

## Integrated Village Development

### Introduction

The saying, "India lives in its villages" is relevant even today, in the new millennium. Like India, Maharashtra too, has a large number of villages and a substantial proportion of its population living in the rural areas. About 58 per cent of the total population of the state lives in 43,722 villages; thus the rural areas need provision of adequate infrastructure to ensure a decent quality of life. Village life in the state is governed by dependency on agriculture, which in turn is plagued by the problem of low yields and low irrigated acreage, which further compounds the developmental problem. To ensure the development of villages, it is necessary to address the problem of introducing modern methods in agriculture, provision for identification of alternative sources of employment, provision of quality health facilities, education facilities, communication facilities, power supply and finally building up village institutions to empower the people. To assess village development in Maharashtra, major socio-economic indicators of development for rural Maharashtra have been examined. In addition, the programmes undertaken in the rural areas of Maharashtra have been discussed. The functioning of Panchayati Raj Institutions (PRIs) is also assessed to see its impact on village development.

### Villages in Maharashtra: Some Socio - Economic Indicators

Inhabited villages in Maharashtra have grown from 35,851 in 1961 to 35,776 in 1971, 39,352 in 1981, 40,412 in 1991 and 43,722 in 2001. Villages range from small, having a population of 200, to large, having a population of more than 10,000 persons. A larger number of villages are concentrated in the smaller size class (Table 11.1). The total inhabited villages of the state, distributed across districts for various years, show an almost equal proportion of inhabited villages in every district, the proportion being 3 to 4 per cent. Only Sindhudurg, Sangli and Osmanabad have a low proportion of the total inhabited villages of the state (below 2 per cent).

**Table 11.1: Size-Distribution of Villages in Maharashtra, 1991**

Population size	No. of villages
Less than 200	3461 (8.56)
200-499	8242 (20.39)
500-999	12,408 (30.70)
1000-1999	10,632 (26.31)
2000-4999	4,715 (11.67)
5000-9999	762 (1.89)
10,000 & above	192 (0.47)
<b>Total</b>	<b>40,412 (100)</b>

Note: Values in brackets are percentage to total.

Source: GoM (1996): Statistical Abstract of Maharashtra State, Part I, 1991-92 and 1992-93

### Rural Population

The proportion of rural population of the state has fallen from 72 per cent of total population in 1961 to 58 per cent in 2001. Maharashtra has a much lower rural population, compared to many other Indian states, indicating the rapid urbanisation in the state. District wise rural population shows that with the exception of Mumbai, Thane, Nagpur and Pune, all other districts are predominantly rural, having between 60 to 90 per cent of their population, in rural areas.

### Rural Poverty

The proportion of population below the poverty line for India, and for rural and urban Maharashtra is shown in Table 11.2. Population below poverty line for rural Maharashtra is lower than that for rural India. The incidence of rural poverty in the state increased between 1973-74 and 1977-78 and has declined thereafter. Reduction in rural poverty in Maharashtra has moved almost at the same pace as that of India. Rural poverty which was at a higher level than the urban poverty in the state till 1993-94 has come down to 23.82 per cent as against an urban poverty ratio of 26.91 per cent.

Regional variation in rural poverty does not appear to be significant as seen from Table 11.3.

**Table 11.2: Population Below Poverty Line**

Year	(per cent)			
	Maha. Rural	Maha. Urban	All India Rural	All India Urban
1973-74	57.71	43.0	56.44	49.2
1977-78	63.97	40.6	53.07	47.4
1983	45.23	40.6	45.65	42.2
1987-88	40.78	39.0	39.00	40.1
1993-94	37.93	35.15	35.15	32.46
1999-00	23.82	26.91	27.11	23.65

Source: Planning Commission, New Delhi

**Table 11.3: Region-wise Rural Poverty Rates in Maharashtra, 1999-2000**

Region	Districts	HCR
Coastal	Sindhudurg, Ratnagiri, Raigarh, Thane, Gr. Bombay	15.2
Inland Western	Kolhapur, Sholapur, Sangli, Satara, Pune, Ahmadnagar	16.2
Inland Northern	Jalgaon, Dhule, Nashik	43.3
Inland Central	Latur, Osmanabad, Nanded, Beed, Parbhani, Jalna, Aurangabad	42.2
Inland Eastern	Akola, Buldhana, Amravati, Yavatmal, Wardha, Nagpur	46.6
Eastern	Bhandara, Chandrapur, Gadchiroli	45.2

Note: Based on the use of probability of being poor functions estimated at regional level.

Source: Deaton (2003:11)

The regional variation in rural poverty is along expected lines. The coastal and inland western regions are the least poor where as Inland Northern, Inland Central, Inland Eastern and Eastern regions are relatively poorer.

### *Rural Literacy*

Literacy rate in Maharashtra is among one of the highest in the country. It ranks after Kerala and some smaller states and union territories. Maharashtra has seen a rapid increase in literacy in the last decade. Rural literacy too has increased rapidly in the previous decade; an increase of almost 15 per cent as against urban literacy which increased by 6.56 per cent. The noticeable point is the decrease in the gap between rural and urban literacy over the twenty-year period from 1981 to 2001 (Table 11.4). Rural literacy in all divisions barring Aurangabad, ranged from 69.45 per cent in Nashik division to 75.03 per cent in Amravati division in

2001. Aurangabad division had the lowest rural literacy: 65.99 per cent in 2001 and 45.7 per cent in 1991.

**Table 11.4: Literacy Rate in Rural/Urban Maharashtra**

Year	(In per cent)			
	Total Literacy	Rural Literacy	Urban Literacy	Gap Between Rural-Urban
1981	57.24	46.70	76.31	30
1991	64.87	55.52	79.20	24
2001	77.27	70.84	85.76	15

Source: Census of India 2001, Series 28, Maharashtra:

Provisional Population Totals: Rural –Urban Distribution of Population, p.41, 43

There is no major imbalance in the rural literacy across divisions or regions of the state excepting that Aurangabad division lagged behind other divisions in 1991 and 2001. Amravati division has made rapid strides in rural literacy because of which it has the highest rural literacy rate among all divisions in 2001.

### **Provision of Village Infrastructure: Maharashtra vis-à-vis Other States**

According to an index, developed by National Institute for Rural Development (NIRD) to assess the availability of social and physical infrastructure in rural areas, Maharashtra's performance vis-à-vis other states is average. Among the top 10 per cent states on the Social Development Index of rural areas, Maharashtra enjoys that position only with regard to the facility of primary school. With respect to other social indicators like pucca house, safe drinking water, toilet, medical facility and taps, Maharashtra does not figure in the top 10 per cent. In fact, in case of safe drinking water, it falls in the bottom 30 per cent of the states. For the remaining indicators of social development, the state's performance falls in the middle range. In case of some of the physical infrastructure like electricity and post and telegraph, Maharashtra falls in top 10 per cent of the states (NIRD, 1999). In short, the performance of the state vis-à-vis other states in terms of providing social and physical infrastructure to rural areas is average. In the following subsection, an attempt is made to see how villages in Maharashtra are provided for with different amenities that comprise the social and physical

infrastructure. This is done by examining the percentage of villages in the state and each district having a specific amenity. The amenities considered are those recorded in the census (Table 11.5).

**Table 11.5: Villages Served by Various Amenities**

(Per cent of Total Inhabited Villages)

Amenity Provided	1981	1991
Education	90.44	93.27
Medical	17.40	31.01
Drinking Water	100.00	100.00
Post and Telegraph	28.57	29.63
Market/ <i>Hat</i>	10.92	10.55
Communication	47.32	64.44
Pucca Road	37.44	42.23
Power Supply	67.08	95.76

Source: Compiled from Census, 1981,1991.

### *Provision of Village Infrastructure: State and District Level Performance*

The performance across types of amenities shows that the state has been most successful in providing primary education to its villages with most districts providing this facility to up to 99 per cent of its villages (Table 11.5). In the case of safe drinking water, data show that 100 per cent villages of all districts have been provided this facility. However, this figure seems to be doubtful since the NIRD report shows that in terms of safe drinking water Maharashtra falls in the bottom 30 per cent of the

states. Since mid 1970s, there have been recurrent water shortages in the state. These have been dealt with using ad-hoc measures like provision of water with water tankers, etc. Since the problem persists even today, some long-term solution is called for. Provision of power supply shows progress over the decade. For most districts, upto 80 per cent of villages have this facility. In all districts, except Gadchiroli, 50 or more than 50 per cent of the villages have been electrified. The performance in this shows improvements in 1991, with upto cent per cent of villages of some districts and 90 and higher per cent of the remaining districts being electrified.

The above are the only two facilities, (education and power) among those considered, for which the provision is satisfactory. With respect to other amenities, the performance is far from satisfactory and a wide gap remains to be covered.

In case of medical facility, there is an improvement over the decade of the eighties. Only 17 per cent of villages had this facility in 1981, though in 1991 this improved to 31 per cent. However, in absolute terms it is still low. If we look at the district-wise performance, it ranges between 6 per cent (Gadchiroli) of villages with medical facility to 37 per cent (Kolhapur) in 1981. In 1991, this is between 11 per cent (Raigad) to the best of 54 per cent (Sindhudurg) Table 11.6.

**Table 11.6: Region-wise Percentage of Villages Served by Various Amenities**

Amenity	Year	Konkan	Northern	Western	Marathwada	Vidarbha	Maharashtra
Education	1981	92.64	93.07	98.13	97.64	78.78	90.44
	1991	93.17	95.66	98.02	97.69	85.11	93.27
Medical	1981	21.94	14.81	26.28	13.63	13.04	17.40
	1991	26.17	28.67	32.26	34.83	27.78	31.01
Drinking Water	1981	100	100	100	100	100	100
	1991	100	100	100	100	100	100
Post and Telegraph	1981	29.35	29.35	44.19	27.13	18.82	28.57
	1991	27.37	35.10	43.39	25.52	20.98	29.63
Market Hat	1981	4.92	8.75	12.50	9.92	14.23	10.55
	1991	4.76	8.07	10.90	7.30	12.12	10.55
Communication	1981	61.61	61.99	62.45	44.22	27.18	47.32
	1991	74.52	78.18	74.08	64.70	44.23	64.28
Approach By Pucca Road	1981	43.25	35.75	43.93	34.80	32.95	37.44
	1991	50.25	39.63	47.70	41.14	35.64	42.23
Power Supply	1981	65.67	72.03	75.89	69.20	58.76	67.08
	1991	98.89	95.04	98.97	99.56	88.94	95.76

Source: Compiled from District Census Handbook

With respect to communication facilities, the performance shows an improvement from 47 per cent in 1981 to 64 per cent in 1991. The district-wise dispersion is not skewed. Most districts have around 30 to 60 per cent of their villages with communication facilities. In both years, Gadchiroli is the worst performer with only 12 per cent in 1981 and 23 per cent in 1991 of its villages having communication facilities.

Provisions of post and telegraph services also show a poor record. The coverage of villages, which was 29 per cent in 1981, increased to 30 per cent in 1991. District-wise performance is not skewed and the range is small in both years. Gadchiroli is the worst performer here too, in both years. In 1991, only 10 per cent of its villages were being served by this facility.

In 1981 only 11 per cent villages of the state had a market *hat* and there was very little change in this in 1991. Since this facility is not provided for, but is a feature of village life, its presence indicates the demand for this facility. Whether this needs to be improved on a priority basis or not, is not clear. Approach by pucca road is one of the major infrastructural requirements of village development and therefore, its inadequacy could prove to be the major bottleneck in village development. On this key indicator, Maharashtra did not show a promising picture in 1981, with only 37 per cent of its villages linked with pucca roads. The coverage improved to 42 per cent in 1991. District-wise performance shows that Ahmednagar was the best performer in 1981 (58 per cent coverage) and Aurangabad in 1991 (61 per cent coverage). The worst performer in both years was again Gadchiroli (19 per cent coverage in 1981 and 17 per cent in 1991).

Overall, Maharashtra has been able to address some of the requirements of village development in terms of provision of infrastructure but is lagging behind in some important ones. Primary education, communication and power seem to be the areas where the state has done a fair job so far. However, other areas such as medical facility, pucca road and most probably safe drinking water need attention. These are crucial to village development as they provide the necessary physical and human capital required for sustainable development. Among districts, Gadchiroli stands out for being a laggard in

the provision of all the amenities discussed here. One has to bear in mind the way these amenities are defined, before concluding about what has been achieved so far and what needs to be done. For example, safe drinking water is assumed to be available if there is a tap in the village. The tap may or may not be working, water may or may not be available, but presence of a tap is taken to mean availability of safe drinking water. Moreover, it is not possible to comment on the quality or the maintenance of the amenity provided; one can only infer about the quantity.

### Regional Imbalances in Provision of Village Amenities

Regional imbalance is one of the key features of Maharashtra and its development. It is mainly due to wide differences in the topography and agro-climatic variations among the five major regions of the state. Vidarbha, Marathwada and Konkan are relatively backward compared to the more developed regions of Northern and Western Maharashtra. Developmental efforts attempt to bridge these differences wherever possible.

In case of provision of primary education wide disparities are not seen. Vidarbha is lagging behind other regions but the gap has narrowed in 1991. In case of medical facilities and posts and telegraphs too there are no wide disparities in either 1981 or 1991. Western Maharashtra is the best performer with respect to these amenities. In the case of communication, some regional disparity is seen in 1981 with Vidarbha and Marathwada lagging behind the other regions. This disparity declined to some extent for Marathwada in 1991. There appears to be little disparity across regions in provision of pucca road and power supply. However, once again Vidarbha lags behind in provision of power supply. On the whole, there are no major disparities across regions in provision of village amenities except that Vidarbha as a region lags behind in provision of amenities like power supply, communications and education. However, it is to be noted that in terms of market/*hat* Vidarbha has a better coverage than the other regions. This is due to the fact that Vidarbha has been a long-standing supplier of raw materials like cotton, oilseeds etc.

Regional Development Boards were set up in 1991 for removing the developmental backlog and

correcting the regional imbalance. However, their functioning has not been satisfactory. They have been viewed as aiding the divisive forces in the state rather than as pragmatic solutions to removal of the developmental backlog. There have also been criticisms of misuse or diversion of funds for other purposes. Their functioning needs to be improved to address the long pending problem of regional imbalance more effectively.

### Village Development Programmes

To accelerate the pace of development of rural areas, a variety of special programmes sponsored by the Centre, State or partly by both are used. Different programmes are aimed at different aspects of rural development. These programmes can be categorised broadly as a) Employment Generating b) Anti-poverty or Poverty Alleviating and c) Rural Infrastructure creating programme. Any one programme may be addressing more than one of the objectives.

Budgetary allocation for rural development, as per cent of total Plan Outlay, has been 11 per cent in the Eighth Five Year Plan (1992-97), 9 per cent in the Ninth Five Year Plan (1997-2002) and 10 per cent in the Tenth Five Year Plan (2002-2007). Within rural development, programmes for employment generation have been allotted 59 per cent of the total allocation for rural development in the Tenth Five Year Plan whereas IRDP, an anti-poverty programme, is allotted 3.3 per cent. This underlines the importance of the employment generation programmes for the rural areas of the state.

Employment guaranteeing programmes like the Employment Guarantee Scheme (EGS) or Employment Assurance Scheme (EAS) are meant to tackle immediate problems of wide spread poverty due to calamities like droughts, floods, etc. These are meant to offer immediate relief and generate some work and income for the very poor in rural areas either during the non-farming season or during the farming season when there is a drought or flood and agriculture is badly affected. To tackle the problem of rural poverty on a sustainable basis, however, the above effort is not enough. Hence, some assistance in asset creation at a personal level is necessary to enable the rural poor to raise

themselves above the poverty line. The Integrated Rural Development Programme (IRDP) was launched with this aim. The third category of programmes, i.e., those meant to develop rural infrastructure, are necessary because an effort has to be made to develop the rural area not only with respect to increasing incomes level but to develop infrastructure to help the poor. Hence, some programmes are aimed at giving incentives to people to build up their personal assets, e.g. smokeless chullas or constructing better dwellings. Examples of these types of schemes are Indira Awaas Yojana, Water Supply Schemes, Biogas plants, etc. All the three categories of programmes are addressing the problem of rural poverty and underdevelopment at different levels. One major programme in each of the categories mentioned above is discussed in the sub-sections to follow.

### *Employment Guarantee Scheme*

The EGS was launched formally in 1972 to check the rural to urban migration as well as to provide employment to those willing to work for a minimum wage. The objective of EGS is to provide gainful and productive employment to the people in the rural areas and in the areas of 'C' class Municipal Councils who are in need of work and are prepared to do unskilled manual work on the principle of work on demand.

The budget provision on EGS has continuously increased from Rs. 22.3 million in 1972-73 to Rs. 6670 million in 2000-01. Data show that the utilisation of funds has been satisfactory. This indicates that the demand for the scheme continues to be strong. One of the major requirements of the EGS is that more than 60 per cent of the expenditure is to be spent on wages to ensure generation of labour intensive work. This has been achieved successfully in all the years with the wage component being at times 90 per cent of the total expenditure.

The average daily attendance is seen to be high, ranging between 0.5 million to 0.6 million during seventies and even early eighties. In the late eighties it started to decline to around 0.27 to 0.38 million. After 1995, it further declined to around 0.096 to 0.17 million. Hence, a continuous decline in the average labour attendance is seen over the years.

The break up of activities taken up under EGS, from 1990s, shows that while irrigation and forestry works have declined, works related to roads, horticulture, Jawahar wells, etc. have increased. Agriculture related works have remained more or less the same.

Because of its success and need, the EGS was modified to include horticulture programme (1990), Jawahar wells (1988) and Shram Shakti Dware Gram Vikas programmes. This was to bring in new area like horticulture and total village level planning and building infrastructure required by the village as a whole. The norm for expenditure on labour was also relaxed in 1997.

Several studies show that EGS funds are mainly generated from taxes paid by the urban population. Dev (1995) contends that the contribution of EGS to income of EGS households is substantial. Other indirect benefits are stabilisation of incomes of rural poor (even if there is no increase) and creation of durable rural assets. He finds evidence (Sathe, 1991) that assets created under EGS led to improvement in income of agriculture and rural non-agricultural households. Moreover, it was found that the EGS wage rate influenced the general agricultural wage rate in the state. The importance of EGS lies in its guarantee of work, which acts as an assurance. It also performs much better than other poverty alleviation schemes/programmes like National Rural Employment Programme (NREP), Rural Landless Employment Guarantee Programme (RLEGP) and IRDP (Acharya, 1990; World Bank, 1989).

Problems in the working of EGS have also been studied and discussed. There have been problems of leakage of funds, corruption and also of the wage rate where the recipients have not always got the minimum wages (due to the complicated piece rate system). Moreover, starting an EGS site requires a lot of advance planning of work in groups of villages and then on execution of these plans by officials of the irrigation, agriculture and forestry departments. Regarding the assets created, there is a concern on the quality and development impact of these assets.

Despite these drawbacks, the EGS is a popular scheme in Maharashtra. It is successful in its target of providing relief to the poor and unemployed in rural areas during the lean season or the agriculture season (in the case of drought) as well as in creating

rural assets. The demand for EGS is still high especially in districts like Solapur.

Some aspects of EGS may be reviewed, one being that of the assets created not being durable. This can be tackled by making provision for undertaking maintenance works of the assets created as part of new EGS works. The other question that is often raised is that of allowing some machinery to be used to make asset more durable. For this, the norm of 60 per cent expenditure on labour has already been relaxed. Often a question is also raised whether EGS should remain a temporary drought relief programme or be converted into an antipoverty programme. It may be said that until Maharashtra does not address its problem of irrigation adequately, programmes like EGS will be needed.

### *Indira Aawas Yojana*

In June 1985, Government of India pronounced that some part of fund of Grameen Bhumiheen Rojgar Hami Karyakram be kept aside for the construction of houses for people of Scheduled Castes (SC), Scheduled Tribes (ST) and *mukta vetbhigari* (bonded labourers who are now freed). From this fund, the Indira Aawas Yojana (IAY) was started as subscheme of Grameen Bhumiheen Rojgar Hami Karyakram in 1985-86. But soon after, when the Jawahar Rojgar Yojana (JRY) was started in 1989, IAY was continued as a subscheme of JRY. Out of total funds of JRY, six per cent was allocated for implementation of IAY. From the year 1993-94 the scope of IAY was increased to include the Non-SC/ST families below poverty line. Taking this fact into consideration, funds allocation for implementing the scheme was increased from 6 to 10 per cent of the JRY budget at national level, provided that the distribution of funds to BPL non-SC/ST families should not exceed 4 per cent of total allocation of IAY. As of now, IAY is separated from JRY and from 1<sup>st</sup> January 1996 it is functioning as an independent scheme.

The purpose of IAY is to provide houses free of cost to the poor (BPL) families in the rural areas. Under this, from 1999 the government has fixed Rs. 30,000 per house of which Rs. 1500 will come from the beneficiary. The scheme was modified to allow for construction of new houses (80 per cent of funds) and upgradation of unserviceable kutchas

houses (20 per cent of funds). For the latter, Rs. 10,000 per unit are allowed. These can also be used for constructing sanitary latrines and smokeless chullas.

Utilisation of funds of IAY is above 55 per cent in almost all the districts in Maharashtra in all the years (1997-98 to 2000-01). The percentage of ST population covered is decreasing in all the districts in Maharashtra. Highest number of ST beneficiaries has been covered in Thane in all the concerned years (from 1997-98 to 2002-03). The percentage of houses completed to the annual target is seen to be decreasing over a period of 1997-98 to 2002-03 from more than 60 per cent in the initial years to below 25 per cent in all other districts. However, work in progress on new houses and upgradation as percentage of target is substantial, i.e. more than 50 per cent. IAY is picking up rapidly and is addressing the question of providing shelter to the rural poor. There is a demand for this and such a scheme must be further strengthened.

### *Integrated Rural Development Programme (IRDP)*

The Integrated Rural Development Programme (IRDP) was initiated in 1978. The objective of this programme was to integrate different activities locally in micro-level planning framework at the district and block levels. But in the Sixth Five Year Plan, when the programme was extended from selected districts to the whole country, it was simplified to being mainly a small loan-cum-subsidy programme (Loan of Rs. 7 to 8 thousand at 1991-92 prices). It was meant to generate self-employment among families identified as below the poverty line (Families whose annual income did not exceed Rs. 3500 at 1980-81 prices).

IRDP was criticised mainly for its administrative targeting approach, for the excessive centralisation in decision-making and for the utilisation of loan by the beneficiaries (Rath, 1985; Dreze, 1990). However, according to studies based on large samples by RBI, NABARD, Planning Commission and IFMR, IRDP has not been an absolute failure. These studies found that half the sample households in each study had received IRDP funds and 21 to 50 per cent had crossed the poverty line. It was observed that majority of respondents are satisfied with IRDP (NIRD, 1999). Another

study concluded that the more developed regions and families nearer to the poverty line showed a better performance when compared to others. Assistance went to deserving poor and the communities had adequately participated in beneficiary selection, the assets distributed were sectorally balanced and the record of repayment was no worse than that in other Government programs (Kurien, 1987).

Despite some of the encouraging assessment of IRDP as noted above, the government noted that IRDP has not been successful as expected since the number of people crossing poverty line were few and the over dues were very large (GoI, 1992). Considering the strength and weaknesses of this scheme, various alterations were made to it through Seventh and Eighth plan such as decentralisation through District Rural Development Agency (DRDA) and Block authorities playing an important role to ensure people's participation as well as meeting location specific requirements. It was also decided to refinance some of those families who had not been able to cross the poverty line. Upto 30 per cent reservation was to be made for women although this was family targeted programme.

### *Swarnajayanti Gram Swayamroozgar Yojana (SGSY)*

Currently, SGSY is the single self-employment program for rural poor. It was initiated on 1<sup>st</sup> April 1999. It replaced the earlier self-employment and allied programs like IRDP, DWCRA, TRYSEM, etc.; these programs are no longer in operation. Table 11.7 shows the performance of SGSY.

**Table 11.7: Performance of SGSY, up to December 2002**

Beneficiaries		SHGs	
Swarojgaries (No)	22663	Groups Members Assisted	10,546
Subsidy to Swarojgaries (Rs.millions)	225.6	Groups Assisted (No)	928
Credit to Swarojgaries (Rs. millions)	401.2	Subsidy to SHG Swarojgaries (Rs. millions)	109.7
Assistance per Beneficiary (Rs.)	27,658	Credit to SHG Swarojgaries (Rs. millions)	155.5
		Assistance per SHG (Rs. App.)	2,76,077

Source: Economic Survey of Maharashtra, 2002-03, p.215

The objective of SGSY is to bring the assisted poor families (Swarojgaris) above the poverty line by ensuring appreciable sustained level of income over a period of time. It is rooted in the belief that rural poor in India have competencies and given the right support, they can be successful producers of valuable goods/services. So persons assisted under this program will be known as "Swarojgaris".

The programme targets mainly the rural poor and that too the most vulnerable among them. At least 50 per cent of swarojgaris will be SCs/STs, 40 per cent woman and 3 per cent disabled. One of the distinctive features of the programme is the group approach. This would involve organisation of poor into Self-Help Groups (SHG). SGSY is a credit cum subsidy programme. Credit is a critical component while subsidy will be only an enabling element of this program. Credit will be multiple-credit rather than one time credit injection. Subsidy will be uniform at 30 per cent of the project cost subject to ceiling of Rs. 7,500 and for SCs/STs it would be 50 per cent with the ceiling of Rs. 10,000. For Self-Help Groups, subsidy would be 50 per cent of the project cost with the ceiling of Rs. 0.13 million. But for the irrigation projects there will be no limit. Institutions like banks, panchayats, gram sabhas, NGOs and technical institutions have an important role to play in the planning, capacity building, choice of activity of SHGs, selection of individual swarojgaris, pre-credit activities and post-credit monitoring including loan recovery. SGSY is a centrally sponsored scheme and funding is shared by Central Government (75 per cent) and State Government (25 per cent).

### *Appraisal of SGSY*

Under SGSY, up to December 2002, 928 SHGs were assisted with Rs. 109.7 millions and Rs. 155.5 millions of credit. Utilisation of funds of SGSY in all the districts of Maharashtra is above 60 per cent. In case of Ahmadnagar, Nanded, Bhandara, it is about 100 per cent. The percentage of SC beneficiaries to total has not increased remarkably over the years in the state. It has been relatively greater in Pune and Aurangabad divisions during 1990 to 2002. In the latest year, i.e. 2002, it is highest in Kolhapur (49.32 per cent) and lowest in Dhule (1.75 per cent). The percentage of ST beneficiaries is higher in districts of Thane, Nashik,

Dhule, and Gadchiroli in the year 1990, 1995 and 2002. Since the coverage of the SC/ST beneficiaries under SGSY is less than the guidelines of 50 per cent, the field level machineries have been directed by the government to increase the percentage of SC/ST beneficiaries. Percentage of woman beneficiaries under SGSY has increased substantially. Among the SHGs, 90 per cent are women's groups. In fact, SHGs have become so popular that the problem now facing the government agencies is to make adequate credit available to the SHGs. This indicates that the rural poor, particularly women, have been motivated to empower themselves. On its part, the government is making several attempts to improve credit availability. For instance, joint workshops of NGOs, bank representatives, and field officers were arranged at state as well as division level to overcome the common problems arising in disbursement under the scheme. Also, this issue is always raised at the State Level Bankers Committee (SLBC) and State Level Co-ordination Committee (SLCC) under SGSY. Activities undertaken under SGSY are predominantly activities under the primary sector like irrigation, land development, animal husbandry and others. Out of total number of loans, almost 70 per cent are for dairy activity. However, the percentage coverage of primary sector is decreasing over time and the coverage of the secondary sector is increasing in all divisions of Maharashtra excluding Aurangabad and Amravati Division. Under secondary sector, activities undertaken are those of masala making, vegetable vending, tailoring, etc. With greater participation of women in SGSY, the challenge now may be of identifying adequate and viable commercial activities for them to pursue. In this respect, the government machinery ensures that the commercial activities are selected based on the availability of inputs in the local areas and marketing facilities for the goods produced by the SHGs. To provide marketing facilities to the products produced by the SHGs under SGSY, government arranges an exhibition-cum-sale named 'SARAS' at the state and national level every year. However, lack of credit or viable commercial activities need not become the main stumbling block in a programme like this because empowerment of women or the poor need not be only through increased income generation. This



should not be seen as a failure of the programme or the developmental effort. Raising awareness of the poor through these programmes is also a way to empower them.

### *Sampoorna Gramin Rojgar Yojana (SGRY)*

The SGRY was proposed in the Tenth Five Year Plan as an important poverty alleviation scheme. It combined the earlier two schemes, namely, Employment Assurance Scheme (EAS) and the Jawahar Gram Samridhi Yojana (JGSY). Though the scheme was implemented from September 2001, in Maharashtra it came into effect in January 2002. The main objective of this scheme is to provide food and nutrition to the poor, and to create durable community assets in rural areas. SGRY has both cash and kind component. While 5 kgs of food grains (wheat and rice at the rate of Rs. 5/- and Rs. 6/- per kg. respectively) is made available per manday to the workers, the rest of the wage is paid in cash. The SGRY is implemented in two streams: the first at the district and panchayat samiti, and the second at the village panchayat level. Under the first stream, 22.5 per cent of funds are provided to individual beneficiaries of SC/ST families living below the poverty line. In 2002-03, (upto December 2002) 11.8 million mandays of employment was generated. Under the second stream, 50 per cent of funds are spent for creations of need-based village infrastructure in SC/ST habitation/ward. During 2002-03 (up to December 2002) the second stream provided 11.6 million mandays of employment.

All the anti-poverty programmes, especially IRDP, have been criticised mainly because they could not achieve what they had meant to achieve. Changes were incorporated in their designs (e.g. DWCRA was launched as sub-scheme of IRDP, then Self Help Groups in the form of the Maharashtra Rural Credit Project (MRCP)) to enable a better success rate. It is now seen that probably the modifications made in the IRDP over the years may be ensuring better success. The Self-Help Groups based programmes e.g., MRCP or now SGSY, are showing a much better performance in Maharashtra as they are in other states as well. Of course, these too are not problem free but they are perceived to be better than the earlier IRDP by all agencies concerned, namely the government, the banks/lending institutions and the beneficiaries.

In conclusion, intervention for village development has seen some success and it is necessary to build on this success to further catalyse, and speed the pace of development of the villages in Maharashtra.

### **Village Development in Tribal Areas**

Maharashtra has 10.17 per cent of India's total tribal population according to the 2001 census. The tribal population is 8.85 per cent of the total population of the state. There are in all 47 scheduled tribe communities (Tribal Research Bulletin-2000, Vol.XXII (1), p.1). The total tribal area of Maharashtra is 307713 sq. km, which is 19 per cent of the total geographical area of Maharashtra. These scheduled area of Maharashtra spread over 11 districts of Thane, Nashik, Dhule, Jalgaon, Ahmednagar, Pune, Nanded, Amravati, Yavatmal, Gadchiroli, and Chandrapur. The district-wise proportion of tribal population to total population of these tribal concentrated districts is shown in the table below. The Bhils, the Varlis, the Katkaris, the Kolams and the Gonds are some of the major tribes found in the state.

To assess the development of the tribal areas, the following approach has been adopted. Firstly, the districts having a high concentration of tribal population have been identified (Table 11.8). Secondly, the schedule tribe population of the various tahsils of the above-mentioned districts have been looked into. From here, the tahsils having a high tribal population and those with low tribal population have been selected. High tribal population is defined as: schedule tribe population above district average (1991) and low is defined as scheduled tribe population below district average.

**Table 11.8: Tribal Population, 1991 and 2001**

District	Tribal Population as per cent of Total Population	
	1991	2001
Dhule	40.87	26.00
Gadchiroli	38.70	38.30
Nashik	24.18	23.90
Yavatmal	21.46	19.30
Chandrapur	19.70	18.10
Thane	18.12	14.70
Amravati	14.38	13.70
<b>Maharashtra</b>	<b>9.72</b>	<b>8.85</b>

Source: Census of India, 1991, 2001

With this, the tribal and non-tribal tahsils in the districts have been demarcated. The tribal areas comprise of the tahsils with high tribal concentration. The development of tribal tahsils vis-a-vis the development of non-tribal tahsils has been assessed by examining some social indicators of development. The findings are given in the following paragraphs.

Literacy rate of tribals (STs) is much lower than the literacy rate of general population except in case of Thane. Difference in the literacy rate of tribals in tribal and non-tribal tahsils is substantial in the case of districts like Amravati, Thane and Gadchiroli, but the difference is not so marked for Dhule, Nashik and Yavatmal.

In the case of education, post and telegraph, market/*hat*, communication, pucca road and power supply, the non-tribal tahsils of all districts have a better coverage than tribal tahsils. Among districts, Thane shows minimal difference between the tribal and non-tribal tahsils. Across facilities, education shows a better coverage and along with the facility of market/*hat*, displays minimal discrepancy between coverage of tribal and non-tribal tahsils.

In the case of medical facility, the percentage of villages having medical facility (Primary Health Centre) at district level is low in all the tribal districts (16 to 37 per cent). Dhule, Amravati and Thane have a lower percentage of villages having medical facility in tribal tahsils than in non-tribal tahsils. For Gadchiroli, Nashik and Yavatmal the picture is reversed; in these districts, tribal tahsils have a higher percentage of villages with medical facility as compared to the non-tribal tahsils. This could be due to special tribal health programmes initiated at the districts of Gadchiroli, Nashik and Yavatmal.

Programmes like IAY, aimed at the tribal populace are aiding development of the tribal areas. About 38 per cent of the state's ST population has been covered under the IAY. There are regional variations; Konkan and Northern Maharashtra have a better coverage (above 55 per cent), Vidarbha region shows 38 per cent coverage and Western Maharashtra and Marathwada are lagging behind with a low coverage of the ST population (Table 11.16).

Overall, within the tribal districts, the tribal tahsils are backward relative to non-tribal tahsils in

terms of the social indicators and infrastructure considered here. The exception is medical facility. In Nashik, Yavatmal and Gadchiroli, provision of medical facility shows a better coverage in the tribal tahsils compared to the non-tribal tahsils. This may be attributed to the special health programmes operative in these districts.

### Panchayati Raj and Village Development

After the formation of the unilingual state of Maharashtra on 1<sup>st</sup> May 1960, the then Chief Minister Y. B. Chavan advocated the creation of a democratic socialist state with the help of PRIs. In pursuance of the recommendations of Balwantray Mehta Committee, the state government appointed the V. P. Naik Committee in 1960. The latter opted for a three-tier structure like that of the Mehta Committee. But unlike the Mehta Committee, it suggested that the Zilla Parishads (ZPs) be all-powerful in the hierarchical structure of panchayats. It recommended the devolution of power of taxation and disbursement of development funds to the ZPs. Thereafter, the Maharashtra Zilla Parishad and Panchayat Samiti Act, 1961 was enacted. Village panchayats had already been in existence under the Bombay Village Panchayats Act, 1958. Thus, the three-tier panchayati raj system in the state comprising of the Gram Panchayat (GP) at the lower, Panchayat Samiti (PS) at the middle, and ZP at the highest levels, was introduced. As recommended by the Naik Committee, the government also appointed Panchayati Raj Evaluation Committees periodically to review the functioning of panchayats. The notable among them are the Bongirwar committee and Patil committee. Maharashtra is considered one of the few states, which has satisfactorily implemented the panchayati raj system in the wake of Balwantray Mehta Committee report of 1957 (Mathew, 1994).

In compliance with the 73<sup>rd</sup> constitutional amendment, the Maharashtra Zilla Parishads and Panchayat Samitis' (Amendment) Act, 1993 was enacted. As most of the provisions of the 73<sup>rd</sup> constitutional amendment were already in operation, only minor changes have been made. Many provisions of the 73<sup>rd</sup> constitutional amendment were similar to the recommendations made by the Patil Committee earlier. In pursuance of the

Provisions of Panchayats' (Extension to Scheduled Areas) Act, passed by union government in 1996, the Maharashtra Zilla Parishads and Panchayat Samitis (Extension to the Scheduled Areas and Amendments) Act was passed in 1997.

The government, placing emphasis on the district as the basic unit of planning and development, in 1974 facilitated the formulation of the District Planning and Development Councils (DPDC), and its executive and sub-committees. In view of the 74<sup>th</sup> amendment, the DPDCs have been dissolved since March 1999. However, the District Planning Committees (DPCs) as per the provision prescribed under Article 243 ZD (1) of the Constitution has not yet been constituted like that of Karnataka, West Bengal, Kerala, Madhya Pradesh and many other states. The main functions of the DPCs include preparation of the draft plan and the Five-Year Plan for the district, monitoring and reviewing of development plan, recommending the sanctioned development plan of the district to the state government, etc.

The first elections for the ZPs and PSs were held in 1962, and then in 1967, 1972 and 1979. The elections were postponed on some political pretext or the other and in certain areas ZPs were superseded by the government (Sirsikar, 1995). After a lapse of thirteen years, elections were then held in 1992, 1997 and 2002. These elections are party based. In fact, the PRIs and cooperatives were looked upon as the training grounds for the emerging political leadership.

### *Structure of PRIs*

The ZP is an autonomous body with a corporate character. It is composed of directly elected councillors (numbering 50 to 75) and chairman of the PSs as per the amendments made to the Zilla Parishad Act in the light of the 73<sup>rd</sup> Constitutional Amendment Act, 1992. The amended act abolished the earlier provision of inclusion of the Chairpersons of cooperative societies and the Director of Land Development Bank as the associate members. The president and vice-president of the ZP are elected from amongst the elected members. While the term of the members is five years, it is one year each for the president and vice-president.

The Zilla Parishad Act provides for a committee form of governance. According to the Maharashtra Zilla Parishads and Panchayat Samitis Act, 1961 (amended in 1966), each ZP has a standing committee. Besides, there were six subject committees each dealing with finance, works, agriculture and cooperation, health, education and social welfare. On the recommendation of Patil Committee, three more subject committees have been added to deal with animal husbandry and dairy, women and child welfare and water conservation. The standing committee consists of the president of ZP as its chairman, chairmen of the subject committees, seven elected members and two co-opted persons having special knowledge and experience. It has the power to override decisions taken by the subject committees and provide the necessary checks and balances. The chairman of the ZP is the ex-officio member of all the subject committees, thereby coordinating all the works.

The PS consists of only the directly elected members. Every ZP has two PSs. The members of PSs are elected from the electoral colleges in the Block for which each ZP electoral division is divided into two electoral colleges. The chairman and deputy chairman of the PS are elected from amongst the directly elected members. The term of membership is five years, and for the chairman and deputy chairman one year each. Unlike ZPs, there is no committee system at the PS level. In the overall structure of panchayati raj in the state, PS is given a negligible role. It acts almost like an agency of the ZP for all practical purposes (Khanna, 1994; Sirsikar, 1995; World Bank, 2000).

The panchayat is composed of 7 to 17 directly elected members (depending upon the population). The GP members elect the sarpanch and the upa-sarpanch for a five-year term. Of course, it is against the provision of direct election for the sarpanch and up-sarpanch as per the 73<sup>rd</sup> constitutional amendment.

### *Reservation of Seats for Hitherto Excluded Groups*

As per the provisions of the Zilla Parishad and Panchayat Samiti Act, 1961 and the Bombay Village Panchayat Act, 1958 seats were reserved for the SCs and STs in ZPs, PSs and GPs. Following the Patil committee recommendations, 30 per cent

reservation for women was provided in all the PRIs since 1992. In fact, Maharashtra was the first state in the country to provide 30 per cent reservation for women in the panchayati raj bodies. The Zilla Parishad and Panchayat Samiti Act, 1961 and the Bombay Village Panchayat Act, 1958, which were amended in conformity with the 73<sup>rd</sup> constitutional amendment, enhanced the provisions of reservations for women (up to 33 per cent) and introduced reservation for the backward classes (27 per cent) on rotation basis. Offices of sarpanch, chairperson of the PS and president of the ZP are reserved for the scheduled castes and tribes as per the proportion of their population and 27 per cent for the OBCs on a rotation basis. One third of the number of these offices (including those reserved for SC, ST and OBC persons) are also reserved for women by rotation. Of the nine subject committees of the ZP, the chairperson of social welfare committee should be from SC/ST communities, and the chairperson of the women and child welfare committee from amongst the women councillors.

#### *Financial Resources and Expenditure Pattern*

The local bodies receive grants from the state and central governments for implementing the development programmes. The state government releases grants to the ZPs, which in turn, finance the PSs and GPs. The finances of the ZP comprise self-raised resources like taxes, fees, cess on land revenue, assigned revenues and government grants. The grants made to a ZP include purposive grants, establishment grants, incentive grants, plan grants, grants for agency schemes, local cess matching grants, etc. Consequent upon the recommendations of the successive evaluation committees, the state government has attempted to strengthen the resources of the ZPs. The recommendation of the Bongirwar Committee that cent per cent grants be given to the ZPs for meeting the expenditure on transferred schemes and establishment was accepted. The recommendation of Patil Committee for the enhancement of the financial resources of the ZPs has also been more or less accepted and a finance commission has been constituted at the state level for determining the quantum of resources to be transferred to the ZPs. The last three years average annual income from all sources (Table 11.9) shows that the ZP of Pune has the highest income in the state having over Rs. 4 billions. Some other

districts like Nashik, Amhednagar, Satara, Solapur and Amravati have income between Rs. 2 to 3 billions. Sindhudurg, Wardha, Gadchiroli and some of the newly created districts have income up to only Rs. 1 billion.

As regards the average income from their own resources (Table 11.10), a majority of the ZPs has income from Rs. 20 to 50 millions only. The ZP of Pune has a maximum income (Rs. 50 to 90 millions). The ZPs having income up to Rs. 10 millions from own resources are from districts like Sindhudurg, Aurangabad and Latur.

**Table 11.9: Classification of Districts based on the Average Income of ZPs** (In Rs.)

Particulars	No.	Name of districts
4 to 5 billions	1	Pune
3 to 4 billions	Nil	-
2 to 3 billions	5	Nashik, Ahmadnagar, Satara, Solapur, Ammaravati
1 to 2 billions	20	Thane, Raigad, Ratnagiri, Dhule, Jalgaon, Sangli, Kolhapur, Aurangabad, Jalna, Parbhani, Beed, Nanded, Osmanabad, Latur, Buldhana, Akola, Yavatmal, Nagpur, Bhandara, Chandrapur
0.50 to 1 billion	3	Sindhudurg, Wardha, Gadchiroli
Up to 0.50 billion	2	Washim, Nandurbar

Note: Based on average income of last three years (1998-99, 1999-2000 and 2000-01)

Source: Bureau of Economics and Statistics, Maharashtra

**Table 11.10: Classification of Districts according to Average Income of ZPs from Own Resources** (In Rs.)

Particulars	No.	Name of the districts
50 to 90 millions	1	Pune
20 to 50 millions	19	Raigad, Thane, Nashik, Jalgaon, Ahmadnagar, Satara, Sangli, Solapur, Kolhapur, Jalna, Parbhani, Beed, Nanded, Buldhana, Akola, Amravati, Yavatmal, Nagpur, Chandrapur, Bhandara
10 to 20 millions	4	Ratnagiri, Dhule, Osmanabad, Gadchiroli
Up to 10 millions	6	Sindhudurg, Nandurbar, Wardha, Aurangabad, Latur, Washim

Note: Based on average income of last three years (1998-99, 1999-2000 and 2000-01)

Source: Bureau of Economics and Statistics, Maharashtra

It is reported that the share of government grants to the total income of the ZPs has increased

noticeably since 1994-95 (as per the data provided by the Project Formulation and IRDP Cell, Department of Rural Development and Water Conservation, GoM). In the state as a whole, the government grant in aid constitutes nearly 75 per cent of total income of ZPs in 1999-2000. The ZPs of the western region are relatively less dependent on government grants (63 per cent). The share of government grant to total income is less in Pune ZP (42 per cent). Over 87 per cent of the total income of the ZPs of the Konkan region is covered by government grants. In almost all the ZPs there is an increased dependence on government grants. To go by the Economic Survey of Maharashtra, the proportion of self-raised financial resources of the ZPs has declined over the years. It has come down to only 3 per cent in 2000-01 as against 9 per cent in 1970-71.

The PS does not have independent sources of revenue, as it is not a corporate body. It receives block grants from the state government through the ZP and prepares, executes, supervises and administers developmental schemes financed from these grants.

The main sources of finance of a GP are the land revenue and the cess thereon as also the grants from the state and central governments. In addition, it levies taxes (on buildings, fairs and festivals, pilgrimage, trade, general sanitary cess, etc.) under Section 124 of the Bombay Village Panchayat Act, 1958. The GPs in the districts of Raigad, Jalgaon, Pune and Kolhapur have incomes over Rs. 0.25 million each on an average (Table 11.11).

**Table 11.11: Classification of Districts according to Average Income of GPs (Rs.)**

Particulars	No.	Name of the Districts
Above 0.20 million	9	Raigad, Jalgaon, Pune, Kolhapur, Thane, Ratnagiri, Sindhudurg, Satara, Nagpur
0.10 to 0.20 million	10	Nashik, Dhule, Ahmadnagar, Sangli, Solapur Latur, Nandurbar, Parbhani, Amravati, Yavatmal
Up to 0.10 million	12	Aurangabad, Jalna, Buldhana, Osmanbad, Akola, Washim, Wardha, Bhandara, Chandrapur, Gadchiroli, Beed, Nanded

Note: Based on average income of last three years (1998-99, 1999-2000, 2000-01)

Source: Bureau of Economics and Statistics, Maharashtra

The GPs of 12 districts in the state have less than a Rs. 0.10 million of income. The GPs depend to a large extent upon government grants. It is reported that the share of grants and donations to total income of GPs shows an increasing trend across the districts.

About 45 to 50 per cent of the total income of the GPs in the state comes from government grants. The GPs of the Konkan region particularly of Thane are to a large extent self-supportive. The government grants and their income from own sources is negligible. The panchayats of the majority of the districts in the state have an income of less than Rs. 50, 000 from their own resources (Table 11.12). As a result, they are unable to undertake development work independently.

**Table 11.12: Classification of Districts according to Average Income of GPs from Own Resources (Rs.)**

Particulars	No.	Name of the Districts
Above 0.10 million	1	Raigad
0.05 to 0.10 million	7	Thane, Nashik, Jalgaon, Pune, Satara, Kolhapur, Nagpur
Up to 0.05 million	23	Ratnagiri, Sindhudurg, Dhule, Nandurbar, Ahmadnagar, Sangli, Solapur, Aurangabad, Osmanabad, Latur, Buldhana, Amravati, Wardha, Chandrapur, Gadchiroli, Jalna, Parbhani, Beed, Nanded, Akola, Washim, Yavatmal, Bhandara

Note: Based on average income of last three years

Source: Bureau of Economics and Statistics, Maharashtra

Paucity of financial resources as a major weakness of the panchayati raj bodies has been noted by the Evaluation Committees and other studies (Bongirwar Committee Report, 1971; Patil Committee Report, 1986; Sirsikar, 1995; World Bank, 2000). To go by the Report of the Eleventh Finance Commission of India (2000-2005), the income from own resources (tax and non-tax) of the PRIs in the state as a whole constitutes only 3.40 per cent of their total revenues, which is less than the all-India average (3.49 per cent). The share of own income of PRIs to total revenue is many times higher than Maharashtra in states like Panjab, Haryana and Kerala. There is an increasing trend of dependency on government grants. The government grants are mostly scheme bound. Of the twenty-seven total recommendations made by the State Finance Commission on devolution of grants and

taxes to PRIs, the state government has accepted only twelve recommendations fully. While four recommendations including the one on share in profession tax were rejected totally, eleven recommendations were accepted partially (Mathur, 2003).

The single largest item of expenditure of ZP in the state is education, which amounts to nearly half of the total expenditure (Table 11.13).

**Table 11.13: Average Expenditure of ZP under Various Heads** (per cent)

Various Heads	1987-88 to 1991-92	1992-93 to 1996-97	1997-98 to 2000-01
General administration	10.82	8.60	6.19
Education	54.71	48.63	49.28
Medical	8.51	7.62	7.50
Agriculture	0.47	1.81	1.91
Animal husbandry	1.65	1.19	1.19
Building & communication	8.59	9.63	8.43
Social welfare	1.69	1.90	2.02
Community devt.	0.27	2.58	3.01
Forestry	0.50	0.35	0.19
Public health engg.	2.95	3.62	4.37
Irrigation	3.91	5.61	3.54
Others	5.94	8.46	12.36
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Economic Survey of Maharashtra, Relevant Issues

The expenditure on social welfare, community development, etc., is not substantial. Establishment charges also constitute an important item of expenditure of the ZP. The rising trend of establishment costs of ZP has been observed by other studies also (Vithal and Rao, 1997). Bulk of the expenditures of the GPs in the state is incurred on items like administration, health and sanitation, and public works. The expenditure on health and sanitation as well as public works has increased (Table 11.14).

### Accountability Mechanism

Passing a no-confidence motion, by a vote of simple majority, can do the removal of heads of ZP, PS and GP. The standing committee of the ZP can also remove sarpanch or up-sarpanch on the grounds of misconduct. Similarly, the state government can also remove the chairperson and vice-chairperson of the PS and the president and vice-president of ZP. The Gram Panchayat Act and Zilla Parishad and

Panchayat Samiti Act have made provisions for holding the gram sabhas at the panchayat level and gram sabhas at the block levels to strengthen the peoples' participation. A sarpanch (or in his absence the up-sarpanch) has to call at least four meetings of the gram sabha during a financial year to approve the budgets, identify the beneficiaries of various programmes, etc. To build the linkage between the three tiers, Prabhag Committees are formed at the block level where the ZP councillors, PS members and sarpanchs participate. However, the gram sabha has very limited power. In September 2002, the state government decided to amend the Gram Panchayat Act to give more powers to gram sabhas. The GP will have to seek a prior permission of gram sabha before implementing any government scheme or programme. A gram sabha will also decide about the prospective beneficiaries of these schemes. It will have the power to seek information in cases of corruption or irregularities by the local government employees and submit a report to the authorities that are expected to take action within three months.

**Table 11.14: Average Expenditure of GPs under Various Heads** (In per cent)

Items	1987-88 to 1991-92	1992-93 to 1996-97	1997-98 to 2000-01
Administration	22.07	20.54	15.94
Health & sanitation	20.83	26.36	31.83
Public works	30.82	31.12	32.54
Public lighting	10.13	7.89	5.46
Education	3.50	1.97	1.51
Welfare of people	6.06	8.57	6.90
Others	6.59	3.56	5.83
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

Source: Economic Survey of Maharashtra, Relevant Issues

The major challenge that the PRIs in the state face is the corruption at various levels, which is the common practice in many states. Instances of misappropriation of funds by sarpanchs, gram sevaks often appear in the local newspapers. However, the recent initiatives of the government to empower the gram sabha by recalling panchayat representatives under certain circumstances, in response to social crusader Anna Hazare's demand, may check such incidents. Moreover, the wider anti-corruption movement initiated by Anna Hazare and his campaign for the people's right to information could generate effective and vigilant

public opinion against the individuals and groups involved in such practices.

### *Schemes and Programmes*

Based on the recommendations of the Bongirwar Committee and Patil Committee, most district level schemes have been transferred to the ZPs. Their activities as envisaged by the 73<sup>rd</sup> Constitutional Amendment are given in the Schedules I and II of the Zilla Parishad Act and the Schedule I of the Village Panchayat Act. As many as 234 schemes have been transferred fully to the ZPs which include those relating to education, public health, family welfare, water supply, sanitation, etc. The ZPs can also undertake the execution of government development works and schemes as an agency basis under the Zilla Parishad and Panchayat Samiti Act.

Forty four schemes have been transferred to the ZPs on an agency basis for which 3 per cent (now raised to 5 per cent) agency charges are given to them for implementing these schemes which cover employment guarantee, natural calamities, arts and culture, rural development programme, medical and health, general education, family planning, crop development, MLA fund, social security and welfare. Most schemes dealing with development programmes at the district level such as agriculture, animal husbandry, primary and secondary education, drinking water supply, health and sanitation, primary health centres, women and child development, biogas and improved chulhas have also been transferred to the PRIs. A recent estimate is that schemes and programmes worth of Rs. 20 billion per annum are with these bodies in 2001.

However, many schemes are only partially transferred to the PRIs. The Line Departments and District Rural Development Agencies continue to have major control over the planning and implementation of the schemes. The PRIs mostly act as the delivery units.

### *Impact of PRIs on Village Development*

Despite the constraints and weaknesses, the state has been recognised as one of the progressive states in the field of panchayati raj in the country, which was considered worthy of emulation, by other states. Of course, comprehensive data are not available to assess the impact of the functioning of PRIs on quality of rural development particularly in

post 73<sup>rd</sup> amendment period. Given the historical background of rural local governance in the state, one would expect exemplary development in the rural areas in terms of literacy and education, reduction in the incidence of poverty, supply of drinking water, infrastructural facilities, etc. Though in terms of primary education, power supply and communication and few other items, the state has done a fair job so far, it lags far behind many other states as well as national average in several important indicators. It is believed that Maharashtra's better performance in the field of primary education is mainly due to the effective role of PRIs because the primary and secondary public education in the state is entrusted to them. Viewed from a different perspective, the PRIs have succeeded in bringing qualitative changes in the rural society in terms of stimulating popular participation and local leadership (Inamadar, 1970, Sirsikar, 1995, Mandlekar, 1991, World Bank, 2000).

The participation of women, which was unheard of in the rural local governance in the state, emerged after the introduction of the three-tier panchayati raj system. Way back in 1963 all-women panchayat was formed in Nimbut village of Pune district. In 1984 another village of the same district came up with an all-women panchayat. As many as 13 women attempted to challenge the male dominance in local governance by contesting gram panchayat elections in 1984 in two villages of Satara district. Further, in 1989 eight and in 1992 two panchayats came up with all women representatives in the districts of Pune, Ahmednagar, Amravati, Jalgaon, Yavatmal, Solapur and Wardha. The Shetkari Sanghatan and Shri Anna Hazare inspired most of them.

As a result of the provision of reservation, the participation of the members of the hitherto excluded groups in local decision-making process has increased noticeably in the post-73<sup>rd</sup> amendment period. According to the election results of 1997 and 2002 (Table 11.15), over 33 per cent of the elected representatives were women. In 2002 their representation at the PS level has gone up to 36 per cent. Similarly, the number of representatives belonging to the scheduled castes and tribes was also significant. The percentage of tribal representatives, which was relatively less in 1997 at the GP level, has increased to 14 per cent, i.e., more

than the proportion of their population (9 per cent). It indicates that these groups were also elected from the unreserved seats.

According to the Maharashtra Human Development Report, 2002, over 22 per cent of the chairpersons of standing committees of ZPs, 40 per cent of chairpersons of PSs and 29 per cent of sarpanchs of GPs were women as on 1<sup>st</sup> April, 2001. It is found that the number of sarpanchs belonging to the scheduled castes and scheduled tribes has also increased noticeably across the districts as compared to the pre-73<sup>rd</sup> amendment period (Directorate of Economics and Statistics, Mumbai). The proportion of tribal sarpanchs has gone up to 66 per cent in Nandurbar district followed by 46 per cent in Gadchiroli and 37 per cent in Thane in 1999-2000.

Besides, in March 2000 over one thousand elected women representatives from different parts of the state assembled for two days at Saigata village in Chandrapur district to look back on the five years of women's participation in PRIs and take decisions to strengthen their role in the future. They announced Mahila Rajasatta Andolan and urged women to contest for unreserved seats also to increase their strength in local governance. "*Vote Hamara, Raj Hamara, Leke Rabenge, Leke Rabenge*" (Vote is ours, Governance is ours, we will get it) was the prime slogan of the Saigata convention. As a result, 145 organisations are working together in as many as 129 talukas covering 30 districts. In fact, this movement in the state has given ample scope for women to share their experience, efforts and problems on local governance. Following a government directive and consistent efforts by several voluntary organisations, the national flag was hoisted by women sarpanchs on 26<sup>th</sup> of January 2003 (54<sup>th</sup> Republic Day) and women gram sabhas

were also held across the state. According to a survey the PRIs in Maharashtra has inspired more trust in women than men, unlike the national average as well as many other regions (Mitra, 2001).

In fact, the increasing participation of the hitherto excluded groups is not only due to the reservation provisions for them it may also be attributed to the impact of their strong movements against the privileged groups. The movements led by Phule and Ambedkar and the subsequent organised activities of the lower castes, and the Bhil and Koli tribals' movements in Dhule, Gadchiroli and Thane districts encouraged the dalits and tribals to ascertain their rights in all spheres. The same could be said about women also. Although the women have been elected and have formed panchayats, they have not been empowered except in a few cases (Bhandari, 1995; Mohanty, 1995). In many cases, the elected representatives of the hitherto excluded groups were also unable to challenge the dominance of the privileged groups. The assertive women members are harassed by the dominant male prejudice. This is more so in the case of dalit women representatives. The all-women panchayat at Gokawadi of Pune district was reported to be under the control of the male members and women were the representatives only for namesake. The *purush mandali* managed the panchayat affairs (Indian Express, March 8, 2001). It is well known that the illiterate woman sarpanch of Panjawadi Panchayat (Nashik district) unknowingly put her thumb impression on her resignation letter prepared by the panchayat officials. Recently it was reported that a dalit woman sarpanch of Maratha-dominated Pethvadaz village of Nanded district was humiliated and opposed by the upper caste up-sarpanch and his associates.

**Table 11.15: PRIs and Their Elected Representatives**

Level	1997					As on February 2002				
	No.	Total elected members	% of SCs	% of STs	% of women	No.	Total elected members	% of SCs	% of STs	% of women
Gram Panchayats	27619	303545	13.43	5.58	33.33	28553	232644	11.53	13.68	33.33
Panchayat Samitis	319	3524	16.61	12.85	33.31	349	3902	11.46	13.53	36.06
Zilla Parishads	29	1762	11.69	13.17	33.31	33	1951	11.53	13.68	33.73

Source: Department of Rural Development and Water Conservation, GoM, Mumbai



Besides, the local level bureaucrats particularly the gramsevak also find it easier to dominate a scheduled caste or tribe woman sarpanch. It was reported that the sarpanch of Tirth Gram Panchayat of Osmanbad district, who was a scheduled caste woman, was bypassed by the gram sevak in many of the panchayat affairs (Mathew, 2001). In a number of cases the women contest elections to retain the seat for the male members of their family and these women representatives often act as proxy for men. Apart from this, in many cases the elected representatives of the privileged groups have succeeded in removing the sarpanchs and presidents of ZPs and PSs belonging to the reserved categories by using the provision of no confidence motion against them. A study lately undertaken in Tuljapur block of Osmanbad district shows that of the 22 sarpanchs removed by the no-confidence motion, 19 belong to the reserved category (Jare and Kumar, 2001). Some time back, the woman president of Wardha ZP was also removed through a no-confidence motion. However, the recent amendment that the motion against a woman sarpanch can be passed by a majority of not less than 75 per cent of the members may strengthen the position of women sarpanchs.

Overall, the inclusion of hitherto excluded communities has generated a kind of awareness among them on many aspects of local governance. Participation in the election process, becoming representatives, attending meetings and expressing viewpoints at various levels shows signs of changes in lives of the members of hitherto excluded groups. There are some micro-level studies, which provide firm evidence in this regard (Baviskar, 2002; Patil, 2002). The widespread participation of women and members of the scheduled castes and tribes has helped them to be the beneficiaries of various rural development schemes. In fact, the beneficiaries of SGSY which is the single self-employment programme for the rural poor, is considerably higher among these groups compared to their demographic strength in most districts and regions.

The number of women beneficiaries has gone up to 68 per cent in the state as whole and it is over 80 per cent in many districts. Similarly, in the case of IAY the numbers of scheduled caste and scheduled tribe beneficiaries are also higher in relation to the proportion of their population across the districts

(Table 11.16). However, the greater beneficiaries from these disadvantaged groups are also due to guidelines of these schemes in favour of them.

### *The Success Stories*

The experiment at Ralegaon Siddhi provides firm evidence as to how the socio-economic development at the local level can be achieved by activating the panchayat through the people's initiatives and participation. The village has witnessed remarkable development on many fronts during the last 25 years under the able leadership of Anna Hazare. It shows that the government can only provide financial and technical assistance up to a certain limit, but the people of a locality as also their leadership ultimately shape the quality of development. Projects like the watershed development, which is the key to the exemplary economic development of Ralegaon Siddhi, is successful because of the people's involvement in decision-making in the gram sabha. Matters related to the ban on Nasbandi (sterilisation), Nashabandi (ban on alcohol), Kurhadbandi (ban on tree felling), Kuranbandi (ban on grazing) were decided in the gram sabha. The gram sabha meetings are held periodically to discuss the issues relating to the welfare of the village and a final decision is made. The GP is answerable to the gram sabha just as the cabinet is answerable to the assembly. In short, the gram sabha acts as the decision-making wing and the gram panchayat as the executive wing. Members of backward classes and women take part in the decision-making process in the gram sabha. The village had all-women members in the panchayat in 1990-1995 and the present sarpanch is a dalit.

The success story of Ralegaon Siddhi is gradually spreading across the state (Box 11.1). In 1992 the Government of Maharashtra started the Model Village Project to multiply the success in other villages. This project is in progress in 75 villages of 10 districts of the state with the help of 29 NGOs. Though such a project may generate development consciousness among the people it alone may not be able to replicate leadership like that of Anna Hazare which was the driving force for village development in Ralegaon Siddhi. The preconditions for such leadership could be created by providing appropriate orientations at the institutional levels of family, school and

**Table 11.16: Distribution of Beneficiaries of IAY and SGSY** (Per cent to total number)

Districts/Region	Population-1991		IAY Beneficiaries 2002-03		SGSY Beneficiaries 2002		
	SC	ST	SC	ST	SC	ST	Women
Thane	5.18	18.12	5.39	59.58	3.79	63.12	59.18
Raigad	2.79	12.82	15.63	35.94	4.28	56.62	60.29
Ratnagiri	1.77	0.96	64.91	12.28	14.09	0.00	29.82
Sindhudurg	5.10	0.47	81.48	0.00	14.64	0.00	46.79
Konkan Region	4.15	12.47	10.39	55.15	8.73	32.50	48.03
Nashik	8.48	24.18	13.18	52.72	14.90	45.17	54.19
Dhule	5.30	40.87	5.52	88.76	2.77	71.43	60.05
Jalgaon	9.25	9.84	26.71	27.36	26.96	21.57	64.51
Northern Region	7.90	23.82	11.19	69.33	16.09	43.45	59.14
Ahmadnagar	12.41	7.12	41.13	18.30	6.40	8.18	53.10
Pune	11.41	3.91	39.29	21.43	23.69	15.29	76.01
Satara	9.50	0.75	62.82	0.00	23.61	0.00	53.11
Sangli	12.56	0.49	55.56	0.00	28.93	0.00	96.62
Solapur	15.41	1.50	59.69	0.00	47.41	1.29	77.41
Kolhapur	12.75	0.49	65.60	0.00	49.32	0.00	58.14
Western Region	12.33	2.77	52.28	8.22	30.58	3.64	68.36
Aurangabad	13.79	3.77	35.69	20.82	30.30	6.61	79.34
Jalna	12.93	2.07	N.A	N.A	27.82	2.45	72.50
Parbhani	11.02	5.26	48.22	1.52	41.63	9.01	62.66
Beed	13.41	1.13	60.00	0.00	13.33	0.00	30.00
Nanded	18.15	11.48	42.22	21.11	40.26	6.99	77.50
Osmanabad	16.34	1.76	56.52	4.35	23.96	2.08	69.79
Latur	19.06	2.24	N.A	N.A	39.50	1.25	73.35
Marathwada Region	14.92	4.53	47.06	9.84	33.51	4.60	72.07
Buldhana	11.49	5.06	50.44	9.97	26.29	4.76	47.42
Akola	11.95	7.03	N.A	N.A	41.21	12.36	58.00
Amaravati	17.48	14.38	27.62	34.76	35.08	33.11	89.28
Yavatmal	10.92	21.46	27.64	38.91	16.86	37.25	78.38
Wardha	14.05	15.59	29.92	29.55	30.08	23.25	80.81
Nagpur	18.84	13.92	29.32	30.96	27.93	20.88	44.28
Bhandara	16.87	14.70	N.A	N.A	42.18	20.75	71.05
Chandrapur	16.90	19.70	24.91	35.23	22.33	29.97	86.74
Gadchiroli	12.20	38.70	15.46	43.46	16.61	19.84	79.03
Vidarbha Region	15.02	14.95	26.60	34.50	29.56	24.25	72.26
<b>State</b>	<b>11.09</b>	<b>9.11</b>	<b>26.74</b>	<b>38.33</b>	<b>26.75</b>	<b>20.98</b>	<b>67.76</b>

Source: Department of Rural Development and Water Conservation, GoM, Mumbai

community/neighbourhood through inculcating values of honesty, social service and commitment for local development.

Similarly, Hiwarebazar panchayat of Ahmadnagar district has emerged as another success story of the gram sabha. It has been transformed from a drought-prone village to a green and prosperous model village under the leadership of Popatrao Pawar who replicated Anna Hazare's model of village development on the lines of Ralegaon Siddhi. The village has undertaken several development projects effectively with the active

involvement of the people from all sections. The gram sabha prepares the development plan for the village, which serves as the guideline for the panchayat. The noticeable economic development of the village in the recent years has often been cited in the media reports. The same could be said about another small drought-prone village called Nimbavi in Ahmednager district. The health project in Jamkhed taluka initiated by a doctor couple - Rajnikant Arole and Mabelle Arole- with the support of local resources and personnel also provides an example of participatory development.

**Box 11.1: Ralegaon Siddhi, a Model Village.**

Ralegaon Siddhi like many other Indian villages was stricken by poverty, unemployment, illiteracy and social discrimination. There was hardly one acre of irrigated land per family and the agricultural production was inadequate to sustain the village population for the whole year. Men were migrating to cities in search of livelihood. The village panchayat was monopolised by the privileged groups. The socio-economic transformation in the village began in 1975, under the leadership of Anna Hazare, who mobilised people for village development through gram sabha. The gram sabha emerged as the important forum for collective decision-making in the village and it nominated the sarpanch and other officials through general consensus. The women and the members of the scheduled castes came to the forefront of the gram sabha. The success of the watershed development programmes which changed the economic profile of the village by tremendously enhancing the irrigation facilities and thereby the agricultural output, is mainly due to the people's participation in the decision making process of the gram sabha. Now, the village has two percolation tanks, 30 nulla bunds, about 90 wells and 10 borewells that are viable all through the year. There are 17 self-help groups, a grain bank and several cooperative and registered societies to monitor the various developmental activities in the village.

Recently the Thane ZP has undertaken a programme called '*Apla Hati Apla Vikas*' which has charted out an action plan to organise gram sabhas simultaneously in 924 villages of six scheduled area talukas. As a result of this campaign, over 83 per cent of gram sabha meetings were held which were attended by a remarkable number of women.

**PRIs and NGOs**

Maharashtra has been a torchbearer in promoting voluntary organisations because of sustained services rendered by a large number of eminent social workers and their dedicated followers. The state has a long tradition of voluntarism. In each district of the state, one finds a number of voluntary organisations, which cater to the local developmental needs. Their activities include education, health care, welfare of weaker sections, etc. The existence of these organisations helps not only in improving the people's awareness and participation in rural development schemes, but also gives direction to the leadership of PRIs to attain development more effectively.

The Patil Committee specifically mentioned that general education, welfare of women and children, and primary health services are the areas where participation of voluntary organisations could be encouraged. Though the representatives of the PRIs can identify the felt needs at the local level, many technicalities are involved to convert them into plans for development. While at the district level, the people's representatives may get technical assistance from various governmental agencies, planning particularly at the gram panchayat level,

will have no such facilities. Such technical assistance could be provided by the voluntary organisations working in the related areas of the concerned locality. Many voluntary agencies have expertise and competence in programmes relating to watershed development, water management and planning, resource mapping, implementation of land reforms, development of fishery resources, income generation projects for community members, etc. Recently the Pune ZP entrusted the entire responsibility of managing all the public health activities in a number of villages of the hilly areas to an NGO named Savadham Trust. It is working as a Mother NGO for 10 districts of Maharashtra for the programme of Reproductive and Child Health care. Similarly, another NGO- Aamcha Arogya Aamcha Hath- is undertaking the work of health services in the tribal district of Gadchiroli. It may be mentioned that an NGO-Resource Support Centre for Development (RSCD) along with its regional network partners- has addressed many of the women representatives in PRIs to take active part in the decision-making process.

**Conclusions and Policy Implications**

Integrated village development implies improving all the aspects of village life. Maharashtra, like all other states, is predominantly rural and is characterised by poverty, illiteracy and inadequate physical and social infrastructure. Developmental intervention over the years has brought about a marked reduction in poverty and illiteracy. Specifically, the gap between rural and urban poverty and rural and urban illiteracy has declined. With respect to primary

education and electricity too, the state has performed well. However, measures need to be taken to expand the medical and transport facilities, post and telegraph services, market and pucca roads to a larger number of villages. These measures should be addressed not only to the number of villages provided for with these facilities, but also their quality and maintenance. Special attention is required for Vidarbha region, which is lagging behind. In terms of developmental intervention through special programmes, EGS, despite the drawbacks, has helped in tackling problems of rural employment and poverty. Similarly, IAY is becoming a popular programme in improving the living conditions of the rural poor. SGSY too is showing a good response as against the earlier IRPD. The challenge lies in providing adequate credit to the SHGs formed and identifying commercially viable activities suitable for rural areas, which can be undertaken within these programmes. Schemes like SGRY are aiding the development initiatives by focusing on the provisions of employment and village infrastructure, particularly in the SC/ST habitations. Special programmes for tribal areas also supplement the developmental effort. In short, these interventions are catalysing socio-economic development in villages and should be further strengthened. However, from a long term policy perspective, attention needs to be paid for the expansion of area under irrigation, allotment of land to the landless, improvement of infrastructure, particularly relating to the health sector.

The PRIs have imparted a new strength to the entire process of planning and implementation, particularly in the post-73<sup>rd</sup> amendment period. It helped in the emergence of leadership and contributed for the improvement of quality of rural life. Given the strong foundations of the Maharashtra society based on dalit, tribal and women's movements, as well as the long history of rural local governance, the PRIs have the potentiality to strengthen democracy at the grassroots level and improve the quality of village development in the state. However, dalit movement has become ineffective due to factional politics and women's movement remains as a middle class

bastion. The panchayati raj system in the state has to be geared up further to catch up with states like West Bengal and Karnataka, which are cited as the progressive states in terms of people's mobilisation and participation at the local level (Lieten, 1996; Manor, 1998; Vyasulu and Vyasulu, 1999). Devolution of more power to the gram sabha with greater accountability and transparency at all levels could enhance the people's participation and empowerment. As indicated by the State Planning Board in its approach papers to the tenth five-year plan, the gram sabhas have to be empowered to prioritise the projects for their villages and also to monitor their implementation. The panchayats should be endowed with adequate responsibilities and necessary powers in the area of financial administration so as to ensure greater autonomy in the decision-making process at their levels. In addition to funds allotted for the state/centre-sponsored schemes, financial assistance could be provided to the panchayats to undertake independent development programmes as per the local requirement. Efforts could be made to provide certain percentage of grants to the gram panchayats as untied grants, subject to the broad guidelines under which such untied funds could be utilised. Authorisation to panchayats to levy, collect and appropriate taxes, duties, tolls and fees and making such amendments which are in consonance with the provisions of Article 243H of the constitution and recommendations of the state finance commission could be considered for policy option. District and Panchayat-wise allocation of plan and non-plan funds in the annual budgets of the government could enhance the financial strength of these bodies. The merger of DRDA with Zilla Parishad like that in Rajasthan could be considered to provide greater autonomy to the ZPs.

PRIs can invite the co-operation of NGOs with respect to watershed development and management, forest management, health-related issues, etc., to make use of their experience and expertise for better results. The PRIs, now extended to the tribal areas, may also work in collaboration with the NGOs, which have done appreciable work relating to tribal development.