ECONOMIC SURVEY 2012-13

AGRICULTURE DOES WELL IN OUTPUT GROWTH

Food grains production in India has shown remarkable improvement in recent years. The production of food grains in 2011-12 was at a record high of 259.32 million tonnes. Nevertheless the Xth Five Year Plan (2007-12) witnessed an average annual growth of 3.6% in GDP from agriculture and allied sector against a target of 4 per cent realized agriculture growth has been higher than the average annual growth achieved during the VIIIth and IXth Plans despite drought and deficient monsoon conditions.

The Survey finds that despite an all time high total food grain production during 2011-12, the production of 2012-13 Kharif crops is likely to be adversely affected by deficiencies in south west monsoon and the resultant acreage losses. Output is expected to decline in all major crops. However, yield levels significantly improved for cotton, pulses and coarse cereals during 2000-2012.

The Survey noted that as a result of central sector schemes for development and strengthening of infrastructure facilities for seeds, there is an increased availability of certified quality seeds from 140.5 lakh quintals in 2005-06 to 328.6 lakh quintals in 2012-13. In hilly/remote areas of North Eastern States, a Transport Subsidy on Movement of Seeds Schemes is in operation whereby grants-in-aid of Rs. 12.6 crores was to be reimbursed. The Government has notified the new investment policy of 2012 in the area sector which will lead to increase in indigenous capacity and reduction in imports. India has made considerable progress in developing irrigation infrastructure. However, irrigation efficiency is low for both surface and ground water.

The live stock sector achieved an average growth rate of 4.8 per cent during Xth Plan. In 2011-12 the production of milk was estimated at 127.9 million tonnes, eggs at 66.45 billion, wool at 44.73 million Kg and meat at 5.51 million tonnes. A new scheme called National Dairy Plan Phase-IV has been launched in March, 2012 with the objectives of improving productivity of milch animals. Poultry Venture Capital Fund Scheme is being implemented in capital subsidy mode since 1st April, 2011. Production of fish, both marine and inland has gone up from 5.6 million tonnes in 2000-01, to 8.7 million tonnes in 2011-12.

Goverment has taken number of steps to expand the reach of organized financial services to the door steps of the common man. Particular attention has been paid to the rural areas where a large segment of the society was not having access to organized banking. Some of the measures taken for financial inclusion are as below:

Micro-Finance: Self Help Group-Bank Linkage Programme

The Self Help Group (SHG) Bank Linkage Programme has emerged as the major microfinance programme in the country. It is being implemented by commercial banks, regional rural banks (RRBs) and co-operative banks. Under the SHG-Bank Linkage Programme, as on 31 March 2012, 20,762 SHGs had savings bank accounts with total savings of Rs. 4,851 crore were in operation. By November 2012 another 2,14 lakh SHGs had come under the ambit of the programme, taking the cumulative number of savings bank accounts under SHG linkage groups to 81,74,648.

Extension of Swadharthi Scheme

Under the Swadharthi Financial Inclusion campaign, over 74,000 habitations with population in excess of 5,000 had been provided banking facilities by March 2012, using various models and techniques including branchless banking through business correspondents (BCs). Swadharthi has been extended to habitations with population more than 1,000 in the North Eastern and Hilly states and population more than 1,000 in the plains areas as per census 2001. 11,450 have been provided banking facilities by end of December, 2012. This will extend the reach of banks to habitations above a threshold population.

Setting up of Ultra Small Branches

Considering the need for close supervision and monitoring of the business correspondent agents (BCAs) by respective banks and in order to ensure that a range of banking services are available to the residents of such habitations, ultra small branches (USBs) are being set up in all villages covered through NCAUs under financial inclusion. These USBs will comprise a small area of 100-200 ft, where the officer designated by the bank will be available with a laptop on pre-determined days. A total of over 44,000 USBs have so far been set up in the country.

Roll out of Direct Benefit Transfer

The Government of India has decided to introduce a Direct Benefit Transfer (DBT) scheme with effect from 1 January, 2013. To begin with, benefits under 26 schemes will directly be transferred into the bank accounts of beneficiaries in 49 identified districts across respective states and union territories (UTs).

Agriculture Credit

As against the target of Rs. 4,75,00 crore fixed for 2011-12, Rs. 5,11,209.09 crore was disbursed to the agricultural sector, thereby exceeding the target by 7 per cent.

Kisan Credit Card Scheme

The Kisan Credit Card (KCC) has been an important initiative for universal access of farmers to institutional credit. The number of operative KCCs issued by the cooperative banks and RRBs as on 31 August, 2012 was 459 lakhs, against which outstanding loan amount was Rs.1,12,334.34 crores.

[Source: PIB]
The Monthly Journal

Kurukshetra

MINISTRY OF RURAL DEVELOPMENT

Vol. 61  No. 6  Pages 52

April 2013

CONTENTS

- Rural Development Budget 2013-14
  Allocation for Inclusive Growth
  Dr. K. K. Tripathy 3

- Rural Development Budget 2013-14
  Is It Incremental or Transformative
  Prof. Akshay Kumar 9

- Rural Development Budget 2013-14
  Allocation for Rural Development could have been larger if Past funds were spent in full
  R.C. Rajamani 12

- Rural Development Budget 2013-14
  Agriculture Gets Jump
  Dr. Yashbir Singh Shivay 16

- Rural Development Budget 2013-14
  Efforts Towards Inclusive and Sustainable Development
  Anupam Hazra 30

- Rural Development Budget 2013-14
  Promises For Sustainable Growth
  Dr. Harender Raj Gautam 32

- Rural Development Budget 2013-14
  Rural Sector Focus Noteworthy
  Dr. H.L. Sharma 35

- Financial Inclusion
  Swabhimaan-A Significant Beginning
  Dhurjati Mukherjee 38

- Olive Oil Good for Heart Patients
  Atonu Chatterjee 43

Kurukshetra seeks to carry the message of Rural Development to all people. It serves as a forum for free, frank and serious discussion on the problems of Rural Development with special focus on Rural Uplift.

The views expressed by the authors in the articles are their own. They do not necessarily reflect the views of the government or the organizations they work for.

The readers are requested to verify the claims in the advertisements regarding career guidance books/institutions. Kurukshetra does not own responsibility.
Spending on rural development is proposed at 80,194 crore rupees in 2013-14, signifying the importance being given to the sector by the government. The flagship programme of MGNREGA has been allocated 33,000 crore rupees. However, while funds seem to be no problem, there is concern over unspent money allocated in last year’s budget.

In this issue we discuss how the allocations for the rural development will transform on the ground.

Agriculture which is the mainstay of economic activity in rural areas has received a major boost with additional 22 per cent funds in 2013-14. The initiative to bring Green Revolution in eastern India, initiated in last year’s budget has been stressed further in this budget.

This scheme has resulted in impressive increase in production of foodgrains with the eastern region now turning into a food surplus region in the eastern region including Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh & West Bengal.

Credit for agriculture has received special importance and credit target is up by 1, 25, 000 crore rupees to 7,00,000 crore rupees. Now, the benefit of the scheme has been stretched by including crop loans borrowed from scheduled banks from the private sector within their service area. So far, the scheme was available for loans extended by public sector banks, regional rural banks and cooperative banks. The flow of agricultural credit since 2003-4 has consistently exceeded the target. Farmers have been receiving crop loans up to a principal amount of Rs 3 lakh at 7 per cent rate of interest since 2006-07.

Agriculture research has played a vital role in agricultural transformation. The Finance Minister has proposed to allocated 3415 crore rupees in 2013-14 for scientific research in agricultural and allied disciplines. This will have long-term effect on the national food and nutritional security of the country.

Another highlight of the budget has been additional spending on integrated watershed programmes. The Finance Minister has proposed to increase the allocation for the integrated watershed programme from 3,050 crore rupees in 2012-13 (BE) to 5,387 crore rupees which is 76.6 per cent higher for the 2013-14.

The additional funds will be used to reclaim lost land for agriculture use. Drylands in India contribute 70 per cent total cultivated area. Food insecurity, extreme poverty and environmental nexus are the most challenging in the drylands. Improving crop productivity is important both to maintain food security and to improve livelihoods of the people in drylands.
The recently released pre-Budget Economic Survey (2012-13) has predicted Gross Domestic Product (GDP) growth of 6.1 per cent to 6.7 per cent during the next fiscal 2013-14. This is 1.1 to 1.7 percentage points higher than this year’s estimated GDP growth rate of 5 per cent. The Survey, while reflecting the impact of the global economic disturbances on Indian economy, expressed its optimism regarding the recovery of the world economy during 2013-14. Accordingly, the Survey outlined a slew of prudent economic measures with a view to improve the outlook of the country’s economy during 2013-14.

In the backdrop of uncertainties in the global economic environment, the inflationary pressure in India, prevailing weaknesses in the industrial activity, rising fiscal deficits, growing cost of credit along with weak domestic business environment and lack of robust policies to contain constraints in the smooth investment flow into the country, it was expected that Budget 2012-13 would strive to ensure the 12th Five Year Plan (2012-17) objective of an all-inclusive growth and to bridge the development deficits in the social sector. In doing so, it was expected that the Budget would not only step up public expenditure on the social sector schemes/programmes, but also ensure the quality of expenditure backed by revamped governance system at the grass-root level of implementation.
The Union Budget 2013-14 was presented amidst expectations of giving a boost to the agriculture, rural infrastructure and rural non-farm activities, thereby reviving job opportunities in the rural areas in addition to laying down a road map towards effective management of food economy. Budget 2013-14 has expectedly continued its stress on the common man and rural India, taking steps for consolidating efforts on rural development, employment, food security, education, health and housing. Some of the important issues concerning social and physical infrastructure in the rural areas have been analysed below.

**Expenditure Trend**

The 12th Five Year Plan sought to ensure faster and more inclusive growth in the country. To ensure inclusiveness, the growth needs to be broad-based and should be combined with development programmes aimed at overcoming deficiencies in the overall governance in the intervention. The Union Budget 2013-14 anticipated a global and domestic recovery and fixed total central government expenditure at Rs. 16,65,297.32 cr. out of which Rs. 11,09,975.3 cr. is towards Non-Plan and Rs. 5,55,322 cr. is towards Plan expenditure. The Plan expenditure in 2013-14 marked an increment of 6.5 per cent more than the Budget Estimates (B.E.) of 2012-13. The non-plan expenditure, however, marked a 14.4% jump over the BE of 2012-13.

An analysis of Plan and Non-Plan expenditure pattern during the years 2004-05 and 2013-14 indicates that the total expenditure has increased from Rs. 4,98,252 cr. in 2004-05 to Rs. 13,04,365 cr. in 2011-12 (Table 1). The Revised Estimates (RE) of 2012-13 has been pegged at Rs. 14,30,825 cr. and BE for 2013-14 is Rs. 16,65,297 cr. The increased government expenditure especially in case of non-plan activities would put severe strain in containing fiscal deficit and the related inflationary impacts on the economy.

**Inclusive Development**

The inclusive development includes social and economic inclusion of major segments of our population viz. landless agricultural labourers, small and marginal farmers, scheduled caste, scheduled tribes and other backward classes. Thus, the social sector expenditure by the government should be directed towards bringing these marginalised sections into the mainstream of development. An analysis of central support for social programmes indicates that the government expenditure on social services and rural development (plan and Non-Plan) has increased from 11.1 % in 2004-05 to 15.8 per cent in 2012-13 (RE) and 16.8 per cent in 2013-14 (BE) [Table 2]

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-Plan Expenditure (Rs. Cr.)</th>
<th>Plan Expenditure</th>
<th>Total Expenditure</th>
<th>% Plan Expenditure to Total</th>
<th>Growth of Plan Expenditure (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004-05</td>
<td>365960</td>
<td>132292</td>
<td>498252</td>
<td>26.6</td>
<td>-</td>
</tr>
<tr>
<td>2005-06</td>
<td>365100</td>
<td>140638</td>
<td>505738</td>
<td>27.8</td>
<td>6.3</td>
</tr>
<tr>
<td>2006-07</td>
<td>413527</td>
<td>169860</td>
<td>583387</td>
<td>29.1</td>
<td>20.8</td>
</tr>
<tr>
<td>2007-08</td>
<td>507589</td>
<td>205082</td>
<td>712671</td>
<td>28.8</td>
<td>20.7</td>
</tr>
<tr>
<td>2008-09</td>
<td>608721</td>
<td>275235</td>
<td>883956</td>
<td>31.1</td>
<td>34.2</td>
</tr>
<tr>
<td>2009-10</td>
<td>721096</td>
<td>303391</td>
<td>1024487</td>
<td>29.6</td>
<td>10.2</td>
</tr>
<tr>
<td>2010-11</td>
<td>818299</td>
<td>379029</td>
<td>1197328</td>
<td>31.7</td>
<td>24.9</td>
</tr>
<tr>
<td>2011-12</td>
<td>891990</td>
<td>412375</td>
<td>1304365</td>
<td>31.6</td>
<td>8.8</td>
</tr>
<tr>
<td>2012-13 (RE)</td>
<td>1001638</td>
<td>429187</td>
<td>1430825</td>
<td>30.0</td>
<td>4.1</td>
</tr>
<tr>
<td>2013-14 (BE)</td>
<td>1109975</td>
<td>555322</td>
<td>1665297</td>
<td>33.3</td>
<td>29.4</td>
</tr>
</tbody>
</table>

**Note**: Figures for Years 2004-05 to 2011-12 are in actuals and 2012-13 and 2013-14 are Revised Estimates (RE) and Budget Estimates (BE), respectively.

**Source**: Compiled from Expenditure Budget 2013-14, Volume I, Ministry of Finance, GoI
Rural Employment, Housing and Roads and Bridges

The 2013-14 plan outlay for rural employment, housing, roads and bridges (Table 3) indicates that allocations to rural employment have not increased. While the outlay towards housing marked 21.7 per cent enhancement in allocation over 2012-13, there was a mere 3.2 per cent increment in the plan allocation for roads and bridges in 2013-14 over 2012-13. This indicates the government’s continued and prioritised focus of expenditure in vital social sector components like employment, housing and road and bridges during 2013-14.

The 2013-14 plan allocation for Mahatma Gandhi National Rural Employment Act (MGNREGA) has been kept unchanged whereas Aajeevika (earlier National Rural Livelihood Mission) has registered a mere 2.7 per cent hike in its budget allocation in 2013-14 against the Budget Estimates of 2012-13. The rural housing was allocated Rs. 13,665.6 cr. in 2013-14 against Rs. 9,966 cr. in 2012-13, thereby registering a hefty 37.12 per cent hike.

The enactment and implementation of a right-based MGNREGA has undoubtedly marked a paradigm shift from the existing wage employment programmes. This is primarily to be achieved by taking up project-oriented activities covering works on water conservation/harvesting, drought/flood control, plantation, land development, rural connectivity, etc. During 2012-13, the revised estimate for MGNREGA is pegged at Rs. 29,387 cr. which is Rs. 3,613 cr. less than the B.E. of the year. This indicates that this wage employment programme has stabilized in its operation and absorption in rural areas. The B.E. for 2013-14 in case of MGNREGA is kept at Rs. 33,000 cr. The need of the hour is to improve quality of assets created and to bring about synergy between MGNREGA and agriculture and allied rural livelihoods. This endeavour will not only uplift the under-privileged and socially and economically vulnerable, but also support in making the agriculture a viable occupation.

As far as rural self-employment programme is concerned, Aajeevika will now have an outlay of Rs. 3,659 cr. against the previous year’s outlay of Rs. 3,563.5 cr. This programme will be

---

Table 2: Central Government Expenditure (Plan & Non-Plan) on Social Services and Development
(as % of Total Expenditure)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Education, Sports, Youth Affairs</td>
<td>2.8</td>
<td>4.3</td>
<td>4.3</td>
<td>4.6</td>
<td>4.4</td>
<td>4.4</td>
</tr>
<tr>
<td>Health &amp; Family Welfare</td>
<td>1.6</td>
<td>1.9</td>
<td>2.1</td>
<td>2.0</td>
<td>1.8</td>
<td>2.0</td>
</tr>
<tr>
<td>Water Supply, Housing etc.</td>
<td>1.8</td>
<td>1.7</td>
<td>2.5</td>
<td>2.4</td>
<td>1.9</td>
<td>2.2</td>
</tr>
<tr>
<td>Information &amp; Broadcasting</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Labour &amp; Employment</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Welfare of SC/ST and OBC</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
<td>0.6</td>
<td>0.5</td>
<td>0.6</td>
</tr>
<tr>
<td>Other Social Services</td>
<td>0.9</td>
<td>0.7</td>
<td>2.7</td>
<td>2.7</td>
<td>2.9</td>
<td>3.2</td>
</tr>
<tr>
<td>Total Social Services</td>
<td>7.9</td>
<td>9.5</td>
<td>12.5</td>
<td>12.6</td>
<td>11.9</td>
<td>12.8</td>
</tr>
<tr>
<td>Agriculture and Allied Activities</td>
<td>1.2</td>
<td>2.0</td>
<td>2.0</td>
<td>1.7</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Rural Development</td>
<td>1.9</td>
<td>2.8</td>
<td>4.6</td>
<td>3.5</td>
<td>2.5</td>
<td>2.6</td>
</tr>
<tr>
<td>Irrigation &amp; Flood Control</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Social Services, Agriculture and Allied Activities, RD and Irrigation</td>
<td>11.1</td>
<td>14.4</td>
<td>19.2</td>
<td>17.9</td>
<td>15.8</td>
<td>16.8</td>
</tr>
<tr>
<td>Grand Total Expenditure</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Source: Compiled from Expenditure Budget 2013-14, Volume I, Ministry of Finance, GoI
a demand-driven programme under which the implementing States would formulate their own poverty reduction time bound action plans based on their experience on the implementation of self-employment programmes, resource and skill availability. This programme will also provide a professional support structure for programme implementation and ensure monitoring at all levels of its implementation from national level to the sub-district level. Thus, the hike in the budget outlay for Aajeevika and renewed focus on self-employment ventures would be of much-needed help in establishing a large number of micro-enterprises in rural areas and effectively achieve the goal of poverty alleviation. The main problem areas requiring government attention through this programme are the coordination amongst field level agencies, the appropriate selection of economic activities, mapping skills and improving skills and the promotion of quality SHGs and their federations.

The Union Budget 2013-14 has stressed on education, skills, youth and employment and proposed to incentivize the youth to voluntarily take up vocational training. A large corpus of fund to the tune of Rs. 1,000 cr. has been created for boosting enrolment of vocational training courses which would be duly standardized by the National Skill Development Council. This would help motivating the young entrepreneurs of the nation to improve their skill and employability and productivity.

### Agriculture

Although the share of agriculture and allied activities in India’s GDP is 14.1 per cent at constant prices (2004-05) in 2011-12, its share in total employment is 58.2 per cent. Thus, fast agricultural growth is important for rural jobs, income and assets and the overall food security. The average annual growth of agriculture and allied sector during the 11th Five Year Plan (2007-12) was 3.6 per cent which is 0.4 per cent lower than the 4 per cent target set by the Plan. To ensure production, productivity and spread green revolution to eastern regions of the country, the Union Budget 2013-14 has allocated Rs. 27,049 cr. to the Ministry of Agriculture. Out of this, Rs. 3,415 cr. would be utilised for agricultural research activities. While Rs. 1,000 cr. has been allocated for bringing green revolution to Eastern India, Rs. 500 cr. has been pegged for starting a programme of crop diversification.

The need of the hour is to identify priority research areas and to incentivise State Agricultural Research institutions to bring in scientific and technological breakthroughs in raising productivity, especially in eastern India. The need is also to ensure development of location-specific plant and seed varieties that would yield more and can withstand negative impact of climatic change. Further, a four-pronged policy strategy viz. enhancing agricultural production, reducing agro-

---

**Table 3: Plan Outlay for Rural Employment, Housing and Roads and Bridges (Rs. Cr.)**

<table>
<thead>
<tr>
<th>S. N</th>
<th>Schemes/Initiatives</th>
<th>2011-12</th>
<th>2012-13</th>
<th>2013-14</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actuals</td>
<td>BE</td>
<td>RE</td>
<td>BE</td>
</tr>
<tr>
<td>1</td>
<td>Rural Employment</td>
<td>29,212.9</td>
<td>33,000</td>
<td>29,387.00</td>
</tr>
<tr>
<td>2</td>
<td>Housing</td>
<td>24,329</td>
<td>22,575</td>
<td>22,678</td>
</tr>
<tr>
<td>3</td>
<td>Roads and Bridges</td>
<td>52,654.1</td>
<td>53,574.4</td>
<td>37,155.20</td>
</tr>
<tr>
<td>4</td>
<td>Special Programmes for Rural Development*</td>
<td>4,704.1</td>
<td>6,309</td>
<td>4,986.65</td>
</tr>
</tbody>
</table>

Note: (a) * includes National Rural Livelihood Mission (NRLM)  
(b) RE = Revised Estimates and BE = Budget Estimates  
(c) Figures in the parentheses are percentage increase over 2012-13 BE

*Source: Expenditure Budget 2013-14, Volume I, Ministry of Finance, GoI*
wastages, strengthening credit supply channels at rural areas and promoting food processing sector for processing, value addition of the agro produce would ensure sustainable growth in this sector. To ensure affordable, adequate and timely credit to the needy small and marginal farmers, the budget 2013-14 has (a) substantially enhanced the target to Rs. 7,00,000 cr. in 2013-14 from Rs. 5,75,000 cr. in 2012-13 and (b) announced the extension of interest subvention scheme for short-term crop loans to the private sector scheduled commercial banks in respect of loans given within the service area of the branch concerned.

**Food Security**

The Budget has kept a provision of Rs. 10,000 cr. to share the monetary burden of implementing National Food Security Act after its acceptance in the Parliament the next fiscal. While this is a laudable step taken by the Government in ensuring food security to the poor, it is expected that to fulfill the intended objective of access to food at affordable prices, the government could look into the issues of pilferage in the supply of foodgrain, inefficient food management, high transport cost, quality of the food-grains supplied to the beneficiaries, etc. in the proposed law.

**Surplus Central Schemes**

The Five Year Plans’ focus on creation of social and economic infrastructure for rapid and inclusive growth has led to a significant increase in Plan expenditure though a plethora of centrally sponsored schemes. The Central Ministries/Departments monitor Centrally Sponsored Plan Schemes in the respective subject areas. This exercise starts with releasing funds to the State Governments. Many schemes/Programmes are in operation for long and a few are added to the existing pool of schemes each year. A large amount of investments are made on this without adequate evaluation on the impact of these schemes/programmes on the beneficiaries. Considering the significance of reduction in the number of centrally sponsored schemes, the Budget has announced to restrict the existing 173 such schemes to 70 during 2013-14.

The controlling Union ministries/Departments should not only confine to their role of provision of budget and release of the funds to the state governments but also to effectively monitor the utilisation of the funds released earlier in accordance with the guidelines and capacity of the respective state governments to actually spend the balance from the previous years and releases during the current year. This will not only put a check on the leakages of funds but will also help us in mapping the appropriate financial absorption capacity of the concerned States under each of the schemes/programmes.

The Budget has reflected the prioritized social sector development agenda of the government and attempted to address issues related to inclusion without compromising the reform processes unveiled in the recent past. The budget has also announced review of schemes once in two years which is a much desired and welcomed step. Continuous review and evaluation of all centrally sponsored economic and social welfare schemes would not only ensure quality governance of the welfare interventions through convergence of all resources at ground zero but also would lead the government in matching the outlays with the intended outcome.

*(The author is presently posted as a Director in Ministry of Rural Development. Views are personal. E-mail: tripathy123@rediffmail.com)*

---

**Inclusive development includes social and economic inclusion of major segments of our population viz. landless agricultural labourers, small and marginal farmers, scheduled caste, scheduled tribes and other backward classes. Thus, the social sector expenditure by the government should be directed towards bringing these marginalised sections into the mainstream of development.**
Its easy to compete against 12,000 than 3,00,000 aspirants.

Do you want to see yourself among these successful candidates in 2014?

Start early with CL, your best bet for CSAT

The classroom program includes 4 different parts. It includes 200+ contact hours of examination preparation.

1. Classroom Sessions: 124 hours of classroom program (62 classes of 2 hours each)
2. Prelims Test Series: 40 hours of testing (All India Test Series) and 20 hours of Mock test analysis
3. Module Tests: 14 hours of Module testing and discussion
4. Revision Tests: 8 hours of classroom discussion

CL CSAT ‘14 classroom students
FREE training for Mains Paper 1 (English section) for students who qualify Prelims
FREE Interview guidance for students who qualify for Personality Test

24 Final Selections in CS’11

Batches starting from first week of April

CL Civils centers also at
The budget is just not a financial statement about receipts and expenditure of the government; rather it is a powerful and effective instrument of bringing paramount changes in the socio-economic conditions of citizens of our country. The main objectives of the budget are to reduce poverty and inequality, to reduce unemployment through job creation, to maintain price stability and foster faster economic development by addressing all the segments of the society. That is why; it is the only economic policy framework, where all the stakeholders take interest and initiative to understand its effects on them, right from politician to public, media to market, artist to academics, economist to environmentalist and many more. Thereby, leads to debate, discussion and deliberation to get the best out of it.

Rural Development

India lives in villages, so ample significance is assigned to the rural sector and its development in the present budget. It is one of the major strategies which is focusing on rural development
and upliftment of the poor people. Rural development got a lion share in the present budgetary allocation. Present provision of Rs.80, 194 crores for rural development signifies its own importance. The Mahatma Gandhi NREGA, which is being considered as a support and protection of rural life, revitalized itself by getting a budget provision of Rs.33, 000 crores. This is a strategic move to reduce unemployment, inequality and poverty in the rural sector. This also helps in building community assets in rural areas and thereby benefits people at large. The scheme wise details of allocation of funds for rural sector in general and agriculture and related areas in particular are given below for better comprehension.

Budgetary allocation for rural development purposefully designed to bring qualitative changes in the rural landscape by improvising the effectiveness at the implementation stages of rural schemes/programme.

Why Agriculture

In India, agriculture is always considered the mainstay of the large number of people. It directly or indirectly contributes fairly to the livelihood of the rural masses as a whole. Besides, its contribution to the GDP itself signifies its national importance. The food price inflation in the recent year laid more emphasis on the agricultural development. The food price have increased manifold over the years making the food basket costlier and threatens the survival of the poor masses.

Government has already proposed to implement the food security bill in this year. As far as the implementation aspects are concerned, the government should take the endeavor to augment the growth of agriculture sector. Beside, the growth of agriculture sector through better fund allocation definitely helps in reducing poverty and inequality. Increasing spending on irrigation and other agriculture and allied activities will surely enhance agriculture productivity and thereby increase in production can be exported. Current account deficit can be contained to the minimum through increase in agricultural export which can give stability to our economy.

For the enhancement of agricultural production, Government has formulated various subsidies schemes which look very much attractive from outside. But there is no clarity in the mandate for subsidies on power and fertilizers.

Allocation vs. Utilization

We have no dearth of funds as far as

<table>
<thead>
<tr>
<th>S. No</th>
<th>Sectors/ Schemes</th>
<th>Amount in Rs. Crores</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total Agriculture Outlay</td>
<td>27,049</td>
</tr>
<tr>
<td>2.</td>
<td>Agriculture Credit</td>
<td>7,00,000</td>
</tr>
<tr>
<td>3.</td>
<td>Rural Water Supply</td>
<td>14,000</td>
</tr>
<tr>
<td>4.</td>
<td>Accelerated Irrigation Benefit</td>
<td>14,000</td>
</tr>
<tr>
<td>5.</td>
<td>National Food Security Mission</td>
<td>2250</td>
</tr>
<tr>
<td>6.</td>
<td>Integrated Watershed Programme</td>
<td>5387</td>
</tr>
<tr>
<td>7.</td>
<td>Rashtriya Krishi Vikas Yojana</td>
<td>9954</td>
</tr>
<tr>
<td>8.</td>
<td>Nutri-Farm Projects</td>
<td>200</td>
</tr>
<tr>
<td>9.</td>
<td>Drip Irrigation</td>
<td>1659</td>
</tr>
<tr>
<td>10.</td>
<td>NABARD( Ware Housing &amp; Cold Storage)</td>
<td>5000</td>
</tr>
<tr>
<td>11.</td>
<td>NABARD( Rural infrastructure Development)</td>
<td>20,000</td>
</tr>
<tr>
<td>12.</td>
<td>Crop Diversification</td>
<td>500</td>
</tr>
<tr>
<td>13.</td>
<td>Green Revolution</td>
<td>1000</td>
</tr>
<tr>
<td>14.</td>
<td>Rural Development</td>
<td>80,194</td>
</tr>
<tr>
<td>15.</td>
<td>MNREGA</td>
<td>33,000</td>
</tr>
</tbody>
</table>

Source: Authors’ Compilation from Budget Documents and Media Reports
anticipated receipt is concerned in financing various projects but in the recent past, it has been found that various ministry were unable to utilized the funds that has been allocated to them. Reason thereby, Finance minister categorically mentioned in his speech that he has allocated enough funds to various departments in consistent with their capacity to spend the fund. This clearly indicates failure at the time of implementation or lack of administrative efficiency in executing the proposed plan. This could be one of the reasons of low economic growth rate in India. There is lack of commitment to implement various policy and lack of accountability and follow up too. The fundamental of the budget should be based on the well being of the people not on the amount of fund allocated.

Table-2

<table>
<thead>
<tr>
<th>S. No</th>
<th>Sectors/ Schemes</th>
<th>Growth In Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agriculture Outlay</td>
<td>22</td>
</tr>
<tr>
<td>2.</td>
<td>Agriculture Credit</td>
<td>22</td>
</tr>
<tr>
<td>3.</td>
<td>Rural Water Supply</td>
<td>27</td>
</tr>
<tr>
<td>4.</td>
<td>Accelerated Irrigation Benefit</td>
<td>13</td>
</tr>
<tr>
<td>5.</td>
<td>Drip Irrigation</td>
<td>38</td>
</tr>
<tr>
<td>6.</td>
<td>Integrated Watershed Programme</td>
<td>76</td>
</tr>
<tr>
<td>7.</td>
<td>Rural Development</td>
<td>46</td>
</tr>
</tbody>
</table>

Source: Authors’ Compilation from Budget Documents and Media Reports

If we see the percentage of increase in fund allocated for various sectors and departments after neutralizing the price rise by deflating at 8 to 10 %, then there is a meager rise in fund allocation. Furthermore, the current need and welfare of growing population of India also demand for higher fund allocation. This is imperative for inclusive and sustainable development.

Even though we have insights on one of the important aspects of rural development but thorough analysis indicate that the present budget proposal does not have any turnaround strategy to bring radical changes in the growth and development of the country. This year, there is not as much of debate and discussion on the budget proposal as nothing is new about it. It has adopted the incremental policy in allocation of funds among various sectors. The only area where the central focus has been made, are on rural development and some special schemes are meant for women, youth and poor. This budget does not possess features of a transformative role through which inclusive and sustainable development can be better achieved.

Howsoever, we should anticipate positive outcome through good governance, prudent cash management, close monitoring, timely implementation with proper follow up and clear cut accountability.

(Prof. Akshey Kumar is a Professor at Apeejay School of Management, Dwarka and Dr. Amiya K Mohapatra is Assistant Professor at Apeejay School of Management, Dwarka, New Delhi, E-mail id:amiyacademics@gmail.com)
Mahatma Gandhi’s words that India lives in its villages rings true even today. The majority of its 1.2 billion people still live in villages and have agriculture as their means of livelihood. Any plan for the country cannot but have its particular focus on the development of the vast rural areas and the people inhibiting them. Successive budgets have taken care of the rural region by allocating liberal funds to improve the lot of the rural population.

As expected, the rural development has been given its deserving priority in the union budget 2013-14 presented by finance minister P Chidambaram on February 28.

However, the allocation of funds could have been much larger in real terms had the rural development ministry had been able to spend the allocated funds in the last budget substantially, if not fully before the budget presentation.

The rural development ministry, which carries out many of the government’s pro-poor programmes, received a 46 per cent hike in its allocation. The budget has proposed to allocate to the ministry ₹ 80,194 crore in 2013-14.

The rural development ministry has failed to spend the allocated funds on schemes like rural roads and rural housing. The rural development minister, Mr Jairam Ramesh, who has displayed passion and devotion in his work, has owned up responsibility. “It is a reality. ₹ 75,000 crore were allocated and we could only spend Rs 55,000 crore. There is collective responsibility but I cannot pass on the responsibility to states. As minister, I have to be held accountable,” he said post budget.

He attributed the low absorption of funds to “serious administrative weaknesses” in the poor states and complicated financial procedures at the Centre that delayed fund release. “Both are important. I am not running away from the responsibility.”

In his budget speech, the finance minister said, “The Ministry of Rural Development steers

The allocation for the Pradhan Mantri Gram Sadak Yojana (PMGSY) has dropped from ₹ 24,000 crore to ₹ 21,700 crore. The reason for this is that the ministry could spend only ₹ 10,000 crore ($1,865 million). The low level spending is being attributed to the poor administrative back-up in states.
a number of flagship programmes. We estimate that they will be able to spend ₹55,000 crore before the end of the current year, and I propose to allocate ₹80,194 crore in 2013-14, marking an increase of 46 percent. MGNREGS will get ₹33,000 crore, PMGSY will get ₹21,700 crore, and IAY will get ₹15,184 crore.

“The objectives of PMGSY have been substantially fulfilled in several States. Naturally, these States wish to do more. Hence, it is proposed to carve out PMGSY-II and allocate a portion of the funds to the new programme that will benefit States such as Andhra Pradesh, Haryana, Karnataka, Maharashtra, Punjab and Rajasthan.”

The rural development ministry runs the government’s flagship programmes like the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), the Pradhan Mantri Gram Sadak Yojna (PMGSY) and the Indira Awas Yojana (IAY).

Under revised estimates, the MGNREGS will get Rs.33,000 crore as compared to Rs.29,000 crore last year.

As pointed out by Mr Ramesh, the money allocated to the MGNREGS was based on the amount spent. According to him, the government will have to give the money under law and if the ministry needs more money it will go to the finance minister again.

Usually, the period between the months of January to June is a lean one for the rural job guarantee scheme and if more money is needed it will be asked for in October.

However, the allocation for the Pradhan Mantri Gram Sadak Yojana (PMGSY) has dropped from ₹24,000 crore to ₹21,700 crore. The reason for this is that the ministry could spend only ₹10,000 crore ($1,865 million). The low level spending is being attributed to the poor administrative back-up in states. There were also the complicated financial procedures involved that put a spanner in fast release of funds.

On the positive side is the announcement of an extended scheme for the PMGSY under which states which have fulfilled conditions of the programme will be given funds for upgradation work.

“Objectives of PMGSY have been substantially fulfilled in several states and these states wish to do more, and hence it is proposed to carve out PMGSY-II and allocate a portion of funds to the new programme,” Mr Chidambaram said in his budget speech.

The PMGSY-II will be extended to states like Andhra Pradesh, Haryana, Karnataka, Maharashtra, Punjab and Rajasthan.

While PMGSY-I will get ₹16,000 crore for basic laying of roads, the rest of the fund will go to PMGSY-II.

Another flagship programme, the Indira Awas Yojna (IAY) has been allocated ₹15,184 crore.

The rural development ministry had been receiving feedback regarding difficulties in district-wise release of funds for the IAY from state officials.” I have, therefore, written to chief ministers of certain states in order to enable smooth claims and timely release. We had earlier communicated our decision of allowing the state to have a separate bank account to receive the state and central allotments,” Mr Ramesh said.

**Drinking Water**

The allocation for drinking water and sanitation will be ₹15,260 crore.

The finance minister also proposed to provide ₹1,400 crore towards setting up of water purification plants as there are still 2,000 arsenic- and 12,000 fluoride-affected rural habitations in the country.

**ICDS**

The integrated child development scheme (ICDS) is a programme that has a rural bias. The implementation of the scheme came in for praise from the finance minister as he noted, “I commend the ICDS for being able to spend the entire amount of ₹15,850 crore provided in 2012-13. In recognition of the needs of children, I propose to allocate ₹17,700 crore in 2013-14, representing an increase of 11.7 percent. The focus will continue to be on early childhood care and education.

“Maternal and child malnutrition in a country with abundant foodgrains is a shame that we must
overcome. A multi-sectoral programme that was announced last year will be implemented in 100 districts during 2013-14 and it will be scaled up to cover 200 districts the year after. I propose to allocate a sum of ₹300 crore for the programme in 2013-14.”

**JNNURM**

The Jawaharlal Nehru National Urban Renewal Mission (JNNURM) is being continued in the 12th Plan. The 14,000 buses sanctioned during 2009 to 2012 have made a big contribution to urban transport. The budget proposes to provide ₹14,873 crore for JNNURM, as against the RE of ₹7,383 crore in the current year. Out of this, a significant portion will be used to support the purchase of up to 10,000 buses, especially by the hill States.

**Agriculture**

Thanks to the country’s hard working farmers, agriculture continues to perform very well. The average annual growth rate of agriculture and allied sector during the 11th Plan was 3.6 per cent as against 2.5 per cent and 2.4 per cent, respectively, in the 9th and 10th Plans. In 2012-13, total foodgrain production will be over 250 million tonnes. Minimum support price of every agricultural produce under the procurement programme has been increased significantly under the UPA Government. Farmers have responded to the price signals and produced more. Agricultural exports from April to December, 2012 have crossed Rs.138, 403 crore.

The budget proposes to allocate ₹ 27, 049 crore to the Ministry of Agriculture, an increase of 22 per cent over the RE of the current year. Of this, agricultural research will be provided ₹3, 415 crore.

**Agricultural Credit**

Agricultural credit is the driver of agricultural production. The target of ₹575, 000 crore fixed for 2012-13. For 2013-14 is expected to be exceeded. The budget proposes to hike the target to ₹700, 000 crore.

The government will continue the interest subvention scheme for short-term crop loans and a farmer who repays the loan on time will be able to get credit at 4 per cent interest per annum. So far, the scheme has been applied to loans extended by public sector banks, RRBs and cooperative banks. The budget proposes to extend the scheme to crop loans borrowed from private sector scheduled commercial banks in respect of loans given within the service area of the branch concerned.

**Green Revolution**

Bringing the green revolution to eastern India has been a remarkable success. Assam, Bihar, Chhattisgarh and West Bengal have increased their contribution to rice production. I propose to continue to support the eastern Indian States with an allocation of ₹1000 crore in 2013-14.

The original Green Revolution States face the problem of stagnating yields and over-exploitation of water resources. The answer lies in crop diversification. I propose to allocate Rs.500 crore to start a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives.

The Rashtriya Krishi Vikas Yojana is intended to mobilise higher investment in agriculture and the National Food Security Mission is intended to bridge yield gaps. The budget proposes to provide ₹ 9, 954 crore and ₹2, 250 crore, respectively, for these two programmes.

Small and marginal farmers are vulnerable everywhere, and especially so in drought prone and ecologically-stressed regions. Watershed management is crucial to improve productivity of land and water use. The budget proposes to increase the allocation for the integrated watershed programme from Rs.3, 050 crore in 2012-13 (BE) to Rs.5, 387 crore.

Eminent agricultural scientists have suggested that government start a pilot programme on Nutri-Farms for introducing new crop varieties that are rich in micro-nutrients such as iron-rich bajra, protein-rich maize and zinc-rich wheat. The budget proposes to provide a sum of up to ₹ 200
crore to start the pilots. Ministry of Agriculture will formulate a scheme and government hopes that agri businesses and farmers will come together to start a sufficient number of pilots in the districts most affected by malnutrition.

The National Institute of Biotic Stress Management for addressing plant protection issues will be established at Raipur, Chhattisgarh. The Indian Institute of Agricultural Bio-technology will be established at Ranchi, Jharkhand and will serve as a centre of excellence in agricultural biotechnology.

A pilot scheme to replant and rejuvenate coconut gardens that was implemented in some districts of Kerala and the Andaman & Nicobar Islands will be extended to the entire State of Kerala, and I propose to provide an additional sum of ₹75 crore in 2013-14.

**Farmer Producer Organizations**

Farmer Producer Organizations (FPO), including Farmer Producer Companies (FPC), have emerged as aggregators of farm produce and link farmers directly to markets. To signal support to them, the government intends to provide matching equity grants to registered FPOs up to a maximum of ₹10 lakh per FPO to enable them to leverage working capital from financial institutions. The budget proposes to provide ₹50 crore for this purpose. Besides, a Credit Guarantee Fund will also be created in the Small Farmers’ Agri Business Corporation with an initial corpus of ₹100 crore.

In his speech, Mr Chidambaram urged State Governments to support such FPOs through necessary amendments to the APMC Act and in other ways.

**National Livestock Mission**

The National Livestock Mission will be launched in 2013-14 to attract investment and to enhance productivity, taking into account local agro-climatic conditions. The budget proposes to provide Rs.307 crore for the Mission. There will be a sub Mission for increasing the availability of feed and fodder.

**Food Security**

Food security is as much a basic human right as the right to education or the right to health care. The National Food Security Bill is a promise of the Government. which hopes to pass the Bill as early as possible. The budget has set apart ₹10,000 crore, over and above the normal provision for food subsidy, towards the incremental cost that is likely under the Act.

**NABARD**

NABARD operates the Rural Infrastructure Development Fund (RIDF). RIDF has successfully utilised 18 tranches so far. The budget proposes to raise the corpus of RIDF-XIX in 2013-14 to ₹20,000 crore.

Pursuant to the announcement made last year, a sum of ₹5000 crore will be made available to NABARD to finance construction of warehouses, godowns, silos and cold storage units designed to store agricultural produce, both in the public and the private sectors. This window will also finance, through the State Governments, construction of godowns by panchayats to enable farmers to store their produce.

**Road Construction**

The road construction sector has reached a certain level of maturity. But it faces challenges not envisaged earlier, including financial stress, enhanced construction risk and contract management issues that are best addressed by an independent authority. Hence, Government has decided to constitute a regulatory authority for the road sector. Bottlenecks stalling road projects have been addressed and 3,000 kms of road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and Uttar Pradesh will be awarded in the first six months of 2013-14.

All in all, the finance minister has spared no efforts in giving rural development a real boost. And the ministry of rural development has its job cut out to spend the funds judiciously and fully to take the fruits of budget intended progress to the vast rural masses.

*(The author is a senior journalist based in New Delhi)*
The agriculture sector occupies centre-stage in our resolve to promote inclusive growth, enhance rural incomes and sustain food security. Indian agriculture is broadly a story of success and has done remarkably well in terms of output growth, despite weather and price shocks in the past few years. India is the first in the world in the production of milk, pulses, jute and jute-like fibres, second in rice, wheat, sugarcane, groundnut, vegetables, fruits and cotton production, and is a leading producer of spices and plantation crops as well as livestock, fisheries and poultry. The Eleventh Five Year Plan (2007-12) witnessed an average annual growth of 3.6 per cent in the gross domestic product (GDP) from agriculture and allied sector against a target of 4.0 per cent. While it may appear that the performance of the agriculture and allied sector has fallen short of the target, production has improved remarkably, growing twice as fast as population. India’s agricultural exports are booming at a time when many other leading producers are experiencing difficulties. The better agricultural performance is a result of: a) farmers’ response to better prices; b) continued technology gains; and c) appropriate and timely policies coming together. Yet India is at a juncture
where further reforms are urgently required to achieve greater efficiency and productivity in agriculture for sustaining growth. There is need to have stable and consistent policies where markets play a deserving role and private investment in infrastructure is stepped up. An efficient supply chain that firmly establishes the linkage between retail demand and the farmer will be important. Rationalization of agricultural incentives and strengthening of food price management will also help, together with a predictable trade policy for agriculture. These initiatives need to be coupled with skill development and better research and development in this sector along with improved delivery of credit, seeds, risk management tools, and other inputs ensuring sustainable and climate-resilient agricultural practices. Finally, while the sharp increase in prices of food articles, especially proteins, fruits and vegetables, and the growing foodgrains stocks in public sector continue to be subjects of debate, these may be the pointers towards the need for both relative price shifts responding to shifts in demand and reconsidering traditional instruments of food management.

**Major Emphasis on Agriculture sector**

Although agriculture, including allied activities, accounted for only 14.1 per cent of the GDP at constant (2004-5) prices in 2011-12, its role in the country’s economy is much bigger with its share in total employment according to the 2001 census, continuing to be as high as 58.2 per cent. The declining share of the agriculture and allied sector in the country’s GDP is consistent with normal development trajectory of any economy, but fast agricultural growth remains vital for jobs, incomes, and the food security. The growth target for agriculture in the Twelfth Five Year Plan remains at 4 per cent, as in the Eleventh Five Year Plan. Thanks to our hard working farmers, agriculture continues to perform very well. The average annual growth rate of agriculture and allied sector during the 11th Plan was 3.6 percent as against 2.5 percent and 2.4 percent, respectively, in the 9th and 10th Plans. In 2012-13, total foodgrain production will be over 250 million tonnes. Minimum support price of every agricultural produce under the procurement programme has been increased significantly under the UPA Government. Farmers have responded to the price signals and produced more. Agricultural exports from April to December, 2012 have crossed Rs 1,38,403 crore. Considering the importance of agriculture and allied sectors, The Union Finance Minister proposed to allocate the funds to the tune of Rs 27,049 crore to the Ministry of Agriculture, an increase of 22 percent over the revised estimates (RE) of the current year. Out of this, agricultural research will be provided Rs 3,415 crore during 2013-14.

**Agricultural Research**

Agriculture research has played a vital role in agricultural transformation. Indian Council of Agricultural Research (ICAR) Institutes undertake basic, strategic, and applied research, focusing particularly on problems of rainfed agriculture, while State Agricultural Universities (SAUs) concentrate on generating required manpower and on applied and adaptive research to address local problems. Public sector agricultural R&D spending to agricultural GDP in India remained in the range of 0.50 to 0.59 per cent in the last decade, needing to be enhanced considerably. The ICAR in partnership with SAUs has developed a number of technologies that are being used by farmers on a large scale. First green revolution was based on development of new high yielding varieties of wheat and rice which were responsive to inputs viz. irrigation, fertilizers and others agrochemicals. Presently there is an urgent need for the second green revolution which is possible only through new innovation led technologies and this needs huge investment in research and development of agriculture and allied sectors. Thanks to our Finance Minister for generously allocation of the funds to the tune of Rs 3,415 crore during 2013-14 for scientific research in agricultural and allied disciplines. This will have long-term effect on the national food and nutritional security of the country.

**Agricultural Credit**

Agricultural credit is the driver of agricultural production and timely availability of agricultural
credit at reasonable rate, especially for small and marginal farmers is crucial for agricultural-sector growth. Government has taken several measures for improving the flow of agricultural credit:

i) The flow of agricultural credit since 2003-4 has consistently exceeded the target. The target of agriculture credit flow for the year 2012-13 was fixed at Rs 5,75,000 crore, against which achievement as of September 2012 was Rs 2,39,629 crore.

ii) Farmers have been receiving crop loans up to a principal amount of Rs 3 lakh at 7 per cent rate of interest since 2006-07. The effective rate of interest for farmers who promptly repay their crop loans during 2012-13 will be 4 per cent per annum.

iii) The Kisan Credit Card (KCC) scheme has been effective for extending agriculture credit. A revised KCC scheme was introduced in March 2012 in which the KCC passbook has been replaced by an ATM-cum-debit card to all eligible and willing farmers in a time-bound manner. The number of operative KCCs issued by cooperative and regional rural banks as on 31 August 2012 was 4.07 crore. The number of cumulative KCCs issued by commercial banks as on 31 March 2012 was 5.47 crore.

iv) Farmers were granted post-harvest loans against negotiable warehouse receipts at commercial rates. In order to discourage distress sale by farmers and to encourage them to store their produce in warehouses against warehouse receipts, the benefit of interest subvention has been extended to small and marginal farmers having KCCs for a further period of up to six months post-harvest on the same rate as crop loans.

(v) The government is implementing a revival package for Short-term Rural Cooperative Credit Structure involving a financial outlay of Rs 13,596 crore. Twenty-five state governments have signed memorandums of understanding (MoU) with the GoI and the National Bank for Agriculture and Rural Development (NABARD). As of July 2012, Rs 9002.11 crore had been released by NABARD as the GoI share for recapitalization of 53,202 primary agriculture cooperative societies (PACS) in seventeen states.

Considering the due importance of the credit for the need of the farmers, especially small and marginal the Finance Minister proposed to increase the target to Rs 700,000 crore for 2013-14 as against the target of Rs 575,000 crore fixed for 2012-13. The interest subvention scheme for short-term crop loans will be continued and a farmer who repays the loan on time will be able to get credit at 4 per cent per annum. So far, the scheme has been applied to loans extended by public sector banks, RRBs and cooperative banks. The Finance Minister proposed to extend the scheme to crop loans borrowed from private sector scheduled commercial banks in respect of loans given within the service area of the branch concerned.

### Eastern India Green Revolution

Bringing Green Revolution to Eastern India, initiated in 2010-11, intends to address the constraints limiting the productivity of ‘rice based cropping systems’ in eastern India comprising seven states, viz. Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh, and West Bengal. The Green Revolution in Eastern Region is waiting to happen and to realize the potential of the region; last years’ initiative will be continued in 2013-14. Bringing the green revolution to eastern India has been a remarkable success in the current financial year (2012-13). Assam, Bihar, Chhattisgarh and West Bengal have increased their contribution to rice production tremendously. The Finance Minister proposed to continue to support the eastern Indian States with an allocation of Rs 1,000 crore in 2013-14 year.

### Crop diversification

Crop diversification is the need of this hour for the future sustainability of the natural resource base in the fragile ecosystem of the over exploited natural resources in the first green revolution areas. Hence, the original Green Revolution States presently is facing the problem of stagnating yields
and over-exploitation of water resources. The answer lies in crop diversification. The Finance Minister proposed to allocate Rs 500 crore to start a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives for future sustainability of the natural resources.

**Rashtriya Krishi Vikas Yojana**

The Rashtriya Krishi Vikas Yojana (RKVY) was launched in 2007-8 with an outlay of Rs 25,000 crore in the Eleventh Plan for incentivizing states to enhance public investment. States were provided Rs 22,408.79 crore under the RKVY during Eleventh Five Year Plan. The RKVY format permits taking up national priorities as sub-schemes, allowing the states flexibility in project selection and implementation. Allocation under the RKVY for 2012-13 is Rs 9,217 crore. The RKVY links 50 per cent of central assistance to those states that have stepped up the percentage of state plan expenditure on the agriculture and allied sector. A total of 5,768 projects were taken up by states in the Eleventh Plan of which 3,343 had been completed till December end 2012. The Rashtriya Krishi Vikas Yojana is intended to mobilise higher investment in agriculture and for this programme the Finance Minister proposed to provide Rs 9,954 crore in the union budget of 2013-14.

**National Food Security Mission**

To enhance the production of rice, wheat, and pulses by 10, 8, and 2 million tonnes respectively by the end of the Eleventh Plan through area expansion and productivity enhancement; restoring soil fertility and productivity; creating employment opportunities; and enhancing farm-level economy to restore the confidence of farmers of targeted districts, a centrally sponsored National Food Security Mission (NFSM) was launched in 2007-8 with three major components, viz. NFSM-Rice, NFSM-Wheat, and NFSM-Pulses. During the Eleventh Five Year Plan, NFSM-Rice was implemented in 144 districts of 16 states, NFSM-Wheat in 142 districts of 9 states and NFSM-Pulses in 468 districts of 16 states. In 2012-13, six north-eastern states, viz. Arunachal Pradesh, Manipur, Meghalaya, Mizoram, Nagaland, and Sikkim were included under NFSM-Rice and the hill states of Himachal Pradesh, and Uttarakhand under NFSM-Rice and Wheat and J & K under NFSM-wheat. Specifically, during 2012-13 a Special Plan to achieve 19+ million tonnes of pulses production during *kharif* 2012 was launched with a total allocation of Rs 153.5 crore comprising Rs 107.3 crore for activities to be undertaken under the NFSM and Rs 46.2 crore for activities to be undertaken under the Micro Irrigation Scheme. During 2012-13, Rs 87.0 crore has been allocated for additional area coverage of pulses during *rabi/summer* 2012-13. Taking into account the significance of the NFSM, Finance Minister proposed to provide Rs 2,250 crore for this programme in the union budget of 2013-14, which will a further step forward to achieve the national food security.

**Integrated watershed programme**

In order to help the rainfed farmers improve productivity and profitability, in-situ soil and water conservation practices are developed for different agro-climatic regions with special emphasis on effective rainwater management along with a suite of location-specific technologies. Small and marginal farmers are vulnerable everywhere, and especially so in drought prone and ecologically-stressed regions. Watershed management is crucial to improve productivity of land and water use. The Finance Minister proposed to increase the allocation for the integrated watershed programme from Rs. 3,050 crore in 2012-13 (BE) to Rs 5,387 crore which is approximately 76.6% higher for the 2013-13.

**Nutri-Farms—iron-rich bajra, protein-packed maize and zinc-boosted wheat**

Agricultural scientists have suggested that we should start a pilot projects on Nutri-Farms for introducing new crop varieties that are rich in micro-nutrients such as iron-rich bajra, protein-rich maize and zinc-rich wheat. The Honourable Union Finance Minister proposed to provide a sum of up to Rs 200 crore to start these pilots’ projects on nutri-farms.
Ministry of Agriculture very soon will formulate a scheme and the Finance Minister hoped that agri-businesses and farmers will come together to start a sufficient number of pilots projects in the districts most affected by malnutrition in our country. In this way we will be step forward to overcome the problem of undernourishment.

Setting up of new Institutes

The Honourable Union Finance Minister informed the house (Parliament) during his union budget speech that The National Institute of Biotic Stress Management for addressing plant protection issues will be established at Raipur, Chhattisgarh. The Indian Institute of Agricultural Bio-technology will be established at Ranchi, Jharkhand and will serve as a centre of excellence in agricultural bio-technology. The steps taken by the union government are praise worthy considering the need of our future requirement to tackle the food and nutritional security.

Pilot scheme to replant and rejuvenate coconut gardens

The National Horticulture Mission (NHM) covered 18 states and three UTs during the Eleventh Plan. The scheme aims at the holistic development of the horticulture sector by ensuring forward and backward linkages through adopting a cluster approach with the active participation of all stakeholders. During the Eleventh Plan period 16.7 lakh ha of land was brought under horticulture / high value horticulture crops. A pilot scheme to replant and rejuvenate coconut gardens that was implemented in some districts of Kerala and the Andaman & Nicobar Islands will be extended to the entire State of Kerala, and the Finance Minister proposed to provide an additional sum of Rs 75 crore in 2013-14 union budgets.

Farmer Producer Organizations

Farmer Producer Organizations (FPO), including Farmer Producer Companies (FPC), have emerged as aggregators of farm produce and link farmers directly to markets. To signal our support to them, the Honourable Union Finance Minister intended to provide matching equity grants to registered FPOs up to a maximum of Rs 10 lakh per FPO to enable them to leverage working capital from financial institutions. The Finance Minister proposed to provide Rs 50 crore in union budget of 2013-14 for this purpose. Besides, a Credit Guarantee Fund will also be created in the Small Farmers’ Agri Business Corporation with an initial corpus of Rs 100 crore. The Finance Minister urged the State Governments to support such FPOs through necessary amendments to the APMC Act and in other ways.

National Livestock Mission

The livestock sector achieved an average growth rate of 4.8 per cent during the Eleventh Five Year Plan. In 2011-12, the production of milk was estimated at 127.9 million tonnes, eggs at 66.45 billion numbers, wool at 44.73 million kg, and meat at 5.51 million tonnes. The Livestock Census (2007) has placed total livestock population at 529.7 million and poultry birds at 648.8 million. Further, the National Livestock Mission will be launched in 2013-14 to attract investment and to enhance productivity taking into account local agro-climatic conditions of the different livestock. The Finance Minister proposed to provide Rs 307 crore for this Mission in the union budget 2013-13.

Food Security

Food security is as much a basic human right as the right to education or the right to health care. The main objectives of food management are procurement of foodgrains from farmers at remunerative prices, distribution of foodgrains to consumers, particularly the vulnerable sections of society, at affordable prices, and maintenance of food buffers for food security and price stability. The instruments used are MSP and central issue price (CIP). The nodal agency for procurement, distribution, and storage of foodgrains is the Food Corporation of India (FCI). Procurement at MSP is open-ended, while distribution is governed by the scale of allocation and its off-take by beneficiaries. The off-take of foodgrains is primarily under the
targeted public distribution system (TPDS) and other welfare schemes of the GoI. The National Food Security Bill is a promise of the UPA Government. The Finance Minister hoped that Parliament will pass the Bill as early as possible, in his union budget speech. The Members of the parliament and other stake holders will be happy to know that the Honourable Union Finance Minister have set apart Rs 10,000 crore, over and above the normal provision for food subsidy, towards the incremental cost that is likely under the Act.

Key Features of Union Budget 2012-13 for Agricultural Sector

- Average annual growth rate of agriculture and allied sector was 3.6% during XI Plan against 2.5% and 2.4% in IX and X plans respectively.
- In 2012-13, total food-grain production will be over 250 million tonnes. Minimum support price for every agricultural produce has increased significantly under the UPA Government.
- Rs 27,049 crore allocated to Ministry of Agriculture, an increase of 22 per cent over the revised estimates (RE) of current year.
- Agricultural research provided Rs 3,415 crore.

Agricultural Credit

- For 2013-14, target of agricultural credit kept at Rs 7 lakh crore.
- Interest subvention scheme for short-term crop loans to be continued scheme extended for crop loans borrowed from private sector scheduled commercial banks.

Green Revolution

- Bringing green revolution to eastern India a remarkable success. Rs 1,000 crore allocated in 2013-14.
- Rs 500 crore allocated to start a programme of crop diversification that would promote technological innovation and encourage farmers to choose crop alternatives.
- Rashtriya Krishi Vikas Yojana and National Food Security Mission provided Rs 9,954 crore and Rs 2,250 crore, respectively.

- Allocation for integrated watershed programme increased from Rs 3,050 crore in 2012-13 (BE) to Rs 5,387 crore in 2013-14.
- Allocation made for pilots programme on Nutri-Farms for introducing new crop varieties that are rich in micro-nutrients.
- National Institute of Biotic Stress Management for addressing plant protection issues will be established at Raipur, Chhattisgarh.
- The Indian Institute of Agricultural Biotechnology will be established at Ranchi, Jharkhand.
- Pilot scheme to replant and rejuvenate coconut gardens implemented in some districts of Kerala and the Andaman & Nicobar extended to entire State of Kerala.

Farmer Producer Organizations

- Matching equity grants to registered Farmer Producer Organization (FPO) upto a maximum of Rs 10 lakhs per FPO to enable them to leverage working capital from financial institutions.
- Credit Guarantee Fund to be created in the Small Farmers’ Agri Business Corporation with an initial corpus of Rs 100 crore.

National Livestock Mission

- National Livestock Mission to be set up.
- A provision of Rs 307 crore is made for the Mission.

Food Security

- An additional provision of Rs. 10,000 crore for National Food Security Act is made in the union budget 2013-14.

Challenges ahead and future outlook of Indian Agriculture

- Food-grains production in India has shown remarkable improvement in recent years. The production of food-grains in 2011-12 was at a record high of 259.32 million tonnes. This achievement comes at a time when it is generally recognized that inadequate attention
to agriculture across many parts of the world led to food shortages and steep hikes in food prices. In comparison, Indian agriculture has performed well primarily due to timely policy interventions. Nevertheless, the average annual growth rate of 3.6 per cent during the Eleventh Five Year Plan for the agriculture & allied sector fell short of the target of 4 per cent. Moreover the country faces the stiff challenge of feeding its growing population. There are a number of constraints and challenges that need to be addressed and the country will have to invest heavily in farm research, rural infrastructure, providing better access to high value markets, better credit facilities and input use, so that the farming community as a whole is motivated to produce more and the target of 4 per cent growth set for the agriculture and allied sector in the Twelfth Five Year Plan is met.

- Though India is one of the leading producers in the world of many major crops like paddy, wheat, pulses, sugarcane, spices, and plantation crops, the comparison in terms of yield levels is not creditable with it achieving a much lower rank in many of these crops. Further, studies indicate that there are wide yield gaps among various crops across the country. Agriculture production can be substantially increased if we address this yield gap by adopting technological and policy interventions. Improvement in yields holds the key for India to remain self-sufficient in foodgrains and also make a place for itself in many agricultural crops and products in the international market.

- Another challenge is how to maximize agricultural income while adopting a more sustainable agricultural strategy. The concerns here are land and water degradation due to soil erosion, soil salinity, water logging, and excessive application of nutrients. There are concerns arising also from over-exploitation of water resources, especially in the Green Revolution belt. Better management practices for rehabilitation of degraded land and water resources hold the key. Measures must be taken to promote use of quality seeds, cultivation of drought resistant varieties of crops, judicious use of available water, balanced use of fertilizers, farm mechanization to improve efficiency levels, and wider use of irrigation facilities. Expenditure on agricultural research also needs to be stepped up substantially.

- Climate change and extreme weather events with greater intensity and frequency can have serious implications for our agriculture sector and create greater instability in food production and thereby farmers’ livelihood. The current crop insurance system also needs to be further refined in order to cater to the unavoidable climatic conditions or pest epidemics.

- Declining per capita availability of foodgrains has been a major concern in India. For ensuring nutritional security, it is not only important to increase per capita availability of foodgrains but also to ensure the right amounts of food items in the food basket of the common man. A thrust on horticulture products and protein-rich items is required for enhancing per capita availability of food items as well as ensuring nutritional security.

- The pace of agricultural growth in the eastern and north-eastern regions has been slower than in the rest of the country. The good prospects of production in many crops in these parts of the country should quickly be taken advantage of in the years to come. Hence a strategy for agricultural development in eastern and north-eastern India comprising multiple livelihood opportunities, sustainable agricultural development through a farming systems approach, efficient national resources management, eco-regional technology missions, and rice-based farming systems needs to be put in place.

- Another critical issue is supply chain management in agricultural marketing
in India. Farmers’ access to markets is hampered by poor roads, rudimentary market infrastructure, and excessive regulation. Many agricultural crops are perishable in nature and post-harvest handling issues and marketing problems affect the farm incomes. It is necessary that we evolve mechanisms for linking wholesale processing, logistics and retailing with farm-production activities so as to generate enhanced efficiency, better farm prices, etc. The private sector should be allowed to operate in developing these market linkages for which suitable reforms will help. Recently the government allowed foreign direct investment (FDI) in retail, which has been supported by many farmer organizations as well, and it can pave the way for investment in new technology and marketing of agricultural produce in India.

- There has been substantial increase in the MSPs of various crops over the last few years. Though considered necessary for incentivizing farmers, the MSP signals the floor price for the produce. There is a huge cost involved in the process, in the form of food subsidy. Further, this policy of stocking foodgrains well above the buffer norms comes under criticism on the grounds of hoarding and creating artificial shortages in the market, thereby jacking up the prices of essential commodities. Urgent attention needs to be accorded to efficient food stocks management, timely offloading of stocks and a stable and predictable trade policy.

- Strengthening agricultural statistics with reliable and timely availability of forecasts of agricultural crops is also an immediate need as the gaps in agricultural statistics will hamper agricultural development planning and policymaking.

With these above-cited and other improvements, it would be possible to sustain the 4 percent growth target set for agriculture and allied sectors in the Twelfth Five Year Plan (2012-17).

(Dr. Yashbir Singh Shivay is Principal Scientist, Division of Agronomy, Indian Agricultural Research Institute, New Delhi 110 012, ysshivay@hotmail.com; ysshivay@iari.res.in; & Dr. Anshu Rahal is an Assistant Professor (Senior Scale), Department of Animal Nutrition, College of Veterinary and Animal Sciences, G. B. Pant University of Agriculture & Technology, Pantnagar 263 145, Uttarakhand, anshurahal@rediffmail.com)

- Rs 27,049 crore allocated to Ministry of Agriculture, an increase of 22 per cent over the revised estimates (RE) of current year.
- Agricultural research provided Rs 3,415 crore.
- For 2013-14, target of agricultural credit kept at Rs 7 lakh crore.
- Bringing green revolution to eastern India a remarkable success. Rs 1,000 crore allocated in 2013-14.
- Allocation made for pilots programme on Nutri-Farms for introducing new crop varieties that are rich in micro-nutrients.
- National Livestock Mission to be set up.
- An additional provision of Rs. 10,000 crore for National Food Security Act is made in the union budget 2013-14.
Budget is a significant political statement of the government policy and its priorities for the economy. It reflects the directions for the Union Government for better budgetary and financial management. Let us reflect on the financial allocation made for the schemes of the Department of Rural Development with a view to see as how budget proposals would be instrumental in creating employment opportunities and development of infrastructure in inclusive mode in rural areas. The reason for reflecting on the Schemes of the Department of Rural Development is that out of total allocation of the Ministry of Rural Development 93 per cent is allocated for this Department and the rest for the Department of Land Resources.

Major Scheme Wise Allocation of Funds

Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Rural Livelihoods Mission (NRLM), Indira Awas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) are the major Schemes of the Department of Rural Development as out of total allocation of funds for this Department for various Schemes.
the above mentioned Schemes account for more than 99 per cent. Following table shows scheme wise allocation of BE and RE for 2012-13 and BE for the year 2013-14.

Above table indicates that if we compare BE of 2013-14 with RE of the year 2012-13, we found that BEs of all the schemes have been increased from 12.29 per cent under MGNREGA to 117 per cent under PMGSY. This increases shows the importance of schemes of Rural Development in the year to come for employment generation and infrastructural development. But on the other hand, if we compare BE of 2013-14 with BE 2012-13, we found that there is no increase in case of MGNREGA. In case of NRLM, it is 2.17 per cent; in case of IAY, it is 37 per cent and in case of PMGSY it is reduced to 9.58 per cent.

**Scheme-wise Analysis of the Budget Allocation**

As mentioned earlier MGNREGA, NRLM, IAY and PMGSY are the major Schemes of the Department of Rural Development. Let us briefly comment on these Schemes from the point of likely performance of these schemes in the next year.

**Employment Generation**

There are two schemes namely MGNREGA and NRLM implemented by the Department of Rural Development for employment generation and capital formation in the country side.

**MGNREGA**

MGNREGA is a demand driven programme. It is designed as wage-employment programme to fight poverty in more effective way. With its legal framework and right-based approach, MGNREGA provides employment to those who demand it and is a paradigm shift from earlier programmes. It aims at enhancing livelihood security by providing at least 100 days of guaranteed wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. Among others, the salient feathers of the MGNREGA is a right based framework, time bound guarantee, labour intensive works, decentralised planning, work site facilities, women empowerment, transparency and accountability. Under the scheme, 216.34 crores person days have been generated for workers during 2011-12. Out of these, 40 per cent accounted for SCs/STs and 48 per cent for women during 2011-12 and during 2012-13, women share is 53 per cent of the total employment generated.

The Act gives guarantee of 100 days of employment in a year per household who volunteers to do unskilled jobs. But in reality average person days generated per household was merely 54 days during 2009-10, 47 days during 2010-11, 43 days during 2011-12 and 34 days during current year (upto December, 2012). It show about 50 per cent of the person days envisaged for a household for a year in the Act has been achieved. However, there are positive impact of the Act on rural society and economy in terms of employment generation, enhanced wage earnings and positive impact on natural resource generation and impact on agricultural productivity. Various initiatives such as professional staff at Gram Panchayat level,

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>MGNREGA</td>
<td>33000.00</td>
<td>29387.00</td>
<td>33000.00</td>
<td>12.29</td>
</tr>
<tr>
<td>2</td>
<td>NRLM</td>
<td>3915.00</td>
<td>2600.00</td>
<td>4000.00</td>
<td>53.85</td>
</tr>
<tr>
<td>3</td>
<td>IAY</td>
<td>11075.00</td>
<td>9024.00</td>
<td>15184.00</td>
<td>68.26</td>
</tr>
<tr>
<td>4</td>
<td>PMGSY</td>
<td>24000.00</td>
<td>10,000.00</td>
<td>21700.00</td>
<td>117.00</td>
</tr>
</tbody>
</table>

Table -1

**Scheme wise Allocation at Glance**

(Rs. in cores)
indexation of MGNREGA wages to the price level using the CPIAL, MGNREGA Audits of Schemes Rules, transparency in execution of works, proactive disclosure, ensure timely completion of works, focus on IAP districts, addition of 30 new works, etc have been taken for further strengthening the Programme.

It is expected that these initiatives will strengthen the implementation of the Act. Beside these, there is urgent need to make villagers aware about various provisions of the Act to masses and the capacity building of the personnel of Panchayats have to be built up for effective implementation of the Act.

**NRLM**

Swaranjayanti Gram Swarozgar Yojana which aimed at providing sustainable income to rural BPL families through income generating assets so as to bring them above the poverty line. Scheme was process oriented involving processes like organisation of rural poor into Self-Help-Groups(SHG)s through social mobilisation, capacity building & training, provision of revolving funds, making available credit and subsidy, technology, infrastructure and marketing. SGSY has been restructured as NRLM. NRLM is implemented in a mission mode in a phased manner for targeted and time bound delivery of results. The Mission work towards organising the rural poor into institutions of the poor and empowering these institutions. These institutions in turn support their members in enhancing their income level through improved and easy access to credit and their entitlement.

It is expected that in the coming year processes of the scheme will be strengthened. Various initiatives in terms intensive application of NRLM in 13 states with high concentration of poor including SCs and STs, prioritising Integrated Act Plan for NRLM intensive strategy, preparation of Social Management Framework which focuses on social inclusion, social accountability and social safeguards are some of the right initiative to further deepen the implementation of the NRLM.

Increased funds during 2013-14 under the this scheme will enable the implementing agencies for further enhancing its effectively.

**Indira Awas Yojana**

Indira Awas yojana is implemented by the Ministry for providing dwelling units to the household living below the poverty line. More focus of the Scheme is on SCs/STs as 60 % of the funds are earmarked for these groups. The unit cost of the dwelling has been enhanced to Rs. 70,000/- in plain areas and Rs. 70,500/- in hilly and difficult areas. The budget under the Scheme has been enhanced from Rs. 9024/-crores (RE) to Rs 15184/- crore indicting an increase of more than 86 per cent. The increased outlay will be able to greater extent provide dwelling to poor in rural areas.

**Pradhan Mantri Gram Sadak Yojana**

PMGSY is the one of the important schemes of the Ministry of rural Development by connecting village with pucca roads in the country. The outlay under PMGSY (compared to RE 2012-13) has been enhanced by 117 per cent which indicate the importance of this Scheme in the development of rural areas. This programme has significant impact on the living conditions of rural people by way of providing connectivity through the rural roads. Roads not only help in better access to health and educational facilities but also increase the access of markets to the farmers for getting better price of their products. Utilisation of the earmarked funds under the programme will depend to a greater extent on the absorption capacity of the implementing agencies.

**Flexi Funds**

It is the new scheme being added in the Budget Estimates of a provision of Rs. one crore with the purpose to meet out increasing demand of the States to give greater flexibility in spending decisions with respect to Government schemes. The demand appears to be justified on the basis of states having different needs, priorities and development level. In such a situation ‘one size fits
all’ mode of Centrally Sponsored Schemes (CSSs) does not allow inter-state variations which could be adequately reflected as a part of strategy for development with equity. In this way the overall focus of the Flexi Funds would be to give freedom to the States to chalk out their action plan keeping in view local conditions and local requirement within the broad objectives of the CSSs. It is expected that under Flexi Funds incentive for innovation in delivery, developing requisite infrastructure, capacity building of the institutions and devolution of power to panchayats may be focused.

**Strengthening the Institutions of Panchayati Raj Institutions**

The deepening of the processes of the implementation of rural development schemes would be more effective provided the Panchayati Raj Institutions through which the programmes are implemented are strengthened and empowered. In case of MGNREGA, Panchayats are the principal authority and 50% of funds under the programme are to be spent by the Gram panchayats which is the lowest tier of the Panchayati Raj System in the country. Keeping in view the importance of capacity building of these institutions allocation of the Ministry of Panchayati Raj has also been enhanced. Similarly, allocation under Backward Regions Grant Funds (BRGF) has been kept at Rs. 11,500 crores for the year 2013-14. Besides, another sum of Rs. 1000/- crore has been earmarked for LWE affected districts. BRGF is a vital source of gap funding. It puts in place programmes and policies with the combined efforts of the Centre and States to remove barrier to growth, accelerate the development process and improve the quality of life of the people. The programme is designed to help reduce imbalances and speed up process of the development of Panchayats at all levels in the backward districts. These initiatives will strengthen the Panchayati Raj System which in turn will facilitate effective implementation of the programmes of rural development.

**Conclusion**

The slowdown in Indian economy is cause of concern to policy makers in the country. Growth rate continue at lower end and the current global environment is not very helpful for increasing level of economic activities domestically. In such a situation, Indian economy has to look inward for avenue to grow on sustainable basis. One of the ways to address this problem would be to address the problems of rural areas focusing on employment generation, infrastructure development and meeting out the shortage of houses by construction of dwelling. Among others, the housing sector is very important in this context as it has interlinkages with various other industries and sectors in the economy ranging from cement industry to building hardware. The enhanced allocation of budget of the Ministry of Rural Development for the year 2013-14 would be helpful in achieving higher growth leading to inclusive and sustainable development as mentioned by the Finance Minister in his budget speech.

*The author belongs to Indian Economic Service. Views expressed are personal. mpal1661@gmail.com*

**Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), National Rural Livelihoods Mission (NRLM), Indira Awas Yojana (IAY) and Pradhan Mantri Gram Sadak Yojana (PMGSY) are the major Schemes of the Department of Rural Development as out of total allocation of funds for this Department for various Schemes, the above mentioned Schemes account for more than 99 per cent.**
SURVEY OF RURAL INDIA

A Comprehensive Study of Gram Panchayat and Community Development Block

For the first time in Indian history a massive survey on its 72.2% rural population living in 638588 villages comprising of 6311 Community Development Blocks (rural areas earmarked for administration and development) and 240561 Gram Panchayats has been published in 27 crown-sized volumes with maps and coloured illustrations. Relevant more than 175 information on each CD Block have been given in detail.

Edited by Dr N. Seshagiri
Founder Director General, National Informatic Centre (NIC), Government of India

ISBN: 978-81-212-1100-0 (Set)
Year 2012 • Pages 15,300
Set Price Rs. 90,000/- • Size Crown

You may purchase the set from any vendor, just send us invoice copy and get a free DVD Only for Institutions

for detailed information please visit www.surveyofruralindia.com

GYAN BOOKS PVT. LTD. PUBLISHERS • EXPORTERS • DISTRIBUTORS
GYAN KUNJ 23, MAIN ANSARI ROAD, DARYA GANJ, NEW DELHI-110002 Phones : 23282060, 23261060, Fax : 91-11-23285914
Email : books@yanbooks.com, gyanbook@vsnl.com Website : gyanbooks.com
**FORM IV**
*(See Rule)*

1. **Place of Publication** : Delhi
2. **Periodicity** : Monthly
3. **Printer’s Name**
   - **whether citizen of India?** : Yes
   - **Address**
     - Publications Division
     - Ministry of Information & Broadcasting,
     - Soochna Bhawan, CGO Complex,
     - New Delhi – 110 003
4. **Publisher’s Name**
   - **whether citizen of India?** : Yes
   - **Address**
     - Additional Director General, Publications Division, Ministry of Information & Broadcasting, Soochna Bhawan, CGO Complex, New Delhi – 110 003
5. **Editor’s Name**
   - **whether citizen of India?** : Yes
   - **Address**
     - Kurukshetra (English), Room No. 661, ‘A’ Wing, Nirman Bhawan, New Delhi – 110 011
6. **Name and addresses of individuals who owns the Newspaper and partners or shareholders holding more than one percent of the total Capital.**
   - Printed and published by
     - Ms. Ira Joshi
     - Additional Director General, Publications Division, Ministry of I & B, Govt. of India, Soochna Bhawan, New Delhi – 110 003

I, Ira Joshi, hereby declare that the particulars given above are true to the best of my knowledge and belief.

-Sd/
(Ira Joshi)
Publisher
Promises for Sustainable Growth

Anupam Hazra

Among all the other major components of this Budget, one of the striking features has been the major financial boost to rural India for ensuring its comprehensive growth in a sustainable manner. Realising the fact that the India’s economic growth is incomplete without proper attention to the country’s social and rural segment, this budget has announced a 46 percent hike in the Rural Development Allocation for the Fiscal Year 2013, resulting into a total allocation of Rs 802 billion for an all-round development of rural India. Ultimately this increase in overall allocation for rural development will signify a major rise in government spending for schemes such as Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS), Bharat Nirman, Rajiv Gandhi Grameen Vidyutikaran Yojana, Indira Awas Yojana etc.

It is really nice to notice that following the trends of some of the earlier budgets, this time also rural India has been able draw a prime attention of the Finance Minister but nothing beats the proposal to provide clean drinking water to rural poor by setting up water purification plants within rural areas; ensuring a proper implementation of this initiative will bring a big smile for the poor settled across 14,000 rural habitations our country. Apart from that, as anticipated - MGNREGA, the

The Budget has also promoted the Farmer Producer Organizations (FPO) for providing suitable exposure to the farmers’ production in suitable markets. the Interest Subvention Scheme for short-term crop loans would be continued for loans by the Cooperative Banks, public sector banks and will also be expanded to private scheduled commercial banks.

Rural Development Budget 2013-14

The Budget has also promoted the Farmer Producer Organizations (FPO) for providing suitable exposure to the farmers’ production in suitable markets. the Interest Subvention Scheme for short-term crop loans would be continued for loans by the Cooperative Banks, public sector banks and will also be expanded to private scheduled commercial banks.
Union Budget 2013 – 14: Major Ingredients for Rural Growth at a Glance

- Rs 80,194 crore allocation for Ministry of Rural Development in 2013 -14
- Rs 33,000 crore for MGNREGA
- Drinking water and sanitation receives Rs. 15,260 crore; Rs. 1,400 crore has been allocated towards setting up of water purification plants as there are still 2,000 arsenic - and 12,000 fluoride-affected rural habitations in the country
- The target for farm credit for 2013-14 has been set at Rs. 7,00,000 crore against Rs. 5,75,000 crore during the current year
- Eastern Indian states to get Rs 1,000 crore allocation for improving agricultural production
- Rs 500 crore earmarked for programme on crop diversification
- Rs. 10,000 crore allotted for National Food Security towards the incremental cost
- Integrated Child Development Services (ICDS) Scheme gets Rs. 17,700 crore which is 11.7 percent more than the current year
- Rs 27,049 crore allocation to the Agriculture Ministry in 2013-14
- Rs. 5,000 crore for National Bank for Agriculture and Rural Development (NABARD) for agricultural storage facilities; Godowns to be constructed coordinating with the Gram panchayats
- Rs. 10,000 crore earmarked for National Food Security towards the incremental cost
- The UPA government’s ambitious project ‘National Urban Health Mission’ focusing on providing basic health care services to the urban poor has been grouped with the National Rural Health Mission under one umbrella named as the ‘New National Health Mission’. The budgetary allocation under this mission has been fixed at Rupees 21,239 crore, which is an increase of 24.3 percent over the revised expenditure.
- An Institute for agricultural biotechnology will be set up in Ranchi, Jharkhand

*aam admi* flagship scheme has been given due importance with an allocation of Rs 33,000 crore. With an aim to strengthen rural road-connectivity, Pradhan Mantri Gram Sadak Yojana (PMGSY)-II has been proposed for initiation for the benefit of those states which have substantially fulfilled the objectives of PMGSY like Rajasthan, Punjab, Maharashtra, Karnataka, Haryana and Andhra Pradesh. The corpus of the Rural Infrastructure Development Fund has been raised to Rs 20,000 crore for catalysing the process of rural infrastructural growth. Space has been created where Gram Panchayats will have direct access to investment and funding from NABARD for construction of warehouses thus helping farmers to store their production.

The Budget has also promoted the Farmer Producer Organizations (FPO) for providing suitable exposure to the farmers’ production in suitable markets. The Interest Subvention Scheme for short-term crop loans would be continued for loans by the Cooperative Banks, public sector banks and will also be expanded to private scheduled commercial banks. Under this scheme, any farmer who pays back the loan on time would be entitled to get credit at annual interest rate of 4 percent. Apart from this, 307 crore rupees have been earmarked for National Livestock Mission in order to attract investment and enhance livestock productivity; a sub-mission of this National Livestock Mission has also been proposed for increasing the availability of feed and fodder. The initiation of the pilot programme on Nutri-Farms will also take place very soon for introducing new crop varieties which are rich in micro-nutrients like iron-rich bajra; a total amount of 200 crore Rupees would be facilitated for starting this pilot programme. In this context, it also needs to be noted that the Union Finance Minister has already announced the possibility of National Food Security Bill to be passed by the Parliament and 10000 crore Rupees have set aside for the incremental cost of the Act, which ultimately makes the budgetary package a comprehensive one for the rural poor.

*The author is Assistant Professor in Department of Social Work at Assam (Central) University, Silchar-788011; Assam: E-mail: anupam688@yahoo.co.in*
Agriculture has the responsibility to feed 1.2 billion people, which is a huge responsibility. The farm sector achieved 3.6 per cent growth during the 11th Five Year Plan (2007-12) which was much higher than growth of 2.5 and 2.4 per cent during 9th and 10th Plans. Food grains production in India has shown remarkable improvement in recent years. The production of food grains in 2011-12 was at a record high of 259.32 million tonnes. In the global slowdown of economy and downturn in overall exports, agriculture and allied products during 2011-12 accounted for 9.08 per cent of India’s total exports against 6.9 per cent during 2010-11. India has achieved this feat by multi-pronged strategies and technologies such as Green revolution, Blue revolution, white revolution and of course the latest yellow revolution and is now poised for Rainbow revolution. There is need for continue efforts for infusing of technology, capital and human resource for the accelerated growth. Food and Agriculture Organization have indicated that agriculture in developing countries would need an investment of around US $ 30 billion to achieve the goal, set by the World Food Summit in 1996, of reducing the number of hungry people by half by 2015. The Union Budget for 2013-14 is focussed on agriculture with 22 per cent more funds to the agriculture ministry at Rs. 27,049 crore.

Initiative of Bringing Green Revolution to Eastern India (BGREI) has resulted in increased...
production and productivity of paddy. Last year, allocation for the scheme was pegged at Rs. 1,000 crore and this year also stress has been given to this important segment by providing same amount of Rs. 1000 crore. This scheme has resulted in impressive increase in production of food grains with the eastern region now turning a food surplus region in the eastern region including Assam, Bihar, Chhattisgarh, Jharkhand, Odisha, Eastern Uttar Pradesh & West Bengal. The BGREI is a sub-scheme of the Rashtriya Krishi Vikas Yojna (RKVYJ) and thus this flagship schemes has been provided Rs. 9,954 crore. Another important scheme, National Food Security Mission has been provide Rs. 2,250 crore. Thus, the Budget is focused on augmentation of green revolution by proposing various measures like continuing support to green revolution in Eastern India, crop diversification in original green revolution states, bridging yield gaps between investment in agriculture and National Food Security Mission, Integrated Watershed Programme, pilot programme on Nutri-Farms, establishing National Institute of Biotic Stress Management and a pilot scheme to replant and rejuvenate coconut gardens. The budget proposes to start a pilot programme on Nutri-Farms for introducing new crop varieties that are rich in micro-nutrients such as iron-rich bajra, protein-rich maize and zinc-rich wheat. A sum of upto Rs 200 crore has been allocated to start a sufficient number of pilots in the districts most affected by malnutrition. Ministry of Agriculture will formulate a scheme in this regard and this will help to check the malnutrition in the most affected districts of the country. Crop diversification is must for the foodgrain bowls of our country to halt the depleting water table and soil degradation. The budget has a provision of Rs. 500 crore for crop diversification in states covered during the green revolution such as Punjab and Haryana which are facing stagnation in farm yields.

Research and Development is the core area for development of new technologies and Rs. 3,415 crore has been earmarked for farm research. Higher investment in agriculture is needed for development and adoption of technologies to achieve higher yields in different crops. Our country has a vast tract which faces varied weather vagaries. In certain parts of our country like Vidharbha in Maharashtra, Kuch in Gujarat and certain parts in Rajasthan and Orissa farmers continuously face the onslaught of drought. Such precarious conditions not only affect our crops but also our livestock. The budget has taken care of this situation. In a bid to provide relief to small and marginal farmers, especially in drought prone and ecologically-stressed regions, the allocation for the Integrated Watershed Programme has been increased from Rs.3,050 crore to Rs.5,387 crore. Livestock are integrated part of inclusive agriculture growth which enrich our soil fertility and also augment the income of the farmers. The live stock sector achieved an average growth rate of 4.8 per cent during 11th Plan. In 2011-12 the production of milk was estimated at 127.9 million tonnes, eggs at 66.45 billion, wool at 44.73 million Kg and meat at 5.51 million tonnes. Further, the National Livestock Mission will be launched in the fiscal year 2013-14 to attract investment and to enhance productivity taking into account local agro-climatic conditions and Rs. 307 crore has been provided for the Mission. Under this Mission, there will also be a sub- Mission for increasing the availability of feed and fodder. In the 11th Plan, the Central Government has made concerted efforts to take the strides of Green Revolution to other states with huge gap in the crop productivity. Our north-eastern states like Assam, Bihar, Chhattisgarh and West Bengal are leading the push for increasing production. Thus, with the focus to give pace to the green revolution in Eastern India, the budget has allocation of Rs. 1,000 crore for the next fiscal.

Agricultural credit is a driver of agricultural production and credit of public sector institutions instil faith in the farmers. This year credit target is up by Rs. 1, 25, 000 crore to Rs. 7,00,000 crore. The interest-subvention for short-term crop loan will be continued and farmers who repay loan on time will be able to get credit at 4 per cent interest per annum. Now, the benefit of the scheme has been stretched by including crop loans borrowed from scheduled banks from the private sector within their service area. So far, the scheme was
available for loans extended by public sector banks, regional rural banks and cooperative banks.

Climate change is going to have great impact on agriculture world over and there is need for such technologies to cope up the changes in the climate. It has necessitated the need for the research which identify the different crops for different type of biotic stresses. There is focus in the budget on this critical area. The National Institute of Biotic Stress Management for addressing plant protection issues will be established at Raipur in Chhattisgarh. The Indian Institute of Agricultural Bio-technology will be established at Ranchi in Jharkhand and will serve as a centre of excellence in agricultural bio-technology.

Coconut is an important crop of India and there is need for upgrading the production and productivity in this crop as our country has to import edible oils from the other countries. An additional sum of Rs. 75 crore has been provided for a pilot scheme to replant and rejuvenate coconut gardens in the State of Kerala and the Andaman & Nicobar Islands.

Marketing of agricultural produce is important for right pricing and profitability to the farmers for their valuable produce because the middlemen slice their profits heavily in the process. But, in recent years, Farmer Producer Organizations (FPO), including Farmer Producer Companies (FPC), have emerged as aggregators of farm produce and link farmers directly to markets which is an encouraging sign in the area. The Union Budget intend to strengthen this initiative and proposed to provide matching equity grants to registered FPOs upto a maximum of Rs 10 lakh per FPO to enable them to leverage working capital from financial institutions and provision of Rs. 50 crore has been made for this purpose. Besides, a Credit Guarantee Fund will also be created in the Small Farmers’ Agri Business Corporation with an initial corpus of Rs 100 crore. In this regard, the State Governments have been urged to support such FPOs through necessary amendments to the APMC Act and in other ways.

In India, availability of food remains the focus to the family as food consumes the bulk of the family income in majority of the houses. Nationwide, 57 per cent of the expenditure in rural areas and 44.4 in urban areas went of the purchase of food. This horrifying scenario certainly justifies the need for a Food Security Act which will ensure poverty ridden people at least two meals of a day. Thus, food security is as much a basic human right as the right to education or the right to health care. The National Food Security Bill is on the priority of the Central Government and for this historic initiative Rs. 10,000 crore have been set apart, over and above the normal provision for food subsidy, towards the incremental cost that is likely under the Act.

Everything can wait but agriculture cannot wait as it is linked to the bread and butter of more than one billion population of this country. Hence, agriculture should continue to receive the first priority and best and dedicated efforts of everybody in the ladder of governance and decision making in the field.

[Dr. Harender Raj Gautam is Senior Scientist, Department of Plant Pathology, Dr. Y.S.Parmar University of Horticulture and Forestry, Nauni-173230, Solan, Himachal Pradesh; and Dr. H.L. Sharma is Associate Professor (Economics), Government Post Graduate Degree College, Bilaspur-174001, Himachal Pradesh]
The Finance Minister has very aptly pointed out in his budget speech that higher growth will lead to inclusive and sustainable development and without growth there will neither be development nor inclusiveness. Quoting the renowned scientist, Joseph Stiglitz, he reiterated that though there is compelling case for equity “but it is also necessary if there is to be sustained growth but it is somewhat distressing to note high growth that was manifest over the last few years has not significantly benefitted the economically weaker sections and the lower income groups, whose hardships have not declined.

It needs to be pointed out that the development of the rural sector and increasing agricultural production and productivity can bring in the desired equitable development, reaching all segments of the population. One may mention here that in 2009 when India faced its worst drought in three decades, the country managed to produce a million more tonne of foodgrains than it did in 2007, a normal year and that helped the country a lot. But that was both an achievement and a failure because proper distribution of food, which the country has unfortunately not been able to achieve, is imperative to fight hunger.

Keeping all this in mind, Chidambaram has undoubtedly given some attention to agriculture and the rural sector as such though more was possibly necessary. Farmers, who constitute nearly two-thirds of India, will get much higher priority loans worth nearly Rs 700,000 crores during 2013-14 – up 40 per cent from Rs Rs 500,000 – and the interest for those paying in time, which was...
brought down from 7 per cent to 5 per cent in the previous budget, has been rightly reduced to 4 per cent, as suggested by the National Commission on Farmers.

India’s farm credit policy, ranging from soft loans to higher support prices, has been noteworthy and great help to the farming community. In 2008, a big loan waiver called the Agriculture Debt Waiver & Debt Relief Scheme worth Rs 600,000 crores was announced for debt-ridden farmers which helped them considerably.

An encouraging aspect is the proposed allocation of Rs 500 crores to a programme to encourage farmers to switch to alternative crops from rice and wheat through use of technological innovations. This fund may be used for producing value-added crops which would increase the incomes of the farmers.

Also the increase in outlay for watershed programme intended to benefit small and marginal farmers to improve productivity and the start of a new experimental programme for introducing new crop varieties – rich in micronutrients such as iron-rich bajra, protein-rich maize and zinc-rich wheat shows the innovativeness of the Finance Minister.

The latter ‘Nitrifarms’ programme got only Rs 200 crores for carrying out trials to grow super nutritious or bio-fortified crops though more could have been allotted , keeping in view the fact that well over 46 per cent of children are moderately to severely underweight due to malnutrition – more than the levels in sub-Saharan Africa.

However, the allocation for a second green revolution in the eastern states is rather disappointing. This has remained unchanged at Rs 1000 crores though the requirement is much more as many states – not just in eastern India – arte the beneficiaries of the fund. Assam, Bihar, Chhatisgarh and West Bengal have already increased their contribution to rice production through the continuance of this programme.

The setting up of a National Institute of Biotic Stress Management at Raipur and a Centre of Excellence in Agricultural Biotechnology at Ranchi are, no doubt, encouraging but other regions of the country need to be covered which the Finance Minister has not clearly outlined.

The attention to the rural sector was manifest in a significant of 46 per cent hike totaling Rs 80,194 crores though the rural development ministry was able to spend Rs 55,000 crores this fiscal. But there was discontentment as allocation for NREGA, Pradhan Mantri Gram Sadak Yojana and Indira Awas Yojana remained more or less the same. In fact, a section of experts, who have been voicing the need for more emphasis on rural development, felt that these social welfare schemes should at least have got a 7 to 10 per cent hike.

Jairam Ramesh has to be more alert and spend the money allotted unlike this fiscal when he could spend only Rs 55,000 crores out of Rs 75,000 crores allotted in this year’s budget estimates. There is much to be done and the funds need to be gainfully utilized.

The health scenario in the villages is indeed quite disturbing and serious efforts are needed at this juncture to tackle the dimension of the problem. Despite a hike of 28 per cent with an allocation of Rs 37,000 crores for the health sector, rising inflation and increasing costs of inputs may hamper wider coverage. The fund allocation of Rs 21,239 crores for the proposed National Health Mission – integrating the NRHM and the Urban Health Mission – has been found to be much low compared to the needs. If this trend continues, soon public expenditure on health will be around one per cent of GDP and not 2.5 per cent by the end of the 12th Plan, as envisaged by the Prime Minister.

Also bringing down the school education budget may become an obstacle in spreading education and literacy among the poor in the villages. Health and education are the prime drivers of growth and this needed to be given attention.

An interesting intention of the Minister is the allotment for Backward Regions Grant Fund (BRGF) that is likely to help critical states like Chhatisgarh, Bihar, Jharkhand etc. Chidambaram has rightly tripled allocation for the Fund from Rs 4000 crores to Rs 11,500 in 2013-14, setting aside an additional Rs 1000 crores specially for 82 districts spread across Chhatisgarh, Jharkhand, U.P., Andhra Pradesh, Orissa, West Bengal and Madhya Pradesh affected by Maoist violence.
It is also important to mention here that the criteria used to determine the amounts handed to different states under the BRGF will change from geographic and demographic parameters like terrain, density of population and length of international border to the gap in socio-economic parameters. There is need to for sincerity of purpose to ensure sustainable development in these backward districts to improve the living standards of the masses.

As made quite often of the Railway budget which has been benefitting the eastern states, similarly there have been allegations of the general budget neglecting the East. In this budget also, industrial corridors has been proposed in the Western and Southern states while road projects in Gujarat, Madhya Pradesh, Maharashtra, Rajasthan and U.P. will be awarded in the first six months of 2013-14. One need to mention here the road network has to be expanded more in states like Bihar, West Bengal, Jharkhand etc to improve commercial activities and improve the livelihood conditions of the economically weaker sections and the lower income groups but this has not been considered.

Finally, a mention has to be made of new skills development scheme where training is proposed to ten lakh youth after which they would be given Rs 10,000 per candidate. But this does not seem adequate and the amount should have been at least Rs 25000-Rs 30,000 to encourage them to start their own business. This should greatly help the rural youth, who are not in a position to go in for higher education and very much need vocational training to earn their livelihoods. No doubt this is an encouraging proposition but the involvement of the NGOs and community based organizations, who work at the grass root level, are essential to make this scheme effective for effective skill training and help to start their own business.

Though focusing on growth, the Finance Minister has given adequate attention to the rural sector, obviously keeping in mind the need to improve conditions there and bring about the a rural transformation. Such transformation is imperative at this juncture to check the influx from villages into towns, where infrastructure conditions do not exist. A new concept in development -- balanced and sustainable -- spread all over the country is what we need and Chidambaram has kept this in mind.

(The author is based in Kolkata and writes on development economics)
Financial exclusion can be conceived as the lack of access by certain segments of the society to suitable, low-cost, fair and safe financial products and services from mainstream financial service providers.

Jamal the protagonist of the film ‘Slumdog Millionaire’ would surely have faced a problem in en-cashing his cheque that he won from the contest “Who wants to be a millionaire”! In all probabilities he would not have a bank account. And this is a hard reality! Despite long and impressive strides of the Indian banking system during the last forty-four odd years (bank nationalization was done in 1969) majority of the Indian people are still outside banks’ ambit. The campaign ‘Swabhimaan’ was basically launched during 2010-11 and extended in 2012-13 to include these left outs in the banking foray. In his budget speech in 2012 the union Finance Minister mentioned that “In 2010-11, “Swabhimaan” campaign was launched to extend banking facilities .... to habitations having population in excess of 2000....In 2012-13, I propose to extend the “Swabhimaan” campaign to habitations with population of more than 1000 in North Eastern and hilly States and to other habitations which have crossed population of 2,000 as per Census 2011.”

The backdrop

Bank nationalization and directed credit though had weeded out the moneylenders from the Indian rural scenario to a great extent yet they are the second most-preferred source of loan (NSSO’s
Financial exclusion can be conceived as the lack of access by certain segments of the society to suitable, low-cost, fair and safe financial products and services from mainstream financial service providers. While lack of awareness, low income, poverty and illiteracy among the people precipitate exclusion, distance from bank branch, branch timings, cumbersome documentation and complicated procedures, unsuitable products, alien language, staff attitudes, etc only bolster the trend. Consequently the extreme incompatibility between the service providers and the recipients make the informal credit sources more acceptable. In the flipside it results in compromised standard of living, higher costs, and increased exposure to unethical and unregulated standards and vulnerability to uninsured risks.

Financial Inclusion tries to address this widespread anomaly by providing:

(i) no-frills banking account for making and receiving payments,
(ii) savings product suited to the pattern of cash flows of a poor household,
(iii) money transfer facilities,
(iv) small loans and overdrafts for productive, personal and other purposes, &
(v) micro-insurance (life and non-life).

In this structure opening of bank accounts is considered an immediate and important intervention.

The bottlenecks

The impeding blocks in this field are well known. We can start from the Rural Finance Access Survey (2003) which holds that 59% of the population does not have a deposit account and 79% do not have access to formal credit source. Rural banking service again is tilted towards the rich as we find that 70% of the marginal farmers do not have bank account and 87% does not have any access to formal credit. The miniscule that have access to bank credit have their shares of woe! A loan normally takes 33 weeks for approval and further 89% of the people who borrowed from Commercial banks and 87% who borrowed from Regional Rural Banks faced problem of providing collateral.

Report on ‘Trend and Progress of Banking in India 2010-11’ and ‘Mid-Year Economic Analysis 2012-13’ further points out that –

- Skewed spatial and segmental distribution of loan is a major damper. While more than one third of the total credit belonged to the Western region share of North-Eastern region in the total credit was pathetic. Again metropolitan regions and semi-urban areas enjoyed 68% and 9% of total credit respectively while rural areas accounted for only 6% of credit.
- Certain other problems lurk in. Coupled with an extreme lack of awareness about the financial products these products are also unaffordable, inconvenient, inflexible and sub-standard. They have high transaction costs as well.

K.K. Chakrovorty Deputy Governor RBI (address on 27/11/2010 at Bhubaneswar) summed up the situation immaculately –

- Almost half of India is un-banked.
- Of the 6 lakh Indian villages, approximately 50,000 have access to bank finance. 145
million households are excluded from banking.

- 10% of the population has life insurance and 9.6% has non-life insurance coverage.
- Providing of collateral for the poor is a real problem in all sense of the term.

India of course is not without her peers! The phenomenon is worldwide.

- 2.5 billion adults, just over half of world’s adult population, do not use formal financial services to save or borrow.
- 2.2 billion of them live in Africa, Asia, Latin America, and the Middle East.
- Of the 1.2 billion adults who use formal financial services in Africa, Asia, and the Middle East, at least two-thirds, a little more than 800 million, live on less than $5 per day.

However these ‘left outs’ can be catered through-

a) Adoption of appropriate method of transaction involving Information and Communication Technology (ICT) based models. Another viable alternative can be surrogates viz. Business Correspondent (BC) based Delivery Model. Brick and mortar branches in majority instances will be unsuitable or unaffordable.

b) A change in the dominant attitude of banks. Banks still perceive this facet of bringing majority of people within the banking service as an imposed burden and not as a viable Business Model! In fact banks tend to lose sight of the fact that Financial Inclusion allows them to access sizable low cost funds. This dominant psyche is evident even through spatial distribution of bank branches. Out of 93659 branches of schedule commercial banks (as on 31/3/2012) only 34671(37.02%) are in the rural areas.

c) Planned, strategic and concerted efforts by the stakeholders will bring down somewhat high costs of administering low value transactions and financial intermediation. In fact Deputy Governor RBI in this address firmly held that the banks are capable to foot the cost of this financial intervention.

The campaign

In this backdrop the concept of financial inclusion was thought of and to give it a fillip a campaign ‘Swaabhiman’ was hit upon. The programme drew its basics from the Annual Policy Statement (2010-11) of RBI and the recommendations (submitted on 4/1/2008) of “Committee on Financial Inclusion” chaired by Dr. C. Rangarajan.

Reserve Bank of India (RBI) in its policy statement (28/9/2010) permitted banks to engage companies other than Non Banking Financial Companies (registered under the Indian Companies Act, 1956) and Common Service Center operators to act as Business Correspondents (BCs) along with the individuals/entities permitted earlier.

Rangarajan Committee on the other hand provided the bedrock. Committee’s vital recommendations precisely touched the basics. The committee indicated that -

a) A National Rural Financial Inclusion Plan (NRFIP) needs to be drafted with a phase wise scheme of providing loans to the households which are outside the banking foray; preferably half of these households should be provided credit within March 2012 and the rest within 2015.

b) Two funds are to be created - ‘Financial Inclusion Promotion and Development Fund’ to train and facilitate the Farmers Service Centers or SHGs and their Federation and ‘Financial Inclusion Technical Fund’ for the all important low cost technology solutions.
c) Extending and deepening the outreach of microfinance through Self Help Groups (SHG) and Joint Liability Groups (JLG) and

d) Creation of specialized microfinance branches.

Expansion of the banking network was therefore crucial and hence a nationwide programme “Swabhimaan” was launched in February, 2011. Principal focus was on:

i) Bringing the deprived sections of the society within banking network through opening of accounts.

ii) Basic target is 74,398 un-banked villages with a population of 2,000 and above which needs to be catered to by March, 2012.

iii) In 2012-13 the campaign extends to habitations with population of more than 1000 in North Eastern and hilly States and to other habitations which have crossed population of 2,000 as per Census 2011. This was an imperative as banking facility is below par in North-Eastern states. An estimate indicates that in Manipur, only 17 of every 100 adults have a bank account, in Nagaland, it is 21 while Meghalaya records the highest number— it is 44 per 100 adults. (Report in Live Mint, 8/10/2007)

iv) The campaign will facilitate branchless banking services through the use of technology and intermediaries. Banks will provide basic services like deposits, withdrawals and remittances through low cost technology using the services of Business Correspondent Agents (BCA) also known as Bank Saathi. Banking facilities like Savings Bank, recurring Deposits, Fixed deposits, Remittances, Overdraft facility, Kisan Credit Card (KCCs), General Credit Cards (GCC) and collection of cheques will be provided. Migrant workers will become direct and immediate beneficiaries as they will be able to remit money to their relatives in distant villages quickly and safely.

v) The USP for this programme is social application of modern technology. The BCAs will usher doorstep-banking in the interior areas through various handheld mobile devices and other technologies that reduce cost and have the ability to record banking transactions and to communicate the record of such transactions to the Bank using the internet facilities / GPRS. This in fact tows the official attitude apparent in the comment made during the inauguration of the programme by the then Secretary, Department of Economic Affairs, Government of India-‘The backbone of financial inclusion activities is the use of IT solutions, mobile connectivity and biometric identification’.

vi) The State Governments have been advised to route all Government benefits and social security payments through the banking system.

vii) Finally the progress of “Swabhimaan” programme will be monitored through the State Level Bankers Committee. District Magistrates/Collectors are being sensitized in this regard to ensure proper monitoring of the programme through coordinated efforts of all stake-holders.

Highlighting the objective of the programme, UPA Chairperson Sonia Gandhi underlined that the initiative will insulate small and marginal farmers from the caprices as well usurious rates of interest of private money lenders as they will be able to obtain credit at lower rates from banks and other financial institutions.

“Swabhimaan” a path-breaking initiative by the Government and the Indian Banks’ Association tries to extend the reach of banks, bridge urban rural divide and strives towards some sort of egalitarianism. In the long run it also aims at
a) promoting financial literacy in rural India
b) weeding out delay and pilferage in administering Government subsidies through direct transfer of benefits to the accounts of the beneficiaries,
c) boosting social security as allied services like micro insurance, access to mutual funds, pensions, etc gradually become handy to a huge clientele. Finally
d) ensure security of transaction by providing a plank where bank authorities start operating in tandem with the Unique Identification Authority of India (UIDAI) authorities.

**Performance, so far**

The extent of people outside the ambit of formal banking is, however mind boggling. Out of every 1000 persons, only 99 had a credit account and 600 had a deposit account as at end-March 2010.

Developed countries however, present a different scenario. A survey by the British Bankers’ Association indicates that 92-94% of Britain’s population is registered in banks through current or savings accounts. In USA the ‘Community Reinvestment Act’ compels the banks to cater to its small ticket clients.

In India, the disbursal of wages of MGNREGA and the aspect of cash transfer through bank and post-office accounts contributed somewhat to the increase in deposit account. Yet banking service as such remains slanted in favour of the metropolis and cities as Greater Mumbai, Delhi, Chennai, Kolkata, Bangalore and Hyderabad, together accounted for 46 per cent of total deposits and 56 per cent of total credit in 2010-11. However certain silver linings were also there-

i) **Swabhimaan** spelt out the phase wise target of universal bank coverage of all hitherto uncovered areas of India. This corroborated the policy directive of RBI on universal financial inclusion in the country. Consequently total number of villages covered by at least one banking outlet stood at 74194 in March 2012 compared to 53,397 in 2010-11 and 27743 in 09-10. In addition to that 46,443 peripheral villages having population of less than 2000 were also covered during 2011-12.

ii) 77% of these villages were covered by the system of ‘Business Correspondence Agents’ in 2010-11. Upto 2012 March 62000 BCAs were operating in these villages.

iii) No frills account recorded a growth of 50% in 2010-11 over the last year. Upto 2012 March, 3.16 crore accounts were opened in this regard.

iv) Kissan Credit Card and General Credit Card recorded a growth of 15% and 49% over the 2010-11.

v) It was widely accepted that SHG movement has the potential to satisfy the financial service needs of India’s un-banked people in a sustainable way.

vi) Only opening of accounts however will not suffice as a recent study by Skoch Development Foundation of India, says that only 11% of 25.1 million basic banking accounts, opened between April 2007 and May 2009, are operational (Report in Live Mint 10/8/2009).

Financial Inclusion *per se* operates at two levels. At the level of economic development it is associated with faster growth and better income distribution while at the social level it lends its weight to the dimension of social empowerment enabling the poor to escape the ossified social structure. The banking sector, if considered in isolation, also, reaps rich dividends as financial inclusion enables them to meet the credit needs of the economy in most apposite manner. We have started this deliberation with an imaginary plight of Jamal in en-cashing his well won cheque! However numerous Jamal’s operating outside the foray of financial inclusion needs to participate in the country’s economy to ensure its higher growth trajectory. Programme ‘Swabhimaan’ with a tag-line of ‘Hamara Khata, Hamara Samman’ tries to link all these aspects and has the potentials of becoming a movement for Aam Aadmi!

[The author a member of West Bengal Civil Service and is currently posted in WBTDCC.]
Olive oil (Olea europaea var. oleaster), a species of a small tree, is native to coastal areas of the eastern Mediterranean region, tropical and central Asia and various parts of Africa as well as northern Iran at south end of the Caspian Sea. It has a history almost as old as that of Western civilization. Olive is one of the plants most often cited in western literature. At a site in Spain, carbon dating has shown that olive seed found there is 8000 years old.

Olive has been cultivated independently in two places, i.e., Crete and Syria. It is also commercially grown in Australia, California and South Africa. Its fruits are of major agricultural importance as the source of olive oil in the Mediterranean region.

Olive oil is made from the crushing and then subsequent pressing of olives that are rich in oil, which is reflected in botanical name of the olive tree (Olea europaea) since the word oleum means oil in Latin. Olive oil is available in a variety of grades, which reflect the degree to which it has been processed. Extra virgin olive oil is derived from the first pressing of the olives and has the most delicate flavour and strongest overall health benefits.

**Nutritional composition**

Olive contains dozens of health-protective nutrients. A 100 g of green olives contain 145 calories, 15.32 g fat, 3.84 g carbohydrates, 3.3 g fibers and 1.03 g protein with no cholesterol.

Olive is a remarkable source of antioxidant and anti-inflammatory phytoneutrients, i.e., tyrosol and hydroxytyrosol (simple phenols), several terpenes especially oleuropein, erythrodil, uvaol, oleanolic acid, elenoic acid and ligstroside, flavonoids including apigenin, luteolin, cyanidins and peonidins and hydroxycinnamic acids like caffeic acid, cinnamic acid, ferulic acid and coumaric acid.

Olives are the chief sources of nutrients including carbohydrates, sugars, fatty acids and amino acids, minerals like sodium, vitamins, soluble and insoluble fibers and a very good source of monounsaturated fat in the form of oleic acid. The greatest exponent of monounsaturated fat is olive oil. It is a natural juice, which preserves the taste, aroma, vitamins and properties of olive fruit. Olive oil is the only vegetable oil that can be consumed. The nutritional composition of olives is given as under in Table 1:

Among its phytoneutrients, no single category of nutrients is more important than its polyphenols since most of the polyphenols have been shown to function both as antioxidants and also as anti-inflammatory nutrients in the body. The polyphenols in olive oil help in explaining the

**Olive oil is good for heart patients**

M.K. Rana and Archana Brar
unique health benefits of this culinary oil. While commonly recognized as a high fat containing food (80-85% of the calories in olives come from fat), olives are not always appreciated for the type of fat they contain. Olives are unusual in their fat quality since they provide almost three-fourth of their fat as oleic acid, which is a monounsaturated fatty acid. In addition, they provide a small amount of the essential fatty acid known as linoleic acid and a very small amount of alpha-linolenic acid known as an omega-3 fatty acid.

**Health Benefits of Olives**

Olives are used as a source of food, medicine and cooking oil. Its wood and twigs are used for fuel and timber. Olive oils obtained from olives are used in cosmetics, soap and in pharmaceuticals. The olive leaf used as a symbol of abundance, glory, peace, power, purity and wisdom. They were also used to crown the victors of friendly games and bloody wars. As emblems of benediction and purification, they were also ritually offered to deities and powerful figures. In the Quran and Bible, olive is praised as a precious fruit. Olive tree and its oil’s health benefits have been propounded in Prophetic medicine.

**Antioxidant Benefits**

Majority of the olive phytonutrients function as an antioxidant and help the body in avoiding redundant problems developed due to oxidative stress. Oxidative stress is a situation in which the cells are inadequately protected from potential oxygen damage, and oxidative stress can often be related to scarce supply of antioxidants. Olives are a good source of the antioxidant vitamin, *i.e.*, vitamin E, and they also contain small amounts of antioxidant minerals like selenium and zinc. However, it is the phytonutrient content of olives, which

<table>
<thead>
<tr>
<th>Table 1: Nutritive value of olive per 100 g oil</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constituents</strong></td>
</tr>
<tr>
<td>Water (g)</td>
</tr>
<tr>
<td>Energy (kcal)</td>
</tr>
<tr>
<td>Protein (g)</td>
</tr>
<tr>
<td>Total fat (g)</td>
</tr>
<tr>
<td>Ash (g)</td>
</tr>
<tr>
<td>Carbohydrates (g)</td>
</tr>
<tr>
<td>Dietary fiber (g)</td>
</tr>
<tr>
<td>Minerals</td>
</tr>
<tr>
<td>Calcium (mg)</td>
</tr>
<tr>
<td>Iron (mg)</td>
</tr>
<tr>
<td>Magnesium (mg)</td>
</tr>
<tr>
<td>Phosphorus (mg)</td>
</tr>
<tr>
<td>Potassium (mg)</td>
</tr>
<tr>
<td>Sodium (mg)</td>
</tr>
<tr>
<td>Zinc (mg)</td>
</tr>
<tr>
<td>Copper (mg)</td>
</tr>
<tr>
<td>Selenium (mcg)</td>
</tr>
</tbody>
</table>
makes them unique as an antioxidant-rich food. The vitamin E content of olives may increase during early ripening when the total phenolic antioxidants in olives are slightly decreasing. Later on in the maturation process, these trends may be reversed.

The best-studied antioxidant phytonutrient found in olives is oleuropein, which is found solely in olives and has been shown to work as an antioxidant nutrient in a variety of ways. Intake of oleuropein has been shown to decrease oxidation of LDL cholesterol, to scavenge nitric oxide (a reactive oxygen-containing molecule), to lower several markers of oxidative stress and to help in protecting the nerve cells from oxygen-related damage. Olives have the ability to increase glutathione (body’s premier antioxidant nutrient) levels in blood. Consumption of olive pulp is found associated with significantly increased glutathione levels in the blood and improved antioxidant capacity.

**Anti-Inflammatory:** There are only few high fat containing foodstuffs, which offer such a diverse range of antioxidant and anti-inflammatory nutrients, some of which are unique to olives themselves. In herbal medicine practices, the olives and their leaves preparations have often been used for the treatment of inflammatory problems, including allergy-related inflammation. Olive extracts have now been shown to function as anti-histamines at a cellular level. The exceptional components in olive extract may help in lessening a cell’s histamine response by blocking special histamine receptors, i.e., H1 receptors. Since histamine is a molecule that can get overproduced in allergy-related conditions and can be a key player in the inflammatory process, it is likely that the anti-inflammatory benefits received from olives always involve this anti-histamine pathway. It is also possible that olives may have a special role to play as part of an overall anti-allergenic diet.

Olive extract has been shown to lower down the risk of inflammation by lowering the levels of leukotriene B4, which is a common pro-inflammatory messaging molecule. Oleuropein has also been shown to decrease the activity of inducible nitric oxide synthase, which is an enzyme whose over activity has been linked with inflammation. The anti-inflammatory benefits of olives have been given special attention in the area of cardiovascular health. In heart patients, olive polyphenols have been determined to lower the blood levels of C-reactive protein, which is a widely used blood measurement for assessing the likelihood of inflammation. Olive polyphenols have also been found to reduce activity in a metabolic pathway called the arachidonic acid pathway, which is centre for mobilizing inflammatory processes. Monounsaturated fats, polyphenols and vitamin C in olives because of antioxidant content help in neutralizing the free radicals, reducing the chances of body inflammation. Its anti-inflammatory agents help in reducing the symptoms and treat severe inflammatory conditions such as osteoarthritis and rheumatoid arthritis. Hence, regular intake of 1-2 tablespoons of extra virgin olive oil per day has been shown to be associated with significant anti-inflammatory benefits.

**Useful in reducing blood pressure:** The clinical studies have shown that the monounsaturated fat found in olives can help in lowering the blood pressure. The oleic acid found in olives once absorbed up into the body and transported to the cells finds its way into cell membranes, changes signaling patterns at a cell membrane level and thereby lowers the blood pressure. These changes at a cell membrane level result in decreased blood pressure.

**Cardiovascular Benefits:** The blood vessels of our body get damaged when free radicals oxidize
cholesterol, which sooner or later results in the formation of fats in arteries, leading to a heart attack. However, the presence of antioxidants in olives prevents this cholesterol oxidation and reduces the chance of heart disease. According to dieticians, the inclusion of olives in diet helps in maintaining healthy heart. Olive oil has been shown to lower the risk of lipid peroxidation (oxygen damage to fat) in bloodstream. The fat-containing molecules including low-density lipoprotein in blood need to be protected from oxygen damage since oxygen damage to fat-containing molecules significantly increases the risk of numerous cardiovascular diseases, including atherosclerosis. Protection of the fat-containing molecules in blood from oxygen damage is a major benefit provided by olive oil and its polyphenols. It is the polyphenols in olive oil that provides protection against oxidative damage. Too much clumping of blood cells (platelets) together in blood vessels is sometimes very harming though clumping of blood platelets together in an open wound is desirable to seal off the wound. The polyphenols including hydroxytyrosol, oleuropein and luteolin found in olive oil appear to be helpful especially in keeping the blood platelets in check and avoiding problems of too much platelets aggregation.

The cardiovascular problems including gradual blocking of the arteries and blood vessels (atherosclerosis) are due to oxidative stress, meaning too much damage from the presence of overly reactive super oxides. Another cause of cardiovascular problems is chronic and undesirable inflammation, which may be due to a number of factors, i.e., abnormal metabolism, unbalanced lifestyle, unwanted exposure to ecological contaminants, etc. The best ways to avoid oxidative stress and chronic inflammation is to consume a diet, which is rich in antioxidants. There are number of foodstuffs containing a big amount of antioxidants and anti-inflammatory compounds but few food items are especially rich in these compounds as the extra virgin olive oil.

For individuals having heart problems, olive oil is clearly one of the healing fats. Most people do quite well with it since it does not upset the critical omega 6 to omega 3 ratio, and most of the fatty acids in olive oil are actually omega-9 oil, which is monounsaturated. According to clinical studies, olive oil offers protection against heart disease by controlling low-density lipoprotein (bad cholesterol) levels while raising high-density lipoprotein (good cholesterol) levels. The beneficial health effects of olive oil are due to both its high content of monounsaturated fatty acids and its high content of antioxidantive substances. No other naturally produced oil has as large an amount of monounsaturated mainly the oleic acid as the olive oil. People who consumed 25 ml virgin olive oil daily for 1 week will have lower oxidation of low-density lipoprotein and higher levels of antioxidant compounds, particularly phenols in the blood but while all types of olive oil are sources of monounsaturated fat, extra virgin olive oil from first pressing of the olives contains higher levels of antioxidants, particularly vitamin E and phenols because of its less processing.

Olive oil is one of the few widely used culinary oils that contain about 75% of its fat in the form of oleic acid (a monounsaturated, omega-9 fatty acid), which is essential for keeping the total cholesterol, LDL cholesterol, and HDL cholesterol in the body in proper balance. The high monounsaturated fat content of olives has been associated with reduced risk of cardiovascular disease. When the diets low in monounsaturated fat are altered to increase the monounsaturated fat content, the researchers experience a decrease in their blood cholesterol, LDL cholesterol and LDL to HDL ratio. All of these changes lower the risk of heart disease.

**Anti-cancerous:** The antioxidant and anti-inflammatory properties of olives provide protection against cancer since chronic oxidative stress and chronic inflammation are the key factors in the development of cancer. The polyphenols in olives are the natural agents for lowering the risk of certain cancers. Number of cancers gets initiated only when the cells are damaged by oxidative stress and chronic excessive inflammation. Polyphenols in olive oil act as antioxidants and anti-inflammatory
molecules and as a result lower the oxidative stress and chronic inflammation risk to cells. Research studies have shown that consuming 1-2 tablespoons of olive oil per day can lower the risk of certain types of cancer, *i.e.*, cancers of the breast, respiratory tract, upper digestive tract, and to a lesser extent, the colorectal cancer.

The triterpene phytonutrients in olives, including erythrodiol, uvaol and oleanolic acid have been shown to help in interrupting the life cycle of breast cancer cells. Spanish researchers suggest that including olive oil in diet may also offer benefits in terms of colon cancer prevention. Their study results showed that rats fed diet supplemented with olive oil had a lower risk of colon cancer than those fed safflower oil-supplemented diets. In fact, the rats that received olive oil had colon cancer rate almost as low as those fed fish oil. Several studies have already linked to a reduction in colon cancer risk. Olives are rich in vitamin E, which helps in preventing cancer and reduces the growth of carcinogenic cells. Hence, olive is referred as one of the most popular vegetables to prevent cancer. It has been seen that olive oil has a preventive result on the formation of skin cancer and tumours too. The scientists from the University of Oxford have concluded olives as one of the effective measures for the prevention of various types of cancer including the colon and the breast cancer.

**Digestive Health Benefits:** Regular consumption of olive oils helps in the prevention of various stomach ailments. Being easily digested by human stomach, eating olives helps in easy digestion of food and prevents constipation. It also helps in protecting the stomach from gastritis and ulcers. Olive in the form of olive oil increases the secretion of pancreatic hormones and bile, thus ensuring healthy digestive track. Consumption of olives reduces the formation of gallstone.

Lower rates of digestive tract cancers, especially cancers of the upper digestive tract including the stomach and small intestine, are found in populations that regularly consume olive oil. Many of the anti-cancerous effects in the digestive tract were believed to depend on the polyphenols in olive oil and their antioxidant plus anti-inflammatory properties. In olive oil, numerous polyphenols, *i.e.*, oleuropein, hydroxytyrosol and tyrosol, have been shown to slow down the growth of unwanted bacteria, including bacteria commonly responsible for digestive tract infections, and some of these polyphenols along with other olive oil polyphenols like ligstroside are specifically able to inhibit the growth of *Helicobacter pylori* bacterium. This effect of polyphenols may be especially important since overpopulation of *Helicobacter* bacteria can lead to stomach ulcer and other unwanted digestive problems.

Olive oil is very well tolerated by the stomach. In fact, the protective function of olive oil has a beneficial effect on ulcers and gastritis since olive oil activates the secretion of bile and pancreatic hormones much more naturally than prescribed drugs. Consequently, it lowers the incidence of gallstone formation.

**Bone Health Benefits**

Overall bone health is another promising benefit of olive oil. Intake of olive oil keeps the blood calcium levels better. In addition, at least two polyphenols, *i.e.*, tyrosol and hydroxytyrosol, in olive oil have been shown to increase bone formation. A group of researchers has also suggested that olive oil may eventually prove to have special bone benefits for post-menopausal women since they found improved blood markers of overall bone health in female rats who had been fed olive oil after having their ovaries removed.

Hydroxytyrosol in olives is regarded as a potential phytonutrient to prevent bone loss. Several laboratory studies have shown increased deposition of calcium in bones and decreased loss of total bone mass following consumption of this phytonutrient as well as oleuropein, an another key phytonutrient found present in olives. Consumption of a Mediterranean Diet has long been associated with decreased risk of osteoporosis and olives often find themselves on center stage in Mediterranean Diet.
Cognitive Benefits

Improved cognitive function, especially among elderly, is a well-known feature of the Mediterranean Diet. A large-scale study on elderly has shown that visual memory and verbal fluency can be improved with regular use of olive oil. Consumption of olive oil helps in offsetting different types of brain-related problems, including unbalanced water content, unbalanced nervous system activity and too easy passage of molecules across the blood brain barrier. Olive oil may provide us with cognitive benefits. The ability to help in protecting our brain during times of imbalance may turn out to be one of the special health benefits offered by this unique culinary oil.

Skin and hair health: Olives being rich in antioxidants and fatty acids hydrate and nourish the skin. Its application protects the skin from harmful effects of ultraviolet rays, and being rich in vitamin E, it provides natural glow to the skin since consumption of vitamin E protects the skin from sun’s harmful radiation, forms a shield against premature aging, prevents skin cancer and keeps the healthy skin complexion. The antioxidant properties of olive oil along with vitamin E provide good hair growth and ensure good hair texture.

Cures anaemia: Olives are very high in iron content, thus, they help in the formation of red blood cell, which acts as an oxygen carrier. Iron plays a great role in the secretion of enzymes and in the production of energy. Iron present in the olives also helps in boosting up body immune system.

Useful in reducing cholesterol: Olives are cholesterol-free, hence, consumption of olives ensures healthy heart benefits, i.e., it reduces low density lipoprotein (bad cholesterol) level, anti-inflammatory, antihypertensive, antithrombotic and vasodilatory effects in humans.

Useful in reducing Alzheimer’s: Consuming olives on a regular basis is very useful in reducing the symptoms of disease in Alzheimer’s patients.

Anti-Asthma: Olives contain high amount of vitamin C, which helps in giving relief from the symptoms of asthma.

Since olive has fewer natural enemies than other crops, and because the oil in olives retains the odour of chemical treatments, the olive is one of the least sprayed crops.

[The author is from the Department of Vegetable Science CCS Haryana Agricultural University Hisar-Haryana, E-mail: <mkrlotu@gmail.com>]

More than 3.7 Lakh Villages Provided Electricity Through Rajiv Gandhi Grameen Vidyutikaran Yojana

More than 3.79 lakh villages across the country have been provided electricity through the Rajiv Gandhi Grameen Vidyutikaran Yojana (RGGVY). The rural electrification scheme launched in April, 2005 has provided electricity to 1,06,116 unelectrified villages and intensive electrification in 2,73,328 partially electrified villages. It has also provided free electricity connections to 202.6 lakh below poverty line (PBL) households as on 30th November, 2012. In addition, capital subsidy of Rs. 26,664 crore has been utilized under the scheme so far.

The rural electrification scheme was launched with the objective of providing all rural households access to electricity through creation of appropriate rural electricity infrastructure. Under this scheme, the Government of India provides 90% capital subsidy for the project.

[Source Economic Survey 2012-13]
Agriculture does well in output growth

Economic Survey 2012-13

Food grains production in India has shown remarkable improvement in recent years. The production of food grains in 2011-12 was at a record high of 269.32 million tonnes. Nevertheless, the Xith Five Year Plan (2007-12) witnessed an average annual growth of 3.6% in GDP from agriculture and allied sectors against a target of 4 per cent realized actual growth has been higher than the average annual growth achieved during the ninth and Xth Plans despite drought and deficient monsoon conditions.

The Survey finds that despite an all time high total food grain production during 2011-12, the production of 2012-13 kharif crops is likely to be adversely affected by deficiencies in south west monsoon and the resultant acreage losses. Output is expected to decline in all major crops. However, yield levels significantly improved for cotton, pulses and coarse cereals during 2010-2012.

The Survey noted that as a result of central sector schemes for development and strengthening of infrastructure facilities for seeds, there is an increased availability of certified quality seeds from 140.5 lakh quintals in 2005-06 to 328.6 lakh quintals in 2012-13. In hilly/remote areas of North Eastern States, a Transport Subsidy on Movement of Seeds Schemes is in operation whereby grants-in-aid of Rs. 12.6 crores was to be reimbursed. The Government has notified the new investment policy of 2012 in the area sector which will lead to increase in indigenous capacity and reduction in imports. India has made considerable progress in developing irrigation infrastructure. However, irrigation efficiency is low for both surface and ground water.

The live stock sector achieved an average growth rate of 4.8 per cent during Xth Plan. In 2011-12 the production of milk was estimated at 127.9 million tonnes, eggs at 66.45 billion, wool at 44.73 million Kg and meat at 5.51 million tonnes. A new scheme called National Dairy Plan Phase-I has been launched in March, 2012 with the objectives of improving productivity of milk animals. Poultry Venture Capital Fund Scheme is being implemented in capital subsidy mode since 1st April, 2011. Production of fish, both marine and inland has gone up from 5.6 million tonnes in 2000-01, to 8.7 million tonnes in 2011-12.

Source: PIB

Government takes several initiatives to achieve greater financial inclusion

Economic Survey 2012-13

The government has taken number of steps to expand the reach of organized financial services to the door steps of the common man. Particular attention has been paid to the rural areas where a large segment of the society was not having access to organized banking. Some of the steps taken for financial inclusion are as below:

Micro Finance: Self Help Group-Bank Linkage Programme

The Self Help Group (SHG) Bank Linkage Programme has emerged as the major microfinance programme in the country. It is being implemented by commercial banks, regional rural banks (RRBs) and cooperative banks. Under the SHG-Bank Linkage Programme, as on 31 March 2012, 79,908 (all-India) SHGs held saving deposits in banks accounts with total savings of Rs. 6,651 crore were in operation. By November 2012 another 2,41 lakh SHGs has come under the ambit of the programme, taking the cumulative number of savings-linked groups to 82,314 lakh.

Extension of Swadhimaan Scheme

Under the Swadhimaan Financial Inclusion campaign, over 74,000 habitations with population in excess of 1,000 had been provided banking facilities by March 2012, using various models and technologies including branchless banking through business correspondents (BCs). Swadhimaan has been extended to habitations with population more than 1,000 in the North Eastern and hilly states and population more than 1,500 in the plains areas as per census 2011. 11,450 have been provided banking facilities by end of December, 2012. This will expand the reach of banks to all habitations above a threshold population.

Setting up of Ultra Small Branches

Considering the need for close supervision and monitoring of the business correspondent agents (BCAs) by respective banks and in order to ensure that a range of banking services are available in the residences of such habitations, ultra small branches (USBs) are being set up in all villages covered through BCAs under financial inclusion. These USBs will comprise a small area of 100-200 households where the officer designated by the bank will be available with a laptop on pre determined days. A total of over 40,000 USBs have so far been set up in the country.

Roll out of Direct Benefit Transfer

The Government of India has decided to introduce a Direct Benefit Transfer (DBT) scheme with effect from 1 January, 2013. To begin with, benefits under 26 schemes will directly be transferred into the bank accounts of beneficiaries in 49 identified districts across respective states and union territories (UTs).

Agriculture Credit

As against the target of Rs. 4,75,000 crore fixed for 2011-12, Rs. 5,11,229.09 crore was disbursed to the agricultural sector, thereby exceeding the target by 5.8 percent.

Kisan Credit Card Scheme

The Kisan Credit Card (KCC) has been an important initiative for universal access of farmers to institutional credit. The number of operative KCCs issued by the cooperative banks and RRBs as on 31 August, 2012 was 4,94,083 against which outstanding loan amount was Rs.1,12,394 crore.

Source: PIB