

Chapter 5

RURAL DEVELOPMENT

INTRODUCTION

There are no universally accepted approaches to rural development. It is a choice influenced by time, space and culture. The term rural development connotes overall development of rural areas to improve the quality of life of rural people. In this sense, it is a comprehensive and multidimensional concept, and encompasses the development of agriculture and allied activities, village and cottage industries and crafts, socio-economic infrastructure, community services and facilities and, above all, human resources in rural areas. As a phenomenon, rural development is the end-result of interactions between various physical, technological, economic, social, cultural and institutional factors. As a strategy, it is designed to improve the economic and social well-being of a specific group of people – the rural poor. As a discipline, it is multi-disciplinary in nature, representing an intersection of agriculture, social, behavioural, engineering and management sciences. (Katar Singh 1999).

In the Indian context rural development assumes greater significance as 72.22 per cent (according to the 2001 census) of its population still live in rural areas. Most of the people living in rural areas draw their livelihood from agriculture and allied sectors (60.41 % of total work force), and poverty mostly persists here (27.1 % in 1999-2000). At the time of independence around 83 per cent of the Indian population were living in rural areas. Accordingly, from the very beginning, our planned strategy emphasized rural development and will continue to do so in future. Strategically, the focus of our planning was to improve the economic and social conditions of the underprivileged sections of rural society. Thus, economic growth with social justice became the proclaimed objective of the planning process under rural development. It began with an emphasis on agricultural production and consequently expanded to promote productive employment opportunities for rural masses, especially the poor, by integrating production, infrastructure, human resource and institutional development measures.

During the plan periods, there have been shifting strategies for rural development. The First Plan (1951-56) was a period when community development was taken as a method and national extension services as the agency for rural development. Co-operative farming with local participation was the focus of the Second Plan (1956-61) strategy. The Third Plan (1961-66) was the period of re-strengthening the Panchayati Raj System through a democratic decentralized mechanism. Special Area Programmes were started for the development of backward areas in the Fourth Plan (1969-74). In the Fifth Plan (1974-79), the concept of minimum needs programme was introduced to eradicate poverty in rural areas. There was a paradigm shift in the strategy for rural development in the Sixth Plan (1980-85). The emphasis was on strengthening the socio-economic infrastructure in rural areas, and initiatives were taken to alleviate disparities through the Integrated Rural Development Programme (IRDP). During the Seventh Plan (1985-90), a new strategy was chalked out to create skill-based employment opportunities under different schemes. Special programmes for income generation through creation of assets, endowments and land reforms were formulated for participation by the people at the grassroots level.

The focus of the Eighth Plan (1992-97) was to build up rural infrastructure through participation of the people. Priorities were given to rural roads, minor irrigation, soil conservation and social forestry. Strategic changes were made in the Ninth Plan (1997-2002) to promote the process of nation-building through decentralized planning. Greater role of private sector was also ensured in the development process.

The Ninth Plan laid stress on a genuine thrust towards decentralization and people's participation in the planning process through institutional reforms. It emphasized strengthening of the panchayati raj and civil society groups for promoting transparency, accountability and responsibility in the development process. The role of the government, in general, had to shift, from being the provider, to the facilitator of development processes by creating right types of institutional infrastructure and an environment conducive to broad-based economic development.

The focus of rural development in Punjab has mostly been along the same lines as followed by the Central Government. The state government in its document on the Tenth Five Year Plan (2002-07) and the Annual Plan (2002-03) has strategically re-stressed the following thrust areas:

- (i) Uninterrupted availability of power to agriculture and revitalization of the irrigation network.
- (ii) Greater access to potable drinking water, better roads, better educational infrastructure particularly primary education, and extension of quality health services.
- (iii) Generation of additional employment opportunities in the private sector by promoting investment, improving marketable vocational skills with widespread use of information technology.
- (iv) Upliftment of underprivileged sections by enhancing beneficiary-oriented social security programmes, as well as specific employment generating programmes to increase their income and improve the quality of life.
- (v) Strengthening the process of rural renewal by greater thrust to schemes for reaching out quality facilities to the rural population.
- (vi) Restructuring agriculture to meet the challenges posed by WTO, through the introduction of a programme for 'second push to agriculture and allied sectors' with emphasis on agricultural research, promotion of food processing for value addition, providing marketing infrastructure and support for agriculture including agri-export.

The strategy for rural development in the state can be seen in the expenditure pattern for various development schemes from 1965-66 till date. Table 1 shows the pattern of government expenditure on rural development programmes in Punjab. It shows that high priority was given to setting up local-level administrative infrastructure at the block level,

to promote agriculture and allied activities to meet the foodgrains requirements of the nation during 1965-66 to 1980-81. Simultaneously, as production increased, expenditure on infrastructure development, such as irrigation, communication, pavement of streets and construction of drainage and village betterment also increased. Better infrastructure further helped in increasing production. Subsequently, expenditure on institution building was initiated from 1980-81. Simultaneously, the expenditure pattern on human resource development and empowerment of underprivileged sections of the society were made progressively more favourable for upgrading skills through training for gainful employment and a better quality of life. It may be seen from the Table that significant qualitative and quantitative variations have occurred in the developmental plan strategies in the past.

Table 1
Government Expenditure on Rural Development Programme in Punjab (Rs. in lakh)

S. No.	Major Heads	1965-66	1970-71	1975-76	1980-81	1985-86	1990-91	1995-96	1999-2000	2000-01
1	Local Level Administration	63.94 (50.74)	99.77 (71.82)	167.43 (52.17)	251.89 (16.70)	381.55 (12.58)	759.92 (16.65)	6759.87 (30.53)	1839.54 (25.00)	2157.79 (75.58)
	Block headquarters	63.94	99.77	167.43	251.89	381.55	759.92	6759.87	1839.54	2157.79
2	Production	34.60 (27.46)	16.10 (11.59)	11.29 (3.52)						
	Animal Husbandry and Agricultural Extension	25.62	6.64	--	--	--	--	--	--	--
	Rural Arts and Crafts	8.98	9.46	11.29	--	--	--	--	--	--
3	Infrastructure Development	8.66 (6.83)	5.96 (4.29)	59.86 (18.65)	591.70 (39.76)	1044.26 (34.43)	1394.04 (30.54)	7748.20 (33.36)	1315.43 (17.88)	679.94 (23.80)
	Irrigation	3.09	0.34	1.74	--	--	--	--	--	--
	Communication	5.57	5.62	10.97	11.70	19.62	18.76	115.23	151.38	--
	Pavement of streets and construction of drains	--	--	47.15	450.00	846.47	1325.70	7532.05	*	--
	Village betterment	--	--	--	--	125.17	--	--	--	--
	Assistance to Panchayats for Panachayat Ghars	--	--	--	70.00	20.00	18.58	38.36	7.79	2.57
	Matching grants to Panchayats and social bodies for development workers	--	--	--	50.00	33.00	31.00	62.56	35.02	10.08
	Development of model villages	--	--	--	10.00	--	--	--	--	--
	Disposal of sullage water	--	--	--	--	--	--	--	14.85	62.69
	Community service works through NRIs participation	--	--	--	--	--	--	--	8.00	32.13
	Primary School Buildings (New Construction)	--	--	--	--	--	--	--	416.57	320.97
	Financial Assistance to Panchayats, Samitis & Zila Parishads	--	--	--	--	--	--	--	903.57	251.50
4	Human Resource Development	18.14 (14.42)	17.08 (12.29)	81.44 (25.38)	53.91 (3.62)	65.87 (2.17)	69.82 (1.53)	6515.94 (28.05)	3187.18 (43.32)	5.89 (0.21)
	Health and rural sanitation	6.86	5.62	45.74	11.70	--	--	6114.70	2213.53	--
	Education	5.20	5.80	9.15	11.73	21.32	13.33	350.91	923.18	--
	Social education	6.08	5.66	17.53	24.98	27.07	19.76	49.65	36.78	--
	Composite programme for women and Pre-school children	--	--	9.02	5.50	11.20	9.62	0.68	#	--
	Assistance for integrated development of villages of historical/religious importance	--	--	--	--	6.28	27.11	--	--	--
	Purchase of Punjabi books	--	--	--	--	--	--	--	13.69	5.89
5.	Institutional Development				50.80 (3.41)	49.12 (1.62)	68.20 (1.49)	18.61 (0.08)	27.56 (0.37)	11.36 (0.40)
	Financial assistance to Panchayats, Samitis and Zila Parishads for revenue earning schemes.	--	--	--	42.80	40.00	52.64	0.91	27.56	11.36
	Promoting and strengthening of Mahila Mandals	--	--	--	8.00	9.12	15.56	17.70	--	--
6	Employment Generation				540.00 (35.80)	1491.93 (49.19)	2272.02 (49.77)	2224.11 (10.04)	987.57 (13.42)	
	Integrated Rural Development Programme	--	--	--	540.00	872.18	1050.47	1125.75	--	--
	Rural Landless Employment Guarantee Programme	--	--	--	--	619.75	1221.55	1098.36	**	--
	S.G.S.Yojana	--	--	--	--	--	--	--	987.57	--
Grand Total		125.35 (100)	138.91 (100)	320.02 (100)	1488.30 (100)	3032.73 (100)	4564.00 (100)	23226.73 (100)	7357.28 (100)	2854.98 (100)

Source: Statistical Abstracts of Punjab, various issue

Note : * Indicates scheme head changed # Indicates scheme transferred to concerned departments

** Indicates scheme has ceased off. Figures in brackets are in percentage

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Figures taken from Statistical Abstract, Punjab 2001.

PRESENT STATUS OF RURAL DEVELOPMENT

The spread of the green revolution has considerably changed the profile of the Punjab farmer from the old traditional farming to an aggressive and commercialized modern farming system. The green revolution not only brought prosperity to the Punjab farmers, but also changed their psyche, mindset and pattern of living. Structural changes started taking place in the villages. Katcha houses were progressively converted into pucca houses; the proportion of katcha houses which was 33.28 per cent in 1981, sharply declined to 12.40 per cent in 1993-94. All the villages were electrified and road links were developed in almost all the villages. The government hastened to provide irrigation facilities (by providing subsidy for tube wells and free electricity since 1997). Irrigation covers 94 per cent of the total cropped area. Simultaneously, credit facilities for farm mechanization and other inputs were extended. The majority of Punjab farmers now view agriculture as a commercial enterprise and seek more and more facilities and infrastructure support from the government for improving living conditions in the villages.

Considering the overall development that has taken place so far, much more remains to be done for improving the quality of life of rural Punjab, which has a large deprived population, consisting of marginal farmers, landless labourers, besides Scheduled Castes and Backward Classes (Table 2). This component of the population has to be brought into focus for their upliftment, with special emphasis on their skill upgradation, removal of unemployment and poverty and vertical growth to acquire productive assets for better living on a sustainable basis.

Level of infrastructure development: Development of physical as well as social infrastructure plays an important role in the overall advance of the rural economy, role by directly contributing to employment generation and asset creation. Improved network of physical infrastructure facilities such as well-built roads, irrigation, rail links, power and telecommunications, information technology, food storage, cold chains, market-growth centres, processing of produce and social infrastructure support, viz., health and education, water and sanitation, and veterinary services and co-operatives are essential for the development of the rural economy, especially in the era of liberalization, privatization and globalization (LPG).

Table 2
District-wise Socio-economic Indicators in Punjab

Region/District / State	Rural pop. growth rate (%) (1991-2001)	Proportion of SC in total population (1991)	Proportion of SC in rural population (1991)	Rural res. HH in tot. HH. (1991)	% age of marginal holdings (1991)	% age of small holdings (1991)	Rural literacy (%) (2001)			Main worker as %age tot. pop. (1991)	Cultivators (1991)	Agriculture labourers (1991)	HH. Industry workers (1991)	Manufacturing workers (1991)
							Male	Female	Total					
Majha														
Gurdaspur	14.01	24.71	25.36	77.72	36.60	20.30	70.96	77.70	63.58	27.89	29.71	25.85	0.67	6.83
Amritsar	11.72	28.01	32.67	65.95	22.21	17.21	67.83	52.69	60.65	30.67	29.17	24.86	0.45	11.62
Doaba														
Kapurthala	5.65	29.46	31.71	73.62	21.75	20.48	76.27	64.41	70.57	30.07	31.25	20.96	1.42	15.00
Jalandhar	4.80	38.15	44.52	59.31	29.97	17.41	80.14	68.17	74.41	29.49	20.43	20.35	3.25	15.62
Nawanshehar	6.96	38.98	39.74	86.46	--	--	83.15	68.27	75.99	28.83	35.11	28.75	2.28	7.77
Hoshiarpur	10.29	33.85	35.61	82.68	31.96	23.20	86.11	73.87	80.09	27.65	29.00	23.42	2.44	7.79
Malwa														
Rupnagar	12.35	24.35	26.96	69.58	41.42	17.11	81.39	66.91	74.51	29.41	28.72	15.71	1.59	11.26
Ludhiana	12.99	24.50	35.24	46.52	28.91	18.25	78.32	66.73	72.88	31.25	19.70	16.51	0.36	18.94
Firozpur	20.24	21.16	21.98	74.28	25.07	24.02	64.78	45.78	55.75	30.27	39.14	28.05	1.02	5.47
Faridkot	19.71	35.05	38.19	65.97	29.67	16.31	64.18	52.27	58.58	30.16	36.14	26.59	0.91	6.26
Mukatsar	15.40	36.44	39.51	76.43	--	--	61.84	45.49	54.10	31.69	36.41	33.14	1.14	5.24
Moga	12.65	30.39	32.93	80.31	--	--	65.93	55.87	61.18	30.68	42.29	29.54	1.28	5.00
Bhathinda	15.28	29.48	31.91	71.60	14.55	13.56	62.46	47.16	55.30	30.74	40.84	24.97	1.34	5.35
Mansa	11.63	28.91	30.55	83.02	--	--	54.27	40.03	47.56	31.87	47.47	27.15	1.32	4.28
Sangrur	11.53	26.75	29.46	74.12	18.66	13.80	61.93	48.98	55.86	30.93	41.27	25.93	1.40	6.93
Patiala	12.54	22.32	26.56	66.32	21.86	17.74	70.40	55.29	63.34	29.70	29.29	23.54	1.82	9.82
Fathergarh Sahib	9.64	30.15	33.84	78.25	--	--	76.86	65.83	71.71	28.82	33.66	24.29	1.72	11.70
Punjab	12.28	28.31	31.89	69.26	26.47	18.25	71.70	57.91	65.16	30.07	31.44	23.82	1.32	10.95

Source: Provisional Population Totals Census of India – 2001, Punjab, Series – 4 Various Statistical Abstracts of Punjab

Punjab is relatively better placed than other states in rural infrastructure facilities, such as connectivity with pucca roads, telephone within two kilometres, percentage of cropped area irrigated, safe drinking water, primary and middle schools within the village, cent per cent rural electrification and households using electricity (Table 3).

Table 3
Rural Infrastructure in Punjab

Indicators	Rank of Punjab	State/s having better rank
Connected with pucca road	2	Kerala (1)
Bus-stop within 2 km.	7	Kerala (1), TamilNadu (2), Andhra Prudish (3), Karnataka (4), Gujarat (5) and Maharastra (6)
Primary school within village	4	West Bengal (1), Haryana (2) and Maharashtra (3)
Middle school within village	2	Karnataka (1)
Middle school within 5 km. Range	7	Kerala (1), WestBengal (2), Himachal Prudish (3), Bihar (4), NorthEast (5) and Rajasthan (6)
Railway station within 5 km.	9	Orissa (1), WestBengal (2), Bihar (3), TamilNadu (4), Gujarat (5), Kerala (6), Haryana (7) and Uttar Prudish (8)
Post office within 2 km.	6	Kerala (1), Andhra Prudish (1), TamilNadu (3), Gujarat (4) and WestBengal (5)
Telephone within 2 km.	4	Tamil Nadu (1), Kerala(2) and Gujarat (3)
Safe drinking water	3	Kerala (1) and Gujarat (2)
% cropped irrigated area	1	

Source: NCAER, *India Human Development Report, 1999.*

However, within Punjab there are disparities between rural and urban areas (1991 Census) in accessibility of basic facilities in respect of households having pucca houses (71 % for rural and 88 % for urban), toilet facilities (16 % for rural and 73 % for urban), electricity connections (77 % for rural and 99 % for urban), safe drinking water (92 % for rural and 94 % for urban) and households having access to all the three facilities taken together (13 % for rural and 68 % for urban).

Status of human development: According to the National Human Development Report 2001, Planning Commission, Government of India, 'There is today, a broad based consensus to view human development in terms of, at least, three critical dimensions of well-being. These are related to longevity – the ability to live a long and healthy life; education – the ability to read, write and acquire knowledge; and command over resources – the ability to enjoy a decent standard of living and have a socially meaningful life'. Similarly, poverty is viewed not only in terms of lack of adequate income, but as a state of deprivation spanning the social, economic and needs context of the people that prevents their effective participation as equals in the development

process. In a nutshell, human development can be gauged from indicators such as level of literacy, enrollment in schools, health facilities, poverty ratios and per capita income levels.

Despite being an economically well-off state (ranked second among Indian states for per capita net state domestic product, at 1993-94 constant prices, during 1998-99), it has lagged behind in effective human resource development, especially in rural areas. The value of the human development index (HDI) for Punjab in 1991 was 0.475 (ranked 12th among Indian states and Union Territories) -- 0.447 for rural Punjab (rank 11th) and 0.566 for urban Punjab (rank 16th). Gender Equality Index (GEI), estimated to reflect the relative attainments of women as against men, was 0.710 in value and Punjab ranked 19th among the Indian states and UTs, - *a matter of concern*. However, in the context of HPI the state ranked seventh among the Indian states and UTs in 1991, and sixth in the case of rural Punjab.

There exist wide ranges of disparities in the attainment of education, reach of health facilities and level of poverty across rural and urban areas of the state. The literacy rate was 65.16 per cent for rural Punjab during 2001 and 79.13 per cent for urban areas (a difference of 14 per cent). This situation is even worse for females, where the margin of rural-urban divide was 17 per cent. Similar was the case with the enrollment ratios within the age group 6 to 11 years, which was 63.7 per cent for rural areas as against 71.2 per cent for urban areas in 1991. In the case of upper primary school the difference between urban and rural enrollment ratios was as high as 12 per cent. The situation for girls was even worse as the difference in the enrollment ratios was 18 per cent (11 to 14 years age group). This shows the pathetic state of basic education in rural Punjab and the differentials in the attainment levels of education across boys and girls.

The situation regarding health indicators too was no different. According to the Indian *Human Development Report 1999*, rural Punjab was ranked 16th (last) among the Indian states regarding access to health sub-centres. Data obtained from the Sample Registration System (SRS) 1998 indicate that although the crude death rate (CDR) for the state had declined from 10.4 per 1,000 population in 1971 to 7.7 in 1998, the CDR in urban areas (6.3) was significantly lower than in rural areas (8.2). The infant mortality rate (IMR) in Punjab in 1998 was estimated at 54 per 1,000 live births, which was much lower than the rate of 72 for India as a whole. However, the rural IMR (58) was at a significantly higher level than the urban IMR (40). The crude birth rate for the state in 1998 was estimated at 22.4 but, while it was 18.5 for the urban areas the corresponding estimate for the rural areas turned out to be at a much higher level at 23.7. Rural women in Punjab, on an average, give birth to about 0.7 more children than urban women; the Total Fertility Rate (TFR) for rural women was estimated at 3.0 and that for urban women 2.3.

The sex ratio in Punjab, according to the Census of 2001, was one of the lowest in the country. It declined to 874 females per 1,000 males, from 882 in 1991. In rural areas too, the sex ratio was on a lower side at 887. Within rural Punjab, the district of Fatehgarh Sahib had the lowest sex ratio (859). Further, within the age group of 0-6, Punjab had seven out of ten bottom districts with the lowest sex ratio in the country. Fatehgarh Sahib district has the lowest sex ratio for this age-group (754) in the country. Within rural areas too, is district was at the lowest level. It had 747 female children against 1,000 male

children. This reflects the low status accorded to women, especially the girl child in Punjab. The widespread practice of female foeticide has further aggravated the situation. If the trend in declining sex ratio is not checked urgently, it will have long-term irreversible implications for the society as a whole.

Table 4 highlights the sub-regional disparities with respect to accessibility of some of the basic facilities in rural areas of the state.

Table 4
District-wise Selected Development Indicators in Rural Punjab-1998-99

Region/ Districts	Density of population (per sq. km.)	Cropping intensity	% of cropped area irrigated	% of Villages with water scarcity	Popn. served per medical Inst.	Popn. served per primary school	Popn. served per middle school	Popn. served per High/S.S School	% of Inhabited villages linked with pucca road	Popn. served per comm ercial Bank	Popn. served per market commit tee (Squs. Kms)	Popn. served per Post Office	Rural Focal Points	Sex ratio (Rural)	
														Total Rural	0-6 age group
Majha															
Gurdaspur	438	186	99.9	30.0	4591	1031	3186	8059	100.0	16468	53.3	5549	62	895	789
Amritsar	286	191	99.4	68.5	3169	1488	4242	7830	97.7	11672	32.4	4112	70	885	789
Doaba															
Kapurthala	328	195	100.0	24.5	3041	1030	2768	6682	94.1	11888	45.5	4933	22	907	773
Jalandhar	427	174	99.8	37.2	3067	1259	3265	5816	100.0	11959	39.5	3433	38	904	806
Nawan Sehar	417	187	88.6	58.0	2663	1221	2935	5937	99.8	13594	47.6	3354	21	914	811
Hoshiarpur	361	162	67.2	66.1	6112	969	3301	6019	99.0	15479	76.7	3221	44	947	813
Malwa															
Rupnagar	380	177	76.7	82.2	3120	933	3324	6215	97.2	12956	100.7	4223	28	869	787
Ludhiana	377	195	100.0	69.3	5231	1513	3076	5317	99.4	13319	48.3	4025	38	877	812
Ferozepur	249	194	99.0	74.0	3360	1254	4328	9649	89.3	18547	44.0	4907	53	893	874
Faridkot	239	192	98.3	100.0	3327	1712	2844	6783	100.0	16796	38.8	5878	10	876	805
Mukatsar	215	179	96.0	98.7	2437	2000	3170	5753	100.0	14684	86.4	4694	27	880	810
Moga	324	197	99.9	100.0	3223	2760	3322	5787	100.0	9442	30.2	3429	20	885	820
Bhatinda	259	180	95.0	100.0	3135	2580	3994	6700	100.0	15106	40.6	6247	33	868	789
Mansa	254	176	88.0	100.0	3253	2091	3819	9759	100.0	20268	43.3	5791	19	875	780
Sangrur	267	193	99.2	85.0	3529	1916	7927	6901	84.1	16514	20.9	6005	60	869	779
Patiala	338	196	98.9	78.9	4562	1146	4098	8760	99.4	16337	37.2	6792	39	862	764
Fatehgarh Sahib	341	189	100.0	35.8	3202	902	3203	6870	100.0	18895	48.1	4723	19	859	747
Punjab	330	187	94.5	58.5	3620	1331	3738	6970	97.3	14387	40.6	4524	597	887	795

Source: Statistical Abstract, Punjab-2001

Another important indicator of the status of economic as well as human development is the incidence of poverty. Table 5 gives the percentage of population below poverty line for Punjab and India, by rural and urban residence respectively, according to the various rounds of NSS. Punjab is one of the states where the poverty ratio was less than ten per cent in 1999-2000. Estimated at 6.16 per cent in 1999-2000, it was the lowest among the Indian states. However, here too the ratio was less favourable in rural than in urban areas. (See Table 5)

Table 5
Poverty Ratios in Punjab and India

Year/State	Area	Punjab	India
1999-2000	Rural	6.35	27.09
	Urban	5.75	23.62
	Total	6.16	26.10
1993-94	Rural	11.95	37.27
	Urban	11.33	32.36
	Total	11.77	35.97
1987-88	Rural	12.60	39.06
	Urban	12.91	40.12
	Total	12.70	39.34
1983	Rural	13.20	45.61
	Urban	23.86	42.15
	Total	16.29	44.76
1977-78	Rural	16.37	53.07
	Urban	27.64	47.40
	Total	19.36	51.81

Source: 1 *Report of the Expert Group on Estimation of Proportion and Number of Poor*, Perspective Planning Division, Planning Commission, Government of India, New Delhi, July 1993

2 Planning Commission, Government of India.

In the present policy environment of LPG, agriculture and rural development are now poised for a paradigm shift. The core factors that can bring forth a tangible transformation are the following:

- a) Reduction of rural-urban disparities in terms of economic development, employment and infrastructure.
- b) Development of industry in rural areas related to agricultural development, cottage industry and allied sectors.
- c) All-round skill upgradation through research and extension and information technology, so that rural people can design means for the improvement of their own links own betterment.
- d) Minimizing social differences through collective participation in rural developmental activities; developing common programmes for village improvement and to make combined efforts for eliminating or minimizing gender disparities and social evils within rural society, through the decentralized Panchayati Raj System.

To meet the incoming challenges, the above-mentioned points assume greater significance today. It is now expected that the transformation can be hastened through the effective implementation of the Panchayati Raj System, which has the constitutional authority to plan and implement programmes for rural development.

RURAL DEVELOPMENT AND PANCHAYATI RAJ INSTITUTIONS

Panchayats have been in existence since time immemorial. In the ancient period, They generally functioned as informal institutions to solve intra-village and sometimes inter-village feuds, and as organized for a for village-level social developmental and cultural activities. In the medieval period casteism and the feudal system of governance slowly eroded self-governance in the village. During the British regime ‘... the autonomy of Panchayats gradually disappeared with the establishment of local civil and criminal courts, revenue and police organizations, the increase in communications, the growth of individualism and the operation of the individual’s *Ryotwari System*’ (*Royal Commission Report on Decentralization 1907*).

In the case of Punjab, village panchayats were first set up formally after the passage of the Punjab Village Panchayat Act in 1912 under the Mantagu-Chelmsford Scheme. The Punjab Village Panchayat Act, 1921 replaced the earlier legislation. It was further followed by the Village Panchayats Act, 1939, on the initiative of the then Development Minister, Chaudhary Chottu Ram of the Unionist Party Government. At the same time, the other rural-level institution operating was the district board. There were functional links between the Panchayats and the district boards limited mostly to the improvement and expansion of rural works and some civic works.

After independence, the Indian Constitution placed the Panchayati Raj System under the Directive Principles of State Policy. In Punjab, both the institutions, namely Village Panchayats and District Board, were sought to be democratized and re-empowered through a new Act The Punjab Gram Panchayat Act, 1952. It provided for the constitution of village panchayats on a mandatory basis through universal adult franchise. The Punjab government decided to reorganize its Panchayati Raj System in 1961 on the basis of the Balwantray Mehta Committee recommendations. New additions were made for the adoption of the three-tier pattern in the Punjab Panchayat Act, with the introduction of the Panchayat Samitis and Zila Parishads Act, 1961. The new three-tier system, comprising Gram Panchayat at the village level, Panchayat Samiti at the block and Zila Parishad at the district level, became operative from 1962-63. The existing district boards were abolished. The Panchayat Samitis and Zila Parishads functioned as representative bodies upto 1970 and again from 1975 to 1978. (In the intervening period from 1970-1975, these had been dissolved). Thereafter, these two tiers remained with government officials till 1994. Elections to the Gram Panchayats (first tier) were held regularly (1952,1957, 1962,1968,1973,1978,1983,1992 and 1998) since independence, with the exception of 1988 due to the turbulent situation in the state. With the passing of the 73rd Constitutional Amendment Act, 1992, the state government enacted a new panchayat Act, The Punjab Panchayati Raj Act, 1994, which came into force in place of the Gram Panchayat Act, 1952, on 21 April 1994. New rules were framed under the provisions of this new Act and the first elections to 138 Panchayat Samitis and 14 Zila Parishads were held in 1994, and 2,441 Samiti members and 274 Zila Parishad members were elected. The village Panchayat elections were held in June

1998. Recently, elections to Panchayat Samitis and Zila Parishads (which were due in 1999) were held in June 2002, for which 2,485 members of Samitis and 281 members of Zila Parishads were elected by the members of the Gram Sabhas for 140 Samitis and 17 Zila Parishads respectively (Tables 6, 7 and 8).

Table 6
Trends in Number of Gram Panchayats in Punjab (1968-1998)

Region/District	1968	1973	1978	1983	1992	1998
Majha						
Gurdaspur	870	1056	1246	1335	1451	1589
Amritsar	1009	1045	1080	1088	1164	1268
Doaba						
Kapurthala	236	340	427	449	490	533
Jalandhar	833	878	1055	1084	1113	886
Hoshiarpur	835	1035	1294	1350	1432	1314
Nawan Shahr	--	--	--	--	--	440
Malwa						
Rupnagar	611	629	716	757	805	856
Ludhiana	805	824	877	884	840	871
Ferozepur	658	756	907	931	1036	1202
Faridkot	536	542	552	552	581	180
Bhatinda	481	510	516	516	278	303
Sangrur	574	657	683	685	703	727
Patiala	970	1059	1258	1318	1035	1063
Mansa	--	--	--	--	241	243
Fatehgarh Sahib	--	--	--	--	428	438
Moga	--	--	--	--	--	191
Muktsar	--	--	--	--	--	265
Total	8418	9331	10611	10949	11597	12369

Source: Department of Panchayats and Rural Development, Punjab

Table 7
Total Members of Elected Representatives (Panches and Sarpanches) of Gram Panchayats during 1968-1998

Region/District	1968	1973	1978	1983	1992	1998
Majha						
Gurdaspur	4942	5963	7746	7683	10748	10677
Amritsar	6638	6985	8234	7176	8951	9328
Doaba						
Kapurthala	1431	2092	2918	3440	3032	3554
Jalandhar	5159	5988	7602	7049	8211	6229
Hoshiarpur	5106	5576	7191	7224	10696	8705
Nawan Shahr	--	--	--	--	---	3103
Malwa						
Rupnagar	3195	3415	4948	5978	6380	5676
Ludhiana	4676	4780	6327	5167	6428	6540
Ferozepur	4371	5082	5848	6250	6342	8341
Fridkot	3581	3748	4417	4339	4806	1418
Bhatinda	3055	3380	3893	4392	2407	2589
Sangrur	3807	3833	5226	5239	4932	6067
Patiala	5728	6424	9060	9078	7366	7001
Mansa	--	--	--	--	2005	2013
Fatehgarh Sahib	--	--	--	--	2807	2754
Moga	--	--	--	--	---	1690
Muktsar	--	--	--	--	--	2157
Total	51689	57266	73410	73015	85111	87842

Source: Department of Panchayats and Rural Development, Punjab

The 73rd Constitutional Amendment Act, 1992 has given the mandate to establish a three-tier structure (Gram Panchayat, Panchayat Samiti and Zila Parishad) of the Panchayati Raj Institutions, enabling them to assume the role of self-governing institutions at micro-levels of administration for decentralized planning and management. The emphasis was on constituting a Gram Sabha for each village for exercising powers and performing the functions provided in the 11th Schedule under Section 243G. It provided an institution for the association of lakhs and lakhs of rural voters, both men and women, in the governance by managing local affairs in a more meaningful and appropriate manner conforming to local wishes and aspirations. This constitutional status of the PRIs has also empowered women and Scheduled Castes in the capacity of chairpersons by providing reservation for participating in the decision making process. Further 29 subjects have been exclusively transferred to the PRIs for micro-planning and implementation, for economic development with social justice.

Table 8
Total Number of Scheduled Caste and Women Sarpanches during 1978-1998

Region/ District	Scheduled Castes			Women						
	1978	1983	1992	1998	1978	1983	1992	1998		
								GEN	SC	Total
Majha										
Gurdaspur	124	100	92	266	27	19	30	396	130	526
Amritsar	44	32	32	278	26	--	1	278	139	417
Doaba										
Kapurthala	59	49	67	111	11	6	7	122	61	183
Jalandhar	257	217	45	252	25	4	3	163	136	299
Hoshiarpur	186	202	201	313	17	13	21	286	151	437
Nawan Shahr	--	--	--	112	--	--	--	92	55	147
Malwa										
Rupnagar	65	51	20	143	18	4	4	206	68	274
Ludhiana	46	41	49	206	12	6	3	186	103	289
Ferozepur	21	16	25	166	12	6	11	320	86	406
Fridkot	8	9	14	45	13	4	12	36	23	59
Bhatinda	16	7	7	62	9	7	4	67	36	103
Sangrur	31	13	29	140	1	2	8	170	72	242
Patiala	104	37	58	153	16	8	11	281	76	357
Mansa	--	--	8	51	--	--	1	5	25	79
Fatehgarh Sahib	--	--	24	90	--	--	5	103	42	145
Moga	--	--	--	42	--	--	--	41	22	63
Muktsar	--	--	--	69	--	--	--	53	35	88
Total	961	774	671	2499	197	79	121	2854	1260	4114

Source: Department of Rural Development and Panchayat, Punjab

It is imperative to increase and upgrade their knowledge, administrative and technical skills, leadership qualities and governance capabilities, through massive education, research and training for planning and implementation of the 29 subjects mentioned in the Eleventh Schedule, to ensure the effective performance of functions and powers by the representatives of PRIs,. These subjects could further be clubbed into five clusters, viz., agriculture and allied activities, rural industrialization, infrastructure development, human development and social welfare and gender development (Annexure I). Once these elected representatives are converted into more effective human resources, they

will automatically become trainers for the members of the Gram Sabha (co-rulers in rural governance). This will enable every rural adult to be converted into a valuable human resource, capable of contributing to rural development and its sustenance. A well designed training programme has the capacity to reinforce the concept of integrated development, by giving the right direction to the otherwise disjointed development approaches, through inbuilt co-ordination between the state, PRIs and all stakeholders. It can also secure the horizontal as well as vertical co-ordination among a large number of local bodies functioning side by side.

Adequate research has not been conducted to develop an alternative model for sustainable development of rural Punjab. Though Punjab Agricultural University has succeeded in developing the agriculture and allied sectors, it has not yet evolved an integrated/holistic model for rural development. For this, there is need to set up a minimum of four zonal centres (one each in Majha and Doaba cultural zones and two in Malwa Zone) for conducting research on issues and problems of rural society and suggest viable solutions for policy planning. These centres should impart training and education to the representatives of local governance (PRIs), co-operatives, mahila mandals, youth clubs and other stakeholders, if any, about their roles and responsibilities, and also promote appropriate rural technologies and skills for human development. So far, Punjab has lagged behind in skill upgradation of its human resources. What is needed now is a long-term policy for development of human resources, through education, training, empowerment of PRIs and the creation of a congenial socio-economic, institutional and political environment. Human resources are inexhaustible and renewable, and these are the only resources which can sustain development for a longer period. Human beings are both the end and the means of development. The proposed centers, as suggested above would help to fulfill the aforesaid objectives*.

The experience of CRRID in conducting the training and education programme for the representatives of PRIs has reinforced its importance, especially in areas which affect the pace of rural development. So far, CRRID has successfully conducted four state-level conferences, four district-level conferences and 126 block-level workshops in 11 districts of the state, at which 11,493 representatives of PRIs (Table 9) were educated about their roles and responsibilities provided in the Punjab Panchayati Raj Act, 1994, encompassing broad aspects of rural development (listed in the 11th Schedule). The consequent assessment and evaluation of the training and education programme indicated the need for continuation of training to facilitate sustainable rural development.

* It may be mentioned here that Punjab has a State Institute of Rural Development (SIRD) at Nabha and a Community Development Centre at Batala, which cater mainly to the training needs of government functionaries. These are grossly inadequate to meet the requirements of training of elected representatives of PRIs.

Table 9
Number of Training Workshops for the Representatives of Panchayati Raj Institutions
Conducted by CRRID

Sr. No.	Year	Number of workshops/ conference	Level	Number of participants*
1	1994	1	State	95
2	1995	15	Block	1912
3	1996	14	Block	2815
4	1997	13	Block	2473
5	1998	3	Block	105
6	1999 @	9	Block	315
7	2000	1	State	65
8	2000	3	Block	111
9	2001	2	State	436
10	2001	4	District	496
11	2001	48	Block	1795
12	2002 (upto 14 th August)	21	Block	875
Total		134	All	11493

Note: * Participants comprised of representatives of Panchayati Raj Institutions including members of all the three tiers. Due representation was given to women and SC members in the workshops/conferences.

@ From 1999 to 2001, the participants were mainly from the Gram Panchayats, as elections to the other two Panchayat bodies were held in 2002.

At present there are 87,842 members of Gram Panchayats, 2,485 members of Panchayat Samitis and 281 members of Zila Parishads. It is estimated that a sum of Rs. 11 crores would be needed for carrying out a one-time training programme to enhance their capacity-building through their training and education, (Table 10). It is also necessary to build-in a reorientation-training programme, for which a separate budget should be worked out every year.

Table 10
Action Plan for Education, Training and Empowerment of the Elected Representatives of PRIs

Particulars	Number of PRIs	Total No. of elected representatives	Proposed No. of training workshops	Expenditure per participant* (In Rs.)	Total Expenditure required (in Rs.)
Gram Panchayats	12369	87842	1757	1200	10,54,10,400.00
Panchayat Samitis	140	2485	140	1500	37,27,500.00
Zila Parishads	17	281	17	2000	5,62,00.00
Total	12526	90568	1914		10,97,00,300.00

Note: *Based on CRRID'S Two Day Block Level Training Programmes for representative of PRIs

The new orientation requires attitudinal change to develop a vast base of human resource. At the present stage, when PRIs have yet to take firm root, it is important that they win the acceptability and confidence of the people through efficient implementation of development programmes, rather than be perceived as organs of state power. Furthermore, the Eleventh Schedule covers all the three levels of Panchayats and there

is an apparent overlap of functions. Therefore, demarcation of operational responsibility between one level of Panchayats and another has to be made specifically with reference to each programme or activity. The number of plan schemes, as mentioned in the said document, literally runs into hundreds. Each of them has to be examined to see what the state government should retain and what should be entrusted to the district/intermediate/Gram Panchayats. Such demarcation cannot first be a one-time exercise, and will require periodical dissemination of information, education and training.

Preparation of multilevel integrated village plans, together with budget estimates, is another essential prerequisite for Panchayati Raj Institutions. Article 243 G has made it clear that the primary role of the Panchayats will be in the area of development, planning and implementation of programmes of economic development with social justice.

There is immediate need to study the potential of rural industrialization for creation of employment opportunities in rural areas, in the context of the 73rd Amendment Act, 1992. The demand for encouraging the setting up of rural industrial enterprises is going to be generated with the mandate to plan as well as implement the work-plan on the subjects transferred to the PRIs. A close look at the 29 subjects provides a clear picture of the potentials of setting up all types of industries in rural areas. This is high time that the state government should consider it seriously.

The time is also ripe for the state government to have a dialogue with such international organizations as the International Labour Organisation (ILO) and the corporate sector/industrial houses to work out operational plans for capacity building on the one hand, and evolve clearly-designed operational strategies for promoting enterprises for the manufacture of products, demands for which are going to be generated by the decentralized activities in the context of the 73rd Amendment on the other. The operational strategy is sure to get the support of the Government of India in view of its pronouncement to have a National Programme for Rural Industrialization (NPRI), proposing to set up 100 rural clusters every year to give a boost to rural industrialization. It is being done for the benefit of artisans and unemployed youth. It is perceived to reduce rural-urban disparities. It will also go a long way in the marketing of rural industrial products.

Moreover, the objectives of the Panchayati Raj system could be revitalized by transferring funds, functions and functionaries, as provided in the 73rd Constitutional Amendment Act, 1992 and Punjab Panchayati Raj Act, 1994. In the changed situation, PRIs will have to be viewed as institutions of local self-government, not as implementing agencies for Centre and State Government Programmes, but as institutions to prepare micro-plans and also to implement them. Active participation of women and Scheduled Caste representatives has to be ensured in decision making for building, promoting and empowering the new leadership of women and Scheduled Castes. For this, Panchayati Raj Institutions will have to be strengthened. Strengthened PRIs will demand a understanding of their role, systems of governance, accountability, transparency and interlinkages. Comparative state-wise studies of PRIs, carried out by the National Institute of Rural Development, Hyderabad, have clearly brought out the differences in governance of PRIs where powers and responsibilities have been transferred and where these have not been transferred.

The First Punjab Finance Commission, in its recommendations, stressed the devolution of funds from the state government to PRIs for improving their financial position. The

state government had accepted for implementation, with effect from 1 January 1997, the recommendation for transferring 20 per cent of the net proceeds of five taxes: stamp duty, Punjab motor vehicles tax, electricity duty, entertainment tax and entertainment cinematograph shows tax. Other recommendations of the Finance Commission have been sent to the departments concerned for comments. According to the recommendation of the First Finance Commission, the 20 per cent share of the receipts of these five taxes, amounting to Rs. 607.29 crore over the five years 1996-97 to 2000-01, was to be transferred to PRIs and ULBs (Table 11).

Table 11
Amount to be Transferred to PRIs/ULBs from Five Divisible State Taxes and Amount Actually Given
(in Rs. crore)

Year	Receipt from divisible taxes	Cost of collection	Net receipt	20% share net	Original budget outlay for PRIs	Amount Transferred to PRIs	Short fall of PRIs	Original budget outlay for ULBs	Amount Transferred to ULBs	Short-fall of ULBs
	1	2	3 (1-2)	4	5	6	7 (5-6)	8	9	10 (8-9)
1996-97	450.54	5.15	445.39	89.07	-	-	-	11.89	-	11.89
1997-98	476.59	6.03	470.56	94.11	55.77	26.92	28.85	50.97	36.26	14.71
1998-99	542.21	12.81	529.40	105.88	59.47	8.53	50.94	45.57	10.82	34.75
1999-00	701.26	11.36	689.90	137.98	63.37	31.48	31.89	40.00	13.18	26.82
2000-01	912.63	11.42	901.20	180.24	54.00	14.70	39.30	32.22	17.78	14.44
Total	3083.23	46.77	3036.45	607.29	232.61	81.63	150.98	180.65	78.04	102.61

Source: (i) Department of Finance, Punjab
(ii) *Annual Plan Documents* 1997-98 to 2001-2002
(iii) Department of Local Government Punjab

'The funds, which were due to PRIs as their share of divisible taxes but have not been transferred to them, would have made considerable difference to their financial position' (*Second Punjab Financial Commission Report*). Even the provision for the transfer of share of the divisible tax as budgeted has not been in accordance with the recommendations of First Finance Commission. The share of PRIs becomes Rs.607.29 crore x 232.61/413.26 = Rs. 341.55 crore, but the original budget outlay was Rs. 232.61 crore resulting in an amount of Rs. 150.98 crore from the budget outlay (actual Rs. 259.92 crore) not being given to PRIs.

For strengthening the Panchayati Raj System and its institutions the state must take initiatives on: transfer of functions, finances and functionaries to the Panchayati Raj Institutions; empowerment of the Gram Sabha; replacement of the District Development Planning Boards by District Planning Committees; integration of development funds allotted to MPs with the funds of Zila Parishads; decision of the state government on the recommendations of the State Finance Commissions within a specified period; ensuring training of all newly elected representatives within a year of their election and organizing refresher courses periodically.

The ongoing programme of training and empowerment of representatives of PRIs being organized by CRRID in Punjab, and sponsored by UNICEF, has brought out clearly the significance of such training programmes. Participants have been unanimous that these should be at the local level and within a year immediately after the elections. Women and Scheduled Castes representatives, in particular, stressed the need for these training programmes. In general, the participants opined that such training programmes, as conducted by CRRID, would considerably help elected representatives to understand the process of decentralized planning and devolution of powers to PRIs through transfer of funds, functions and functionaries. It is apparent from the above observations that

unless these powers are fully devolved, the PRIs will not be able to perform their duties, especially in village planning.

Skill upgradation--an indigenous approach: Mahatma Gandhi had been a champion of rural self-sufficiency in resource utilization, governance and other aspects for the welfare of the rural community. He also emphasized the concept of Nai Talim (basic education), aimed at educating the rural youth for solving rural problems. The idea of rural institutes has been finding place in the recommendations of various education commissions starting from Dr. Radhakrishnan Commission of 1949. Subsequent to this a rural-based agricultural university was set up at Pant Nagar in Uttar Pradesh in 1960 and the second university in 1962 at Ludhiana. When India was passing through a phase of grain shortage, the entire attention of the agricultural universities was on research, development and extension of agriculture. In the process, rural development programmes, a task originally meant for State Agriculture Universities (SAUs) were lost sight of.

In view of the Constitutional Amendment Act, 1992, the time has come when rural development programmes and activities must take a front seat. It is in this context that the National Council of Rural Institutes (NCRI) has started considering introduction of rural higher education programmes, primarily based on the Nai Talim concept, in accordance with local needs and requirements of the people who have not so far been incorporated in mainstream higher education, covering directly dimensions of research, teaching, extension and networking. It is with the introduction of this type of a rural education programme that the Panchayati Raj System will get the needed strength for understanding and resolving local rural problems. The ultimate goal is the development of able and responsible human beings, fully competent to organize and eventually lead a profession to new heights of accomplishment in the service of the society.

Most of our learning in the higher institutes is based upon hypotheses, concepts and theories evolved by western scholars including rural sociologists, which has limited application to our rural development. Rural problems of Punjab, as for that matter every state of the Indian Union, are different and unlike the West whose concepts and theories have been applied in the past for the developmental processes. In the context of rural development, indigenization of concepts and theories are essential for understanding and resolving the issues that confront state governments, Panchayati Raj Institutions and stakeholders. This calls for Indianization of social science research, particularly relating to rural areas. Such an approach, if adopted in social science research, is likely to provide solutions to problems of bringing about rural transformation at a faster pace.

Punjab's rural society has its own identity and psyche, traditions, culture and heritage. Therefore, these must be considered a part of overall rural developmental strategies, with emphasis on the explicit recognition of Punjabi identity. The social factors dominant in the Punjabi style of living and working, when compared with Indian standards, are qualitatively better in some respects (Table 3). While much reform is needed to speed up rural transformation in Punjab, some of the areas that need immediate attention are given below.

RURAL NON-FARM SECTOR

The contribution of Punjab to India's net domestic product (NDP) in 1999-2000(at current prices) was estimated at 3.45 per cent. According to the 2001 Census, while nearly three-fourths of India's population lived in rural areas, in Punjab this was around two-

thirds. Further while two-fifths of the state's NDP came from its agriculture and allied sector, for the rest of the country it was less than one-third. The rural-urban divide in income distribution in Punjab was not as pronounced as at the all-India level. The Census also highlights the dominant role that agriculture continues to play in Punjab in shaping the level of living of its people (Table 12).

Table 12
Sector-wise Share of Punjab in Net Domestic Product of India by Economic Activity (1999-2000) at Current Prices (Rs. in crore)

Economic Activity	India	Punjab	Share of Punjab
Primary	489019	23352.05	4.78
Secondary	343467	12411.70	3.58
Tertiary	770246	19706.37	2.56
Total	1605732	55470.12	3.45

Source: *Statistical Abstract of India-2000*
Statistical Abstract of Punjab-2001

In Punjab, while the share of the primary sector in the net state domestic product has come down from 49.13 per cent in 1980-81 to 38.66 per cent in 2000-01 (at 1993-94 constant prices), for the secondary sector it has increased from 20.01 per cent to 24.9 per cent and that of the tertiary sector from 30.86 per cent to 36.44 per cent. (for details see Table 13)

The rural non-farm sector, with its forward and backward linkages, is an integral part of overall rural development, which has not yet received due attention in Punjab. Table 14 gives the percentage shift of rural non-farm employment and shares of the secondary and tertiary sectors in Punjab. It is evident that there has been a sharp decline in the share of employment under household industry from 9.96 per cent of the total workforce in 1981 to 4.53 per cent in 1991. Similarly, under the non-household industry group it has marginally declined to 21.25 per cent in 1991 from 22.29 per cent in 1981. On the other hand, the share of employment in construction has increased from 6.80 per cent in 1981 to 7.25 per cent in 1991. A significant increase was also found in the category 'other services', from 33.33 per cent to 41.11 per cent during this period. For district-wise details see Annex II.

Table 13
Percentage Distribution of Net State Domestic Product at Factor Cost

Sectors	1980-81*	1990-91*	2000-01**(Q)
Agriculture	33.76	31.25	25.90
Livestock	14.44	15.23	12.26
Sub-total Primary	49.13	47.13	38.66
Registered manufacturing	6.70	10.13	10.78
Unregistered manufacturing	4.96	6.70	5.21
Construction	5.71	3.25	6.25
Electricity & water supply	2.64	3.80	2.66
Sub-total Secondary	20.01	24.38	24.90
Transport, communication and storage	2.61	3.12	5.15
Trade, hotel and restaurants	13.10	10.39	12.59
Banking and insurance	2.30	4.07	5.44
Real estate and ownership of dwelling	4.77	3.50	4.15
Public administration	2.85	3.35	5.05
Other services	5.30	4.06	4.06
Sub-total Tertiary	30.86	28.49	36.44
Grand Total	100	100	100

Source: *Statistical Abstract of Punjab* various issues

Note: Quick estimates

* - at 1980-81 constant prices

** - at 1993-94 constant prices

Table 14
Percentage Shift of Rural Non-farm Employment and Shares of Secondary and Tertiary Sectors in Punjab during 1981 and 1991

	1981	1991
Household industry	9.96	4.53
Non-household industry	22.29	21.25
Construction	6.80	7.25
Trade & commerce	17.41	16.79
Transport, storage & communications	10.16	9.97
Other services	33.33	41.11

Source: Director of Census Operation Punjab, *Census of India 1981, 1991*.

Table 15
Percentage Distribution of Workers by Category--Punjab 1981-2001

Total/ rural urban	Person/ male females	Percentage Distribution of Total Workers											
		Cultivators			Agriculture labourers			Workers in household industry			Other workers		
		1981	1991	2001	1981	1991	2001	1981	1991	2001	1981	1991	2001
Total	Persons	35.9	31.4	23.0	22.2	23.8	16.4	2.6	1.3	3.4	39.4	43.4	57.3
	Males	37.0	32.5	26.0	22.1	23.8	15.9	2.5	1.3	2.3	38.5	42.5	35.8
	Females	5.9	8.7	13.0	25.3	24.4	17.9	4.9	3.2	7.0	64.0	63.8	62.0
Rural	Persons	47.7	42.8	31.5	28.5	30.8	22.0	2.3	1.2	3.1	21.5	25.3	43.4
	Males	48.8	43.8	37.6	28.1	30.4	22.5	2.2	1.1	1.8	20.9	24.8	38.2
	Females	9.7	15.0	15.4	42.6	41.5	20.8	5.7	3.4	6.7	42.0	40.1	57.1
Urban	Persons	5.1	4.2	3.2	5.7	7.2	3.4	3.4	1.7	3.9	85.5	86.5	89.5
	Males	5.3	4.4	3.4	5.8	7.5	3.3	3.4	1.6	3.2	85.5	86.5	90.1
	Females	1.2	1.1	1.8	4.1	3.6	4.3	3.8	2.9	8.5	90.9	92.5	85.4

Source: *Census of India-2001*

The data in Table 14 throw light on the state of the ongoing non-farm activities in Punjab. The share of employment in the manufacturing sector (household and non-household industry) is declining and increasing in the services sector. Within the service sector, however, trade and commerce and transport, storage and communication, which should have been growing and employing more persons, have been showing a downward trend in the share of total employment. Adequate provision of these services would have given fillip to the manufacturing sector as well.

Table 15 gives the percentage distribution of workers by categories for rural and urban Punjab from 1981 to 2001. Only 3.1 per cent of the rural workforce has been engaged in the household industry. The percentage share of 'other workers' in rural areas has increased from 21.5 per cent in 1981 to 43.4 per cent in 2001, whereas that of other workers in urban areas has increased marginally from 85.8 per cent to 89.5 per cent during the corresponding period. 'Other workers' mainly include government servants, teachers, plantation workers, those engaged in trade, commerce, business, transport, storage, banking, construction, political or social work, priests, entertainment, artists, etc.

Out-migration of the rural population in search of jobs has not only resulted in over-burdening urban resources but has also forced the labourforce (displaced from the rural economy) to live in slum-like situations in urban centres. It is necessary to create better socially acceptable employment opportunities by developing the non-farm sector in rural areas, to stop the migration of the rural unemployed to urban areas. For this, minimum basic facilities, such as availability of safe drinking water, proper sanitation and sewerage, better rural health and education and community social assets, wherever existing, have to be utilized effectively and developed where non-existent. The need is to mobilize and involve the community for the proper maintenance of the facilities available at the local level, preferably under Panchayati Raj Institutions.

The corporate sector can play a major role by bringing resources, new technology, modern management and extension services to the local people, which can facilitate provision of employment opportunities for the rural unemployed in secondary and tertiary sectors, by training them for the required jobs. For example, agriculture in Punjab is already over-capitalized in the case of farm machinery, usages of fertilizers and pesticides. Local people could be trained for maintenance and repair services, input delivery services by acting as servicing agents, as Mahindra Shubh Labh Services Limited have done in Tamil Nadu and Rajasthan, which has helped both agriculturists (by increasing farm production) and non-agriculturists (by providing employment in non-agriculture sectors). In short, the service sector for agriculture can be developed profitably by the corporate sector.

RURAL INFRASTRUCTURE DEVELOPMENT

Punjab has set up the Punjab Infrastructure Development Board (PIDB), Punjab State Agriculture Marketing Board (PSAMB) and Punjab Agro-Industry Corporation (PAIC) for the development of infrastructure in the state, for the construction and repair of roads, bridges and national highways including village and town roads, regulated markets, sub-market yards, purchase centres, development of food parks having the facilities of research and development centres, procurement centres, cold-storage space, transportation hub, facilities for sorting, grading and quality assurance, food processing centres and other facilities.

Punjab contributes 45 per cent of rice and 65 per cent of wheat to the central pool. Punjab State Agricultural Marketing Board operates through its 144 market committees for procurement of foodgrains. In addition, 207 sub-market yards and 1,191 purchase centres are opened during the wheat and paddy seasons. Market committees are service-rendering agencies and their main source of income is the market fee. The existing rate of market fee has been fixed at two per cent on an advalorem basis for all purchase /sale transactions of agricultural produce. In addition, the Rural Development Board also levies two per cent Rural Development Fund (RDF) on the purchase/sale of agricultural produce under the Rural Development Fund Act. The market committees have been made the collecting agencies for both the market fee and RDF. RDF is to be used for the construction/repair of village link roads and the development of villages.

Table 16
Arrivals of Wheat and Paddy (in lakh tonnes)

Crop/ Year	1997-98	1998-99	1999-2000	2000-2001	2001-2002 (upto Feb. 2002)
Paddy	98.54	96.19	111.33	119.55	119.55
Wheat	65.07	79.56	79.56	97.23	105.91

Source: Punjab State Agricultural Marketing Board, Chandigarh

Table 17
Collection of Market Fee during Last Five Years (Rs. in Crore)

S. No.	Year	Total market fee
1	1997-98	174.60
2	1998-99	175.74
3	1999-00	231.42
4	2000-01	270.20
5	1.4.2001—28.2.2002	293.02

Source: Punjab State Agricultural Marketing Board, Chandigarh

Despite these Boards and Corporations and an agriculturally developed economy, the state has lagged behind in building up required infrastructure facilities, such as storages, cold chains, food parks, agro-based industries, grading and quality assurance, marketing intelligence network and dissemination of information in rural areas.

As agriculture is the mainstay of the rural economy of Punjab, there is urgent need to set up infrastructure suitable for facilitating the backward and forward linkages to agriculture. Chinese experiences show that 'Communes' have played very important role in rural social transformation through the social process of rural institutional change, accompanied by technical changes as well. Not only did they help in agricultural development but also dramatically reduced rural poverty from about one-third of the rural population in 1978 to about eight per cent in 1996. This is explained by rapid, broad-based rural development, encompassing farm as well as non-farm sectors (ESCAP, UNITED NATIONS, 1996).

Strategically, it is necessary to provide basic civic amenities to the rural population, which has been deficient since long. The state government now intends to adopt an approach of integrated development of rural areas by providing various basic facilities simultaneously, as indicated below:

- (a) Integrated water supply and sewerage disposal system.
- (b) Hundred per cent brick pavement of village streets with mechanized prefabricated bricks, with due attention to disposal of storm water.
- (c) Setting up bio-gas plants for disposal of sullage, water/generation of gas for household consumption and generation of electricity.
- (d) Provision of electricity through solar photo-voltaic and windmills in an integrated grid system manner.
- (e) Provision of street lighting, 24 hours electricity supply.
- (f) Setting up parks in rural areas with special emphasis on cleaning.
- (g) Vermiculture composting.

This requires the integration of various schemes under implementation by the Government of India as well as the state government, to ensure funding of development in a consolidated manner. The need is to strengthen decentralized, well-governed local institutions working at the village level, which have the potential for mobilizing and allocating local resources in enterprises for effective rural industrialization.

RURAL GROWTH CENTRES

Strategically, the state has had provision for the Focal Point Scheme since 1978. The objectives of this scheme are to provide full and gainful employment in the rural areas; increase agriculture production and its handling by providing marketing facilities through purchase centres; revive traditional industries to facilitate development of cottage and small-scale agro-based industries; develop and utilize local resources and ensure participation of weaker sections in the development process. There is provision for hospital, bank branch, post office branch, telephone exchange, agro-service centre, marketing yard, repair workshops, extension services of various departments, supply of petrol, diesel and cooking gas and village industries in each of the focal points. Although there are 597 rural focal points in Punjab, the desired results of providing full employment, reviving village industries, utilizing local resources and ensuring participation of weaker sections in the development process have not been very much

rewarding. This is mostly attributed to wrong selection of sites of many focal points, as these are away from natural growth centres and in some focal points, only partial services have been provided. In many focal points constructed buildings remain unutilized and under-utilized. Proper maintenance of these public utility buildings is lacking. Before starting any such big project, the government should carry out feasibility studies by conducting surveys and holding discussions with the stakeholders.

FOOD AND AGRO-INDUSTRY LINKED MARKETING SERVICES

Development of agro-based industries has a significant role in rural development, especially in an agrarian economy such as Punjab's. These industries not only provide input services but also gainful employment opportunities to rural people. Agro-processing basically involves value addition to farm produce. Presently Punjab is mainly involved in primary processing activities, such as rice milling, flour milling, sugar milling, cotton ginning, milk processing and cattle-feed making. Current agro-processing activities are based on the crops produced in the state, which have very limited scope for secondary processing. However, there are some secondary processing units engaged in the production of bread and biscuits, juice and jam, wood and paper in the private sector. There are 22 sugar mills, 2,042 rice shellers, 60 spinning mills and 46 milk plants in Punjab. Processing of fruits and vegetables is extremely low, despite the availability of a large quantity of raw materials.

In the past, almost one-fourth of the horticulture and vegetables were lost through wastage and spoilage, because of inadequate arrangements for cold storage transport and dehydration. Efforts of some private units to establish fruit- and vegetable-processing units could not succeed because of lack of facilities such as good roads, regular power supply, and the license-quota system, poor information networking, shortage of technical labour and supply of quality raw material.

Given the present structure of crop production, some important technologies for small and cottage processing units are: mini rice mills, mini grain mills, mini dal mills, mini wheat mills. It provides atta, suji, maida and grain, which can further be used for value addition in bigger units.

According to basic *Animal Husbandry Statistics*, 1999, Government of India, AHS series - 7, Punjab produces 77.74 lakh tonnes of milk, which is 11 per cent of the total milk production of the country (712.71 lakh tonnes). In this era of global trade as Punjab is number one in India in per capita availability and productivity of milk, second in milk production and 13th in milch animal population, the state has the potential to enter global trade by promoting its dairy sector. Unfortunately, the performance of our dairy sector is poor as compared to developed countries in terms of productivity, cost effectiveness and milk quality. We could go up to 1,800 litres per lactation of buffaloes and 3,000 litres per lactation of cross-breed cows. In the case of cows, Punjab has the potential to increase the average lactation milk production to 10,000 litre per cow, which is the level prevailing in such countries as USA, Canada and Israel. The need is to improve these factors with a well-planned programme involving government, private industry and farmers, to enter the world market. Existing milk plants can play a big role in developing the milk industry. They can contribute through a better milk procurement system, quality improvements, provision of technical inputs to farmers and new product development.

The main objective of setting up the Punjab Agro-Industry Corporation was to facilitate the establishment and promotion of agro-processing units to supplement and increase incomes of farmers and to generate gainful employment. Punjab Agro-Industry Corporation (PAIC) has been in the business for the last three decades. It has so far promoted 32 projects based on Agro/food processing in Punjab. The important projects relating to the processing of farm produce, such as, fruits and vegetables are shown in Table 18.

Table 18
Major Projects Undertaken in Co-ordination with PAIC

Name of Company	Capital (Rs. in lakh)	Capacity (Mts.)	Raw material	End product
Pepsi Food Ltd.	6850	800 TPA Snack Food 20000 Units Beverage Concentrate. 12000 TPA Processed Fruit And Vegetables	Tomato, Potato, Chilly	Snack Foods, Soft Drink Concentrate, Processed Fruit and Vegetable
Nijjar Agro Foods Ltd	1949	15 TPH of Tomatoes 1.5 Lac. Ltr. Milk Per day	Tomato, Chilly, Milk	Tomato Paste, Chilly Paste, Guava concentrate, Hybrid seed, Ghee, Milk Powder, Condensed milk
Agro Dutch Industries Ltd.	2350	Original 3500 TPA Expanded 28,000 TPA	Paddy Straw Mushroom Spawn	Canned Mushrooms
Golden Agro Winery Ltd.	87.50	375 Kilo litres of wine p.a to produce 5 lac bottles of wine of 750 ml. Each.	Grapes	Wine
Himalayan Frozen Foods Ltd.	970	5400 TPA in term of raw material IQF 2 ton per hrs.	F & V	Frozen Fruit and vegetable
Gloosy Foods Limited	610	2700 TPA	F & V	Dehydration supplemented by canning and bottling lines for F & V
Green Bagh Limited	770	3000 TPA	F & V	Juice Concentrate and Paste of F & V
Pagro Foods Limited	750	11600 TPA	F & V	Frozen/Processed F & V

Source: Information provided by PAIC

One of the proposed projects of PAIC is the establishment of food parks, which would perform the functions of markets and provide strong linkages between farmers, wholesalers and processors. Food parks will have facilities for R & D centres, procurement centres, cold storage spaces, transportation hubs, food processing centres and facilities for sorting, grading and quality assurance. The corporate sector has to

come in on a large scale to promote better backward and forward linkages with farm producers, to make the PAIC dream of food park a success. Moreover, with the WTO agreement in force, the future of agriculture in Punjab lies in the efficient use of resources, quality produce, value addition and agro-processing. Diversification of Punjab's economy is further limited by its resource endowments. The limited resources, which are available within the state, are not being used judiciously and are creating environmental degradation, pollution, contamination and depletion of water, deforestation and soil degradation. Planners must take into account these bottlenecks while formulating the new strategic policy for agricultural development, through backward and forward linkages ideal for the international market.

Corporatization of the rural economy becomes more relevant in the changed globalized system, where market requirements of quality produce have to be met. The entry of the corporate sector will also help the farmers of Punjab diversify crops from wheat and rice to other crops. This can be done by providing awareness about quality inputs and their judicious use, ensuring their crop procurement, refrigeration, carrier, grading, cleaning, packing, branding and also helping in research and extension. Some of the well-known corporate sector units are experimenting with contracting the farmers of Punjab for growing potato, tomato and chillies in the districts of Sangrur, Bhatinda, Mansa, Moga, Ludhiana, Kapurthala, Hoshiarpur and Amritsar. The recent field experience of CRRID with Mahindra Subh Labh Services Limited (MSSL), Mumbai, shows that the farmers of the state are showing a keen interest to grow crops according to the requirements of the corporate sector, provided it protects the existing minimum returns and assures marketing of the produce.

RURAL POVERTY ALLEVIATION PROGRAMME

India has a long history of government intervention in the rural sector of its economy. India's development strategies have accorded high priority to agriculture and rural development. The Community Development Programme (CDP) reflected India's concern for nation-building and equity. The Intensive Agriculture Development Programme (IADP) employed the selective principle in deploying resources for achieving rapid production gains, ensuring thereby the equity concern of the CDP. Its main objective was to achieve rapid increase in agricultural production through the use of complementary inputs and services at the farm level. A number of programmes, such as the Intensive Agricultural Area Programme (IAAP), the High Yielding Varieties Programme (HYVP) and the Intensive Cattle Development Programme (ICPD) had been patterned like the IADP. The lesson learnt from these programmes was that a rising economic growth rate was no guarantee against poverty and unemployment. The growing inter-regional and inter-personal disparities that surfaced from these selective growth-oriented programmes led to a re-examination of the development strategies. As a consequence, special programmes, such as Small Farmer Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Schemes (MFALS), Drought Prone Area Programme (DPAP) and Tribal Area Development Programme (TADP) were introduced for the weaker sections and the economically depressed areas in the seventies. These programmes were aimed at tackling the problems of poverty and backwardness by helping the weaker sections to increase their incomes through self-employment and wage-paid employment. A Minimum Needs Programme (MNP) was also launched, to supplement the income-increasing effect of these programmes in order

to provide civic amenities and community facilities in rural areas. In 1978-79, the principal contents of Community Area Development (CAD), DPAD, MFAL, SFDA were all integrated into a new programme, Integrated Rural Development Programme (IRDP) for providing income generating assets and self-employment opportunities to the rural poor.

A series of special employment programmes were also initiated in the seventies, namely, Rural Works Programme (RWP), Crash Scheme of Rural Employment (CSRE), Pilot Intensive Rural Employment Projects (PIREP), Employment Guarantee Schemes (EGS), Food for Work Programmes (FFWP), National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP), to address the acute unemployment situation in rural areas. The experiences of these programmes indicated the need for more concentrated efforts to tackle the problems of rural unemployment and construction of public works under the schemes. Keeping this in view, the Jawahar Rojgar Yojana (JRY) was launched in April 1989 by merging the two ongoing NREP and RLEGP into a single rural employment programme. Consequently, on 1 April 1999 the Jawahar Gram Samridhi Yojana (JGSY) was started to ensure development of rural infrastructure at the village level by restructuring the erstwhile JRY.

The Employment Assurance Scheme (EAS) was launched on 2 October 1993 to make larger and efficient use of available human resources for alleviation of poverty, reduction in inequalities and sustenance of a reasonable high pace of economic growth. Subsequently, the Jawahar Rozgar Yojana (JRY) has been merged with the EAS since 1 January 1996. It now covers all the rural blocks of the country. The scheme aims at providing assured employment of 100 days of unskilled manual work in a year to the rural poor, who are in need of employment and seek it. The second objective is the creation of economic infrastructure and community assets for sustained production and employment generation. The programme is restricted to males and females above 18 years and below 60 years of age. A maximum of two adults per family are to be provided assured employment for 100 days under the scheme.

The newly launched centrally sponsored Swarn Jayanti Gram Swayrozzgar Yojana (SGSY) has been revised keeping in view experiences of the strength and weaknesses of earlier self-employment programmes, viz., IRDP, Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Supply of Improved Toolkits to Rural Artisans (SITRA), Ganga Kalyan Yojana (GKY) and Million Wells Schemes (MWS), which are no longer in operation. SSGY has been started from 1 April 1999. It is a comprehensive self-employment, programme for the rural poor and is conceived as a holistic scheme of micro-enterprises covering various aspects of self-employment, viz., organization of the rural poor in Self Help Groups (SHG), capacity building, training, planning of activities clusters, infrastructure buildup, technology, credit and marketing. Thus emphasis in rural development has progressively shifted from growth to welfare and then from a responsive to an integrated approach.

Punjab had been implementing these centrally sponsored programmes since the Sixth Five Year Plan. The plan-wise actual expenditure for different five year plans is shown in Table 19.

Table 19
Rural Development under Five-Year Plans (Actual Expenditure) (Rs. in lakh)

Sub-head of development	7 th Plan (1985-90)		8 th Plan (1992-97)		9 th Plan (1997-2001)	
	Actual Exp.	% age to total Exp. on Rural Dev.	Actual Exp.	% age to total Exp. on Rural Dev.	Actual Exp.	% age to total Exp. on Rural Dev.
Community Development and Panchayats	2803.72	28.41	--	--		
IRDP	3043.45	30.84	2977.24	16.43	1572.42	6.27
National Rural Employment Programme	1667.35	16.89	--	--		
Jawahar Rojgar Yojna	--	--	1705.34	9.41	3831.01	15.28
Other Programmme like employment guarantee programme, land reforms	9.30	0.09	13436.46	74.16	19664.44	78.44
Kandi watershed and area development programme	2247.00	22.77	--	--		
Integrated Rural Energy Programme	97.00	0.98	--	--		
Total Rural Development Expenditure	9867.82	100.00	18119.04	--	25067.87	100.00
Total Plan Expenditure	354716.55	--	681933.76	--	7812618.18	
Percentage of Rural Expenditure to Total Plan Expenditure	2.78	--	2.65	--	3.21	

Source: Various *Statistical Abstracts of Punjab*, Government of Punjab

The poverty ratio of Punjab has always been on the lower side throughout the plan periods. Currently, it is 6.16 per cent as compared to 26.1 per cent for India. The green revolution of the mid-sixties and early seventies has helped the rural poor of Punjab as the benefits from increased agricultural production have 'trickled down' to the poor, to some extent.

The target group of these centrally sponsored schemes consists of small and marginal farmers, agricultural labourers and rural artisans, including the disadvantaged sections of the society, such as the Scheduled Castes, physically handicapped and women. The financial and physical achievements of various centrally sponsored schemes during the Ninth Five Year Plan are as follows:

Swaranjayanti Gram Swarozgar Yojana (SGSY): SGSY was started on 1 April 1999. During 2001-2002 the Government of India allocated funds amounting to Rs. 440.29 lakh to Punjab on a 75:25 sharing basis. During 2001-02 (upto January, 2002), out of the total available funds of Rs. 544.43 lakh, Rs. 435.84 lakh, that is 80 per cent, has been utilized. During the same year, 169 Self Help Groups were formed. Of these 59 SHGs (including those formed in the previous year), covering 632 members, started economic activities. The total assistance, amounting to Rs. 159.49 lakh, has been provided to these groups. In addition to this, 3,619 individual swarozgaris have also been assisted and, assistance amounting to Rs. 1,143.62 lakh provided. Out of the total assisted swarozgaries, 57 per cent were SCs, 24 per cent women and one per cent disabled. For 2002-2003 the state has proposed Rs. 1,050.00 lakh for SGSY to benefit 6,500 swarozgaries. Table 20 gives details of financial and physical achievements under SGSY during the Ninth Five Year Plan (up to February 2002).

Table 20
Financial and Physical Achievement under SGSY Scheme during
Ninth Five Year Plan (upto February, 2002) (Rs. in lakh)

Item	1997-98 to 2001-02	Percent to total
Total funds available	4396.87	-
Total expenditure	4003.64	91.0
Total beneficiaries/ swarozgaries assisted (No.)	35167	-
SC	19580	55.7
Women	13599	38.7
Handicapped	436	1.2

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Sampoorna Grameen Rozgar Yojana (SGRY): The government of India launched a new centrally sponsored scheme, Sampoorna Grameen Rozgar Yojana (SGRY), involving an annual expenditure of Rs. 10,000 crore on 25 September 2001. Under the Scheme, 50 lakh tonnes of foodgrains (worth Rs. 5,000 crore, calculated at Rs. 10 kg) are to be provided every year to all the States and UTs free of cost and the remaining amount of Rs. 5,000 crore is to be utilized to meet the cash component for wages and material costs.

The objectives of the SGRY are to provide additional wage employment in rural areas and also food security, alongside the creation of durable community, social and economic assets and infrastructure development in these areas. The programme is self-targeting in nature and would be available for all the rural poor (BPL/APL) who are in need of wage employment and are willing to engage in it. Preference will be given to the poorest among the poor, women, SC/ST and parents of child-labour withdrawn from hazardous occupations. Under the Scheme, 5 kg of foodgrains (in kind) is to be distributed as part of wages per man-day. The remaining part of the wages is to be paid in cash to ensure the notified minimum wage. Punjab has fixed Rs. 5 per kg. as price of wheat.

During the financial year 2001-2002 the EAS and JGSY were continued as part of SGRY Scheme. From the financial year 2002-2003 onward, the allocation of funds would be made in a manner that each Panchayat receives a minimum of Rs. 50,000. The physical performance of JGSY (SGRY) for 2001-2002 is given in Table 21.

Table 21
Physical Performance of JGSY under SGRY- 2001-2002

Employment generated category-wise	(Lakh man-days) employment generated	
	During the month of March 2002	Cumulative including March 2002
SC	1.934	6.376
Others	0.611	2.378
Total	2.545	8.754
Women	--	--
Landless	--	0.130
Others	2.545	8.585
Disabled	--	0.169
	--	0.010

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

SGRY is executed in two streams:

First Stream: The first stream is being implemented at the district and intermediate Panchayat level; 50 per cent of the funds are to be earmarked (from out of the total funds available under the SGSY) for distribution between the Zila Parishads and intermediate level Panchayats (Panchayat Samitis) in the ratio of 40:60. (Of the 50 per cent funds under the first stream, 20 per cent are to be utilized by the Zila Parishads and 30 per cent by the intermediary level Panchayats)

Second Stream: The second stream is being implemented at the village Panchayat level; 50 per cent of the funds available under the SGSY are earmarked for the Village Panchayats and for distribution among the Gram Panchayats through Zila Parishads/ DRDAs. The allocation of funds is being made in a manner that each Panchayat receives a minimum of Rs. 50,000.

Works to be taken up: The works to be taken up will be labour-intensive, leading to the creation of additional wage-employment, durable assets and infrastructure, particularly those which would assist in drought-proofing, such as soil and moisture conservation works, watershed development, promotion of traditional water resources, afforestation and construction of village infrastructure and link roads, primary school buildings, dispensaries, veterinary hospitals, marketing infrastructure and Panchayat Ghars.

Employment Assurance Scheme (EAS): The primary objective of the EAS scheme, which has now been merged in SGRY, was to provide gainful employment, during the lean agricultural season, in manual works to all able bodied adults in rural areas who were in need and desirous of work, but could not find it. The work could be either on farm or in other allied operation or on the normal plan/ non-plan works during such a period. The secondary objective was the creation of community, social and economic assets for sustained employment and development.

During 2001-2002, against the total available funds of Rs. 10,15.83 lakh, Rs. 680.60 lakh, that is 67 per cent, was utilized. This helped in generating 5.11 lakh man-days. Out of the total man-days of employment generated 74 per cent were for SCs and two per cent for women. Table 22 gives the details of financial and physical achievements under EAS during the Ninth Five Year Plan (up to February 2002).

Table 22
Financial and Physical Achievement under EAS Scheme during Ninth Five Year Plan (upto February, 2002) (Rs. in lakh)

Item	1997-98 to 2001-02	Percent to total
Total funds available	15818.26	-
Total expenditure	9246.45	58.5%
Total employment generated (Lakh man days)	62.38	-
SC	45.19	72.4%
Women	2.79	4.5%
Landless	39.58	63.4%

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Jawahar Gram Samridhi Yojana (JGSY): JGSY is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozgar Yojana (JRY). Designed to improve the quality of life of the poor, it was launched on 1 April 1999. The primary objective of JGSY was to create a demand-driven community village infrastructure, including durable assets at the village level and, to enable the rural poor to increase opportunities for sustained employment. The secondary objective was the generation of supplementary employment for the unemployed poor in rural areas. During 2001-2002 (upto January, 2002), against the total available funds of Rs. 1,101.82 lakh, Rs. 802.86 lakh, that is 73 per cent, was utilized. This helped in generating 5.56 lakh mandays, of which 3.96 lakh mandays were generated for SCs and 0.21 lakh for women. Table 23 gives the details of financial and physical achievements under JGSY during the Ninth Five Year Plan (up to February 2002).

Table 23
Financial and Physical Achievement under JGSY Scheme during Ninth Five Year Plan (upto February, 2002) (Rs. in lakh)

Item	1997-98 to 2001-02	Percent to total
Total funds available	7413.36	-
Total expenditure	6605.89	89.1
Total man days generated (in lakhs)	51.86	74.7
SC	38.76	-
Women	0.73	1.4
Handicapped	0.014	0.03

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Indira Awaas Yojana (IAY): The Government of India has been implementing IAY since 1985-86, with the objective of providing dwelling units free of cost to members of Scheduled Castes, Scheduled Tribes, and freed bonded labourers living below the poverty line in rural areas. From 1993-94, its scope has been extended to cover non-Scheduled Caste/ Scheduled Tribe rural poor. Benefits of the scheme have also been extended to families of ex-servicemen of the armed and paramilitary forces killed in action. Three per cent of the houses are reserved for the below-poverty-line disabled persons living in rural areas. During 2001-2002, against the total available funds of Rs. 894.29 lakh, Rs. 542.86 lakh, that is 61 per cent, has been utilized. This has resulted in the construction of 1,896 houses, 47 per cent of the target. Of the constructed houses, 91 per cent were constructed for Scheduled Castes. In addition, 976 houses were upgraded, 48 per cent of the target fixed. Out of the upgraded houses, 90 per cent were for the Scheduled Castes. For the year 2002-2003 the state has planned to spend Rs. 350.00 lakh as its share on this programme to construct 5,600 new houses and upgrade

2,800 houses. Table 24 gives details of the financial and physical achievements under IAY during the Ninth Five Year Plan (up to February 2002).

Table-24
Financial and Physical Achievements under IAY Scheme during Ninth Five Year Plan (upto February, 2002) (Rs. in lakh)

Item	1997-98 to 2001-02	Percent to total
Total funds available	5435.15	-
Total expenditure	4550.8	83.7%
Total number of houses constructed	21100	-
SC	19543	92.6%
Women	6820	32.3%
Handicapped	83	0.39%

Source: Data provided by the office of JDC (RD), government of Punjab, Chandigarh.

Pradhan Mantri Gramodaya Yojana (Gramin Awaas) (PMGY): The Pradhan Mantri Gramodaya Yojana (Gramin Awaas) is generally, based on the pattern of the Indira Awaas Yojana and will be implemented in rural areas throughout the country. During 2001-2002 (upto January, 2002), against the total available funds of Rs. 307.64 lakh, Rs. 83.48 lakh, only 27 per cent, was utilized. This resulted in the construction of 507 new houses and upgradation of 97 houses. For the year 2002-03 funds amounting to Rs. 500.00 lakh have been proposed to construct 2,000 houses and upgrade 1,000 houses. Table 25 gives details of financial and physical achievements under PMGY during the Ninth Five Year Plan (up to February 2002).

Table 25
Financial and Physical Achievements under PMGY Scheme during Ninth Five Year Plan (up to February, 2002)(Rs. in lakh)

Item	1997-98 to 2001-02	Percent to total
Total funds available	610.64	-
Total Expenditure	445.66	73%
Total number of houses constructed	1531	-
SC	1441	94.1%
Women	886	57.9%
Handicapped	-	-

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Special Project under SGSY: Under the SGSY scheme (for the year 2001-2002) the Government of India sanctioned Rs. 21.11 crore for five districts -- Amritsar, Gurdaspur, Ferozepur, Bathinda and Muktsar. However only Rs. 7.87 crore were released. The main achievements are given in Table 26 and 27.

Table 26
Financial Achievements of Special Project under SGSY (Rs. in lakh)

Name of district	Name of project	Total cost of the project	Funds released			Total funds available	Exp.
			GOI	State	receipt		
Amritsar	Carpet weaving	309.00	115.88	38.63	--	154.51	34.10
Bhatinda	Handloom	495.00	181.50	60.50	2.29	244.29	125.76
Ferozepur	Handloom	441.80	165.68	--	--	165.68	2.46
Gurdaspur	Dairy	495.00	185.63	59.64	--	245.27	44.27
Muktsar	Dairy	370.00	138.75	46.25	--	185.00	--
Total		2110.80	787.44	205.02	2.29	994.75	206.57

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Table 27
Physical Achievements of Special Project under SGSY

Name of district	Credit mobilized (Rs. in lakh)	Swarozgaries assisted (No.)
Amritsar	--	--
Bhatinda	90.00	373
Ferozepur	--	--
Gurdaspur	251.84	515
Muktsar	--	--
Total	341.84	888

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

Integrated Waste Land Development Project: Under this centrally sponsored scheme (IWDP), the Government of India sanctioned the projects to DRDAs of Bathinda and Sangrur for the year 1994-95 amounting to Rs. 409.13 lakh and Rs. 287.78 lakh respectively. Upto December 2001 the Government of India released funds amounting to Rs. 337.40 lakh to DRDA Bathinda and Rs. 41.81 lakh to DRDA Sangrur. In Bathinda District out of the total available funds of Rs. 347.49 lakh (including interest), Rs. 345.91 lakh was utilized. The Government of India has discontinued the project of Sangrur district, as its implementation has been show. Table 28 provides the financial and physical targets of various centrally sponsored schemes for 2002-03.

Table 28
Financial and Physical Targets for 2002-03 (Rs. in lakh)

Name of Scheme	Proposed allocation for 2002-03			Physical targets
	Center	State	Total	
SGSY	3150.00	1050.00	4200.00	6500 swarozgaries
SGRY	9375.00	3125.00	12500.00	60 lakh man-days
IAY	1050.00	350.00	1400.00	5600 houses to be constructed 2800 houses to be upgraded
PMGY	500.00	--	500.00	2000 houses to be constructed 1000 houses to be upgraded
Total rural sanitation	250.00	75.00	325.00	

Source: Data provided by the office of JDC (RD), Government of Punjab, Chandigarh.

The important point to be noted in the case of Punjab for all the centrally sponsored schemes is the utilization of the funds. These have never been fully utilized, mostly due to lack of matching funds from the state government. For example, in the case of the IAY scheme, the financial performance (achievement) during the Ninth Five Year Plan (upto February 2002) has been 83.7 per cent of the target. This ratio is 91 per cent for SGSY and 58 per cent for the EAS scheme.

Besides centrally sponsored schemes, the Government of Punjab has been implementing many welfare schemes for poor families from socially disadvantaged sections of the society, namely, stipend to SC girls studying in primary schools, housing for SC families, SCs Dharmshala, incentives for removal of untouchability, shagan scheme for SC girls at the time of their marriage, manure pits for SCs' families, kanya jagriti joyti scheme, financial help for handicapped, orphans, widows and old people and other nutritional schemes for pregnant women and under-weight children.

The main reasons for the failure of the earlier poverty alleviation programmes to eradicate poverty completely has been identified as: failure to reach the right beneficiaries, pilferages and leakages, procedural difficulties, inadequate assistance in some cases, beneficiaries using the money for other unproductive purposes, repayment of bank loans, lack of marketing of products, training, human resource development, and proper information about the schemes and centralized administrative processes. Some schemes, which are being implemented by the state, are duplicate in nature, for example, the housing scheme. These shortcomings have also been reflected in the evaluative studies by CRRID of IRDP (July 1995 to June 1996-- fifth round) and IAY (1998-99) in Punjab.

The implementation of these programmes could be made more effective by strengthening the inbuilt monitoring system by involving the community in their implementation through Panchayats. The poor are to be identified by the Gram Panchayats in the Gram Sabha meetings, and the list forwarded to the Panchayat Samitis (PSs), whose representatives should be made responsible for examining the list for its genuineness. Then the PSs should forward this list to Zila Parishads, which could play the role of a bridge between the state government and the grassroots level of governance. The need is to strengthen the district planning committees for better results.

Although, constitutionally local self-governance has been transferred to local bodies, the Panchayats have not been given the authority and responsibility to implement and prepare plans for economic development and social justice. The state government has not been paying attention to the recommendations made by its First and Second Finance Commissions, which have suggested measures for raising funds for the Panchayats, to make them self-sustainable. The need is to encourage the mass media to help increase awareness among the rural masses, especially the rural poor. The thrust of the plan strategy should also take into account the emerging social, political and cultural inequalities, besides economic upliftment.

MICRO-FINANCE AND RURAL BANKING

The availability of bank credit facilities can help to bring prosperity to rural people. There are 1,120 branches of scheduled commercial banks in the rural areas of Punjab. These constitute 44.7 per cent of the total number of branches functioning in the state in the year 2000. The share of rural branches has decreased from 54.4 per cent in 1990 to 44.7 per cent in 2000. The credit-deposit ratio for rural Punjab was 43.36 per cent, whereas for rural Maharashtra, it was 58.90 per cent in 2000 (Table 29).

Table 29
Number of Branches, Deposit & Credit and Credit-Deposit Ratio in All Commercial Banks for 1990 and 2000 (Rs. in lakh)

Name of the State/ India	No. of branches		Deposits		Credits		Credit-deposit ratio (%)	
	1990	2000	1990	2000	1990	2000	1990	2000
Punjab	1180 (54.4) 2170*	1120 (44.7) 2504*	250708 (28.9) 866824*	915018 (23.7) 3857206*	84737 (22.2) 382340*	396750 (26.3) 1506296*	33.80	43.36
Haryana	736 (57.8) 1273*	697 (46.7) 1491*	85505 (24.9) 343324*	344318 (20.2) 1705250*	58109 (28.0) 207801*	143535 (20.3) 706137*	67.95	41.68
Maharashtra	2491 (43.7) 5689*	2309 (37.1) 6216	148237 (4.5) 3281284*	602134 (3.9) 15299611*	111083 (4.9) 2276369*	351640 (2.7) 12820100*	74.93	58.40
All India	34184 (56.50) 60515*	32719 (50.00) 65521*	2623364 (15.3) 1719439*	12044675 (14.6) 82213276*	1606785 (15.4) 10431193*	4739602 (10.1) 46903171*	61.25	39.35

Source (i) *Banking Statistics, Basic Statistical Returns Volume 19, March 1990.*

(ii) *Banking Statistics, Quarterly Handout, March, 2000*

Note: (i) Figures in parentheses represents the share in rural region to the total of all the regions.

(ii) *denote the total in all the regions (rural, semi-urban, urban & metropolitan).

The slow growth of the rural non-farm sector could be attributed to the lower CD ratio (33.80% in 1990) for rural Punjab. Further, the share of credit to the rural non-farm sector was only 12.9 per cent of the total rural credit in 2000-01. The share of rural credit is more for agriculture machinery (34.4%) and dairy development (37.7%). (*Annual Report, Punjab, 2000-01, NABARD*). This reflects the priorities in our development strategy. These have been the development of agriculture and allied sectors (limited to dairy) and not the development of the rural non-farm sector. This sector has the potential of generating more employment, which has not been fully exploited so far. As agriculture is already over-capitalized in case of farm implements there is a need to shift credit towards agro-processing industries, storage, cold chains, market yards, transport, village and cottage industries and other services.

Traditionally, in the absence of an institutionalized banking system, rural people, especially farmers, approach moneylenders for their credit needs. The CRRID study on problems of credit for the cotton growers of Punjab shows that the need for their credit is still met by the commission agents (75.9%). It has been noticed that such type of credit did not help in capital formation but was used for consumption purposes and day to day needs of the rural people, which has not helped the growth of the non-farm sector.

The experiences of the Gramin Banks role of Bangladesh and Indonesia in the development of rural areas reveal how the formation of small homogenous groups (5-10 members) across religion, gender, caste, cluster and location played an important role in rural development, especially in the non-farm sector. The concept of Self Help Groups (SHGs) in India has been adopted in view of their successful with rural masses, who first

engage in small savings on their own for a specified period for use in case of an emergency that a group member might face. Once the bank is convinced that respective groups have budding ideas of starting micro-enterprise, they provide them the required financial support. The need is to adopt an approach where micro-finance could be made available to rural people, especially the poor, through improvement in the rural credit-delivery system.

MODEL VILLAGE PLAN

A model village will facilitate human resource development through better education, health and training and generate employment avenues both in secondary and tertiary sectors. Initially funds for infrastructure building, will have to be mobilized from government as well as non-government sources, such as non-government organizations, international funding agencies, non-resident Indians (NRIs), religious Institutions and other sources besides the village's income from its own sources. Consequently, for the maintenance and sustainability of public services, user's charges could be levied according to the social and economic position of the households. According to the concept of a globalized village, each village will be connected with modern information technology for better dissemination of information. This type of a village will have the potential of producing human resources catering to national as well as international requirements.

A model village is perceived as a village having all modern physical and social infrastructure facilities. According to HUDCO, the village to be developed as a model village has to adopt a convergence approach with integrated development, equipped with good housing, appropriate sustainable technology, site-specific functional planning, user-friendly and innovating designing, along with the integration of many other supportive inputs. The preparation of a model village plan has been perceived as a part of the community development programme of the Government of India since the very First Five-Year Plan. Although the green revolution in Punjab has helped in improving economic conditions of the people living in rural areas, our planning could help improve their quality of life only to a limited extent. Development of a model village, as perceived in our planning, has not been widely applied in its true sense.

An Action Plan, designed by CRRID in consultation with the representatives of Gram Panchayat/Gram Sabha for building a model village is given below;

- (i) Meeting of Gram Sabha
- (ii) Identification of village problems
- (iii) Prioritization of needs at village level
- (iv) Preparation and approval of plan
- (v) Technical consultation with the department of rural development for resource mapping
- (vi) Operational plan preparation by Gram Panchayat
- (vii) Identification and mobilization of resources

Begowal (Ludhiana) and Palahi (Kapurthala) villages of Punjab are appropriate examples of model villages, with a holistic development approach promoting social harmony and quality of life. CRRID has also developed a model village plan for village Khera Dona in Kapurthala district. It might be of interest to note here that a non-resident Indian of the same village sponsored this study of CRRID.

It is hoped that the character of a model village will shift from the present rural character, dominated by agriculture, to semi-urban, with a larger share of the income from secondary and services sectors than the primary sector. Within the primary sector the share of allied agricultural activities would increase, which would help in providing employment opportunities for people involved in agriculture as casual workers. Non-farm activities would also encourage contract arrangements in employment and not the casual one. It would further increase women's participation in work and slow down the out-migration process from villages to urban centres.

Palahi: An Integrated Village Development Model

Village Palahi is situated on a link road, which is three kilometres from Phagwara (district Kapurthala) on the northwestern side. The village has 548 hectares of cultivable land with 100 per cent irrigation facilities. The total population of the village is 3,800.

The National Rural Development Society (Regd) Palahi established in 1983 under the chairmanship of the village Sarpanch, is engaged in the overall development of Palahi in collaboration with the Panchayat. It is because of these collaborative efforts that today the village has all such as facilities like solar street lights, solar pumps, solar water heating systems, solar cookers, post office, commercial bank, co-operative society, sewing centre, sports stadium, library, health care hospital, government primary and high schools, community hall, Ambedkar Bhawan, water supply, ayurvedic dispensary, common tractor-run water tanker, public school, veterinary hospital, gobar gas plant, Gurudwara and Masjid. The National institute for Integrated Rural Development and Transfer of Technology (Palahi Community Polytechnic) is another big achievement of this village. This institution was started in 1984-85 with the aim and objective of imparting training in various technical and educational trades to educated, semi-educated and unemployed youths in the age group 18-35, in order to make them youth capable securing gainful employment or start their own ventures to cater for demands from local areas. The major activities of this institution are: manpower development and training, transfer of technology, setting up technical working units. The Polytechnic imparts vocational training in such courses as refrigeration, motor winding, welding, electrician's jobs, garment designing, commercial secretarial practices and software programming.

Palahi was once a typical *archetypal* Punjab village, but today, it not only boasts of a free Internet service, but also has a community hall, solar lighting, brick laned streets and biogas plants to convert manure into power. Palahi is the only village in the state where solar lighting and indoor toilets are common. The key to Palahi's success is its residents, who contributed in cash and kind for village development and its immigrant sons. Almost every household has one or more members settled in western countries, mainly, Britain, Canada and USA. This section of the non-resident population has made the village proud through their contributions in cash. Palahi's NRI sons provided Rs. 32 lakh of the Rs. 35 lakh spent for the community hall, which can seat 1,100 people. With a Community Centre Hall, a village Panchayat Complex, a Ferro-cement unit, a biogas plant, a library stocked with 12,000 books, football ground, badminton courts and a stadium, well-maintained schools, polytechnic centre, impressive clock tower and brick-lined streets, Palahi is a unique model for integrated development of a village.

For more details: E-mail: Palahi@jla.vsnl.net.in

ROLE OF NGOs, SHGs AND CORPORATE SECTOR

Voluntary social services have been an integral part of the socio-cultural and religious ethos of our society from ancient times. The objective has been to increase human capacities by promoting non-economic factors such as education, health and nutrition, which in turn would speed up the process of economic development. The role of NGOs

is both co-operative and complementary to the state. The existence of NGOs assumes importance in the context of rural settings, as living conditions have deteriorated. State-NGO partnership alone cannot resolve all the socio-economic problems, hence it has to be in co-ordination with all agents of social change, i.e., the state, local self-governments, the corporate sector, academics and civil society groups.

The role of voluntary agencies in the development of rural areas can be to supplement efforts of government for the upliftment of the poor and needy disseminate information about development schemes and programmes of the government to rural people; make people aware of the consequences of female foeticides and imbalance in sex ratio; mobilize financial resources from the community; help in upgradation of skills of rural youths for self-employment opportunities; facilitate the formation of self-help groups and micro-finance; ensure protection of women and children's rights and abolish ills of child labour; and, make available technologies in a simpler form to the rural poor.

The work of voluntary agencies has been considered complementary to that of government in offering the rural poor a range of choices and alternatives, at low cost and with greater participation. Indian planning strategy has provided scope for the active involvement of NGOs in the planning process, and sufficient funds have been allotted for a wide range of anti-poverty and minimum needs programmes. A semi-autonomous body, The Council for the Advancement of People's Action and Rural Technology (CAPART), has already been functioning to administer these funds. The government has frequently sought to replicate voluntary initiatives on a large scale, especially in technological innovation, health care and education.

When individuals, on their own initiative, act in a conglomeration to meet their individual and common needs with the primary focus on self-reliance, it can be called a Self Help Group (SHG). Self-help implies a step beyond the stage of passivity to activity and of making a creative contribution. The benefits of self-help groups are based on co-operation rather than competition. They provide benefits of economies of scale, cost-effective alternatives for different financial services, collective learning, democratic and participatory culture and a firm base and platform for dialogue and co-operation. SHGs develop from a common binding force, common need, interest and concern, especially for the rural poor. It is this common binding force, which makes SHGs function more efficiently. The effectiveness of SHGs would be considerably enhanced if a symbiosis could be worked out between them and Panchayati Raj Institutions (PRIs). The key to this is the integration of SHGs with the democratically elected and empowered panchayats when the requisite devolution of power, functions and authority to the latter takes place. There is urgent need to work out a mechanism that will allow the SHGs and the PRIs to work in tandem and establish a system of reinforcing each other's work.

NABARD has been promoting the role of NGOs in the formation of SHGs, which could be made functional with their help. NGOs can also work with the formal as well as informal financial institutions and help in micro-financing the SHGs. In Punjab, there are only 541 SHGs who have taken credit from NABARD upto 2001. Such low numbers of SHGs are due to the fact that voluntary agencies, especially NGOs, are not very active in the state. A list of important NGOs and their respective areas of operation is given in Table 30. The existing SHGs have been mostly formed with the efforts of bank officials in co-operation with Panchayats.

Table 30
List of important NGOs in Punjab

Name	Activities
Adarsh Seva Samiti, Anandpur Sahib	Women's development
All India Jeev Raksha Bishnoi Sabha Abohar, (Ferozepur)	To protect animals and encourage a forestation
All India Pingalwara Society Amritsar and Jullandhar	a) To provide shelter and food to the destitutes, disabled orphans and mentally handicapped people b) Environmental literacy c) Forestation d) Rehabilitation of destitutes through vocational training
All India Women's Conference, Amritsar	Social justice and human rights
Bhartia Grameen Mahila Sangh, Chandigarh	(a) Welfare of women and children of rural areas (b) Social education to children (c) Community development
Doaba Shri Guru Singh Sabha, Jullandhar	To motivate people for reformative education. To run charitable hospital
Environment and Life Scientist Association, Ludhiana	To create awareness among the people in general and students in particular regarding environmental hazards, pollution and its effects and remedies, Educating masses regarding eco-friendly products
Family Planning Association of India, Mohali (Ropar)	Community participation for family planning through developmental activities, promotion of family life education
Indian Council of Social Welfare, Chandigarh	a) Upliftment of women b) Awareness programme on health issues c) AIDS control d) Anti-dowry campaign e) Self-employment schemes
Kharar Welfare Society, Kharar (Ropar)	To promote social work in Kharar Tehsil
Manav Kalyan Shiksha Kender, Mohali (Ropar)	a) Social welfare b) Welfare of physically and socially, handicapped sections of the society
Manav Sudhar Sabha, Sialba Majri (Ropar)	(a) To work for village slum areas (b) Promotion of socio-economic programme for helping the needy (c) Relief and assistance to people stricken by natural calamities like floods, earthquake, storms and rains.
National Institute for IRD and Transfer of Technology, Palahi (Kapurthala)	a) Manpower development and training b) Transfer of technology to the villagers c) Total village development
Nishkam Seva Ashram Village Daad (Ludhiana)	a) To fight against poverty, hunger, unemployment and diseases b) Schools in slum areas c) Home for the aged d) Income generation for women and physically handicapped e) Hospital, medical facilities and dispensaries f) Community services
Phagwara Environmental Association, Phagwara (Kapurthala)	a) Environment awareness b) Plantation

Pargati, Hoshiarpur	(a) Women's development and literacy (b) Environment protection (c) Promotion of local artisans and handicrafts
Punjab Action Group for Rural Development, Phagwara (Kapurthala)	Rural development
Punjab Women Welfare, College Road, Hoshiarpur	(a) To impart training to women in different technical trades under Nehru Rozgar Yojana (b) Free training to poor and handicapped (c) Financial help to under-privileged peoples who are victims of riots or natural calamities
Rural Development and Social Welfare Society – Patiala	(a) To provide vocational training to the rural/urban unemployed youth (b) Transfer of low cost technology for rural needs (c) Environmental sanitation and non-conventional energy resources. (d) To raise living standards of rural people through use of modern technology
Rural Human Development Centre, Nurpur Bedi (Ropar)	(a) Rural development with special emphasis on women development (b) Rural technology (c) Conduct workshops for Mahila Mandals and train them about livestock rearing
SDKS Shri Dasondhi Ram Birji Foundation, Patiala	(a) Social work (b) Upliftment of downtrodden (c) Relief work for poor, needy students and victims (d) Awareness for health education and peace
Sewa Bharti, Chandigarh	(a) Sewa, Service and Sanskar Samratha in labour colonies (b) Working for the development of weaker sections of the society.
Shanti Swaroop Memorial Education Society, Roopnagar	(a) Promotion of education in remote areas with special emphasis on women's education. (b) Economic development of women through vocational training by imparting traditional and non-traditional skills (c) Health (d) Environmental awareness
Society for Education, Environment and Protection of Animals, Amritsar	(a) Green India and clean India (b) Anti-pollution and pro-conservation (c) Environment awareness (d) Plantation
The Centre for Development Action, Patiala	Involvement in development projects with focus on growth and under-privileged people.
The Nagar and Gram Sudhar Mahila Society, Rajpura (Patiala)	(a) Awareness on health education (b) Social work (c) Vocational training for women (d) Children's library (e) Legal aid for women
The Punjab Rural Education Promotion Council, Ludhiana	(a) To promote rural education, especially in rural schools
The Rationalist Society Punjab, Barnala (Sangrur)	(a) To annihilate superstitions (b) To inculcate scientific temperament (c) General awareness about environment and pollution
Volunteers for Social Justice, Phillaur (Jalandhar)	(d) Upliftment of under-privileged sections, especially Scheduled Castes, Schedule Tribes and landless workers. (e) Creating legal awareness among under-privileged sections for freedom of life. (f) Elimination of child and bonded labour.

Source: DAINET, *NGO Directory* (a directory of Non-governmental Organizations in India), Volume-II - Chandigarh, Haryana, Himachal Pradesh and Punjab, Development Alternatives Information Network, New Delhi, 1998.

There is scope to channelize such micro-finances through religious institutions in the state, which are active in the development process. For example, in Punjab, there are many religious and charitable trusts, which successfully run vocational and training centres for better self-employment opportunities and organize various camps on health. There are many educational institutions run by religious bodies.

NGOs can play a significant role in strengthening local self-government by facilitating interaction and co-operation with state departments and also acting as catalysts to effectively implement various departmental schemes. Experiences of the CRRID-LIP programme in two blocks of Punjab have shown that NGOs, in co-operation with the state, religious institutions, local self-government and the corporate sector are able to promote people's participation in the implementation of many development projects, (especially in the area of health) more effectively and efficiently.

CRRID-LIP Goal

CRRID-LIP, implemented with the financial support of Bill and Milenda Gates Foundation and technical inputs from MSH, Boston and TAI, Bangladesh, was intended to improve access to high quality RCH services through local resources mobilization, women's empowerment, social development, community participation and quality improvement in the RCH programme.

Achievements

Quantitative Achievements

- The contraceptive prevalence rate (CPR) increased from 62.79 per cent in December 2000 to 68.28 per cent in March 2002.
- The ante-natal checkups (with TT/IFA) of pregnant women increased from 83.11 per cent in December 2002 to 89.60 per cent in March 2002.
- Post-natal checkups of delivered women rose from 58.0 per cent in December 2002 to 82.83 per cent in March 2002.
- Percentage of institutional deliveries rose from 46.40 per cent to 62.39 per cent during the same period.
- 0-1 children having complete vaccination with measles/vitamins-A increased from 57.90 per cent to 78.11 per cent.

Qualitative Achievements

- 2564 focus group discussions organized with eligible couples on RCH issues in which 26,099 persons participated.
- 1445 focus group discussions organized with adolescents on Family Life Education (FLE) and 21,478 adolescents participated.
- 1913 focus group discussions organized with community members and 19861 members participated.
- FLE programs organized in 61 schools in which 5,359 pupils and 256 teachers oriented.

The CRRID-LIP project has achieved its goal and objectives through a unique blending of inter-sectoral co-ordination, community participation and gender empowerment with Panchayati Raj Institutions and CHVs shouldering the responsibility of LIP RCH service implementation. Moreover, the role played by the religious institutions and religious leaders, Youth clubs members, Mahila Mandal Members, Self Help Groups and Ex-servicemen cannot be overemphasized. The LIP vision to uplift the RCH status of the population is a 'shared one', where the programme inputs are co-ordinated with the community inputs and household inputs as well as inputs from the government health sector, resulting in developing a successful model which can be replicated in any part of India with modifications.

Source: *Final Report, CRRID-LIP, CRRID*

RECOMMENDATIONS

Rural society occupies an important place in Punjab's economy. About two-thirds of the state's population are dependent on agriculture and allied activities, which provide about 40 per cent of Punjab's Gross Domestic Product at factor cost at current prices. No development programme can succeed if it is not built on the foundation of the rural

sector. There is dire need to give high priority to rural development and to formulate an integrated rural development policy, taking into account the following recommendations:

- Ensure effective dissemination of information, education and impart training to the elected representatives of PRIs for overall rural development.
- Introduce rural higher education, based on the concept of Nai Talim as envisaged by Mahatma Gandhi for human resource development, keeping in view local requirements of rural management, engineering, science and technology and research, training, networking and extension.
- Need to develop rural agro-based industries, which have the potential of absorbing the surplus agricultural labourforce and checking migration to urban areas.
- Co-ordinate between Panchayats, government, NGOs and the corporate sector to upgrade skills of rural people and improve their quality of life, by establishing rural enterprises catering to their skills and needs.
- Maintain and upgrade existing rural infrastructure and promote such facilities as storage, cold chain, food parks, marketing intelligence network to facilitate agro-processing industries.
- Prepare and implement plan for 'Model Village', involving Gram Sabha/Gram Panchayats for decentralized micro-planning, to avail of modern physical and social infrastructure facilities required for a better quality of life.
- Upgrade rural market growth centres for agricultural produce, according to international requirements, in view of WTO.
- State should raise matching funds required for full utilization of central funds under centrally sponsored poverty alleviation schemes.
- Ensure required credit facilities by rural banks to non-farm activities (manufacturing and tertiary sectors).
- Evolve and adopt indigenous concepts and theories of development, to resolve the problems confronting the state government, PRIs and stakeholders during the process of rural development.
- The Government of India in certain cases provides funds for development of rural areas through the agency of NGOs, whereas PRIs, being the real representative bodies of the people, are not treated as NGOs. The Government of India should abandon this approach and provide funds from all agencies, including International funding, to PRIs.
- The pace of rural development could be accelerated by transferring the 29 subjects mentioned in the 73rd Constitutional Amendment Act, 1992 and devolving funds and functionaries to the Panchayati Raj Institutions. The state government is in the process of adopting the central pattern of devolution of functions, functionaries and funds in respect to these 29 items. The Government of India is also required to devolve to the PRIs similar functions in respect of schemes implemented by its various ministries in rural areas.
- Most of the rural poor belong to Scheduled Caste families, which have been discriminated against for long. The concept of poverty has to be understood from a different angle in Punjab, as the proportion of Scheduled Caste population is very high in rural areas (32 %) as compared to other states, and the rural society of Punjab is of a heterogeneous character. In addition, the status of women in Punjab could not be improved as desired, which is reflected in the low sex ratio of the state (874 per 1,000 males) and their low participation in economic

activities. This situation is further aggravated by the prevalence of female foeticide in the state. Besides the plight of SCs and women, Punjab is facing a peculiar situation emerging out of the marginalization of the peasantry, which is rendering marginal and small farmers landless. Strategically, Punjab should take into account these factors while designing policy programmes to uplift the poor.

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29 items mentioned in the 73rd Constitutional Amendment Act, clubbed into five broad categories

- (I) Agriculture and Allied Activities**
 - Agriculture, including agriculture extension
 - Land improvement, implementation of land reforms, land consolidation and soil conservation
 - Minor irrigation, water management and watershed development
 - Animal husbandry, dairying and poultry
 - Fisheries
 - Social forestry and farm forestry
 - Minor forest produce
 - Fuel and fodder
- (II) Rural Industrialization**
 - Small-scale industries, including food- processing industries
 - Khadi, village and cottage industries
- (III) Infrastructure Development**
 - Rural Housing
 - Drinking water
 - Roads, culverts, bridges, ferries, waterways and other means of communication
 - Rural electrification, including distribution of electricity
 - Markets and fairs
 - Non-conventional energy sources
 - Maintenance of community assets
- (IV) Human Development**
 - Technical training and vocational education
 - Adult and non-farm education
 - Cultural activities
 - Health and sanitation, including hospitals, primary health centres and dispensaries
 - Family welfare
 - Poverty alleviation programme
 - Education, including primary and secondary schools
 - Libraries
- (V) Social Welfare and Gender Development**
 - Women and child development
 - Social welfare including welfare of the handicapped and mentally retarded
 - Welfare of weaker sections and in particular of Scheduled Castes and Scheduled Tribes
 - Public distribution system.

Table A
District-wise Percentage Shift of Rural Non-farm Employment and Shares of Secondary and Tertiary Sectors in Punjab

Region/ District/ State	Household industry		Non-household industry		Construction		Trade & commerce		Transport storage & communication		Other services	
	1981	1991	1981	1991	1981	1991	1981	1991	1981	1991	1981	1991
Majha												
Gurdaspur	7.51	2.11	21.85	15.43	6.70	11.64	18.66	14.86	10.29	8.57	35.35	47.37
Amritsar	8.62	1.56	19.03	19.20	5.93	5.41	20.59	17.00	14.03	13.02	32.51	43.84
Doaba												
Jalandhar	11.55	6.15	30.97	27.33	7.41	8.16	14.24	16.69	9.27	10.30	26.56	31.37
Kapurthala	6.97	4.07	29.00	31.00	7.35	7.87	15.60	15.94	8.24	7.83	32.84	33.31
Hoshiarpur	11.61	6.53	16.52	17.83	7.94	7.81	16.65	13.93	9.68	7.95	37.60	45.95
Malwa												
Rupnagar	9.73	3.98	22.41	17.35	7.08	5.52	11.74	11.45	9.47	10.94	39.57	50.76
Patiala	5.25	5.49	27.76	24.86	6.82	7.14	17.34	15.44	10.93	10.25	31.90	36.82
Sangrur	15.07	6.31	16.78	21.28	6.58	6.62	20.56	18.73	7.25	9.77	33.79	37.29
Bathinda	14.04	7.63	18.74	14.89	9.46	9.60	18.73	19.22	7.25	7.11	31.78	41.55
Faridkot	11.60	5.92	21.58	18.26	6.92	5.08	16.73	16.11	8.85	8.17	34.31	46.46
Ferozepur	9.18	4.89	17.13	18.82	6.42	6.76	24.55	19.88	9.67	9.12	32.81	40.53
Ludhiana	10.34	2.10	25.11	28.04	4.51	4.74	14.85	15.03	11.62	12.95	33.59	37.14
Punjab	9.96	4.53	22.29	21.25	6.80	7.25	17.41	16.79	10.16	9.97	33.33	41.11

Source: Directorate of Census Operations, Punjab.