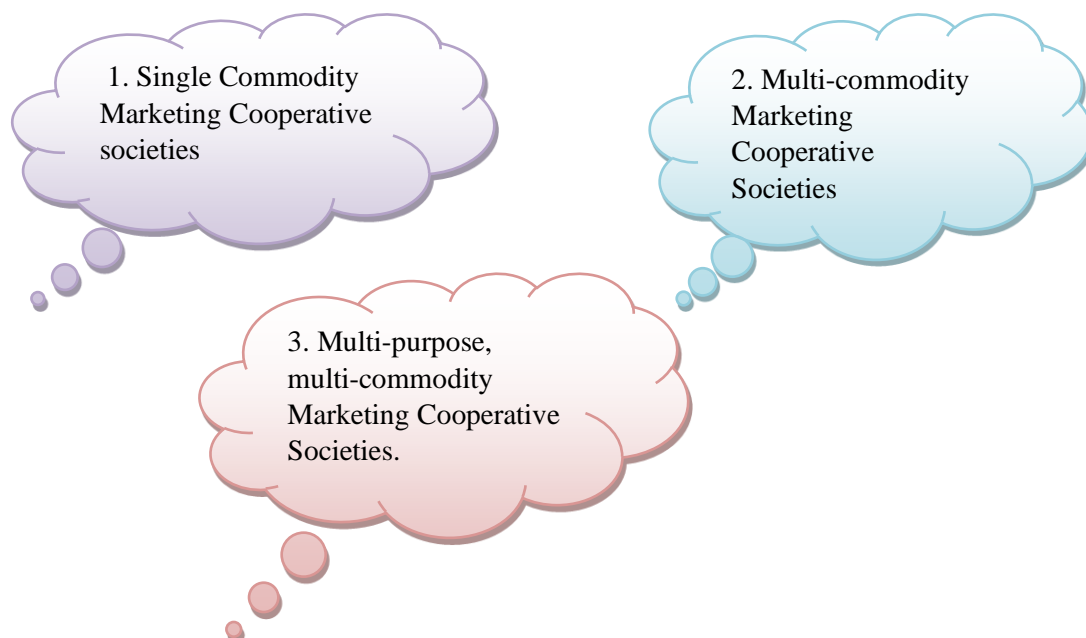
#### **Functions of marketing cooperatives:**

- To eliminate the role of the money lenders and the middlemen
- To reduce the contact with the intermediaries and passing the profits directly to the farmers.
- To educate the farmers to produce good quality products.
- To provide the warehouse and transport facilities.
- To tell the farmers about the latest farming techniques.
- To ensure that marketing must be done on a fairly basis.
- To improve the bargaining ability of the farmers to get better prices for them.
- To protect the members from malpractices.
- To provide the credit facilities.
- To make available the inputs such as the fertilizers, seeds, pesticides etc that is required for the production.
- To provide the information regarding the market so that they can get good returns by selling their produces at the right place at the right time, and the profits can be distributed to them in the proportion of their goods.

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## \* TYPES OF MARKETING COOPERATIVE SOCIETIES

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Based on products, they are dealing in; the marketing cooperative societies can be classified into three categories:

- 9.3.1 Single-Commodity Marketing Cooperative Societies:** The societies which deal in the marketing of the single agricultural commodity.
- 9.3.2 Multi-Commodity Marketing Cooperative Societies:** The societies which deal in the marketing of more than one commodity (multi commodities).
- 9.3.3 Multi-purpose, Multi-commodity Marketing Cooperative Societies:** The societies which do multi work not only deal in the marketing of a large number of commodities but also they do several other works like they arrange the inputs for the production, they provide the credit etc. to the members.

The Marketing Cooperative Societies work on both two-tier and three-tier structure. In some of the states, they have a two-tier structure like in West Bengal, Orissa, Madhya Pradesh, Kerala, Assam, Karnataka, and Bihar i.e. the base level (local regions) and the state level. While in the other states there is a three-tier structure i.e. Base level, state level and the district level as well. The societies were governed by NAFED (National Agricultural Cooperative Marketing Federation of India Ltd). It acts as the apex body. Dairy and agriculture are the two utmost and the inter-related professions in India, and both of them are equally important for the development of a rural economy. There are so many small farmers, labours and businessmen who are having the 55% of animals and they produce 52% of milk. The dairy profession not only provides employment opportunities to few members but also stabilizes the income for the farm.

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## 9.4 DAIRY COOPERATIVE SOCIETIES

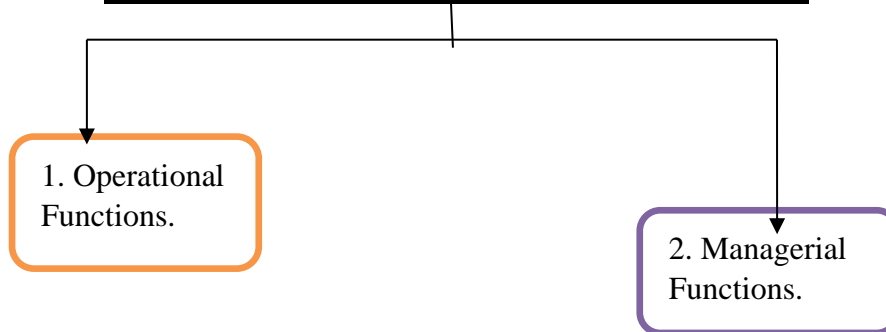
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The major aim for establishing the Dairy cooperatives was to develop the rural economy and to eliminate the exploitation that was done by the private dairy owners. In fact,

there was a National policy on Dairying also that was established in 1956 due to which the dairy cooperatives growth and development were raised.

In 1964, Mr Lal Bahadur Shastri, the prime minister of India, after comparing the major milk plant i.e. AMUL that was set up in Gujarat, with the local village milk producer gave the consent for the Anand model and asked the government to set up an organization to repeat the Anand model in India. The Dairy cooperatives work on the three-tier structure.

### **FUNCTIONS OF THE DAIRY COOPERATIVES:**



#### **1. Operational functions:**

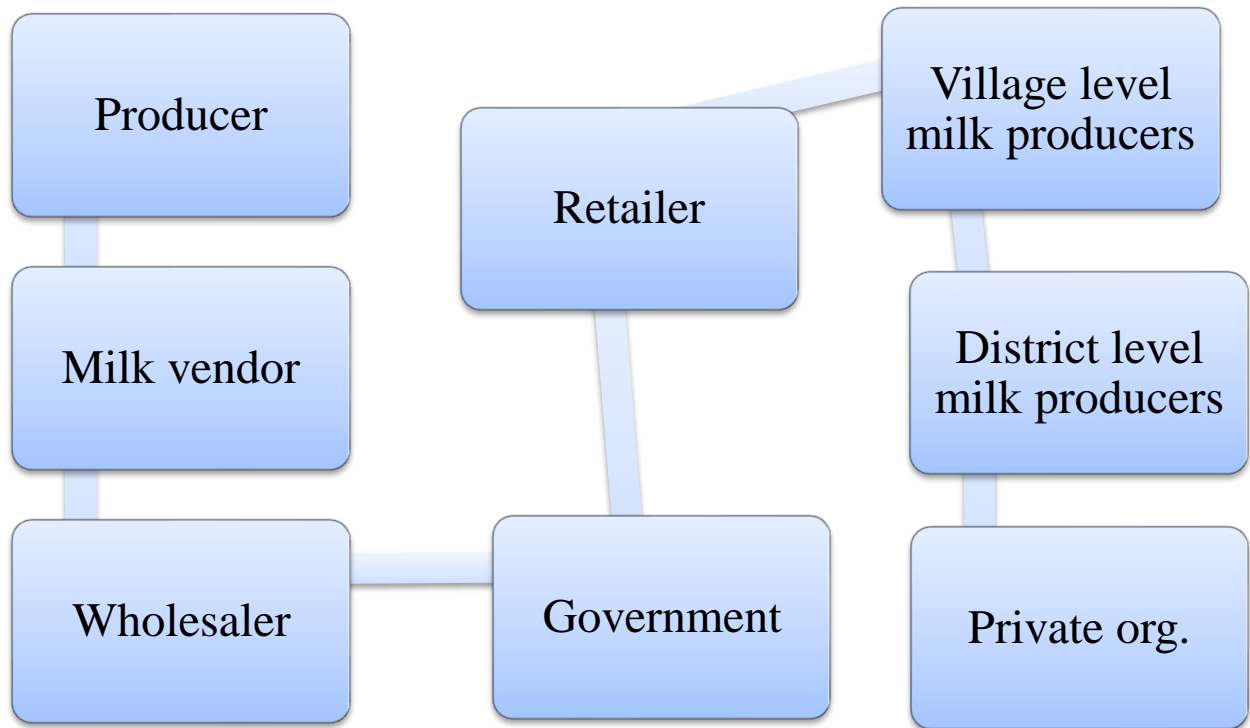
Based on Anand pattern of dairying, different functions were performed. In operational functions, there can be further two group's i.e. (a) Milk Trading group and (b) Providing input services group.

In the Milk trading group, there is the sequence of duties that were performed like a collection of the milk, testing and checking of the milk, dispatching of the milk, payment of the milk, accounting of the milk, standardization of testing equipment and the distribution of profits etc. These are the activities that were performed to exploit the malpractices.

The second function i.e. The Input services; the society must provide all the inputs that were required by the producers to enhance the production activities. It includes better techniques so that more milk can be produced. Supply of food, animal care, breeding etc is part of this function.

#### **2. Managerial Functions:**

The local village milk producers form the village dairy cooperative society with the help of the milk unions. They purchase a minimum of one share of the society in order to become a member of the society by paying the entrance fee as prescribed by the laws. There was a Managing Committee and the chairman who was appointed by the members as per the laws. The role of the committee was to hire the people for the day to day activities and to pay their remuneration as per the laws. The numbers of people were hired according to the size of the business. The activities that were done by the Managing Committee and the chairman were bound by the laws. The committee will decide the rules and regulations of the society to run them effectively and efficiently and the committee conducts the meeting every month to discuss the issues that were facing by the society and they ask for feedback/suggestions for them.



Milk-Marketing Channels in India.

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## 9.5 CONSUMER COOPERATIVE SOCIETIES

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The first consumer cooperative society was established in the year of 1903 in Madras and now at present there are approximately 9000 consumer cooperative societies. Consumer cooperative society has four tier structures:

- Local level - the primary societies
- District level - the central or wholesale societies.
- State level - the State Consumer Cooperative Federation.
- National level - the National Cooperative Consumer Federation.

Consumer Cooperative societies are defined as the societies which are made for the consumers who desire to buy household products at reasonable prices. The main aim of setting up these societies is to discard the unfair practices that were done by the producers or wholesalers by charging high prices from the consumers. The major function of this society was to purchase the bulk goods from the wholesalers or the producers at a low rate and then make them available for the consumers at a very reasonable price. Thus, the purchase price of the goods is very low because of the bulk purchasing from the wholesaler and the producer and due to this the benefits that arose due to the fewer prices that will be transferred amongst the members of the society as the surplus.

### Characteristics:

- The consumer cooperative society is registered under the Cooperative societies Act, it is an association of persons who works on the voluntarily basis.
- In the consumer cooperative society, the any person can become the member but he/she has attained the age of 18 years and they have to pay some amount which is known as the capital funds.

- The consumer cooperative society is controlled and governed by the members of the organization and there is one managing committee comprising of the Boar member as the head of organization.
- The capital of the consumer cooperative society is raised by issuing the shares to the members.
- At any sort of period, the member(s) can withdraw the capital from the organization; the society has given that power to them.
- Each and every member of the Consumer cooperative society is supposed to caste one vote irrespective of the number of shares they have subscribed.
- These societies work on the principal of one member one vote.
- The consumer cooperative society purchases the goods in the large quantity for their members and they sell the goods on the cash basis to both members and non members. The society purchases the goods at low price and even sells them at the minimal price, hence there is no such kind of advertisement required because the goods were purchased for the members of the organization.
- The consumer cooperative society needs to get their accounts audited in the every financial year by the auditor which is appointed by the Registrar of Cooperative Societies.
- The society collects the funds by issuing the shares to the members and hence in return they get the dividend on the proportion of the shares subscribed by them.

**Check your Progress-I**

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

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

1) What are the different types of Marketing Cooperative societies?

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2) What are the functions of Dairy Cooperatives?

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3) What are the functions of the Marketing Cooperatives?

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4) What are the different channels of Milk marketing in India?  
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## 9.6 SUGAR COOPERATIVES

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The first cooperative sugar factory was established in the year of 1951 in the state of Maharashtra. The Cooperative sugar factories were started in the Second-five year plan. The total production of sugar was 60% in India by these sectors.

The sugar cooperative societies work on a two-tier structure i.e.

- Base level
- State level

The first structure which works on the base level i.e. grass root level is known as sugar mills and the other structure that works on the state level is known as the State cooperative sugar federation. The main aim of setting up such societies is to employ the rural people. The cooperative sugar factories were governed and assisted by the state government by providing them with the share capital and other such subsidies or privileges. The sugar cooperatives of Maharashtra were known as the best plan for rural development likewise the Anand plan of Gujarat.

The sugar cooperatives were the major tool for the development in the rural areas. The government of India has included sugar in the essential items hence the cooperatives were supposed to sell the sugar at a reasonable rate because it is the only energy source that everyone can afford due to its low budget.

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## 9.7 PRODUCERS COOPERATIVE

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The Producers cooperative is also known as the industrial cooperatives. Not only the agricultural production is to be increased but the industries that were set up in villages must also be promoted to enhance the production level for the rural development.

The need for developing the rural industries and small scale industries were arises in the second five-year plan. The main aim of setting up these societies is to enhance the growth and development of the rural areas by employing the rural people and by producing the goods that can be used by the village farmers at a reasonable rate.

The producers' cooperative work on a three-tier structure i.e. to get the inputs or raw materials for the production, to get the finance to do the operational activities and in last the marketing activity i.e. to sell the goods which might be a difficult task due to the heavy competition.

The production activities and the distribution activities were governed by the cooperatives. There can be any type of producers like the organic food producer, handloom, medicine producers, artisans etc. The raw materials/inputs that are required for the production to the producers can be obtained directly by the members and then the final goods i.e. finished goods can be directly sold by them in the market without any intermediary. There will be directly dealing in goods between producer and consumer so that there will be no price hike.

#### **OBJECTIVES:**

- The main aim of producer's cooperative societies is to ensure that the members are using the modern technology.
- They producer cooperative society eliminates the interference of moneylenders, middlemen.
- This is the duty of the organization to ensure that the raw materials will be in the good quality.
- The producer cooperative societies make sure that they produce the surplus quantities.
- To provide the financial support to the members, so that they won't get any problem in the manufacturing process.
- To sell the products at the mass quantity to the mass group of people at the minimum price.
- After selling the goods they make sure that they will distribute the profits to the members in the proportion of the goods sold.
- The producer cooperative society aims to work on the basis of social welfare.
- The producer cooperative society has a separate legal entity; hence it needs to be getting registered.
- The affairs of the producer cooperative society is managed by the managing committee comprising of one board member who will be held responsible for all the conduct and affairs and the members have the right to vote and to choose the member who will be known as Board member.
- The capital of the society is generated by issuing the shares and in return the shareholders will get the dividend in the proportion of shares subscribed by them.

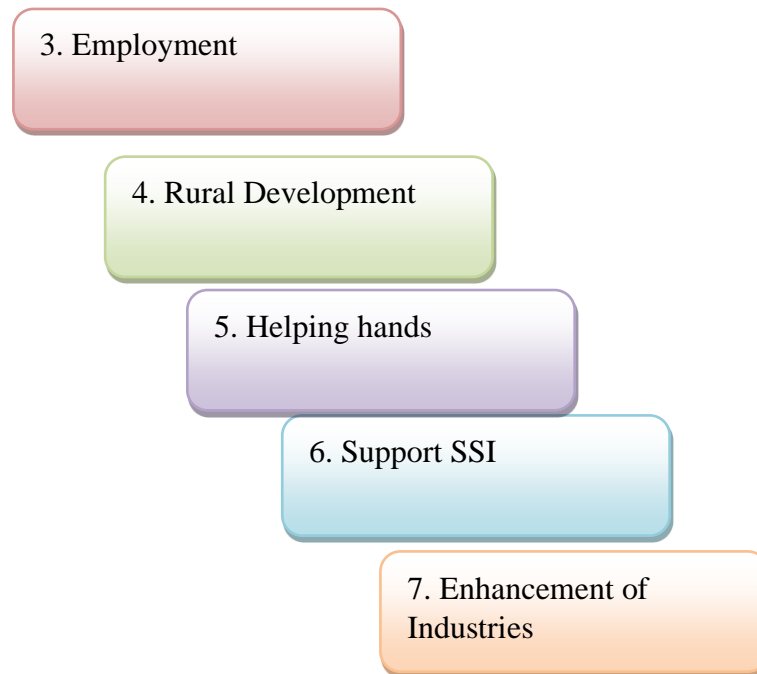
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### **9.8 ROLE OF COOPERATIVES IN INDIAN ECONOMY**

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1. Credit Facilities

2. Saving Habits



- 1. Credit facilities:** The cooperatives help the farmers, artisans, laborers, small businessmen by providing them with credit facilities so that they can be protected from the malpractices that were done by the money lenders.
- 2. Saving habits:** The cooperative societies generated the habit of saving either by giving them some exciting offers or by granting them subsidies.
- 3. Employment:** The cooperative societies came with the objective of rural as well as urban development. The development can be enhanced by generating more income and producing more goods and it can be done only if there is enough number of working employees, hence they give the employment opportunities to all.
- 4. Rural Development:** As we have discussed the cooperatives have the main agenda to enhance the rural economy and it can be done either by giving employment or by helping the farmers so that they can produce their goods effectively and efficiently.
- 5. Helping hand:** The cooperatives play the lead role and they help the lower/ weaker section because the money lenders have done the exploitation with weaker section people.
- 6. Support SSI:** The cooperatives help the small farmers, small businessmen, laborers etc. They can be helped by providing them with the finances so that they will be employed and the standard of living will be changed of the rural people.
- 7. Enhancement of Industries:** By establishing the sugar industries and such other kind of industries there will be a direct impact on rural development. The produced goods can help the rural people in several ways.

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## 9.9 PROBLEMS FACED BY THE COOPERATIVES IN INDIA

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### Check your Progress-II

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

1) What are the different types of non-credit cooperatives?

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2) How the cooperative are helpful in the development of the rural economy?

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3) What are the challenges that were faced by the cooperatives?

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**9.10 LET US SUM UP**

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After reading all the concepts of the Non-credit Cooperatives societies in India we can conclude them like the societies which came a long way to help and protect the rural people so that there will be the enhancement of economy of rural area. The cooperatives are considered an important element for the development of the rural economy in India. Cooperatives contribute their share for the socio-economic welfare of the country, to increase the share of the rural economy. No doubt they have performed so well in some sectors and badly in many different places. But in the last, they have still survived with a lot of hustle.

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**9.11 KEY WORDS**

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- **Operational functions of Dairy cooperatives:** The functions which society performs in order to achieve the day to day activities.
- **Managerial functions of Dairy Cooperatives:** The special functions that were performed for the procurement and supply of milk.
- **Consumer Cooperatives:** The consumer cooperative societies were set up to help the consumers from the unfair trade practice

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**9.12 REFERENCES AND SUGGESTED READINGS**

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES.

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## **UNIT 10: RURAL DEVELOPMENT PROGRAMMES**

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### **Summary:**

10.0 OBJECTIVES

10.1 INTRODUCTION

10.2 CONTRIBUTION OF RURAL SECTOR IN INDIAN ECONOMY

10.2.1 SHARE OF RURAL SECTOR IN TOTAL OUTPUT AND  
EMPLOYMENT ACROSS VARIOUS SECTORS

10.3 RURAL DEVELOPMENT PROGRAMMES IN INDIA

10.3.1 POVERTY ERADICATING & SELF AND WAGE  
EMPLOYMENT PROGRAMMES

10.4 LET US SUM UP

10.5 KEY WORDS

10.6 REFERENCES AND SUGGESTED READINGS

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### **10.0 OBJECTIVES**

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After studying this unit, you should be able to:

- 1) Understand the role of the rural sector in the Indian economy in terms of total output and employment generation;
- 2) Understand various schemes launched by the government in favour of rural sectors for their development purpose;
- 3) Explain the schemes which are related to alleviating poverty and justify how these schemes contribute to improving the standard of living of people living below the poverty line;
- 4) Get a brief knowledge about the schemes which are related to Self and wage employment for the people of rural areas.

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### **10.1 INTRODUCTION**

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Rural Development in India is an utmost important factor among the various other factors for the upliftment of the Indian economy. Rural development mainly focuses on those sections of the rural economies which experiences severe issues of poverty and also aims at addressing those issues which hamper their growth. In order to encourage the development of rural areas, it is very essential to indicate a strong connection between agricultural, managerial, social, behavioural as well as engineering sciences. By developing the rural sector of the economy overall economic growth can be achieved. So various objectives of rural development are to

improve the wages of the people of rural areas, provide employment opportunities to those people, bring a decline in underemployment, provide basic amenities of life, increase their standard of living etc., Few areas demand more attention on the part of government which will improve the standard of living of rural people and those areas are:

- 1) Education
- 2) Health and Sanitation
- 3) Empowerment of women
- 4) Development of infrastructure such as electricity, roads, irrigation system, etc.)
- 5) Agriculture research Centres and extension offices for timely dissemination of information
- 6) Credit availability at reasonable interest rates
- 7) Employment opportunities

By focusing on these areas, the problem of poverty of rural sectors can be easily eradicated as rural sectors make a huge contribution to the total output as well as employment across various states of India. The apex body which is responsible for formulating several policies, acts and regulations affecting the development of rural sectors is 'The Ministry of Rural Development in India'. They have launched numerous programs related to Rural Development in India. The Government organisations and different agencies must work in association with each other to achieve the anticipated goals and objectives. Some of the developing countries are already working efficiently in the direction of development of their rural communities and they have attained positive outcomes.

So, the major purpose of this chapter is to help you to understand the role and contribution of rural areas in the Indian economy in terms of Net domestic product as well as generation of employment. You will also get to know about the Net migration rate of the different states of India and how migration affects the unemployment state of the areas from where out-migration takes place. This chapter will also explain the various schemes which are launched by the government for the benefit of the rural people. Schemes are further bifurcated into the schemes related to poverty eradication and schemes related to wage employment. By going through this chapter, the reader will be able to explain each scheme in detail and how that particular scheme contributes to the development of rural sectors of India.

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## **10.2 CONTRIBUTION OF RURAL SECTOR IN INDIAN ECONOMY**

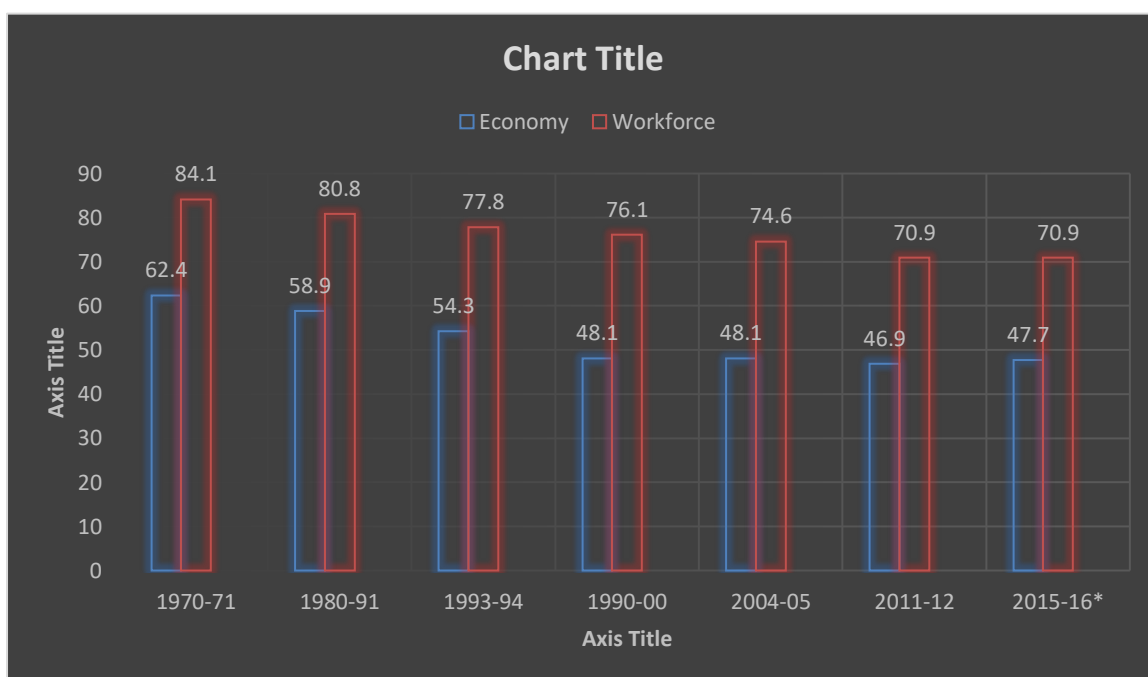
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Rural development is a subcategory of the comprehensive term "development". So, rural development refers to enhancing the quality of life and well-being of persons living in remote/isolated areas. 65% of people of India live in rural areas and only 35% lives in urban area i.e. why this is the major issue/constraint in the overall development of the country. As well as one-third of rural India is below the poverty line for which government must take some initiative to raise their standard of living so that poverty can be alleviated which will further improve the economy.

The contribution of the rural sector in the economy of India for the period of 1970-71 to 2015-16 can be seen by observing figure 1 which provides the data on the share of rural areas in national output and employment of the country. 84.1 per cent of the total labour force were

engaged by rural areas and produced 62.4 per cent of the total net domestic product (NDP) in 1970-71. Rural share in net domestic product kept on declining till 1999-00 and employment also declined but at a slow pace. So, this declining percentage indicated that a major share in total economic growth was derived from capital intensive sectors of urban areas because, with a declining share of rural sectors in NDP, share in employment did not decline simultaneously. The output of each individual in rural India is very low. The availability of more capital and technology should lead to the increase in productivity of the workforce but it has reduced over the years. The productivity gap can be measured by finding a difference between the rural sector's contribution to total NDP and its contribution to the total workforce. The more will be the difference between the two, the more will be the labour productivity. The gap in the productivity was below 12% in the year 1970-1971 and there was a 1% increase in this gap in the year 2017-18 which implied that even if the gap increased by 1% but still the gap was minor which further indicated hidden underemployment and rural economy is not in a position to employ further returning migrants.

**Figure 1: Contribution of rural sector in Total NDP and total employment of Indian Economy:**



Source: Chand, Srivastava and Singh (2017), Data for 2015-16 are from National Account Statistics, 2015-16 and Periodic Labour Force Survey, 2017-18.

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### 10.2.1 SHARE OF RURAL SECTOR IN TOTAL OUTPUT AND EMPLOYMENT ACROSS THE VARIOUS SECTORS

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This section will show the disaggregation of the share of rural sectors in output and employment generation of various sectors:



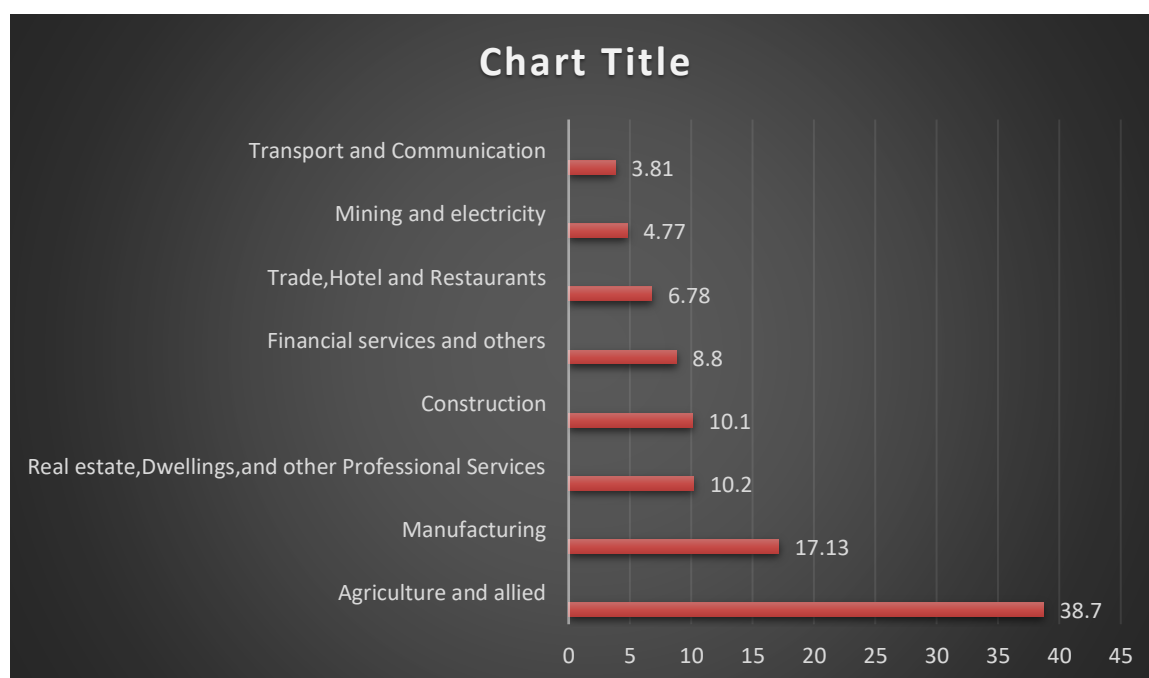
**Table 1: Share of rural sector in Total NDP and employment across various sectors (in %):**

Year	Agriculture		Manufacturing		Construction		Services		Non-agri.	
	NDP	Emp.	NDP	Emp.	NDP	Emp.	NDP	Emp.	NDP	Emp.
1970-71	96.2	96.8	25.8	51.5	43.2	64.6	32.8	42.1	32.4	47.3
1980-81	94.9	95.9	31.8	48.1	45.6	58.8	34.0	41.7	35.0	44.9
1993-94	93.9	95.8	29.8	51.3	45.1	57.2	33.6	42.3	34.8	46.6
1999-00	93.2	96.6	41.6	51.5	43.3	57.6	27.1	40.7	31.8	45.8
2004-05	94.1	96.1	42.5	49.6	45.5	64.4	32.7	41.9	36.7	47.2
2011-12	95.1	95.9	51.3	47.4	48.7	74.6	25.9	39.6	35.3	48.7

Source: Chand, Srivastava and Singh (2017)

According to this table, the share of rural areas in the total NDP of the agriculture sector has decreased from the year 1970-71 to 2011-12 by 1.1 per cent and the share in employment has also decreased by 0.9 per cent. So, this indicated that rural areas have lost to an urban area in the case of the agriculture sector as well as service sector because the service sector has also shown a decrease in output as well as employment. Further, data showed that the share of rural areas in total NDP of the manufacturing sector has increased in these forty years by 25.5 per cent but the share in employment has decreased by 4.1 per cent. As per these values, we can interpret that the output of the manufacturing sector is on the rise due to rural areas but without a simultaneous increase in employment. So, the output can further be increased by employing more people from rural areas. The share of rural areas in the NDP of construction sector also showed a 5.5 per cent increase with 10 per cent increase in employment and case of the non-farm sector also both NDP and employment contribution has increased.

**Figure 2: Net value added by different sectors to India's rural economy(in %):**



Source: Data from 2015-16, compiled from National Account Statistics 2017

As per the Periodic Labour Force Survey (2017-18), only 36% of the rural population is actually working/earning and 64% of the population which comprised of children below 14 years of age and elderly people are dependent on that population for their livelihood and about 2.08% people are unemployed. This data is given in table no.2:

**Table 2: Type of people and their proportion out of total population:**

Type of people	Proportion Out of total population (in %)	Number Out of total population (In millions)
Employed	33.77	256
Dependent	64.15	487
Unemployed	2.08	15

**Source: Periodic Labour Force Survey (2017-18)**

So, it can be inferred from table 2 that about 256 people of rural areas are employed and about 487 people are dependent upon that segment which is quite a high number and about 15 million people are totally unemployed and this value is also on a higher side. So, the government should put proper efforts in order to bring this value down. Those states which are left by people to settle in another state especially within a country also have more unemployment rate and it is difficult for such economies to captivate returning migrants. According to the Census of 2011 out of total migrants in India, 23% of the migrants are from Uttar Pradesh (UP) and 14% from Bihar i.e., 20.9 million people from these two states and the unemployment rate of these two states is also higher. These states are also characterized by a high rate of poverty i.e 37% of India's total poverty.

People from these states often migrate to Maharashtra, Punjab, Gujarat for employment opportunities and Maharashtra has the maximum number of in-migrants. So, it can be easily understood from this data that rural areas can't engage the reverse migrants. Reverse migrants are those migrants who return to their home due to some issues like the outbreak of COVID-19 which has lessened the employment opportunities for these people in urban areas due to which they had to return to their homes. There is nearly 23 million rural migrant labour who have returned to their homes because of lockdown.

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### **10.3 RURAL DEVELOPMENT PROGRAMMES**

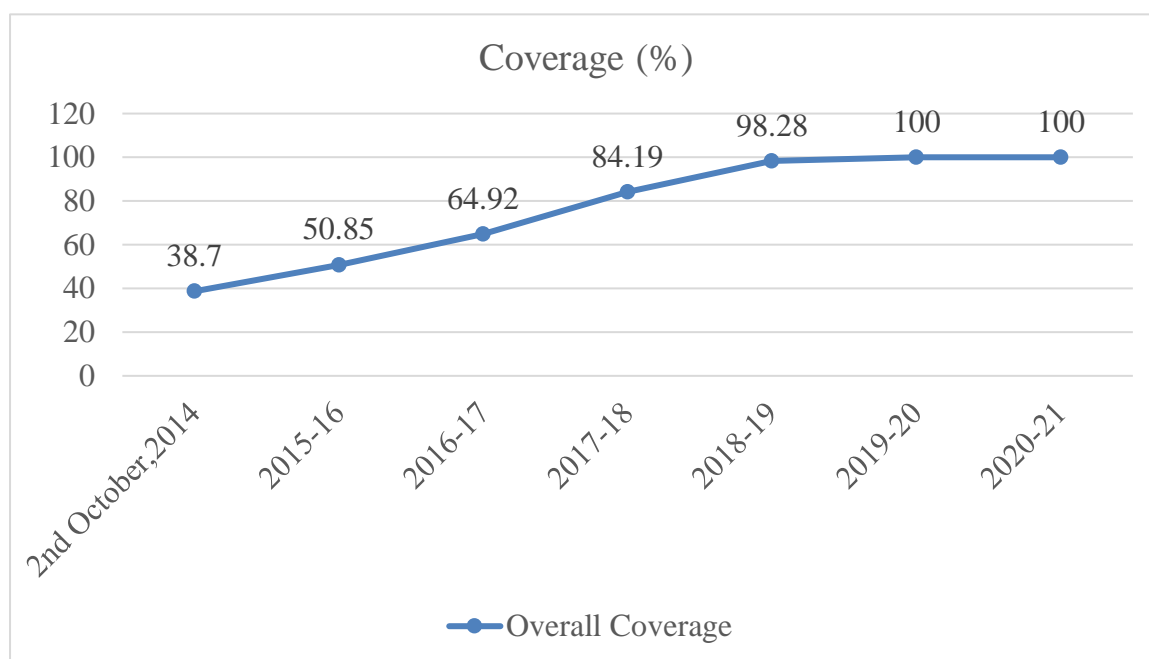
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The Government of India has formulated various schemes in order to benefit the rural people by maximizing their welfare through these schemes. These schemes also intend to sustainably improve the quality of life of the rural area and also help to reduce unemployment, improve the educational status and health of the people. These schemes aim to decrease the gap that exists between rural and urban people which will further decrease imbalances and will help in the development of the rural sector through which overall development can be achieved.

So, the various schemes formulated by the Government are explained in detail below:

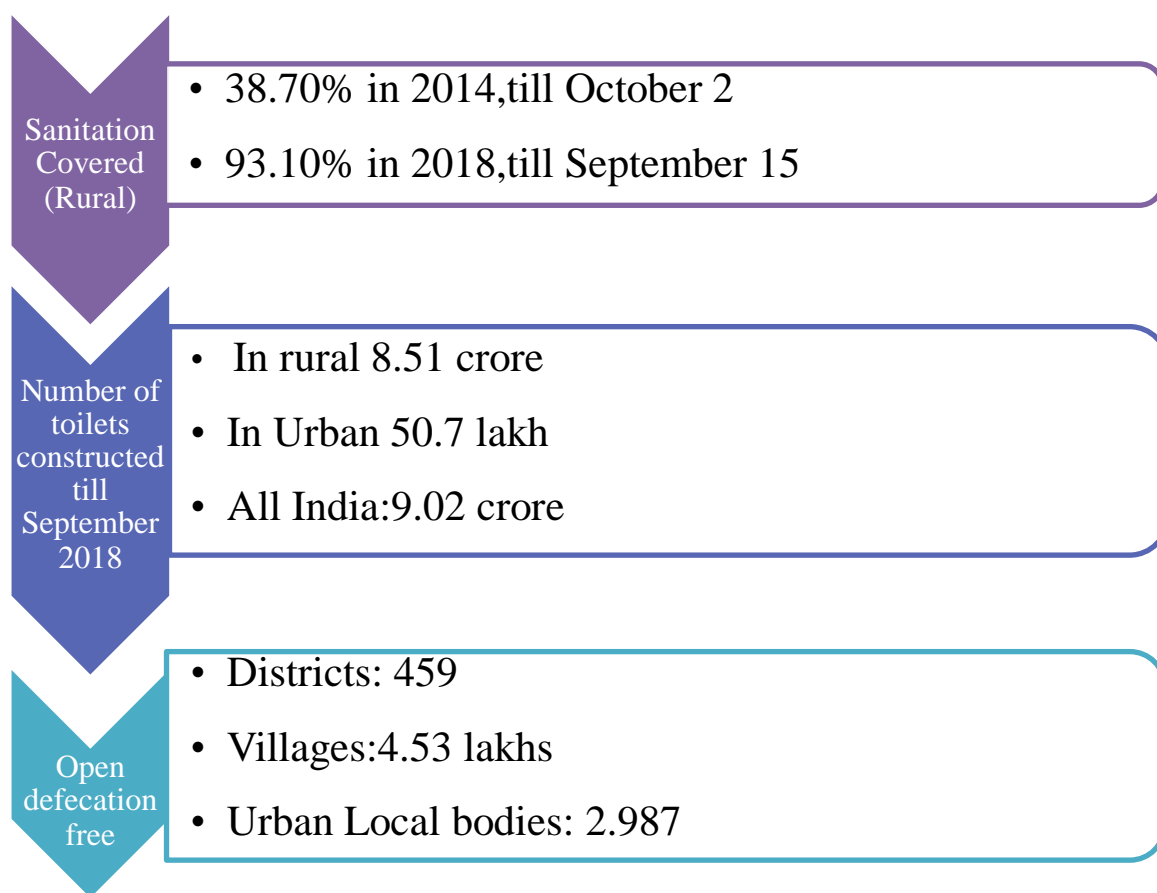
1. **Deen Dayal Upadhaya Yojana:** This scheme is designed for the sole purpose of uplifting the rural youth and poor urban by skill development. This scheme was launched in 2011 by the Union Ministers on the occasion of the 98<sup>th</sup> birth anniversary of Deen Dayal Upadhaya. This scheme is launched for the age group of 15-35 years and the candidates skilled till 2014 are 52000 in number. The sum of 500 crores was provisioned for this scheme and is an integration of the National Urban livelihoods mission and national Rural livelihood mission. The rural component of this scheme is named Deen Dayal Upadhaya Grameen Kaushalya Yojana which aims at increasing the skills of rural youth and providing them jobs offers regular monthly wages which are above the minimum wages.
2. **Roshni:** This is another scheme of skill development that was launched by the Ministry of Rural Development in 2013 for tribal youth of Naxal affected by offering them employment. The eligibility of the scheme is that person must be in the group of 10-35 years. It aims to provide these benefits to 50000 youth for the period of three years of which 50% must be only women.
3. **Swachh Bharat Abhiyan:** This Abhiyan is also named as ‘Clean India Mission’ and it is a countrywide campaign launched by the Government of India in 2014. Its basic aim is to improve solid waste management and also to increase access to sanitation facilities such as toilets, solid and liquid waste disposal system, cleanliness of villages as well as adequate drinking water. The mission of the scheme is to build more toilets & increase its percentage from 3% to 10% till 2019. The total number of toilets built were reported to be 1077.38(in lakhs) since 2<sup>nd</sup> October 2014 and 43,29,202 toilets are built-in 2020-21.

**Figure 3: Coverage status of IHHL:**



Source: Report of Department of Drinking water and sanitation

Figure 4: Swatch Bharat Abhiyan (Report Card , India)

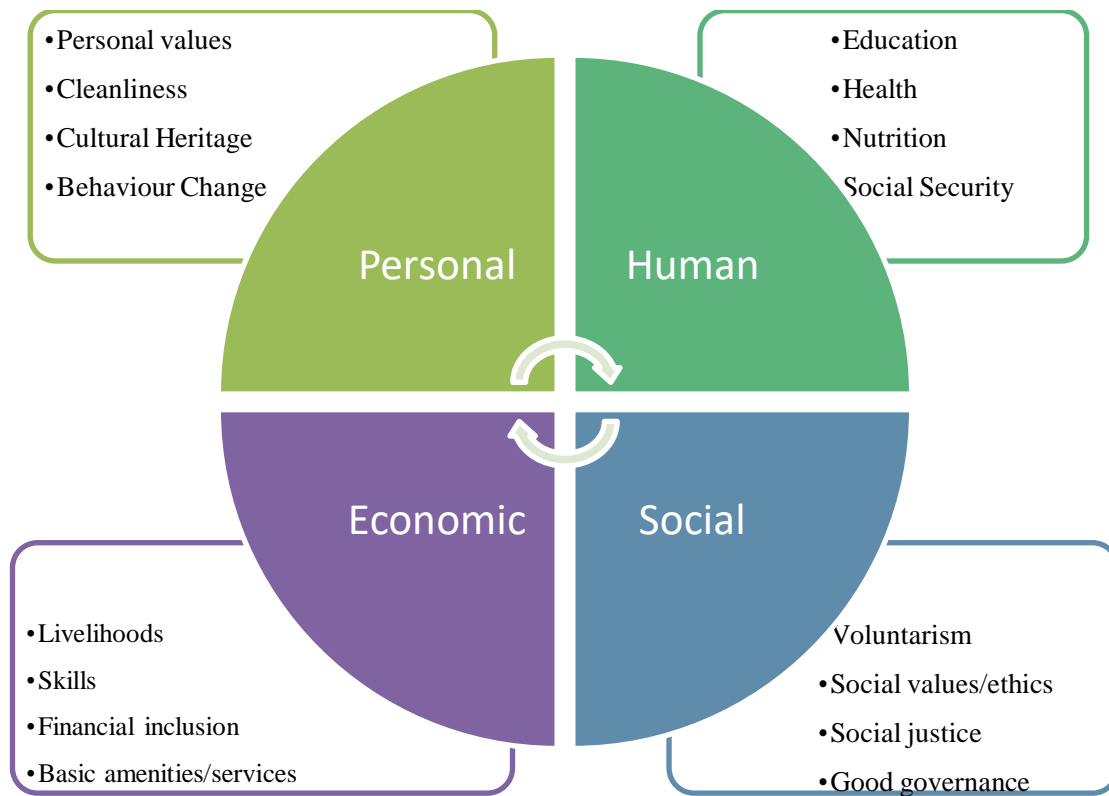


Source: Report of Department of Drinking water and sanitation

4. **Sansad Adarsh Gram Yojana:** It is also one of the schemes for the benefit of rural people which will focus on the development of the villages. The scheme was launched in 2014 and involves infrastructure development as well as culture development. The objectives of the scheme are enhancing human development, developing schools, roads, hospitals, toilets, playgrounds etc. for the residents of the villages, proper support for eradicating poverty, training villagers on e-portals for education, reducing disparities among the people, proper access to rights and entitlements etc. so the village can be considered as an “Adarsh Village”.

SAGY involves the total development of the village which includes personal development, human development, social development and economic development. Under this scheme, each member of the parliament will take responsibility to convert three villages into an Adarsh village by 2019 and by 2024, the physical and institutional infrastructure of at least one village will be developed. Those villages would be considered to be converted into an Adarsh village whose population will be in the range of 3000-5000 in case of plane areas and 1000-3000 in case of hilly areas. Further, MP would be free to decide which village will be formed into an Adarsh village.

**Figure 5: Holistic development through SAGY**



Source: Vikaspedia

5. **Heritage Development and Augmentation Yojana (HRIDAY):** This scheme was launched in the year 2015 by the Ministry of Housing and Urban affairs. The sole purpose of the scheme is to preserve & revitalize the rich cultural heritage of India. The scheme involves the development of an Inventory of Heritage asset of cities such as ghats, monuments, temples etc. in order to connect various tourists with the unique nature of cities heritage. It further includes the development of facilities of sanitation, citizen services, roads, information kiosks, parking and public transportation. The budget of Rs500 Crores was finalized for the development of the heritage culture of these 13 cities and the duration of the scheme was up to March 2019.

**The cities listed under HRIDAY scheme are:**

1. Amritasar
2. Dwarka
3. Kanchipuram
4. Warngal
5. Varanasi
6. Velakanni
7. Puri
8. Mathura
9. Gaya

**6. Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS):** The act of NREGA i.e. National Rural Employment Guarantee Act, was passed in 2005. This Act of Renamed MGNREGA i.e. **Mahatma Gandhi National Rural Employment Guarantee Act** at the time of launch. The scheme aims to guarantee “The Right to Work” to the people of the rural areas of India. This labour law was launched in order to legally provide wage employment of at least 100 days to the people of rural areas to improve their quality of life.

The work of these unskilled workers will further be utilized for the development of durable assets of those rural areas which include roads, canals, wells and ponds. The scheme also focuses on declining rural out-migration to urban areas by utilizing untapped labour of rural areas. The beneficiary of this scheme must be a citizen of India, must be 18 years of age at the time of applying this scheme, resident, volunteer for unskilled labour. After applying beneficiaries are provided with an NREGA job card which contains all the details of registered individuals such as registration number, name, etc. This job card helps the individual to apply for paid work in their local area. So, this ensures transparency in all the process as well as protect the workers in case of any fraud. This card can also be used by the beneficiary in any bank as a part of KYC documents while opening a bank account.

#### **7. Sarva Shiksha Abhiyan:**

This Programme was started by the government of India in the year 2001 and the basic aim of this Programme was to achieve the universalization of elementary education. Sarva Shiksha Abhiyan aims to meet the expectation of fundamental right which was declared in the Indian constitution under Article 21A and stated that children in the age group of 6-14 have the right to get free and compulsory education. The expenditure of this Programme is shared by the Centre and state in the ratio of 50:50.

Various Objectives of this scheme are:

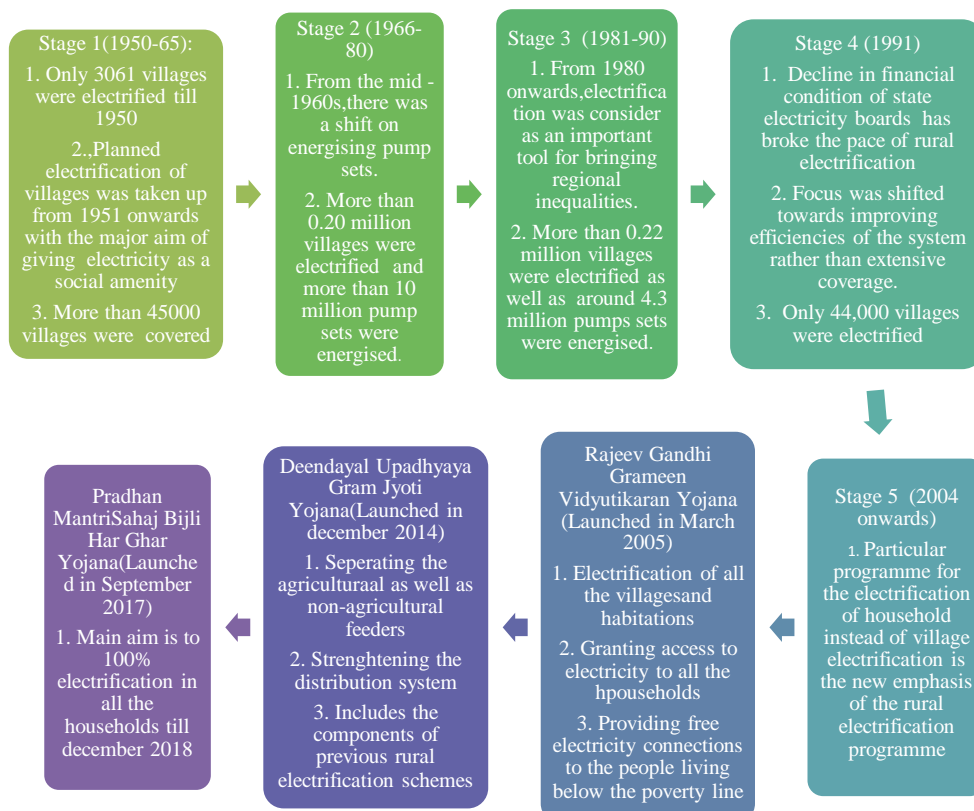
1. Opening of new schools in the places with no schooling facilities
2. Strengthening of the present school infrastructure
3. Provision of different schooling facilities
4. Addition of extra classrooms, drinking water facilities, toilet facilities in the school premises.
5. Provision of free textbooks and uniforms for the children
6. Increasing the strength of teachers in the schools
7. Improving the skills and capabilities of the existing teachers through Extensive Training
8. To provide life skills to the students along with quality education
9. To promote girls' education
10. To promote the education of the differently-abled or children with special needs.

11. Sarva Shiksha Abhiyan aims to provide equal educational opportunity to the children of people who belong to different categories such as SC, ST, Landless agriculture labourers, Muslim minority etc.,
12. Bridging the gap of the digital divide by teaching on computers and developing computer-related skills among the children.

### 8. Kutir Jyoti Programme:

This Programme was launched in 1988-89 and the purpose of this Programme was to increase the electrification of houses free of cost which are below the poverty line. Harijan and tribal families who are also among the BPL category and whose income is below Rs 11000 are eligible to get the benefits of this programme. Its main motive was to improve the standard of living of scheduled castes and scheduled tribes. The budget released for this Programme was Rs 612 crore and it got merged with AREP (Accelerated Electrification Programme) in 2004 and now with RGGVY (Rajeev Gandhi Grameen Vidyutikaran Yojana).

**Figure 6: Stages involved in the electrification in India:**



Source: Kwatra (2018)

## CHECK YOUR PROGRESS

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

5) Explain the concept of rural development.

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6) Explain the MGNREGA Scheme of rural development.

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### 10.3.1 POVERTY ERADICATING & SELF AND WAGE EMPLOYMENT PROGRAMMES

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**TABLE 3: SCHEMES RELATED TO POVERTY ALLEVIATION AND WAGE EMPLOYMENT**

Name of the Programme	Year of launch	Government Ministry	Objectives
Integrated Rural Development Programme (IRDP)	1978	Ministry of Rural Development	<ul style="list-style-type: none"><li>To raise the standard of living of the families who are living below the poverty line by creating opportunities for sustainable self-employment for rural people</li></ul>
Pradhan Mantri Gramin Awaas Yojana	1985	Ministry of Rural Development	<ul style="list-style-type: none"><li>It is a social welfare Programme to provide housing for the BPL population of India.</li><li>To provide loans at less rates to the weakest section so that they can construct decent quality houses for their personal living.</li><li>To enhance the wage employment opportunities for the households by offering them employment on-demand.</li></ul>



Indira Gandhi National Old Age Pension Scheme (NOAPS)	15th August 1995	Ministry of Rural Development	<ul style="list-style-type: none"> <li>To offer a monthly pension to the senior citizens of India who are 65 years or above as well as belongs to the BPL category and who have no other source of Income. Citizens aged between 60-79 years are offered 200 Rs. per month and citizens aged above 80 years are offered 500 Rs. per month.</li> </ul>
National Family Benefit Scheme (NFBS)	August 1995	Ministry of Rural Development	<ul style="list-style-type: none"> <li>It's applicable for persons living below the poverty line. Under this scheme, a sum of Rs.20,000 is provided to the bereaved household who is the next bread earner of the family after the death of its main bread earner. The death of the main bread earner should have occurred between the age of 18-60 years and women in the family can also be considered as a breadwinner of the family.</li> </ul>
Jawahar Rozgar yojana/Jawahar Gram Samridhhi Yojana (JGSY)	1st April 1999	Applied by the Village Panchayats.	<ul style="list-style-type: none"> <li>Involves development of the infrastructure of the rural areas such as roads, schools, and hospitals.</li> <li>To provide sustainable wage employment for the unemployed and underemployed members of the families living below the poverty line</li> </ul>
Annapurna	1999-2000	Ministry of Rural Development	<ul style="list-style-type: none"> <li>The scheme aims to grant 10 kilograms of free food grains to senior citizens who are not listed under the National Old Age Pension Scheme.</li> </ul>
Food for Work Programme	2000s	Ministry of Rural Development	<ul style="list-style-type: none"> <li>Launched in the most backward areas of India for creating additional wage employment</li> <li>Food grains are supplied to states free of cost, however, costs of transportation, handling charges and taxes are supposed to be covered by the states.</li> </ul>
Sampoorna Gramin Rozgar Yojana (SGRY)	2001	Government of India	<ul style="list-style-type: none"> <li>The main objective is the generation of additional wage employment, the creation of</li> </ul>

			<p>durable community assets and infrastructure in rural areas and the provision of food security in rural areas.</p> <ul style="list-style-type: none"> <li>• This scheme was implemented in 19 districts and was replaced by the national rural employment guarantee scheme in 2008.</li> </ul>
National Food Security Mission	2007	Ministry of Agriculture	<ul style="list-style-type: none"> <li>• To raise cultivation of rice, wheat and pulses through expansion of area and enhancement of productivity in a sustainable way in some recognized districts of the country. It further increases farm profits which enhances the confidence of the farmers.</li> </ul>
National Rural Livelihood Mission	2011	Ministry of Rural Development	<ul style="list-style-type: none"> <li>• This scheme aims to offer the people living below the poverty line jobs with regular income every month. Also, Self Help groups are designed at the village level to help the poor.</li> <li>• It involves providing access to formal credit, access to public services, support for diversifying etc.,</li> </ul>
Pradhan Mantri Jan Dhan Yojana	2014	Ministry of Finance	<ul style="list-style-type: none"> <li>• It aimed to provide reasonable access to financial services to the unbanked poor such as bank accounts, insurance, pensions, credit and remittances.</li> </ul>
Pradhan Mantri Kaushal Vikas Yojana	2015	Ministry of Skill Development and Entrepreneurship	<ul style="list-style-type: none"> <li>• It will help the youth of India to take up industry-related skills which will further help them in sustaining better livelihood.</li> </ul>
Pradhan Mantri Jeevan Jyoti Bima Yojana	2015	Ministry of Finance	<ul style="list-style-type: none"> <li>• The scheme provides life coverage to the poor and low-income section of society. The scheme offers a maximum assured amount of Rs.2 lakhs</li> </ul>
Pradhan Mantri Suraksha Bima Yojana	2015	Ministry of Finance	<ul style="list-style-type: none"> <li>• The scheme aims to provide insurance policy to those people who belong to a deprived section of the society</li> </ul>
National Maternity	2016	Ministry of Health & Family Welfare	<ul style="list-style-type: none"> <li>• Under this scheme, a sum of Rs.6000 is offered to pregnant mothers who are above</li> </ul>

Benefit Scheme		(MoHFW)	19 years of age and is provided 12 to 8 weeks before the birth of the child and is given in three instalments which can also be availed even after the death of the child.
Pradhan Mantri Ujjwala Yojana (PMUY)	2016	Ministry of Petroleum and Natural Gas	<ul style="list-style-type: none"> <li>This scheme involved the circulation of 50 million LPG connections to women who lives below the poverty line.</li> </ul>
Pradhan Mantri Garib Kalyan Yojana (PMGKY)	2016	Ministry of Finance	<ul style="list-style-type: none"> <li>the scheme allows the individual to deposit money that has not been taxed earlier. A fine of 50% on the undisclosed income is required to be paid as well as an extra 25% of the unrevealed income is invested in the scheme which can be taken back but after four years, with zero interest.</li> </ul>
Solar Charkha Mission	2018	Ministry of Micro, Small and Medium Enterprises (MSME)	<ul style="list-style-type: none"> <li>It aims to generate Employment for one lakh people of rural areas through solar charkha clusters</li> </ul>
National Nutrition Mission (NNM), Poshan Abhiyan	2018	Ministry of Women and Child Development	<ul style="list-style-type: none"> <li>to reduce the level of under-nutrition and also enhance the nutritional status of children in the country. Also, to improve the nutritional outcomes of adolescents, children, pregnant women and lactating mothers</li> </ul>
Pradhan Mantri Shram Yogi Maan-Dhan (PM-SYM)	2019	Ministry of Labour and Employment	<ul style="list-style-type: none"> <li>It is a central government scheme that is launched for poor labours of unorganized sectors in the age group of 18-40 years. This scheme provides an assured pension of Rs 3000 per month after attaining the age of 60 years. In order to be eligible for the scheme, the income of the labour must be below 15000 and he is required to pay Rs 55 per month in order to get the benefit of the scheme. After the death of the beneficiary, the spouse of the beneficiary becomes eligible to receive 50% of the pension.</li> </ul>
Prime Minister	2020	Ministry of	<ul style="list-style-type: none"> <li>This scheme offers the facility of micro-</li> </ul>

Street Vendor's AtmaNirbhar Nidhi – PM SVanidhi		Housing and Urban Affairs (MoHUA)	credit to the street vendors who are affected due to the COVID-19 pandemic.
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**Source: Self**

So, these are some of the schemes provided by the government for the rural people who live below the poverty line and are in a requirement of wage employment. These schemes help the poor which further helps in eradicating poverty. Providing minimum wage employment is also helpful for the development of the rural sector because this increases the expenditure power of the rural people which in turn increases their standard of living and helps them to come out of the category of below the poverty line.

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## 10.4 LET US SUM UP

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Rural development usually refers to the procedure of refining the quality of life and economic well-being of people belonging to remote and meagrely populated areas. It has gained global attention among various nations and has a great role in a country like India where the majority of the population belongs to rural areas. Various strategies of rural development focus on the alleviation of poverty, Improved opportunities of livelihood, the establishment of basic amenities as well as facilities of infrastructure through pioneering programmes of wage and self-employment. So, this chapter has provided an overview of the role of the rural sector in the generation of total output and employment for the development of an Indian economy and has also explained the role of the government and its programmes for rural development in India. Among various schemes, Mahatma Gandhi Rural Employment Guarantee Act (MGNREGA) is a “Silver Bullet” for the alleviation of poverty as well as unemployment as it has expanded the demand for creative labour force in the villages. Other schemes have also been discussed whose basic principle is to provide an alternative source of livelihood which further impacts the migration rates, child labour, poverty level and helps in the creation of villages that are self-sustained by creating various productive assets such as roads, washing water tanks, soil and conservation of water etc.

So, an attempt has been made to make readers understand comprehensively the development effort of the government to restructure rural life and livelihood through these programmes. In order to make these schemes effective, the government must work on the awareness level of the people who are the actual beneficiaries. Various other factors which are considered to be very important for the success of government schemes are end-user satisfaction followed by the accessibility of technical experts, political support and involvement of stakeholders. As schemes generally fail due to misuse and subversion of funds, some remedies can be taken such as removing the small schemes and focusing on larger schemes for better execution, by tailoring the schemes according to the local condition, and by bringing coordination between Communities, private entities, NGOs, civil societies and government so that while designing any public policy transparency, effectiveness and quality can be achieved.

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## 10.5 KEY WORDS

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- **Net Domestic Product (NDP):** This is defined as the net value of all the goods and services produced within a country's geographic borders. It is calculated by subtracting the value of depreciation of capital assets from the gross domestic product (GDP).
- **Below the Poverty Line (BPL):** The lower-income people of the community who need immediate assistance from the government. Individuals whose income fall below a particular limit are registered under the BPL category.
- **Net Value Added (NVA):** Net value added is the value of output minus the values of both intermediate consumption and consumption of fixed capital.
- **Net Migration Rate (NMR):** It is the difference between the number of immigrants (people coming into a particular area) and the number of emigrants (people leaving a particular area) all over the year. A positive net migration rate occurs when the number of immigrants exceeds the number of emigrants.

### CHECK YOUR PROGRESS

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

1) Is there any relationship between Poverty and unemployment? If yes, then comment.

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2) How can poverty be combated?

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## 10.6 REFERENCES AND SUGGESTED READINGS

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# CERTIFICATE COURSE IN RURAL MANAGEMENT

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES

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## UNIT 11: RURAL EMPOWERMENT

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### 11.0 OBJECTIVES

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After reading this lesson you should be able to know:

- What is empowerment along with types?

- Many research stories
- Three primary objectives
- Meaning of rural empowerment
- Meaning of women empowerment
- Various schemes covering empowerment
- Life in rural areas
- Challenges faced and Victory stories.

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## 11.1 INTRODUCTION

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Empowering is the process of strengthening individuals, groups and/or communities. It covers spiritual, political, social and economic power. This process often involves developing self-confidence in people within their capacity. Within the organization, striving for excellence and the provision of tools to empower employees is critical to performance, quality and cost-effectiveness.

Empowerment is also related to word power, which can be said as, permission to act for a specific goal or purpose. The new definition of the concept includes mainly indicators in the growing and acquired power. People are in control gaining more control over their lives, could be themselves or with the help of others. The form to be enabled is related in terms of process and effect - to do this acquire some ability to influence the world. (Staples, 1990)

To detect the weaknesses of individuals and groups, controlling methods must take place at different levels. At the individual level, recognizing a lack of energy can motivate a person to work to increase his or her strength. At the highest level, the legal and social forces of oppression can cause social and political change. Therefore, empowerment is a multi-faceted concept that affects individuals, organizations, communities and societies.

This broad image of empowerment can also be categorized as:-

- **Personal:** it is about developing self-awareness and individuality confidence and strength, and postponing effects of internal stress.
- **Close relationships:** it is about developing the ability to negotiate and contribute to the relationship and decisions made within it.
- **Collaboration:** it is where individuals work together to achieve a great impact than each one could do. This including involvement in political parties, but it can also include a joint action collectively rather than competitive.

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## 11.2 EMPOWERMENT AT WORK

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The tool of empowerment is more in use to understand what it is why is it necessary to change the state of the poor ad marginalized people, who are mostly excluded. In this context, there is a wide number of agreements that states that employment is a process that shadows personal development as well but in return, it does not provide sufficient fields.

➤ Barbara Solomon (1976, 1985)

He emphasized empowerment as a means of social work with oppressed Afro-American people.

➤ Peter Berger and Richard Neuhaus (1977)



Proposed empowerment as a means of improving social services through mediation in public institutions.

➤ Julian Rappaport (1981)

Developed this concept conceptualized and introduced it as a global perspective that incorporates social policy and a way to solve social problems caused by inequality.

These authors emphasized the important links between people and society, along with promoting the contextual and environmental approach towards treating social conditions. They argued that the root of the problem is location information and resources are which were being ignored during remedial interventions, and that non-existent resources were being neglected, regardless of what already exists.

McWhirter (1991) explains empowerment as-

The process by which people, organizations or groups, all without power in hand

(A) Be aware of the power dynamics at work and different levels,

(B) develops the skills and capacity with time for gaining some reasonable control over their livelihood,

(C) Exercise this control by eliminating infringing upon the rights of others, and

(D) Lending support to empower others in a community.

She creates a very useful distinction between situations where all these four are met and an empowering condition where one or more is at its right place or is on the way to development but obstructed by fulfilment of all requirements.

**Round -1**

**Q-** Categories empowerment in three words.

**Ans**-----  
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**Q-** What does Mc Whirter want to explain?

**Ans**-----  
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**11.3.0 MEANING AND FORMS OF EMPOWERMENT**

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**11.3.1 MEANING**

In simple words Empowerment means assign power and authority to someone to do something. Indian villages are much more cultural than physical. According to this view, Indian cities are more liberal than ever. They desperately need energy. According to the basic

principles of 'Empowerment', highlighting the key attributes of any noun or pronoun and continually strengthening the actual empowerment.

### **11.3.2 INDIVIDUAL EMPOWERMENT**

Individual empowerment grants privilege to people to ensure control and bring out an increase in efficacy for one-self. Self-efficacy can be defined as the development of a sense of human strength, power, or ability that will help increase the ability to do things in situations where a person feels weak or helpless. Individual performance can also be named as "modernised" or "unconventional" structures which are generally based on the idea that simply believing in one's capability to attain targets is all one need to attain for oneself. This can mean that your inner faith and desires are sufficient to bring out a change in a person's life. A change in self-determination without any real change cannot be called Empowerment.

### **11.3.3 PSYCHOLOGICAL EMPOWERMENT**

Psychological empowerment is something that calls for raising of consciousness and recognize the factors that affect our lives individually, or in a group at different levels. It is something with the help of which we become conscious of the power variations that happen at multiple levels. This could be something like becoming conscious of being treated differently due to the colour of one's skin, or how the lack of resources in society affects one's lives. People after that begin to develop skills for gaining control over various aspects of their life, such as promoting for themselves or working on coping techniques to answer to discrimination. To truly mark all the factors that affect a person's life, people's actions should also be directed toward changing the conditions of despotism at various levels, such as conditions in the home, at work, or in society. These environmental changes can be accompanied by an increase in one's degree of control over the directions of one's life.

### **11.3.4 ORGANIZATIONAL EMPOWERMENT**

At the organizational level, it is beneficial to focus more on empowerment. It can be divided into two ways, empowering the employees working within the organization, who are working very effectively and are efficient in dealing with problems at the organizational level and with those who are working outside the organization as other organizations and government policies and laws. Concerning this organizational empowerment can be defined as how we can think of those who are empowering the individuals and groups.

This shortage of trust often reflects opinions on organizational policies and the roles of the authorities. It is important to note that some organizations are more representative in the way they work (e.g., co-operatives) and integrates organizational plan of action. The way power and decision-making are shared, or not, among employees influence their sense of empowerment. Some organizations look for making and maintaining the relationships between members and build trust, which provides a great beginning for organizational empowerment programs.

### **11.3.5 COMMUNITY EMPOWERMENT**

Community empowerment has also received the attention of community psychologists in recent years. Community empowerment means that the society has enough resources, skills and abilities to manage their affairs, control and impact material and powerful groups within and outside the society, and evolve strong leaders and community organizations. One example is to make powerful leaders the power of community learning to plan so that they can participate in improving their communities and take action in this regard. Empowerment can be particularly important in post-traumatic rehabilitation societies, such as survivors of a natural disaster, or people in a war-torn country (Anckermann et al., 2005). Indicators of community empowerment include processes such as participatory demonstration, public participation, and political dialogue, and outcomes such as access to adequate resources to improve social welfare and social justice (Anckermann et al., 2005).

### **11.3.6 SOCIETAL EMPOWERMENT**

It is necessary to evaluate power at the community level. Empowerment is bothered not only with the concept of mind control but also with the equitable distribution of resources, attention, and political empowerment at the community level. Even if empowerment interventions are done at other levels, they should look at wider, more organized communities. These forces include the impact of organized discrimination, gender issues, homophobia, intelligence, age, or class over time. Community empowerment is about processes and structures that affect the empowerment of individuals, organizations, and communities.

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## **11.4 MAIN OBJECTIVES**

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### **1. Clarity.**

People can only progress at work if they have a clear idea of what results they are expected to bring. It is related to the level of education available with the person before acting for achievement. For example- By empowering the role of the manager comes from the awareness of what people do to make them accountable for results.

### **2. Support.**

The second is to empower others to support them by providing them with the resources they need to succeed and to remove any obstacles that may hinder progress. It is empowering people by serving their needs. This requires not only the time, resources, and motivation needed to achieve the goals, but also to work diligently to overcome barriers to success.

### 3. Independence

Empowering people means giving them the independence they need to do their job without undue control on them. Once employees know what they are expected to do and get the support they need to do, the best thing a manager can do is get out of their way. Employees who trust to do their job no matter what they choose are important in creating good workplaces.

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#### 11.5 RURAL EMPOWERMENT

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In India, the number of villages with roads, shops, electricity, primary schools, primary health care facilities and police stations have been growing. The number of pucca houses in the valleys is also increasing. Indoor facilities and toilets have also increased. Many cell phones, motorcycles, and tractors can be seen. The number of those with higher qualifications and jobs has increased. The ability to earn and spend per capita has increased, and wages have also increased. The government allocates more money to panchayats or gram schemes in rural areas, and the flow of money to the village has also increased.

Do these rising graphs show us that Indian villages are really empowered? If we look at Indian villages as mere objects, then we can say - 'Yes, Indian villages are much empowered today.' Apart from this the level of soil, water, air, light, plants, cattle and the human body in the Indian subcontinent is declining. Because more hospitals, more schools, more shops, more money, and more police stations represent better health, more information, more satisfaction, greater prosperity and less crime.

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##### 11.5.0 SITUATION

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Covering cities or filling them with urban areas is not real empowerment of villages. If we want to empower the villages and want to mark the real role of the youth in it, we will have to start by marking the symbols of the organizations we call 'Indian villages'.

##### 11.5.1 THE SITUATION OF INDIAN VILLAGES IN OLD TIMES

The British rulers have placed power on these attributes and, therefore, made the 'Division and Rule' as their basis. Macaulay's education policy has sought to lay the foundation for a society that has been alienated from its core beliefs. Political measures were taken by the British to promote religion. New forest laws were enacted in which forests were declared 'state property so that the claim of the villages about this natural resource could not be denied. Canal construction was started to collect taxes, and in the process, the traditional ability of adequate water management in India was compromised. British efforts to force farmers to grow indigo, introduce salt laws, and force people to use foreign metals in traditional arts and handicrafts are all aimed at building rural and urban skills. The British government has presented several proposals for effective measures. Land management, landowner culture, Society Registrant Act of 1860, Lord Mayo's proposal in 1870, Lord Ripon's proposal in 1882, and reforms proposed by the Royal Commission in 1907 - all ended the independence of the villages. In the name of local government, cities and towns were enslaved by officials and their commanders.

##### 11.5.2 AIMS AND OBJECTIVES

Rural development aims to improve the lives of rural people equitably and sustainably, both socially and environmentally, through better access to resources (natural, physical, human, technological and social), and services, and financial management (financial or economic and political forms) that enable them to improve their livelihoods and equally.

The main objectives of the Rural Development Program have been to reduce poverty and unemployment by building basic social and economic infrastructure, providing training for unemployed youth in rural areas and providing employment to Farmers / Workers on the outskirts to discourage temporary and permanent migration to urban areas.

### 11.5.3 CHALLENGES

The biggest challenge of rural development is that today Indian villages do not care about being left in the 'countryside'. They like to be something else. Some people take it as empowerment but the fact is that such empowerment programs lead to a future where Indian villages can no longer be 'villages' and can no longer grow into 'cities'. Best of all, they'll always be half cooked.

How can one change this image? How can our villages look for their original qualities? This is now only possible with the intentions and efforts of the youth. Indian villages are waiting to once again extol their glory, to regain their independence, so that the youth will come to know about the empowerment of the rural community in truth. This can only happen when rural youth are ready to realize that all that villages have lost, is their original values and symbols.

They need to understand that weak bonds and relationships are the main reason why critical work that can only be done at the community level is ignored. Land, water and other natural resources of the entire community are not well managed. This is one reason why many Indian cities do not have running water.. This is the reason why the culture of shared lands and agriculture is dying. Rural youth will have to realize that as soon as the local community approaches again, closed doors for rural empowerment will be opened on their own.

Higher education has no place in rural areas; it restricts the growth of children. This can only happen when they understand that they are highly educated and highly skilled and creating a brighter future does not only mean 'migration'. The success of young people cannot be measured solely by their urban presence. True success is the ability to put oneself in another's place. They must understand that the migration of large numbers of people from the villages to the cities only creates an unequal India.

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### 11.6.0 EMPOWERMENT AMONG WOMEN

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It can be defined in several ways, including accepting women's ideas or making efforts to seek them out, raising women's status through education, awareness, literacy and training. Empowerment allows women to make life-changing decisions on a variety of social issues. They may have the opportunity to redefine gender roles or other similar roles, giving them more freedom to pursue their own goals. Making women independent and empowerment goes well with the improvement of their political, social, economic and health status are of paramount importance. In addition, it is essential for achieving sustainable development. Full participation and co-operation between women and men is essential in productive and reproductive health, including shared responsibilities of child care and household care. In all parts of the world, women face threats to their health, with well-being due with overwork and lack of energy. In many parts of the world, women receive less education than men, and at the same time, women's knowledge, skills, and coping skills are often unknown. Power relationships that prevent women from living healthy life, from individuals to the very community. Achieving change requires policy and program actions that will improve women's access to livelihoods and economic resources, reduce their excessive workloads, remove legal barriers to their participation in public health, and raise public awareness of effective education and communication systems. Improving women's status and increasing their decision-making capacity at all levels in all spheres of life, especially in the area of sexual and reproductive health. This, in turn, is essential to the long-term success of human programs are essential. The level of population and development programs are more effective when concerted action is taken to improve the status of women.

#### 11.6.1 PRESENT SCENARIO

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The facts of rural life in India are difficult to understand. While a handful of people in the big cities have benefited from the transformation of knowledge over the past decade, the lives of many people in rural India (over 650 million) have not improved much. There is a lot of talk about "digital segregation;" the government plans to bring the Internet to the villages, but it is difficult to see how this service will help if the basic necessities of life are not available.

The social inequalities that perpetuate this chronic problem cannot address the direct attacks on women's issues by targeting women alone, but require concerted effort as communities develop through sustainable and inclusive programs that affect everyone.

The World Bank has been a major source of external funding through government loans (not directly to private institutions) for specific projects. Very few projects have ever met their goals; in fact, many rural projects have been bad failures. Intolerance, inefficiency, and corruption at all levels of government have wasted much of the money allocated to rural development. Yet the process continues, among other things. International organizations continue to invest in these programs, only for the benefit of the middle class. A new approach is needed to impact the lives of rural women in India, and ultimately help stabilize social growth.

The empowerment of women involves many things - economic opportunities, social equality, and human rights. Women are deprived of these human rights, often as a tradition. In rural areas, women are often not seen as profitable, which is why they are particularly reduced in household chores and less expensive work. Without the ability to work and earn good money, their voices are silenced. Even in matters of sexuality and childbearing, women cannot often challenge their husbands' wishes.

The 20th century conducts about a considerable change in the status of women, and over the years, many initiatives have been undertaken by the government, business, and social organizations to mark the problems facing women and to bridge the social gaps. However, there is still a long way to go before women can be empowered. In the sustainable advancement of the country and in attaining gender equality, women must be empowered.

They are important to the local economy as farmers, earners and entrepreneurs. They are the 'Agents of Change' that are the ways in attaining the economic, environmental and social changes required for sustainable development. Empowering rural women to create jobs contributes to inclusive and economic growth and the GDP of the country.

By providing equitable arrangements of home-based services and infrastructure, it is possible to facilitate women's access to education, productive resources, and construction of their knowledge, skills and abilities. In addition to seeing progress, there is a need to target and make efforts to raise women's representation in local institutions and as well in the systems of governance talking about them in decision-making in their families and communities matters.

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#### 11.6.2 OBJECTIVES, GOVERNMENT SCHEMES AND NATIONAL POLICY [2001]

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- Provide women with sufficient tools and knowledge that will enable them to become economically and mentally independent
- Timely informing women about their rights as regards gender-based violence and guide them through rehabilitation centers, if required.
- Creating grounds for the youth, especially girls/girl child, to express themselves, bring out creativity and acquire new knowledge and skills with time.
- Special target to integrate women in all-around development. Ensuring gender empowerment is a cross-cutting goal and is achieved.

Round- 3

Q- What is rural empowerment?

Ans-----  
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Q- What is women empowerment?

Ans-----  
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Q- Name two objectives of women empowerment.

Ans-----  
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#### ❖ GOVERNMENT SCHEMES

- There are various government schemes available for the benefit of the rural women,, which helps them to come together and form Self Help Groups (SHGs).
- Schemes like Pradhan Mantri Mudra Yojana and Ujjawala Yojana are comprehensive schemes that prevent women from trafficking and rescue, Rehabilitation and Sexual Exploitation.
- Mahila Shakti Kendra and Beti Bachao Beti Padhao is a scheme that aims to empower, encourage women living in the rural area with opportunities for skill enhancement, employment, education, health and providing them proper nutrition for their growth and development.

#### ❖ NATIONAL POLICY FOR THE EMPOWERMENT OF WOMEN (2001)

The Constitution gives authority for women to be treated equally as men in the society in every manner but also authorize the State accordingly to take prejudicial action in favour of women when required.

Within the structure of elected freedom, our laws, development policies, programs aim for the progress of women in various fields. From the year 1974 to1978 onwards there has been a continuous change in the way of inscribing women's issues from well-being and overall progress and advancement. Women's empowerment has been acknowledged as a major factor in regulating the level of women. The National Women's Commission was covered by an Act of Parliament in the year 1990 to protect the rights of women. Amendments 73 and 74 in the year 1993 of the Constitution of India provides positioning of seats in the local Panchayats and Municipal structures of women, assigning a solid ground for their involvement in decision-making at local levels and all other events when required.

- India has also approved various international protocols and human rights indicators performing to safeguard the equal rights of women of the 1993 Conference on the Elimination of All Forms of Discrimination against Women (CEDAW).



- The policy also accepts the performance of the 5 and other Sector Policies on the Empowerment of Women.
- Women's movement and a broad network of non-governmental organizations with a strong presence of grassroots and a deeper understanding of women's concerns have contributed to women's empowerment programs.

❖ **Goal and Objectives**

The main aim of this Policy is to bring about the progress, improvement and empowerment. This Policy will be circulating to encourage the participation of all stakeholders to attain its objectives. Specifically, the objectives of this Policy include

- (i) Constructing an environment through productive economic and social policies to fully empower women so that they can realize their full potential.
- (ii) The de-jure and de-facto enjoyment of all human rights and fundamental freedoms for women on an equal footing with men in all the areas and fields - political, economic, social, cultural and social.
- (iii) Equal participation and involvement of women in social, political and economic life.

**Round-4**

**Q- Explain a scheme for women, which came in the year 2001. (Short note)**

Ans-----  
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**Q- If you are given chance to make a scheme for women in context to a rural area, what will it be about?**

Ans-----  
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**11.8 REMARKABLE GAIN, STATISTICS AND ACTIVITIES**

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❖ **Remarkable gain**

Indian women come from all walks of life, including politics, business, medicine, sports, and agriculture. History was made when two Indian scientists of the Indian Space Research Organization led the world's second Chandrayaan-2 campaign from its inception until its completion in 2019. The women leaders of the great mission space challenged the Metanarrative that rocket science is a task reserved for men. In another incident in which the Supreme Court raised the government's view of women serving as military officers. Women were drafted in 1992 and served in various capacities, including pilots, doctors, nurses,

engineers, signatories, and so on. While the issue of women working in the armed forces continues to be a global issue, these are the cases where Indian women have conquered the glass roof in the armed forces.

The government has also established a platform for international organizations to work with national governments, local NGOs and the private sector. For example, the World Bank is working closely with the provincial government and the Andhra Pradesh government to improve the quality of public health services in government, including maternal and child health care. Another initiative by the United Nations (UN) India Business Forum in partnership with the National Institution for Transforming India (NITI Aayog) is to establish an UN-India NITI Aayog Investor Consortium for Women Entrepreneurs to strengthen women's entrepreneurship and create an environmental investment system.

### ❖ Statistics

In India, women's position is not good even under normal conditions of daily routines as well. Women on average spend 57.7% more time working per day in comparison to men for domestic work, as per the data provided by Organization for Economic Co-operation and Development. The government initiatives are not very proactive in nature. The Central government's gender budget as a share of the total budget has declined from 4.72 per cent in 2019-20 to 4.71 per cent in 2020-21 (current situation).

### ❖ Some more government Schemes for Rural India

1. Deen Dayal Upadhyaya Grameen Kaushalya Yojana
2. Pradhan Mantri Gramin Awaas Yojana
3. Gramin Bhandaran Yojana
4. Deen Dayal Upadhyaya Gram Jyoti Yojana

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## 11.9 SUCCESS STORIES AND CHANGE

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- After leaving the public service as a mathematics teacher in the early 90s, Gurdev Kaur Deol of Ludhiana tried his hand at many things and finally decided to empower rural women and girls. It started as a small group in the form of a self-help group and today is transforming the lives of 300 families by promoting their product through Farmer Producer Organizations (FPOs).
- There are many women and NGOs who have been involved in changing the lives of rural women through self-help groups. Previously unemployed women now earn anywhere between Rs 5,000 and Rs 20,000 a month. At a time when declining farm incomes are making agriculture less productive, especially for smallholder and disadvantaged farmers, self-help groups (SHGs) in Punjab are quietly changing the lives of women and their families. They help rural girls and women become self-reliant by taking steps to start new businesses.

“Initially, I established SHGs that included 15 rural women in the Ludhiana region, as stated by Deol. They were given the training to make cucumbers. Later, I formed a 'Global Self-Help Group FPO' which is now involved in the production, production, processing and

marketing of food processing materials such as pickles, squash, honey in addition to basic food," said Deol. And also, "We currently have 300 farmers and 50% of them are women. In addition, on average, a member earns between Rs 15,000 and Rs 18,000 a month," she added.

We have also sought help from NIIFT with design (colour and colour combination). As a result, these women now earn anywhere between Rs 10,000 to 15,000," said Deepika, who works in Mohali and Fatehgarh Sahib to promote SHGs. To help these women, the National Bank for Agriculture and Rural Development (Nabard) is assisting them with the SHG Bank Linkage Program. It has helped to build and maintain around 50,000 connections and credit connections for 31,300 SHGs in Punjab.

- The story of Radha of Vallimadurai village in Dharmapuri village in Tamil Nadu is one of the most effective examples of SHG. Radha was a cattle herder a few decades ago with a small plot of land. Since there were no dairy animals in or near the village, Radha faced many challenges. There was no standard milk collection center or need to do the same in and around the village. With the support of the Srinivasan Service Trust (SST) which received the home in the year 2013, she was able to find a solution to his problem. The SST, working with communities from the grassroots level, is an important aspect for building partnerships relations between the community and the government and for gaining awareness in several districts covering various rights and ensuring that all receive. At first, they carried heavy loads as no organization came to collect milk from the village. However, with the help of SHG formed under the leadership of the Srinivasan Service Trust, Radha established a milk collection center for further distribution. She was the only person, who came and joined the dairy community to collect milk and gradually build his own business.

Today, Radha runs a local milk collection center and 37 members within the community, who deliver milk. In addition to the dairy collection center, she also established a small dairy farm with seven cows, and also planted the latest fodder varieties. Currently, she is trying to prepare their low-cost beef-based beef feed. Her husband, a former salary worker, supports her.

❖ **Change in society:**

Following changes have observed for the welfare of the women:-

- Abolishment of child marriage
- Punishment for Honour killing
- Women entry in Sabarimala temple
- Check on Triple talaq
- Curb the domestic abuse
- The maternity benefits (amendment) act 2017

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## **11.10 LET US SUM UP**

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It underlines the importance of the empowerment of women in today's scenario after making out the comparison with previous years. Effective policies are supported by action to accord them their due rights and equal opportunities that might be critical to bolstering the overall work on preventing conditions like sexual violence against women and other citizens in conflict. Women play a vital role in society and the economy. The status of women in India is rising. Government of India, by transferring

timely and operational actions laws and regulations for trying to empower women. The result of the employment of women in family and society is most evident in situations where women have high levels of work and income.

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### 11.11 KEY WORDS

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1. **Permission** – a privilege to do something without any restriction
2. **Collaboration** – a group of people working together for the achievement of a goal
3. **Marginalized people**- a person/ a group treated as insignificant
4. **Westernized** – to adopt or being influenced by culture/political environment of Europe and North America
5. **Discrimination** – unjust treatment of the different category of people based on colour, sex, age, etc.
6. **Rehabilitation** – restoring to normal health
7. **Panchayat** – a council in the village
8. **Entrepreneurs** – an individual creates a new business on his own
9. **Honour killing** – the killing of a relative, especially a girl
10. **Maternity** – in state of being a mother

### Questions:

- What is empowerment? Explain 3 special categories.
- According to you what should be the role of empowerment at work?
- Write a short note on –
  - Individual empowerment
  - Psychological and organizational empowerment
  - Community and societal empowerment
- Explain the existence of various sets of empowerment with short examples.
- What is empowerment in terms of rural and women, along with objectives?
- If you are residing in a rural area what kind of empowerment you would expect?
- Being a woman is not easy! Explain
- A detailed explanation of various schemes by the government of India.
- Short note on-
  - National policy for the empowerment of women 2001
- How can you make out the best use of 3 basic objectives? ( in terms of humans enhancement)
- In 2020 and 2021 how do you see women empowerment in rural areas?
- The distinction between previous years of empowerment with today?
- Are schemes beneficial? (yes/no) how?
- If you could something to bring out improvement in a rural area and gender equality, what it would be? And why?
- Share a story of women empowerment in 3 states and rural empowerment in parts of Punjab.

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## 11.12 REFERENCE AND SUGGESTED READINGS

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- ❖ **Bad Feminist by Roxane Gay**
- ❖ **Men Explain Things to Me by Rebecca Solnit**
- ❖ **I Am Malala by Malala Yousafzai and Christina Lamb**
  
- ❖ **The 48 Laws of Power by Robert Greene**
  
- ❖ **The Psychedelic Explorer's Guide by James Fadiman**
  
- ❖ *Quiet: The Power of Introverts in a World That Can't Stop Talking* by Susan Cain

### Sites of use

- ❖ <https://www.humanrightscareers.com>
- ❖ <https://www.peacecorps.gov>
- ❖ <https://idronline.org>
- ❖ <https://www.tandfonline.com>
- ❖ <https://www.fortuneindia.com>

# **CERTIFICATE COURSE IN RURAL MANAGEMENT**

COURSE: RURAL DEVELOPMENT: PLANNING AND PROGRAMMES.

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## **UNIT 12: SOCIAL SECURITY OF WOMEN AND START-UPS TARGETING RURAL AREAS OF INDIA**

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Summary:

12.0 OBJECTIVES

12.1 INTRODUCTION

12.2 INDIA'S SOCIAL SECURITY SYSTEM

12.3 WOMEN'S STAKE IN SOCIETY

12.3.0 PURPOSE

12.3.1 OBJECTIVES

12.3.2 INITIATIVES

12.4.0 LIFE OF WOMEN IN RURAL AREAS

12.4.1 START-UPS

12.5 START-UPS TARGETING WOMEN

12.6 OTHER INITIATIVES SUPPORTING WOMEN AND RURAL PEOPLE

12.7 SUCCESS STORIES OF WOMEN

12.7.0 GODAVARI SATPUTE

12.7.1 PABIBEN RABARI

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### **12.0 OBJECTIVES**

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**What will you learn in this chapter?**

- What is social security?
- Its existence in India.
- Targeting women for social security
- Purpose behind it

- Objectives for Security
- What are start-ups?
- Various schemes
- Targeting women of the rural area and other sectors as well
- Success stories

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## 12.1 INTRODUCTION

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The social security system in India is made up of many strategies and programs that are being disseminated throughout the various laws and regulations. Keep in mind, however, that the state-run social control system in India only applies to a small portion of the population. India's social security system includes not only the payment of premium insurance to state funds but also the monetary obligations of employers.

India's social security schemes include the following types of social insurance:

- a) Pensions
- b) Health Insurance and Medical Benefit
- c) Disability Benefit
- d) Pregnancy Benefit
- e) Grant

While the vast majority of Indians are in the informal sector and may not have the opportunity to participate in any of these programs, Indian citizens in the formal sector (including those employed by foreign investors) and their employers are entitled to give information under the above schemes.

The operation of compulsory contributions to social insurance is different.

Social security is a powerful concept, which is considered by all developed countries in the world to be an important chapter in the national plan to eradicate poverty, unemployment and disease.

Considered to be of great importance to industrial workers, however, with the development of the concept of State welfare, its scope now encompasses all sections of society.

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## 12.2 INDIA'S SOCIAL SECURITY SYSTEM

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Social security is the security provided by the public, through an appropriate organization, at certain risks to which its members are exposed. These risks are situations in which the person of minority, or the employee, is unable to assist effectively in his or her capacity or in private or in private contact with colleagues.

It is a feature of these critical situations that endangers the ability of the working person to support himself and his dependents in health and respect.

Although all State policy affects social security, it is easy to view as public safety services, the only programs that provide citizens with benefits, designed to prevent or treat diseases, to support where they cannot and to restore employment. Not all such measures, however, can be considered as security measures, because security is a state of mind and intended reality.

To enjoy security, one must have the confidence that the benefits will be available when needed, and, for security to be achieved, protection must be adequate in quality and quantity.

Social security is a very broad term and includes, social insurance and social assistance schemes and specific commercial insurance schemes. It is necessary, therefore, to distinguish between these terms and to have a clear view of the scope of each term, however, in general, the terms social insurance and social security are used by some in the same sense because social insurance makes the most important part of any social security system.

The conflict between employer and employees over the question of the adequacy of their shares in social products is the cause of the labour crisis, negotiation and industrial conflict which are the two most important issues.

As industrial and labour development are increasingly separated from the former social and cultural world so it faces various insecurities in terms of income and over-employment of the new order of unconditional building.

Industrial development brought about by industrial change means urbanization. In ancient times, if a person could not work on a certain day, he was cared for by the village community or by his family members. But now migration to cities has so deeply eroded these principles that in times of illness, unemployment, old age, and other such conditions, a worker cannot recover.

In modern times public safety influences both social and economic policy. Social security is the security provided by the State against risks that a person with little means, today, can stand alone even in private contact with other people.

The quest for social security and freedom from want and misery has been the constant desire of every age. This desire has taken many forms depending on the needs of the people and their level of public awareness of technological advancement and peace of economic development.

“Social security assumes that members of the public will be collectively protected from dealing with social risks that create unnecessary hardship and benefit from people with inadequate resources. It includes the right organization, the specific risks to which one is exposed.”

The concept of social security is based on the principles of human dignity and social justice. The basic idea of social security measures is that a citizen who has donated or is likely to contribute to the welfare of his or her country should be provided with protection from certain risks.

Public safety means the assurance given to the State by the relevant authorities, against certain risks to which members of the public may be exposed. The Social Assistance Scheme provides benefits to people on small grants as a sufficient right to meet the minimum level of need and paid from taxes and the social insurance scheme provides benefits to low-income people at a cost that includes an attempt to provide insurers with subsidies from employers and States.

Public safety measures are important from two points. First, they formulate an important step toward the goal of the welfare state. Second, they enable workers to work more efficiently and thus reduce waste from industrial disputes. Lack of social security hinders productivity and prevents the formation of stable and efficient workers. Therefore, social security measures are not a burden but a wise investment that offers good benefits.



According to a report by the National Commission in Labor, public safety has become a way of life and these measures have introduced an element of stability and protection between the pressures and difficulties of modern life. It is a key element of public policy today and the magnitude of its spread is a measure of the progress made by the country with the State's vision of welfare.

Everyone is entitled in full equality to a fair and public hearing by an independent and impartial tribunal, in the determination of his rights and obligations and any criminal charge against him.

Social security for women in India, although there is an existence of multiple Government schemes in favour of women, it is still an issue that has not yet been tackled efficiently as these schemes still fail to target the women in society, who are the main sufferers. As per the ongoing count of systemic failures, women's lives and work are being badly impacted in productive and reproductive forms.

The primary requirement is to properly implement social security schemes for women in each approachable area of the country to reduce their vulnerability in our society.

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### **12.3 WOMEN'S STAKE IN SOCIAL SECURITY**

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Women are the majority of older beneficiaries, who cover Social Security as retired or disabled employees, and as widows . They make up 56 per cent of the Social Worker beneficiaries aged 62 and over, and 66 per cent of the beneficiaries are 85 years of age and older.

Women spend a few years at work because they are more likely to be at home when their children are younger, and they usually earn less than men when they are at work. This means that they are less likely to qualify for a private pension, and if they do, it will often be less than men's pensions. In 2014, 32 per cent of unmarried women over the age of 65 were receiving their private pensions without Social Security, compared to 34 per cent of unmarried men over the age of 65.

Many women rely heavily on Social Security as a source of retirement income. For people over the age of 65, Social Security contributes 47 per cent of the income of unmarried women, including widows, compared to 34 per cent of the income of unmarried men. Forty-six per cent of the more than 65yers unmarried women who receive benefits rely on Social Security for almost all (90 per cent or more) of their income.

A typical married woman who receives Social Security benefits will exceed her husband's time. A 65-year-old woman in 2015 is expected to live another 21.5 years, on average, compared to 19.1 years for men. Therefore, partner and survivor benefits are an integral part of the women's program. In 2016, approximately 27 million women were over the age of 65, compared to an estimated 22 million men, or an average of 126 women per 100 men, according to data from the Census Bureau. As in some of the sectors women are paid less in comparison to men, so when these kinds of schemes are advanced, they turn to be helpful.

Q- What do you understand by social security?

Ans-----

Q- What is done for women, under social security?

Ans-----

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### **12.3.0 PURPOSE**

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Ensuring effective and efficient service delivery and empowerment of women, children, the elderly, people with disabilities and other vulnerable and marginalized sections of society.

Improving the well-being of target groups with several strategies that improve the quality of life and provide opportunities for their growth and development. The Integrated Child Protection Scheme (ICPS) has made a significant contribution to fulfilling the Government / State's responsibility to create a system that will protect children effectively and efficiently.

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### **12.3.1 OBJECTIVES**

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- Provide social security and financial assistance to the elderly, widows, dependent children and physical challenges through an effective pension delivery system under National and State Strategies.
- Implementation of various schemes such as free travel/cash travel for the physical challenged.
- Improving the health and nutrition of children, pregnant, reducing child mortality and dropping out of school.
- Protect the rights of older persons through the application of the Care and Welfare of the Elderly and Older Citizens Act, 2007.
- Provision of Assistance to NGOs working in the field of Women, Children, People with Disabilities, killing of women and drug addiction.
- Effective coordination of policy and implementation between various departments and programs aimed at promoting the development of women and children.
- Providing girls with access to education and monitoring drop-out rates in high school and high school
- Making essential services and strengthening buildings under POSHAN ABHIYAN.
- Improving of needy skills at all levels.
- Creating a database and knowledge base for child protection services.
- Strengthening child protection at the family and community level.
- Ensuring appropriate responses between sectors at all levels.
- Public awareness of the reality of children's rights, status and protection in India.

- Creating a database and database for people with disabilities.

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### 12.3.2 INITIATIVES

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The government of India has taken many initiatives that are:-

**The important among them are:**

1. The Workmen's Compensation Act, 1923
2. The Employee's State Insurance Act, 1948
3. The Employee's Provident Funds and Miscellaneous Provisions Act, 1952
4. The Maternity Benefit Act, 1961
5. The Payment of Gratuity Act, 1972

Q- Explain any 3 objectives towards women's social security?

Ans-----  
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Q- Name all the initiatives for social security by the government of India.

Ans-----  
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### 12.4.0 LIFE OF WOMEN IN RURAL AREAS

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Women living in the rural parts of India are considered less educated in comparison to men. Families of rural area are mostly patriarchal in nature and consider educating women as a negative element.

#### 12.4.1 START-UPS:

**A) What are Start-ups?**

A start up is a kind of initiative take up an individual or a group of people, who have common goals and objectives, that are to be achieved. This can be in context to starting up new business/firm/office or in relation to any kind of social welfare.

➤ **Situations faced by women living in rural areas:**

These areas drawbacks by lack of separate washroom for girls in educational institutes, lack of social security while travelling from home to school and vice-versa, insufficient number of female teachers in schools, the responsibility of sister to look after the younger siblings when parents are working, these are some of the reasons behind which leads to a high drop-out rate of girls from schools or any educational institution. The government of India facilities' free primary education but parents are not interested in sending their children to school.

➤ **Problem faced by women in rural areas:**

Almost 97% of rural Indian women do not have the right to choose their partner for life. It is always decided by the family members or by anyone elders, the marriage is fixed, arranged without any approval with an anonymous group, it is where caste plays a very significant important role. If by bad luck girl wishes to marry someone or plans to marry someone from another caste or tribe, the traditional leaders of the villages will always stand against. In Haryana, there is the existence of various traditional group of people known as Khap Panchayats, or group of elder men especially, who provide punishments to the girl and as well to the boy of the same village and caste, who dares to fall in love and marries. According to the Khap leaders of the villages it is considered that marrying someone within the village or caste is equal to marrying a sibling, in general. They perform the role of kangaroo courts and punish them even by awarding deaths.

Several times, the brutality of such crimes is not even opposed by their parents. Such is the power of these Khap Panchayats that the elected Members from these constituencies cannot oppose them in any way due to the fear of losing the vote bank in the area.

Labour Bureau data briefs up that little progress has been made in terms of friendly wages for men and women for the same job in India, for promoting equality. What is even more shocking is the fact that although wage disparities are always present in the rural parts of the country, in other sectors of work, diversity has increased. So, while men are paid 70% higher wages than that women for agricultural work, the difference rose to 80.4% towards the end of March 2012 and further resulted as 93.6% at the beginning of 2013-14. The data shows that the daily pay gap is huge has remained consistent since 1999, although it rose in the early 2000s and is at a continuous pace to rise.

Considering wage differentiation between men and women, women are paid often high on bodybuilding activities (e.g., such as ploughing and digging well), but on the other hand low in terms of work such as sowing and harvesting. Outside of the agricultural sector, it seems that sex superstitions have prevailed again, if at all for unskilled agricultural work. (Jayaram, 2003)For example-

**Dunzo**

One of the famous Indian start-up which connects users to the nearest delivery partner who can further purchases, or can book for a pick up items from any store or restaurant and can get it delivered to their door step.

Founded In: 2015

Offices In: Bengaluru, Delhi, Gurgaon, Pune, Chennai and Hyderabad

Total Funding: \$29.6 Million

### **Divya Gokulnath; Co-founder BYJU'S**

Divya co-founded took an educational initiative to help students learn better with the help of internet.

Most start-ups failed, some of the most successful entrepreneurs in history created start-ups such as Microsoft (founded by Bill Gates), Ford Motors (founded by Henry Ford), and McDonald's (founded by Ray Kroc).

A start-up is a small company set up by one or more entrepreneurs to develop a unique product or service and bring it to market. By its very nature, a typical start is often a shoe-maker, with initial money from founders or friends and family.

#### **➤ Walking ahead**

Start-up is a business venture that requires sufficient financial support to get off the ground. The first challenge to start is to prove the authenticity of the idea to potential lenders and investors. Getting started is always a risky proposition but investors may have several ways to determine their value.

One of the first tasks to start is to raise a large amount of money to improve the product. In order to do that, they have to make a strong argument, if not for example, that supports their claim that their idea is really new or better than something in the market.

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## **12.5 START-UPS TARGETING WOMEN**

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India's economy continues to grow every decade and start-ups become the engines that drive this growth. Although it is the third-largest start-up country and has more than 27,000 start-ups, India still has only 5%, female start-up founders. This figure underscores the multi-sectoral challenges faced by women entrepreneurs.

The rate of recovery from entrepreneurial risk is influenced by a variety of factors, including gender, age and socioeconomic status. The parameters of risk assessment and reward differ significantly from male and female entrepreneurs. This measure can be overused by women entrepreneurs as they often face additional risks of social stigma and exclusion from the family while pursuing their business ideas. However, the perception of women's towards salary has changed in recent years due to the sharp steps taken by various stakeholders.

Investors are encouraged to set up funds aimed at women in order to promote entrepreneurship and access to finance for women entrepreneurs. Fundraising for start-ups is strongly influenced by founders, influencing the evaluation of the women's team only. With the introduction of women-cantered funding and the increasing presence of women among various companies, these traditional barriers have been removed. Incubators today also aim to promote women's empowerment by conducting workshops and hiring women counsellors. These trainers go beyond providing traditional counselling and assisting these entrepreneurs to overcome barriers, especially those that are relevant to their gender roles.

Although the above stakeholders have made a positive impact on women's businesses, the role of government in this field is often under-represented. In her position, the Indian government is focused on encouraging more women to become financially independent and open their businesses by introducing many new programs, some of which are highlighted below:

- ❖ Start-up India has launched a national women-owned business (WING) program that organizes two types of entrepreneurship workshops for entrepreneurs; advanced training workshops for existing founders and basic workshops for aspiring innovators. Basic workshops contain the sharing of information on how to connect, how to start a business trip where the advanced workshops focus on skills building for women entrepreneurs.
- ❖ Stand-up India is assisting a bank loan between INR 10 lakh and 1 crore for at least one woman in each banking branch in the country to start a green business. This business may be a manufacturing, services or commercial sector. In the case of non-private enterprises, at least 51% of the share and control share should be managed by SC / ST or a female entrepreneur.
- ❖ Trade-Related Entrepreneurship Assistance and Development (TREAD) program for women who help with a type of grant of up to 30% of the cost of all business promotion work among women groups. The remaining 70% of the costs are supported by the lending agency as expected from the project. NGOs can use the grant to train, advise and bind bonds so that they can be marketed on behalf of the beneficiaries without having to build women's support skills.
- ❖ Rashtriya Mahila Kosh is issuing numerous loans under their schemes to encourage women to build wealth and property. One of their schemes focuses on providing loans to new and smaller organizations with at least six months of savings and credit. The organization can get a maximum loan of up to INR 10 lakhs under this scheme to 'get started'.
- ❖ MUDRA, representing Micro Units Development & Refinance Agency Limited, is a financial institution established by the Government of India to reimburse small businesses including start-ups. The purpose of MUDRA is to grant funds to non-corporate, small and medium-sized enterprises through various financial institutions. MDRA loans are available in three categories based on business growth and development.

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## **12.6 OTHER INITIATIVES SUPPORTING WOMEN AND RURAL PEOPLE**

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With the government's leading initiative in Digital Bharat, focusing on technology in everyday life from digital payments to communications, deep tech into the city's new language. India has the third-largest natural environment for initiating ecosystems in the world.

To make people's lives easier with technology that creates job opportunities and start-ups not only grow in the 3rd and 4th markets but also have an impact on the lives of rural people and consumers. Connecting rural India with advanced solutions and services that address low-level challenges, the first ones are starting as new and faster plans for the digital India campaign.

The unemployment rate affected by the Covid-19 epidemic has made life difficult for rural people. To create a support system that unlocks the largest industry, the rural areas of India these first programs offer livelihood opportunities in the Tier-2 market.

### **1. Exercise**

This is a commercial platform based in Bengaluru and the newly formed unicorn focuses on women-led businesses in the fashion and home affairs. 'Meesho' stands for 'meri shop' or 'apni dukaan'.

It is a retail model where the women's army cooks products from its site and sells them on WhatsApp, Facebook and Instagram - direct sales to customers.

It focuses on women entrepreneurs, has an easy-to-use, cost-effective, and comprehensive approach to small businesses. The market says it has more than 13 million entrepreneurs, most of whom are women.

It has helped them start their online businesses with minimal investment, bringing e-commerce benefits to over 45 million customers nationwide. With the aim of helping women gain financial independence.

### **2. Udaan**

This is a network B2B trading platform, designed specifically for small and medium-sized businesses in India. It brings retailers, manufacturers and products to India on one platform.

With a real understanding of the working trends and positive aspects of B2B trading, Udaan brings to them the technical power to measure and grow their business. With Udaan, retailers can reach out to buyers and sellers across the country and shop by tapping a button.

Udaan is a platform that allows its customers to grow their future business network, just as you buy and sell. By using the right features of Udaan – My Biz, Feed, Customer Share can increase their presence, make an interest in their product, and set the stage for growth.

Bringing small retailers to a digital ecosystem to benefit from e-commerce expansion. Udaan empowers small businesses in Barat through the power of technology and the benefits of the internet-scale.

### **3. Frontier Markets**

This is one of the fastest-growing social media platforms. Frontier Markets is a digital-enabled platform that allows local customers to purchase instant solutions from a wide range of products/services for women marketers - FMCG, Agri, durable, and electronic and digital services in the last few miles.

It is a product and end-of-life service, delivered to the consumer department in the valleys with the help of commercial assistance run by women entrepreneurs called Saral Jeevan Sahelis, which proves to be a successful example of the rural women business. With a strong gender perspective, the company focuses on providing women with rural opportunities by creating employment and income for them. The company has a supply chain and logistics to address the rural problem of resource shortages using their physical concept. They have 10,000 new local sailing passengers (sahelis) in 2000 villages across the country and they are all ready to climb.

Q- What is a start-up?

Ans-----  
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Q- List down few benefits of start-ups for women of rural areas.

Ans-----  
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## **12.7 SUCCESS STORIES OF WOMEN:**

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Followings are some success stories of women who proved themselves in the society par with the men with their hard work:

### **12.7.0 GODAVARI STAPUTE:**

Godavari Satpute, a 38-year-old, women from the village” Nari,” in the state of Maharashtra, has managed to create her own paper making business named Godavari Akashkandil -which she started in the year 2009.

Before giving it a start, Godavari faced serious financial challenges because her husband had lost his job. The Godavari, full of determination helped her husband, although she did not have the right amount of education, to find a job for herself that in return would provide her with enough income for her children and family.

Godavari's took a pause when she saw a paper lamp at the local market, which she saw and thought that she could easily make this. Fully supported and encouraged by her husband, Godavari applied for a bank loan, but couldn't get one. Then one of her relatives offered with a certain sum of money on a small interest basis, and with help of which she managed to set up her foundation. She eventually went to BYST (Bharatiya Yuva Shakti Trust) for more financial help along with business guidance to create a strong base and build-up, her initiative.

The Godavari employs many other women and enables them to become financially independent. The Godavari also won the Business Woman of the Year award at the Youth Business International Awards 2013.

### **12.7.1 PABIBEN RABARI**

In the case of the Gujarat Rabbi community, Pabiben runs a business that helps women with artisan's silks to enhance and grow. The company is into manufacturing bags, dhurries, files, quilts, pillow covers, and more, with women as their employees. It uses a special art form developed by Pabiben - Hari Jari - which is the mechanical use of ready-made materials.

Pabiben, who lives in Badroi village, began working when she was quite young, help her widowed mother. She was unable to complete her educational journey because of insufficient money, so due to which she had to stay at home and learn all the household work and customs from her mother.



In 1998, Papiben joined the Rabari women's team and worked on her decorating skills. She soon became the best member of the team. He has made a variety of products, including the famous Pabi Bag, which includes live ribbons and pieces. Through her business, she has created job opportunities for more than 60 women in her hometown and has enabled them to become resilient, capable, and independent.

In 2016, Pabiben was awarded the IMC Ladies' Wing 24th Jankidevi Bajaj Puraskar for his unique business contributions to small towns.

### **12.7.2 STORY OF WOMEN OF PUNJAB**

Smt. Gurjeet Kaur, originally from the village of Hiana Khurd in the Patiala region, is known for her successful businesses in secondary agriculture and are a great source of encouragement for women living in rural areas.

Businesswoman, Gurjeet Kaur studied until she reached matric and contacted Krishi Vigyan Kendra (KVK) Patiala, 2011 dreaming of achieving something great in her life, besides all other problems. She wanted to create a secure future for her children as her family owned very little land only that was 0.4 hectares. After attending a meeting with KVK scientists, she further learned how to make money in business related to home science. She took vocational training from KVK in various aspects as an integrated technology of home science in business, the modern use of phulkari art, tailoring and enrichment. At first, she started sewing women's clothes again of children, but over time, she switched to folded bags, cushions, wallets and macramé articles. These products have found a good market in the village.

At one of the function of Krishi Vigyan Kendra School in Patiala, she was selected as 'Master Trainer by the Department of Cooperation of Punjab, under Mai Bhago Istri Sushastikaran Yojana. She has trained about more than 900 women living in rural areas in the field of arts, tie and dye, and quilt for consecutively five years covering various villages of the Patiala district such as Hiana Kalan, Khokh, Diwangarh,

Narwana, Birarwal, Doda, Lohar Majra, Binaheri, Abheypur, Gunike etc. Gurjeet Kaur puts it his exhibition table at events such as Kisan Melas at the PAU and Rauni; Craft Fair in Sangrur; Farmer training camps organized by the government departments of Agriculture and Horticulture, NABARD etc. Krishi Vigyan Kendra, Patiala, also helped her get an ID.

The Development Commissioner (Handcraft) to participate in exhibitions at the national level, organized by the Government of India.

She thanks her family for all the success she has attained and to Krishi Vigyan Kendra, Patiala for their continuous support. When she started, he was the only one to win KVK, but she is now 20 years old the women of the nearby village are also connected to KVK and empowered economically. Currently earning are Rs. 12,000 / - per month only and along with which she creates employment for two more women as well.

Her interview was recorded and broadcast by India Radio, in Patiala.

Not only this, Smt. Gurjeet Kaur but also her husband has stepped into to get into the mushroom planting. They both took training at KVK in this field and started growing mushrooms. Have received about Rs. 45,000 / - from the planting of dhingri and button mushroom at a time 2015-16. Now, they intend to grow their business on a large scale. They have really become, an example to other rural women and men. We wish their dreams come true so that she can serve her family and rural women well.

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## 12.8 LET US SUM UP

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In the we can say, women can be powerful actors of peace, security, and prosperity. By participating in peace processes and other formal decision-making processes, they can play an important role in initiating and promoting progress in human rights, justice, national reconciliation and economic recovery. They can also build solidarity on racial and sectarian lines and speak for the underprivileged and minority groups. Investing in women's leadership is a smart step towards security and development.

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## QUESTIONS

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- ❖ What is social security?
- ❖ A country like India has a hold on security towards society?
- ❖ What all areas should be covered in social security and why?
- ❖ Summaries the social security towards women.
- ❖ What are the reasons according to you, to target women?
- ❖ Life of women in rural areas of India, with a suitable example.
- ❖ 5 initiatives by the Government of India.
- ❖ Objectives behind the social security
- ❖ Short note on start-up in India, with meaning.
- ❖ What is the need for a start-up in India especially in a rural area? (with supporting examples)
- ❖ If you are to give a kick to a start-up
  - What will it be about?
  - What sector will be targeted?
  - What will be the Objectives, and why?
- ❖ “The life of women demands start-ups in need of support”, comment.
- ❖ Discuss any two success stories of women of Punjab and Maharashtra.

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