CHAPTER 4

POVERTY ALLEVIATION PROGRAMMES

4.1 POVERTY ALLEVIATION IN RURAL INDIA – PROGRAMMES AND STRATEGIES

While there has been a decline in the rural poverty from 244 million (37% of the rural population) in the country in 1993-94 to 193 million (27% of the rural population) as per latest estimates of 1999-2000, eradication of poverty remains a challenging task for the Government. Given the enormity and complexity of the problem, a multi-pronged approach has been adopted. While high economic growth with a focus on sectors which are employment intensive facilitates removal of poverty in the long run, this strategy has been complemented with a focus on building of *capabilities* through provision of basic services like education, health, housing, etc. for improving the quality of life of the people. In addition, direct State intervention through targeted anti poverty programmes (self and wage employment schemes and social security schemes) also form a part of the strategy. While growth is the prime mover, anti-poverty programmes supplement the growth effort and protect the poor from destitution, sharp fluctuations in employment and incomes, and social insecurity. Further, with regard to governance, it has been recognized that ensuring greater participation of Panchayati Raj Institutions (PRIs) is the most effective mechanism for poverty reduction. The specifically designed anti-poverty programmes for generation of both self employment and wage employment in rural areas have been redesigned and restructured in 1999-2000 in order to enhance their efficacy / impact on the poor and improve their sustainability. These schemes along with Social Security programmes, Area Development Programmes, Rural Housing, Land Reforms and Institutional Mechanisms of Delivery are briefly discussed below:

SWARNJAYANTI GRAM SWAROZGAR YOJANA (SGSY)

2. The Swaranjayanti Gram Swarozgar Yojana (SGSY) was launched with effect from 1.4.1999, keeping in view the strengths and weaknesses of the earlier schemes of Integrated Rural Development Programme (IRDP) and allied programmes along with Million Wells Scheme (MWS) which ceased to be in operation. The objective of restructuring was to make the programme more effective in providing sustainable incomes through micro enterprises while providing for flexibility of design to suit local needs. Funds under the SGSY are shared by the Centre and the States in the ratio of 75:25. In the case of UTs, the scheme is fully funded by the Centre.

3. SGSY is conceived as a holistic programme of micro enterprises covering all aspects of self employment and establishing effective linkages between the components viz; organization of the rural poor into self help groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Micro enterprises in the rural areas are sought to be established by building on the potential of the rural poor. The objective of the programme is to bring the existing poor families above the poverty line.

4. The list of BPL households, identified through BPL census, duly approved by the Gram Sabha forms the basis for assistance to families under SGSY. Under the programme, the focus is on vulnerable sections among the rural poor with SCs/STs accounting for 50%, women 40% and the disabled 3% of the beneficiaries. Group / individual beneficiaries (also called Swarozgaris) are assisted under the programme. While the identification of individual beneficiaries is made through a participatory approach, the programme lays emphasis on organization of poor into Self Help Groups (SHGs) and their capacity building. The SHG may consist of 10 to 20 persons. In case of minor irrigation or the disabled, the minimum is 5 persons. Under the scheme, progressively, majority of the funding would be for SHGs. Group activities stand a better chance of success because it is easier to provide back up support and marketing linkages for group activities. Involvement of women members in each SHG is encouraged and at the block level it is stipulated that, at least half of the groups will be exclusively women's groups. For providing a revolving fund to the SHGs, the DRDAs could use ten per cent of the allocation under SGSY.

5. Emphasis on cluster approach is laid under SGSY for setting up micro enterprises in the rural areas. Four to five key activities are to be identified in each block based on the resource endowments, occupational skills of the people and availability of markets and these activities may be implemented preferably in clusters so that backward and forward linkages can be effectively established. The key activities are to be selected with the approval of the Panchayat Samiti at the block level and DRDAs/Zila Parishad at the district level. SGSY adopts a project approach with project reports being prepared for each key activity in association with banks and financial institutions.

6. The SGSY is a credit-cum-subsidy programme, with credit as the critical component and subsidy as a minor and enabling element. Accordingly, the SGSY envisages greater involvement of banks and promotion of multiple credit rather than a one time credit injection. Subsidy under SGSY is provided at 30% of the project cost, subject to a maximum of Rs.7500. In respect of SCs/STs, it is 50% subject to a maximum of Rs. 10000. For groups, the subsidy is 50% subject to a ceiling of Rs.1.25 lakh. There is no monetary limit on subsidy for irrigation projects. Subsidy under SGSY is back ended to ensure proper utilization of funds by the target group.

7. Since SGSY lays emphasis on skill development through well designed training courses, the DRDAs are allowed to set apart ten per cent of the SGSY allocation on training to be maintained as SGSY Training Fund to be utilized to provide both orientation and training programmes to Swarozgaris. For this purpose, existing training facilities available through polytechnics, Krishi Vigyan Kendras, Khadi and Village Industries Boards, State Institutes of Rural Development, Extension Training Certres, reputed voluntary organizations and departmental training institutes could be utilized. The programme also seeks to ensure upgradation of the technology in the identified activity clusters and for promoting marketing of the goods.

8. SGSY Special Projects - Fifteen per cent of the funds under SGSY are set apart at the national level for projects having a far reaching significance to be taken up in conjunction with other departments or semi government or international organizations. Since proper

infrastructure is essential for the success of micro enterprises, twenty per cent (twenty five per cent in the case of North Eastern States) of SGSY allocation for each district will be set apart under SGSY Infrastructure Fund for this purpose.

9. The SGSY is implemented by the District Rural Development Agencies (DRDAs) through the Panchayat Samitis. However, the process of planning, implementation and monitoring involves coordination with banks and other financial institutions, the PRIs, the NGOs as well as technical institutions in the district. Hence the implementation of SGSY calls for integration of various agencies –DRDAs, banks, line departments, Panchayati Raj Institutions (PRIs), Non-Governmental Organisations (NGOs) and other semi-government organizations.

10. In 2000-01 as against a total allocation of Rs. 1332.50 crores an expenditure 1048.69 crores was incurred (up to December, 2000), and 9.39 lakh Swarozgaris (up to July, 2000) were assisted. A Central outlay of Rs.500.00 crore has been provided for the scheme in 2001-02.

JAWAHAR GRAM SAMRIDHI YOJANA (JGSY)

11. With the view to lay thrust on creation of rural infrastructure as per the felt needs of the village community the Jawahar Rozgar Yojana (JRY) was restructured as the Jawahar Gram Samridhi Yojana (JGSY) with effect from 1.4.1999. While the JRY resulted in creation of durable assets the overriding priority of the programme was the creation of wage employment, therefore, it was felt that in order to make the programme effective and meaningful focus needed to be laid on rural infrastructure in a planned manner. The programme is being implemented by the Gram Panchayats as they can effectively determine their infrastructure needs. For this purpose, the funds are directly released to the Gram Panchayats by the DRDAs/Zilla Parishads. The JGSY is implemented as a CSS with funding in the ratio of 75:25 between the Centre and the States. In the case of UTs, all funds are provided by the Centre.

12. JGSY has the primary objective of creation of demand driven community village infrastructure including durable assets at the village level and assets to enable the rural poor to increase the opportunities for sustained employment. The secondary objective is generation of supplementary employment for the unemployed poor in the rural areas. The wage employment under the programme is given to Below Poverty Lines (BPL) families. The wages under the programme are either the minimum wages notified by the States or higher wages as fixed by the States through the prescribed procedure.

13. All works that result in the creation of durable productive community assets can be taken up under the programme as per the felt need of the area/people by the village panchayat. These include creation of infrastructure for SCs/STs habitations, infrastructure support for SGSY, infrastructure required for supporting agricultural activities in the village, community infrastructure for education and health, roads and other social, economic and physical infrastructure. The wage material ratio of 60:40 can be suitably relaxed so as to enable the building up of demand driven rural infrastructure. Efforts to ensure that labour

intensive works are taken up with sustainable low cost technology are also made. While there is no sectoral earmarking of resources under JGSY, 22.5% of the annual allocation must be spent on individual beneficiary schemes for SCs/STs and 3% is to be utilized for creation of barrier free infrastructure for the disabled. Further the State Government is given Rs. 10 lakh or 1% of the annual allocation, whichever is less, for expenses incurred on training of officials / non-officials (Panchayat functionaries) involved in implementation of JGSY under the condition that atleast 50% of the expenses be incurred on non-officials (Panchayat functionaries).

14. At the village level, the entire work relating to coordination, review, supervision and monitoring of the programme is the responsibility of the Gram Panchayat. They have the sole authority for the preparation & implementation of the Annual Action Plan with the approval of the Gram Sabha. The completion of the incomplete works is to be given priority over new works and works which cannot be completed within two financial years are not to be included. The Gram Panchayats have the power to execute works/schemes upto Rs.50,000 with the approval of the Gram Sabha without seeking any technical / administrative approval. In addition, Gram Sabhas also undertake Social Audit. At the village level monitoring and vigilance committees are also set up to oversee and supervise the works/schemes undertaken. At the district level, the DRDAs/Zilla Parishads and at the intermediate level the Panchayat Samitis have the overall responsibility for guidance, coordination, supervision, periodical reporting and monitoring the implementation of the programme.

15. Village Panchayats may spend up to a maximum of 7.5% of the funds or Rs.7500/- whichever is less during a year on the administrative contingencies and for technical consultancy. The village panchayat is permitted to spend up to 15% of funds on maintenance of the assets created.

16. The primary objective of the JGSY has undergone a change from employment generation to rural infrastructure. As such, the States have taken time to adjust their monitoring mechanism as per the new monitoring parameters from employment generation to number of works undertaken/completed.

17. During 2000-01, 7.67 lakh works were completed. An expenditure of Rs.1929.23 crore was incurred during 2000-01 (up to December, 2000) as against a total allocation of Rs.2192.96 crore. A Central outlay of Rs.1650.00 crore has been earmarked for JGSY for the year 2001-02.

EMPLOYMENT ASSURANCE SCHEME (EAS)

18. On 2nd October, 1993 the EAS was launched in 1778 identified backward blocks of 257 districts situated in drought prone, desert, tribal and hill areas where the Revamped Public Distribution System (RPDS) was in operation. Subsequently the programme was extended to more blocks and thereafter was universalized and implemented in all the 5448 rural blocks. The EAS was recast w.e.f. 1999-2000 as the single wage employment programme. While the basic parameters have been retained, the scheme has become allocative scheme instead of demand driven scheme and a fixed annual outlay is to be provided to the States/UTs.

In keeping with the spirit of democratic decentralization the Zilla Parishads have been designed as the 'Implementing Authority' for the scheme. The programme is implemented as a CSS on a cost sharing ratio of 75:25 between the Centre and States and is fully funded by the Centre in case of UTs.

19. The primary objective of the EAS is creation of additional wage employment opportunities during the period of acute shortage of wage employment through manual work for the rural poor living below the poverty line. The secondary objective is the creation of durable community, social and economic assets for sustained employment and development. EAS is open to all the needy rural persons who require wage employment. A maximum of two adults per family are provided wage employment. While providing employment, preference is given to SCs/STs and parents of child labour withdrawn from hazardous occupations who are below the poverty line.

20. The programme is implemented through the Zilla Parishads (DRDAs in those States where Zilla Parishads do not exist). The list of works is finalized by the Zilla Parishads in consultation with the Members of Parliament. Where Zilla Parishads are not in existence, a Committee consisting of MLAs, MPs and other public representatives is constituted for selection of works. Gram Sabhas are informed about the details of works taken up under the scheme. Seventy per cent of the funds allocated for each district are released to the Panchayat Samitis while thirty per cent is reserved at the district level to be utilized in the areas suffering from endemic labour exodus/areas of distress. Diversion of funds from one district to another and from one Panchayat to another is not permitted. Eighty per cent of the funds are released to the district as per normal procedure and the remaining twenty per cent are to be released as an incentive only if the States have put in place elected and empowered Panchayati Raj Institutions (PRIs).

21. Only labour intensive works of productive nature which create durable assets are taken up under the scheme with priority to the works of soil and moisture conservation, minor irrigation, rejuvenation of drinking water sources and augmentation of ground water, traditional water harvesting structures, works related to watershed schemes (not watershed development), formation of rural roads linking villages with other villages/block headquarters and roads linking the villages with agricultural fields, drainage works and forestry. Details of works under the Scheme are to be publicized and Gram Sabhas are to be informed to ensure transparency and accountability.

22. Zilla Parishads/Panchayat Samitis are permitted to spend up to 15% on maintenance of assets created under this scheme. Funds available from other sources like cooperatives, market committees or other institutions/departments could be dovetailed with EAS funds for similar purposes.

23. The wage material ratio of 60:40 is to be strictly implemented and for this purpose, the block would be the unit of consideration. Payment of wages is at the minimum wage rate fixed by the States and higher wages to the extent of 10 per cent of the total

wage component could be paid to the skilled persons. At the State, District and Panchayat Samiti level works under EAS are monitored by Vigilance & Monitoring Committees.

24. During 2000-01, a total allocation of Rs.2082.27 crore was made under EAS and an expenditure of Rs.1757.91 crore (up to December, 2000) was incurred. As against the target of 2594.47 lakh mandays, 2055.48 lakh mandays (up to July, 2000) were generated. A Central outlay of Rs.1600.00 crore has been provided for EAS including Food for Work Programme for 2001-02.

Food for Work Programme

25. The Food for Work Programme, aims at augmenting food security through wage employment in the drought affected rural areas in Eight States viz., Chattisgarh, Gujarat, Himachal Pradesh, Madhya Pradesh, Maharashtra, Orissa, Rajasthan and Uttaranchal after due notification. The programme was launched w.e.f. February, 2001 for 5 months to be extended at the discretion of the Government of India. The scheme is in operation in rural areas that are notified by the State Governments as drought affected. The Programme may be extended to the other areas as may be affected by the Natural Calamities such as Flood, Cyclone or Earthquake by the Central Government.

26. The Centre makes available appropriate quantity of food grains free of cost to each of the drought affected States as an additionality under the programme. Wages by the State Government can be paid partly in kind (up to 5 kgs. of food grains per manday) and partly in cash. The State Government is free to calculate the cost of food grains paid in wages, at BPL rates or APL rates or any where between these two rates. The workers are paid the balance of wages in cash, such that they are assured of the notified Minimum wages.

27. Since the objective of the Food for Work Programme is to provide wage employment, preference is given to labour-intensive works that help in drought-proofing and can be completed within 90 days.

NATIONAL SOCIAL ASSISTANCE PROGRAMME (NSAP)

28. On 15th August, 1995 the NSAP was launched as a 100% Centrally Sponsored Scheme with the aim to provide social assistance benefit to poor households in the case of old age, death of primary breadwinner and maternity. The programme supplements the efforts of the State Governments with the objective of ensuring minimum national levels of well being and the Central assistance is an addition to the benefit that the States are already providing on Social Protection Schemes or may provide in future. The provision of Central assistance seeks to ensure that social protection to beneficiaries is uniformly available. This represents a significant step towards the fulfillment of the Directive Principles in Articles 41 & 42 of the Constitution.

29. With a view to ensure better linkage with nutrition and national population control programmes, the Maternity Benefit Component of the NSAP has been transferred to the

Department of Family Welfare, Ministry of Health & Family Welfare w.e.f. 2001-02 and as a result the following 2 components now form part of NSAP.

(i) **National Old Age Pension Scheme (NOAPS):-** Old age pension of Rs.75 per month, per beneficiary is provided to persons of 65 years and above who are destitutes in the sense of having little or no regular means of subsistence from their own sources of income or through support from family members or other sources. In order to determine destitution, the criteria, if any, currently in force in the States/UTs may also be followed.

(ii) **National Family Benefit Scheme** (**NFBS)**:- A sum of Rs.10,000 is provided in the case death of primary breadwinner due to natural or accidental causes. The family benefit is paid to such surviving member of the household of deceased who, after local enquiry, is determined to be the Head of the household. The primary breadwinner is defined as a member, whose earnings contribute substantially to the household income and who is more than 18 years and less than 65 years of age. The bereaved household should qualify as a BPL according to the criteria prescribed by the Government of India.

30. The NSAP is implemented by the State / UT Governments with assistance from Panchayats and municipal functionaries. Each State / UT has a nodal department identified for implementing the scheme. In the districts, there are District Level Committees on NSAP.

31. The Gram Panchayats / Municipalities have an active role in the identification of beneficiaries under NSAP. The State Governments communicate targets for the components of NSAP to Panchayats / municipalities so that identification of beneficiaries can suitably be made by Gram Panchayats / Neighbourhood / Mohalla Committees in line with these targets. The speedy disbursal of benefit is done by resorting to cash payment subject to the condition that the payments are to be made in public meetings preferably of Gram Sabha meetings, in villages, and of neighbourhood / mohalla committees in urban areas. The Panchayats/Municipalities are responsible for disseminating information about NSAP and the procedures for obtaining benefits under it. In this task, the Panchayats and Municipalities are encouraged to seek the involvement/cooperation of voluntary agencies to the extent possible for identifying beneficiaries and persuading them to avail of the benefits intended for them.

32. The NSAP also provides opportunities for linking social assistance packages to anti-poverty programmes and schemes for provision of basic needs e.g. the old age pension can be linked to medical care and other benefits for the old and poor, family benefit beneficiaries can be assisted under SGSY etc.

33. As against R.E. of Rs.715.00 crore made under NSAP during 2000-01, an expenditure of Rs.700.55 crore is anticipated. A Central allocation of Rs.835.00 crore has been earmarked for the scheme in 2001-02.

ANNAPURNA

34. The Annapurna Scheme came into effect from 1.4.2000 as a 100 per cent Centrally Sponsored Scheme. The programme aims at providing food security to meet the requirement of those senior citizens who though eligible have remained uncovered under the under the National Old Age Pension Scheme(NOAPS). Free foodgrains @ 10 kgs per month per beneficiary are provided under this Scheme. The eligibility criteria for claiming benefit under the Scheme are (a) The age of the applicant (male or female) should be 65 years or above; (b) The applicant must be a destitute in the sense of having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources; and (c) The applicant should not be in receipt of pension under NOAPS or State pension schemes.

35. The State Food & Civil Supplies Departments have been made the nodal Department for implementing the Scheme in view of their access to the existing infrastructure for distribution of foodgrains through the Targeted Public Distribution System(TPDS). The Food Corporation of India ensures availability of foodgrains as per the requirement of the States. At District level, the Collector / CEO is responsible for co-ordination to ensure adequate supply of foodgrains. The identification of beneficiaries is done by the Panchayats and Municipalities and they are also responsible for publicity of the scheme in their respective areas. The funds allocated to the States are released in one installment.

36. As against the B.E. of Rs.100.00 crores for the scheme in 2000-01, an expenditure of Rs.99.80 crores is anticipated. During 2001-02, a Central allocation of Rs.300.00 crores has been provided under the programme.

DRDA ADMINISTRATION

37. The District Rural Development Agency (DRDA) has traditionally been the principal organ at the district level to oversee the implementation of different anti poverty programmes. Since its inception in 1980, the administrative costs of the DRDAs were met by way of setting apart a share of the allocation for each programme. However, there was no uniformity amongst the programmes with reference to administrative costs. Therefore, keeping in view the need for an effective agency at the district level to co-ordinate the anti poverty efforts, a new CSS 'Strengthening of DRDA Administration' was launched with effect from April 1, 1999 with funding on a 75:25 basis between the Centre and States.

38. Since the salary structure in different States is varied, the States can follow their own salary structure under the programme, but the ceiling of administrative cost per district applicable from 1999-2000 has been fixed as given below. However, the ceiling can be raised every year up to 5 per cent to meet cost increases due to inflation, etc.

Category A District	(less than 6 blocks)	Rs.46.00 lakhs
Category B District	(6-10 blocks)	Rs.57.00 lakhs
Category C District	(11-15 blocks)	Rs.65.00 lakhs
Category D District	(more than 15 blocks)	Rs.67.00 lakhs

39. The DRDA is visualized as a specialized and a professional agency capable of managing the anti poverty programmes of the Ministry of Rural Development (MORD) and to effectively relate these to the overall effort of poverty eradication in the district. While the DRDAs are not the implementing agencies, they are effective in enhancing the quality of implementation through overseeing the implementation of different programmes and ensuring that necessary linkages are provided. To this extent, the DRDA is a supporting and a facilitating organization and plays a very effective role as a catalyst in development process.

40. The role of the DRDA is in terms of planning for effective implementation of anti-poverty programmes; coordinating with other agencies – Governmental, non-Governmental, technical and financial for successful programme implementation, enabling the community and the rural poor to participate in the decision making process, overseeing the implementation to ensure adherence to guidelines, quality, equity and efficiency; reporting to the prescribed authorities on the implementation; and promoting transparency in decision making and implementation. The DRDAs coordinate with the line departments, the Panchayati Raj Institutions (PRIs), the banks and other financial institutions, the NGOs as well as technical institutions with a view to bring about convergence of approach among different agencies for poverty alleviation.

41. The DRDAs while maintaining their separate identity function under the Chairmanship of the Chairman of the Zilla Parishad. They are a facilitating and supporting organization to the Zilla Parishad, providing necessary executive and technical support in respect of poverty reduction efforts. Wherever the Zilla Parishads are not in existence or are not functional, the DRDAs function under the Collector / District Magistrate / Deputy Commissioner, as the case may be.

42. During 2000-01, a total allocation of Rs.322.26 crores was made under the programme and an expenditure of Rs.165.50 crores was incurred. For 2001-02, a Central outlay of Rs.220.00 crores has been earmarked for the programme.

RURAL HOUSING – INDIRA AWAAS YOJANA (IAY)

43. Housing is one of the components considered to be vital for human survival and, therefore, essential for socio-economic development. As part of the efforts to meet the housing needs of the rural poor, Government of India, is implementing Indira Awaas Yojana (IAY) since 1985. Earlier, it was a sub scheme of Jawahar Rozgar Yojana (JRY), however, from April 1996, IAY is being implemented as an independent Centrally Sponsored Scheme (CSS).

44. In the Ninth Five Year Plan Government has identified housing as one of the priority areas under ‘Special Action Plan for Social Infrastructure’ which aims at ‘Housing for All’. Towards this end, the construction of 20 lakh additional housing units annually have been proposed, of which 13 lakh houses have to be constructed in rural areas in addition to the houses constructed under existing programmes.

45. To achieve this, Special Action Plan for Rural Housing was prepared under which a composite housing strategy was adopted. The multi pronged strategy includes modification in the existing housing scheme and certain new initiatives, which are listed below:

46. **Indira Awaas Yojana (IAY)** – The IAY continues to be the most important Centrally Sponsored housing scheme for providing dwelling units free of cost to the rural poor living below the poverty line at the unit cost of Rs.20,000/- in plain areas and Rs.22,000/- in the hilly/difficult areas. It is funded on cost sharing ratio of 75:25 between Central Government and States.

47. The objective of IAY is to provide dwelling units free of cost to the Scheduled Castes (SCs) and Scheduled Tribes (STs) and freed bonded labourers and non - SCs/STs living below poverty line in rural areas. From 1995-96, the IAY benefits have been extended to the widows or next of kin of defence personnel killed in action. Benefits have also been extended to ex-servicemen and retired members of para military forces as long as they fulfill the normal eligibility condition of IAY. 3 per cent of funds are reserved for benefit of disabled below the poverty line in rural areas. However, the benefit to non - SCs and STs shall not be more than 40% of IAY allocation.

48. As the IAY has a limited format i.e. construction of new houses, it has been decided to modify to implement it in two parts viz; (a) construction of new houses (at an average weighted cost of Rs.20,900) and (b) upgradation of kutcha and unserviceable houses (at a unit cost of Rs.10,000).

49. From 1999-2000, the criteria for allocation of funds to States/UTs under IAY has been changed from poverty ratio to 50 per cent poverty ratio and 50 per cent housing shortage in the State. Similarly, the criteria for allocation of funds to a district in a State has been changed to the SC/ST population and housing shortage, with equal weightage to each of them.

50. The Central allocation under the IAY for 2001-02 is Rs1527.00 crore.

51. **Credit-cum-Subsidy Scheme:** The Credit-cum-Subsidy Scheme for Rural Housing was launched with effect from 1.4.1999. The scheme targets rural families having annual income up to Rs.32,000/-. However, preference should be given to rural households belonging to Below Poverty Line category. While subsidy is restricted to Rs.10,000/-, the maximum loan amount that can be availed is Rs.40,000/- The subsidy portion is shared by the Centre and the State in 75:25 ratio. The loan portion is to be disbursed by the commercial banks, housing finance institutions etc. The scheme is being implemented

through State Housing Board, State Housing Corporation, Specified Scheduled Commercial Bank, Housing Finance Institution or the District Rural Development Agencies (DRDAs) /Zilla Parishads (ZPs).

52. **Innovative Stream for Rural Housing and Habitat Development:** This scheme has been launched with effect from 1.4.1999, to encourage innovative, cost effective and environment friendly solutions in building/housing sectors in rural areas. The objective is to promote/propagate innovative housing technologies, designs and materials in the rural areas. It is being implemented on project basis. All recognized Government organisations/ institutions and reputed NGOs well experienced in the technology promotion and propagation of cost effective and environmental friendly housing technologies, designs and material may apply for funding to the Ministry of Rural Development.

53. **Rural Building Centres (RBCs):** The primary objectives of this scheme are (a) Technology transfer and information dissemination (b) Skill up-gradation through training and (c) Production of cost effective and environment friendly materials/components. For setting up of each Building Centre, a one-time grant of Rs.15 lakh is provided.

54. **Equity Support to Housing and Urban Development Corporation (HUDCO):** To meet the housing requirement of Economically Weaker Sections and Low Income Groups in rural areas and to improve the outreach of housing finance in rural areas, the equity support by Ministry of Rural Development (MORD) to HUDCO has been increased from Rs.5.00 crore to Rs.355 crore during Ninth Five Year Plan period. It facilitates HUDCO to leverage eight times the amount provided by MORD as equity from the market for construction of additional houses in the rural areas. So far, an amount of Rs.305.00 crore has been released to HUDCO. Balance amount of Rs.50.00 crore is likely to be released during 2001-02.

55. **National Mission for Rural Housing and Habitat:** A National Mission for Rural Housing and Habitat has been set up by the MORD to facilitate the science and technology inputs, on a continuous basis, in the sector and to provide convergence of technology, habitat and energy related issues in order to provide affordable shelter for all in the rural areas, within a specified time frame and through community participation.

56. **Samagra Awaas Yojana (SAY):** The basic objective of SAY is to improve the quality of life of the people as well as over all habitat. The scheme attempts to breach the limited shelter concern of ‘four walls and a roof’ by providing convergence of housing, sanitation and drinking water schemes and ensure their effective implementation by suitable and sustainable induction of technology, Information, Education and Communication (IEC) and innovative ideas. The scheme was launched in 1999-2000 on pilot basis in one Block each of 25 districts of 24 States and one UT selected from the 58 Pilot Districts, which have been identified for implementing a participatory approach under the Accelerated Rural Water Supply Programme (ARWSP). A special Central assistance of Rs.25 lakh

is being provided for each Block for undertaking overall habitat development and IEC work with 10% contribution coming from the people.

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

57. Pradhan Mantri Gramodaya Yojana: Gramin Awaas (PMGY:GA) has been launched only from 2000-01. The Ministry of Rural Development (MORD) is the nodal Ministry responsible for the implementation and monitoring of the rural housing (gramin awaas) component of the programme, whose guidelines have been circulated to all States / UTs. The scheme is based on Indira Awaas Yojana. States / UTs are required to send project proposals to the MORD for release of funds under PMGY:GA. Releases are being made by the Ministry of Finance on the recommendation of the MORD. An amount of Rs.286.84 crore was released by Ministry of Finance during 2000-01. An outlay of Rs.280.00 crore has been allocated Additional Central Assistance (ACA) for Rural Shelter component of PMGY during 2001-02.

Panchayati Raj

58. The Panchayati Raj Institutions (PRIs) have emerged as the third tier of governance in the country after the 73rd Constitutional Amendment Act, 1992. Consequent upon the enactment of the Act, almost all the States / UTs barring Arunachal Pradesh, Jammu and Kashmir & NCT of Delhi have enacted appropriate legislation in conformity with the 73rd Constitutional Amendment Act for setting up of strong, viable and responsible Panchayats at different levels in their respective States / UTs. The Arunachal Pradesh Panchayati Raj Bill, 1997 was awaiting the exemption from the requirement of providing for reservation for Scheduled Castes in Panchayats. The Hon'ble President has since accorded his assent to this Bill on September 8, 2000. The Government of Jammu and Kashmir have been requested by the Ministry of Home Affairs to convey the concurrence of the State Legislature for extending the provisions of Part-IX of the Constitution relating to Panchayati Raj in the State. The response of the State Government is awaited. In the meantime, elections have been held for Gram Panchayats in Jammu and Kashmir according to State Panchayati Raj Act. Panchayati Raj System has been under suspension in NCT of Delhi but the Government of Delhi is planning to revive it. In all the States Panchayats have been set up according to new provisions except in few States. In States like Himachal Pradesh, Kerala, Madhya Pradesh, Rajasthan, Uttar Pradesh second round of Panchayat elections have also been held.

59. Under the Act, PRIs are envisaged as instruments for establishment of a democratic decentralised development process through peoples' participation in decision-making in implementation and delivery of services central to the living conditions of the people. In order to achieve this objective, under Article 243 (G) States are required to devolve adequate powers and responsibilities on the PRIs to enable them to act as effective institution of local self-government. It also enjoins on them the responsibility for preparation of plans for economic development and social justice and its implementation in respect of 29 Subjects listed in the Eleventh Schedule of the Constitution. Pursuant to this, the States are required

to devolve administrative and financial powers alongwith functionaries in respect of 29 Subjects to the PRIs. The devolution of three Fs i.e. Functions, Functionaries and Funds are under various stages of operationalisation in different States. In fact, in States like Kerala, Madhya Pradesh, Uttar Pradesh, Tamil Nadu, the process of devolution has been carried out effectively with transfer of three Fs to PRIs in respect of selected items.

60. Article 243 I of the Constitution provides for the constitution of State Finance Commissions (SFC) to review the financial position of Panchayats and to make recommendations regarding principles governing distribution of net taxes between State Governments and the Panchayats, assignment of taxes and grant-in-aid to Panchayats. All the States except few have set up their SFCs. The SFCs in majority of cases, have submitted their reports. The recommendations of the SFCs have been accepted in toto by some States, while in others, it has either been partially accepted or are under scrutiny. In few States like Kerala, Madhya Pradesh, the second SFC has also been constituted.

61. Article 243 (ZD) of 74th Constitutional Amendment Act facilitates the process of decentralized planning. It envisages that there shall be constituted in every State at the district level, a District Planning Committee (DPC) to consolidate the Plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development Plan for the district as a whole. Hence, State Governments are required to set up DPCs in each district to prepare composite Plans covering both urban and rural areas. The formation of DPCs must receive top priority by the State Governments, as it is only then that planning would genuinely begin from the grassroots.

62. The Provisions of the Panchayats (Extension to the Scheduled Areas) Act 1996 has come into force with effect from 24th December,1996. The Act extends Panchayats to the tribal areas of nine States viz; Andhra Pradesh, Chattisgarh, Gujarat, Himachal Pradesh, Jharkhand, Maharashtra, Madhya Pradesh, Orissa and Rajasthan. It strives to enable tribal society to assume control over their own destiny to preserve and conserve their traditional rights over natural resources.

63. Gram Sabha is now recognized as the most important institution in the system of participatory democracy and decentralization. This view found its expression in the declaration of the Year 1999-2000 as the “Year of Gram Sabha”. To ensure greater transparency and accountability, attention of State Governments has been drawn to the importance of Gram Sabhas in the proper implementation of development programmes through a system of social audit. Several States have taken steps to strengthen the Gram Sabhas and to ensure their timely meetings.

64. In the light of 73rd Constitutional Amendment Act, the District Rural Development Agencies (DRDAs) are also being restructured to work under the overall control and supervision of the Zilla Parishads.

65. In order to make PRIs a success, a time bound training programme for capacity building has been initiated for the elected panchayat representatives especially new entrants,

SCs / STs / Women and Government functionaries so as to make them familiar with the planning process and implementation of various programmes, technologies and other requisite information available. The Ministry of Rural Development extends limited financial support to the States / UTs for this purpose. The Ministry also provides funds to the research organisations and institutions to conduct action research and to study the impact of Panchayati Raj system in States.

Area Development Programmes: Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP)

66. A Technical Committee under the Chairmanship of Dr. C.H. Hanumantha Rao was constituted in 1994 by the Ministry of Rural Development, which recommended a common set of operational guidelines, objectives, strategies and expenditure norms for implementation of area development programmes viz; Drought Prone Area Programme (DPAP), Desert Development Programme (DDP) and Integrated Wastelands Development Programme (IWDP) being implemented by the Ministry of Rural Development on watershed basis. Common guidelines have also been adopted for other area development programmes such as National Watershed Development Project for Rainfed Areas (NWDPRA), development of catchment area of River Valley Projects and flood prone areas, being operated by the Ministry of Agriculture. The common guidelines for Watershed Development provide for a uniform strategy in the implementation of all area development programmes. The main features of this strategy are:

- Area development programmes to be implemented exclusively on watershed basis.
- Programmes activities to be confined to the identified watershed of about 500 hectares and are to be executed on a project basis spanning over a period of four to five years.
- Watershed project to cover a village, as far as possible.
- Elaborate institutional mechanism at various levels clearly defined for effective participation of the local people and the PRIs in all stages of project management.
- District Rural Development Agency (DRDA) / Zilla Parishad to be the nodal Government agency at the district level to act as a facilitator and provider of finances and technical assistance to the people's organisations executing the watershed projects.

67. Based on the recommendations of Hanumantha Rao Committee, comprehensive guidelines for watershed development commonly applicable to the DPAP, DDP and IWDP were issued in October, 1994 which came into effect from 1995-96.

Drought Prone Area Programme (DPAP):

68. DPAP aims at to minimize the adverse effects of drought on production of crops and livestock and productivity of land, water and human resources ultimately leading to the drought proofing of the affected areas. It also aims at promoting overall economic development and improving the socio-economic conditions of the resource poor and

disadvantaged sections inhabiting the programme areas. During the Ninth Five Year Plan, the programme covers 961 blocks of 180 districts in 16 States namely Andhra Pradesh, Bihar, Chattisgarh, Gujarat, Himachal Pradesh, Jammu & Kashmir, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Orissa, Rajasthan, Tamil Nadu, Uttar Pradesh, Uttranchal and West Bengal. Since 1995-96, 11738 watershed projects of 500 hectare each have been sanctioned for development on watershed basis till end of March, 2001.

69. In the first four years of the Ninth Plan, an area of 19.35 lakh hectare has been covered with Central releases of Rs. 448.29 crore to the programme States. During 2001-02, an outlay of Rs.210 crore has been provided to cover an area of 7.90 lakh hectare under DPAP.

Desert Development Programme (DDP):

70. DDP has been envisaged as an essentially land based activity and conceived as a long term measure for restoration of ecological balance by conserving, developing and harnessing land, water, livestock and human resources. The main objectives of this programme are: - (i) combating drought and desertification; (ii) encouraging restoration of ecological balance; (iii) mitigating the adverse effects of drought and adverse edapho-climatic conditions on crops and livestock and productivity of land, water and human resources; (iv) promoting economic development of village community; and (v) improving socio economic conditions of the resource poor and disadvantaged sections of village community viz; assetless and women.

71. Presently, this programme covers 232 blocks of 40 districts in seven States viz; Andhra Pradesh, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Karnataka and Rajasthan. Since 1995-96, 5353 projects costing about Rs.1338.25 crore have been sanctioned till end of March 2001.

72. In the first four years of the Ninth Plan, an area of 8.48 lakh hectare approximately has been covered with total Central release of Rs.369.79 crore. During 2001-02, an outlay of Rs.160 crores was provided to cover an area of 4.04 lakh ha. (approximately).

73. Under DPAP and DDP, funds are directly released to DRDAs/Zilla Parishads for implementation of the programme. From 1999-2000, the funding pattern under these programmes have been changed to 75:25 cost sharing basis between the Centre and the States for the projects sanctioned after 1.4.1999.

Integrated Wastelands Development Programme (IWDP)*:*

74. IWDP was started in 1988-89 by Ministry of Environment & Forests with an objective of development of wasteland based on village / micro watershed plans. However, the scheme was transferred to the Department of Wastelands Development (now called Department of Land Resources) during 1992-93. The stakeholders prepare these plans after taking into consideration the capability of land, site conditions and local needs. Promoting

the overall economic development and improvement of economic condition of the resources poor and disadvantaged section of inhabitants. The projects under IWDP are being implemented in districts of the country.

75. IWDP is a 100 per cent Centrally Sponsored Scheme. The cost norm is Rs 4000 per hectare. The basic objective of this scheme is to take up integrated wastelands development based on village/micro watershed plans. The stakeholders prepare these plans after taking into consideration land capability, site conditions and local needs. The scheme also helps in generation of employment in rural areas besides enhancing people's participation in the wastelands development programmes at all stages. This leads to equitable sharing of benefits and sustainable development.

76. The major activities taken up under the scheme are: - (i) soil and moisture conservation measures like terracing, bunding, trenching, vegetative barriers etc; (ii) planting and sowing of multi purpose trees, shrubs, grasses, legumes and pasture land development; (iii) encouraging natural regeneration; (iv) promotion of agro-forestry and horticulture; (v) wood substitution and fuel wood conservation measures; (vi) measures needed to disseminate technology; training, extension and creation of greater degree of awareness among the participants; and (vii) encouraging people's participation.

77. The programme is being implemented in 222 districts in 25 States of the country. Since 1995-96, 298 projects have been sanctioned for treatment of an area of 29.24 lakh hectares at a total cost of Rs.1134.00 crore till the end of March, 2001.

78. In the first four years of the Ninth Plan, an area of 6.51 lakh hectare has been covered with an expenditure of Rs.326.80 crore. During 2001-02, an outlay of Rs.430.00 crore provided to cover an area of 4.00 lakh hectare.

79. In pursuance to the Government decision to bring the unification of multiplicity of Wasteland Development Programmes of different Ministries / Departments, within a framework of 'Single National Initiative', the common guidelines for implementation of watershed projects/programmes by the Ministry of Rural Development and Ministry of Agriculture have been evolved and an effort is being made to bring them under one umbrella/ Ministry.

Land Reforms:

80. Land reforms have been viewed as an instrument to enable landless to have access to land and for attaining higher levels of agricultural production and income in the rural areas. Land is still a major source of employment and income in rural areas. Therefore, the issue of agrarian reforms continues to remain on national agenda. The major components of the Land Reforms Policy include among others, detection and distribution of ceiling surplus lands, tenancy reforms, consolidation of land holdings, providing access to poor on common lands and wastelands, preventing the alienation of tribal lands and providing land

rights to women. Further, for the successful implementation of land reforms, updating of land records by traditional methods as well as through computerisation is an essential pre-requisite.

81. Since land is a State subject, the responsibility of implementing land reforms rests with the State Governments. However, two Centrally Sponsored Schemes viz; 'Strengthening of Revenue Administration and Updating of Land Records' (SRA & ULR) and 'Computerisation of Land Records' (CLR) are being implemented by the Ministry of Rural Development.

82. The Centrally Sponsored Scheme of '**Strengthening of Revenue Administration and Updating of Land Records'** is designed to provide support to the ongoing programmes of tenancy reforms. The scheme places emphasis on modernization of cadastral survey procedures through protogrammetric check methods, further strengthening of training infrastructure facilities for revenue, survey and settlement staff, to enable them to handle modern survey equipments effectively, construction of Record Rooms and office cum Residence of Patwarais / Talathis in remote and tribal areas, purchase of survey equipments for offices of revenue administration particularly at grassroots level, etc. Since 1987-88 to 2000-01, funds to the tune of Rs.197.48 crore have been provided to the States/UTs as Central share under the Scheme, out of which Rs.141.10 crores have been utilised (i.e.72 per cent utilisation). During 2000-01, against the budget provision of Rs.25.00 crore, funds to the tune of Rs 24.50 crore have been spent. In the Annual Plan 2001-02, the Central outlay of Rs.31.00 crore has been provided for SRA & ULR.

83. The Centrally Sponsored Scheme on **Computerisation of Land Records** was started in 1988-89 with 100% financial assistance as a pilot project in eight Districts / States viz; Rangareddy (Andhra Pradesh), Sonitpur (Assam), Singhbhum (Bihar), Gandhinagar (Gujarat), Morena (Madhya Pradesh), Wardha (Maharashtra), Mayurbhanj (Orissa) and Dungarpur (Rajasthan). It was started with the sole objective of ensuring issue of timely and accurate copies of record of right to the land owners by the Tehsildar. At present, the scheme is being implemented in 569 districts of the country leaving only those districts where there are no land records. During 1997-98, a decision for operationalisation of the scheme at the Tehsil / Taluk level was taken for facilitating delivery of computerized land records to users and public at large. Under this programme, funds are released to State Government for purchase of hardware, software and other peripherals and upto 31.3.2001, 2383 Tehsils / Taluks have been covered under the programme. Since inception of the scheme, the Ministry of Rural Development has released Rs.189.21 crores up to 31.3.2001. The utilisation of funds reported by the States/UTs is Rs 97.26 crores, (51% utilisation). During 2000-01, budget provision under the scheme was Rs 50.00 crore, out of which Rs 47.60 crore have been spent. The Central outlay of Rs 45.00 crore has been provided for CLR for Annual Plan 2001-02.

84. Since the feedback from the States regarding implementation of the scheme has not been forthcoming and progress of utilization of funds has also been very low, it was decided in 1998 to conduct comprehensive Evaluation Studies in eight districts / States viz; Andhra Pradesh (Rangareddy), Madhya Pradesh (Hoshangabad), Maharashtra (Amravati), Karnataka

(Mysore), Orissa (Mayurbhanj), Rajasthan (Jaipur), Uttar Pradesh (Aligarh) and West Bengal (Haora).

85. These studies have since been completed and their main findings are listed below:

- The monitoring mechanism needs to be strengthened as this is a crucial component for the success of the scheme.
- There is a need to develop more awareness about the implementation of the scheme.
- Training under the programme is inadequate, it should be conducted at differtent levels viz; District, Tehsil and Village.
- Computerisation of Land Records and setting up a Land Information System (LIS) is incomplete without a vectorised database of land holdings through Digitization Cadastral Survey Maps.
- There is a need of Networking of the scheme at different levels so that data move from District to State and then to Centre through NICNET Network of the NIC.

86. The process of alienation of tribal land has continued since independence because of an influx of non-tribals into tribal areas as a result of various developmental projects, exploitation of natural resources and industrial activities. It is an irony that on one side outsiders / non tribals infiltrate into the Schedule areas in the name of development while on the other hand local tribal population migrate to urban areas in search of employment/ job opportunities. This has given rise to severe discontent in the tribal areas. It is therefore necessary that the land issue which forms the crux of problem, must be effectively addressed All the concerned State Governments have accepted the policy to prohibit transfer of land from tribals to non tribals and restore the alienated lands to the tribals, and have enacted laws to this effect. However, some existing land legislations pertaining to alienation and restoration may probably require further improvement in as much as that the conditionalities attached to restoration were restrictive and in real sense, no restoration could take place.

87. Consolidation of fragmented agricultural land holdings forms an integral part of the Land Reform Policy and the Five Year Plans have accordingly been laying stress on its implementation. This operation is considered necessary for the planned development of the villages and achieving efficiency and economy in agriculture. In pursuance of this, many States had enacted legislations but not much progress could be made except in the States of Uttar Pradesh, Haryana and Punjab. In other States, work was continued for some years and lost momentum thereafter.

4.2 Urban Poverty Alleviation

1. Poverty reduction is an important goal of the urban policy. Economic growth is crucial but often not sufficient to create condition in which the poorest can improve their living conditions. They are in very high density settlements and strategies developed to enhance the quality of their lives must be designed to help improve their income activities that could mark their own identify. According to the official estimate for 1993-94, 32.36% of total urban population is living below poverty line. As per poverty estimate based on the 55th round of NSS (30 day recall period) 23.62% of the urban population are under BPL category. The benefit of the economic development must accrue more and more to the relatively less privileged class of society and there should be a progressive reduction of concentration of income, wealth and economic power. In India, the generally accepted definition of poverty emphasise minimum level of living rather than a reasonable level of living.

2. The Ninth Plan noted that the problem of urban poverty is a manifestation of lack of income and purchasing power attributable to lack of productive employment and considerable under employment, high rate of inflation and inadequacy of social infrastructure, affecting the quality of life of the people and their employability. What is needed is the orientation of the programmes towards strengthening this production potential of the economy and providing more opportunities for involving the poor in the economic process.

3. With a view to ensure development and empowerment, the Centrally Sponsored Scheme of Urban Poverty Alleviation Programme, viz., Swarna Jayanti Shahari Rozgar Yojana (SJSRY) was launched in December 1997. The scheme applied to those towns where election to the Urban Local Bodies have been held and the elected local bodies are in position. The scheme contemplated upliftment of urban poor by convergence of employment components of the earlier urban poverty alleviation schemes. The scheme sought to provide gainful employment to the urban unemployed or underemployed poor through encouraging the setting up of self-employment ventures or provision of wage employment. The two components under SJSRY comprise (a) the Urban Self Employment Programme (USEP), (b) The Urban Wage Employment Programme (UWEP). The three distinct sub-components under USEP consisted of (i) assistance to individual urban poor beneficiaries for setting up gainful self employment ventures; (ii) assistance to groups of urban poor women for setting up gainful self employment ventures under the title 'the scheme for development of women and children in the urban areas (DWCUA)' and (iii) training of beneficiaries, potential beneficiaries and other persons associated with the urban employment programme for upgradation and acquisition of vocational and entrepreneurial skills. No physical targets are fixed and these are left to be decided by the State Governments in conformity with the guidelines on the scheme and result of beneficiary survey. This has been done to ensure adequate flexibility of operation of the scheme.

4. The UWEP sought to provide wage employment to beneficiaries living below the poverty line within the jurisdiction of ULBs by utilising their labour for construction of socially and economically useful public assets. The scheme also promotes setting up of

neighbourhood groups, community development societies, etc. Under DWCUA, even though the assistance provided may be too meagre to start any activity, the group strategy is adopted to motivate the urban women to join together and to break the social bonds which have denied them the income generating opportunities.

5. Past experience reveal that the financial institutions have shown inter-alia unwillingness to finance for urban poverty alleviation programmes as the risk of non-recovery is very high and also because of the fact that the assets created through such schemes do not contribute to the development potential or long term income generating proposition

REVIEW OF ANNUAL PLAN 2000-01 AND PROVISION FOR 2001-2002

6. The number of beneficiaries under USEP up to 2000-01 were 2,92,229 including 7,608 women beneficiaries. As regards, UWEP, the number of beneficiaries covered were 159 lakhs. The number of beneficiaries under community structure stood at 34 lakhs. The actual expenditure for 2000-01 was Rs 86.02 crores as against the outlay/ RE of Rs. 168 crores/ Rs. 95.03 crores. For the Annual Plan 2001-2002, the outlay allocated is Rs. 168 crores.

7. The programme has not progressed upto the desired extent and pace. The unspent balance was Rs 546.62 crores as on August, 2000. In fact to some extent, the problem has been that of accounting records as there have been problems in getting utilization certificates from the Municipalities. Another reason for slow progress is that unlike rural poverty programmes, urban poverty programmes are relatively new ones. Under SJSRY, formation of community structures on which the programme rests takes time. Major problem is in the self employment component. Certain measures like strict monitoring of the programme by the nodal Department, insistence of utilization certificates before release of money to the states etc are being tried upon. The Working Group constituted to formulate Tenth Five Year Plan would look into the various aspects of Urban Poverty programme and suggest for modification of the ongoing programme for better implementation.

4.3 Public Distribution System

With a network of about 4.51 lakh Fair Price Shops (FPS) distributing commodities to about 18 crore households, the Indian Public Distribution System (PDS) is, perhaps, the largest distribution network of its type in the world. The system is designed to help both the producers and consumers of foodgrains by linking procurement to support prices and ensuring their distribution along with other essential commodities at affordable prices throughout the country. PDS, therefore, continues to be a major instrument of government's economic policy for enhancing food security for the poor.

2. A well targeted and properly functioning Public Distribution System is an important constituent of the strategy for poverty eradication. Food and nutrition security are crucial in our fight against other dimensions of poverty like infant mortality, maternal mortality, low birth weights and all other forms of deprivation. PDS, as it stood earlier, was widely criticised for its failure to serve the population below the poverty line, its urban bias, negligible coverage in the states with the highest concentration of the rural poor and lack of transparent and accountable arrangements for delivery. Realising this, the Government has launched the Targeted Public Distribution System (TPDS) by issuing special cards to families Below

Poverty Line (BPL) and selling foodgrains to them at specially subsidised prices. Twenty kilograms of foodgrains are issued to BPL families per month under TPDS. This is likely to benefit more than 6 crore poor families.

3. The quantum of food grains distributed to the poor under the targeted public distribution system has been enhanced from 10 kgs per month to 25 kgs per month which is expected to result in some offloading of the surplus stocks being held by the Food Corporation of India. With effect from 1-4-2000 the central issue price of foodgrains was fixed at 50% of the economic cost for BPL and 100% of the economic cost for APL families. However, consequent upon the recommendations of the Expenditure Reforms Commission, the central issue price for APL and BPL families were slightly reduced. The central issue price for BPL and APL families since the inception of TPDS is given in the table below. The APL issue price was further reduced on 12.7.2001.

TABLE – 4.3.1

Issue Price of Foodgrains under TPDS

(Rs./Qtl.)

With Effect From	Wheat		Rice	
	BPL	APL	BPL	APL
1.6.1997 (Fine/Superfine)	250	450	350	650/700
29.1.1999	-	650	-	905
1.4.1999	-	682	-	-
1.4.2000	450	900	590	900
1.7.2000	415	830	565	1130
12.7.2001		610		830

4. Despite hefty increase in the annual food subsidy from Rs.2450 crores in 1990-91 to Rs.9200 crores in 1999-00 and to 13,675 crores in 2001-02, all is not well with the Targeted Public Distribution System (TPDS) in India. There is 36% diversion of wheat, 31% diversion of rice and 23% diversion of sugar from the system at the national level according to a study conducted by the Tata Economic Consultancy Services. TPDS does not seem to be working in the poorest north and north-eastern states. The allocation of poorer states such as UP, Bihar and Assam was more than doubled, as a result of shifting to TPDS in 1997, yet due to poor off-take by the states and even poorer actual lifting by the BPL families, the scheme has not made any impact on the nutrition levels in these states.

5. There is lack of infrastructure and shortage of funds with government parastatals in most states except a few in the west and south. Some other problems associated with the scheme besides illegal diversion are:

- The poor do not have cash to buy 20 kg. at a time, and often they are not permitted to buy in installments.
- Low quality of food grains – A World Bank report (June 2000) states that half the stock of FCI is at least two years old, 30% between 2 to 4 years old, and some grain as old as 16 years.

- Weak monitoring, lack of transparency and inadequate accountability of officials implementing the scheme.
- Price charged exceeds the official price by 10 to 14%.

THE CAG REPORT:

6. The Report of the Comptroller and Auditor General of India for the year ended March, 1999 made some significant observations on the operation of PDS in the country. Some of the observations made in the report are outlined below:

- Inefficient targeting has affected Targeted PDS, under which 10 kilogram food grains per month per family was to be provided to the households below the poverty line at about half the normal PDS price. Many state governments failed to translate this objective into action. Surveys for identification of the BPL families were not completed in 18 out of 31 states and union territories. Even in the states where identification was completed, ration cards were not provided to a significant number of BPL families.
- Further, in Andhra Pradesh and Gujarat significantly large population was categorised as BPL, compared to the numbers estimated by the Expert Group of Planning Commission. This had the effect of diluting the prescribed entitlement of BPL population, since the allocations for BPL households by FCI were determined on the basis of the numbers estimated by the Expert Group.
- In a large number of cases, the BPL families did not get the prescribed quantity of 10 kg ration at the special subsidized rates and were charged higher rates. The state governments did not absorb the cost, over and above, that provided by the Union Government towards handling, transportation, etc. and passed on the higher cost to the consumers, thereby defeating the main objective of TPDS.
- The quantity of mere 10 kg per family at the special BPL price was not significant to provide food security at affordable price, since it fulfilled less than 20 per cent of the monthly requirement of about 53 kg of food grains for an average size family consisting of five members.
- The benefits of subsidised distribution to consumers were negligible. The monthly per household income transfer due to PDS intervention was insignificant at less than Rs.30, except in the North-Eastern states. Even after introduction of the TPDS, income transferred per household per month for BPL population was between Rs.22 to Rs.46 per month. In Punjab, it was less than Rupees seven.
- The lowest expenditure group with monthly expenditure level of less than Rs.1000 per month was having lowest ration card ownership at 76 per cent. The ration card ownership increased with increasing monthly expenditure and for the highest group of expenditure level above Rs.4000 per month, the ration card ownership increased to 89 per cent. This demonstrated inability of the government to provide access to PDS to the poorest people.

ANTYODAYA ANNA YOJANA

7. Antyodaya Anna Yojana has been launched by the Hon'ble Prime Minister of India on the 25th December, 2000. This scheme reflects the commitments of the Government of India to ensure food security for all, create a hunger free India in the next five years and

to reform and improve the Public Distribution System so as to serve the poorest of the poor in rural and urban areas. It contemplates identification of one crore poorest of the poor families and providing them with food grains @ 25 kg. per family per month at highly subsidized rates of Rs.2 a kg. for wheat and Rs.3 a kg. for rice.

8. The basis of this estimation of one crore household is the 50th Round of the NSSO survey held during 1993-94. In its report titled, "Reported Adequacy of Food Intake in India", the NSSO observed that 5% of rural household and 2% of urban households reported that they did not have "two square meals a day" during all parts of the year. While according to NSSO, the respondents understood very clearly the implications of the question asked, the NSSO has been criticized on the ground that the answer does not make it clear how big or small the "meal" was meant to be.

9. The real problem lies in excess stock of food grains. The Government is faced with a total food stock of about 60 million tonnes. While the buffer norm may veer around 20 million tonnes, the normal off take under TPDS for BPL househlds has been expected to be 15 million tonnes at the enhanced allocation of 20 kgs. of food grains per month and those for APL households in the range of 5-10 million tonnes. Somehow, on account of lower market price the off take of both these groups under the Public Distribution System has not been as expected. Adding on the existing APL-BPL group of households, yet another category of "poorest of the poor household" and distribution of food grains at further reduced price, would at the most help increase off take of food grains by 3 million tones. This would not be addressing the problem of excess food stocks. The food subsidy which has already touched Rs.13,675 will only go up by another Rs.1000-1500 crores.

10. The surplus stock of food grains (over and above the buffer norms) could best be utilized for launching massive Food for Work Programme, creating in the process useful assets like school buildings, rural roads, ponds and tanks and also encouraging female literacy through inducing the girl child to go to school through allocating them additional amount of food grains. This is easily a better option to utilize food grains in place of exporting it at a subsidy which in all probability would be fed to the cattle abroad.

ANNAPURNA

11. The Finance Minister in his Budget Speech for the year 1999-2000 had announced the launching of a new scheme "Annapurna" to provide food security to those indigent senior citizens who though eligible are not covered under the National Old Age Pension Scheme. The Ministry of Rural Development, Government of India, which was chosen as the nodal Ministry for implementing this programme, accordingly grounded the scheme on 1st April, 2000. The guidelines of the scheme was also issued in the same month. Under "Annapurna", 10 kg. of food grains are to be provided free of cost per month to the targeted beneficiaries. The number of persons benefiting from the Scheme are for the present not to exceed 20% of the old age pensioners within the State. The Gram Panchayats would be required to identify the beneficiaries in Gram Sabha, prepare and display a list of such persons after giving wide publicity. The scheme provides that the total number of beneficiaries should not exceed 20% of the old age pensioners within a State. The total entitlement for National Old Pension Scheme in the country is worked out as approximately 68.81 lakh. This would imply that 13.76 lakh beneficiaries would be eligible for coverage under "Annapurna".

12. The Ministry of Rural Development has been chosen as the nodal Ministry to implement the Programme. State Food & Civil Supplies Department will be responsible for implementation of the Scheme at the State level. They will decide the inter-district target allocation within the overall allocation for the State. Central funds will be released in one installment to the State Food & Civil Supplies Department. The State Food & Civil Supplies would then tie up with FCI to release food grains district-wise on payment of the economic cost of food grains directly to FCI State offices. The District Collector will be responsible for implementation of the Scheme at the District level. The Collector will coordinate and ensure collection of food grains from the nearest FCI godown and will arrange transportation of food grains from FCI godowns to Fair Price Shops and arrange distribution of the same through Fair Price Shops.

PDS PLAN SCHEMES:

13. While the provision for food subsidy is made in the non-Plan budget of the Central Government, for strengthening the operational machinery of the PDS, the Planning Commission provides funds under its plan programmes for the following schemes:

1) Construction of Godowns
2) Purchase of Mobile Vans/Trucks
3) Training, Research and Monitoring

14. The godowns scheme is intended to assist the State Governments/UTs. for construction of small godowns of the capacity upto 2000 tonnes. The Mobile Vans scheme is intended to provide financial assistance to the State Government/UT administrations for purchase of mobile vans/trucks for distributing essential commodities in rural/hilly/remote and other disadvantaged areas where static/regular Fair Price Shops are not found viable/ feasible. The training scheme aims at strengthening and upgrading the skill of personnel engaged in PDS and also to improve the management of supplies. The efforts of the State Governments/UT administrations, Civil Supplies Corporations etc. are supplemented by providing financial assistance for organising training programmes on PDS. Evaluation studies, research studies on various aspects of PDS are also sponsored under the scheme. Plan outlay/expenditure under the schemes are as shown in Table 4.3.2.

Table 4.3.2

PDS Schemes – Plan Outlay/Expenditure (Rs. Crore)

Scheme	1999-00 (Actual)	2000-01 (Actual)	2001.02 (BE)
1. Construction of Godowns	22.29	8.00	11.50
2. Purchase of Vans/Trucks	1.06	0.24	0.,30
3. Training, Research & Monitoring	0.49	0.16	0.50

ANNEXURE-4.1.1

(Rs. crores)

Sl. No.	Name of the Scheme	1999-2000 (Actual Expenditure	2000-2001 (B.E.)	2000-01 (R.E.)	2000-01 Anticipated Expenditure	2001-02 (B.E.)
1	2	3	4	5	6	7
	I. Department of Rural Development					
1	Jawahar Gram Samridhi Yojana (JGSY)	1689.00	1650.00	1510.00	1384.88	1650.00
2	Employment Assurance Scheme (EAS)*	2040.00	1300.00	1480.00	1419.51	1600.00
3	Swaranjayanti Gram Swarozgar Yojana (SGSY)	946.76	1000.00	620.00	544.94	500.00
4	DRDA Administration	110.00	220.00	170.00	165.97	220.00
5	Indira Awaas Yojana (IAY)	1659.00	1710.00	1710.00	1664.17	1527.00
6	National Social Assistance Programme (NSAP)	709.94	715.00	715.00	700.55	835.00
7	Grants to National Institute of Rural Development	5.00	5.00	5.00	5.00	5.00
8	Strengthening of State Training Centre	6.25	7.25	9.25	10.39	8.75
9	Strengethening of Ext. Training Centre	4.00	3.00	3.00	3.00	3.00
10	Training Courses, Seminars & Workshops	1.25	1.25	1.25	1.41	1.25
11	Communication Cell (IEC)	10.00	10.00	10.00	10.00	10.00
12	Assistance to CAPART	13.00	13.00	13.00	13.00	30.00
13	Promotion of Voluntary Schemes+	13.00	13.00	13.00	13.00	
14	Organisation of Beneficiaries (OB)+	4.00	4.00	2.00	2.00	
15	Roads in Special Problem Areas^	0.50	0.50	0.05	0.00	
16	Panchayat Development & Training	3.00	3.00	3.00	3.00	5.00
17	Monitoring Mechanism	2.00	5.00	5.00	4.50	10.00
18	Annapurna	0.00	100.00	100.00	99.80	300.00
	Sub Total I	**7216.70**	**6760.00**	**6369.55**	**6045.12**	**6705.00**
II.	**Department of Land Resources**					
1	Integrated Wastelands Development Programme	83.07	480.00	387.00	387.00	430.00
2	Drought Prone Areas Programmes	95.00	190.00	190.00	190.00	210.00
3	Desert Development Programme	85.00	135.00	135.00	135.00	160.00
4	Computerisation of Land Records	32.24	50.00	48.00	50.00	45.00
5	Strengthening of Revenue Administration and Updating of Land Records	10.25	25.00	25.00	25.00	31.00
6	Technology Development, Extension & Training	8.69	12.00	10.80	10.80	15.00
7	Others	0.00	8.00	4.13	4.13	9.00
	Sub Total II	**314.25**	**900.00**	**799.93**	**801.93**	**900.00**
	GRAND TOTAL (I and II)	**7530.95**	**7660.00**	**7169.48**	**6847.05**	**7605.00**

* For 2001-02 includes outlay for Food for Work Programme

+ Merged under Assistance to CAPART w.e.f. 2001-02

^ Discontinued w.e.f. 2001-02

Source : Ministry of Rural Development