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Self Help Groups

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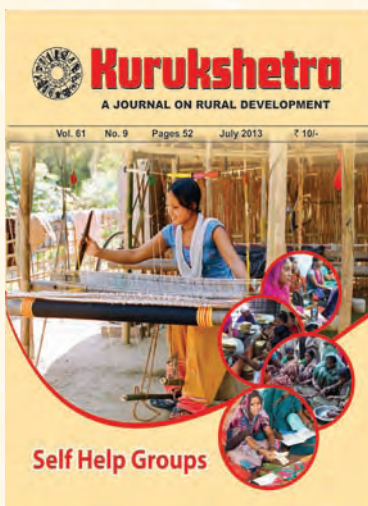
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INSIDE

Self Help Groups (SHGs) have become the vehicle of change in the rural areas, transforming the lives of the marginalized. Realizing that problems cannot be solved alone, or by a single agency, small voluntary groups get together to pool their resources, skills and talent to better their lives.

SHGs organize the poor and the marginalized to join hands to solve their problems and the method has been very successfully used by the government and the Non Government Organizations in achieving several goals. As a form or enterprise, SHG performs the role of collective banks and enterprises and ensure better access to loans with a lower rate of interest to start or micro unit enterprises.

Recently the government approved the provision of interest subvention for Women SHGs ensuring that they shall avail loans up to Three lakh Rupees at an interest rate of seven per cent per annum.

Initially, the scheme has been started as a pilot project in 150 districts, including the 82 Integrated Action Plan districts affected by naxal violence; and in the rest of the States, 75 per cent of the cost would be borne by the Central government and 25 per cent by the States.

In this issue we analyze the performance of the SHG scheme on the ground and understand the benefits it has accrued to the society. Several studies have concluded that SHGs have helped in increasing the incomes of the poor and the marginalized, through collective performance.

The success of SHG has gained wide currency and several banks have established SHG-Bank linkages as a medium of rural business expansion.

Several studies have confirmed that the SHGs have effectively helped in empowering the women. SHGs have facilitated the process of micro credit for the rural woman folk thus improving their bargaining power in day-to-day decision making of the household, and finally in the community.

Despite its success, the growth of SHG has been skewed. The government is making all efforts to spread the concept and the medium of SHGs, across the country to help achieve inclusive growth .

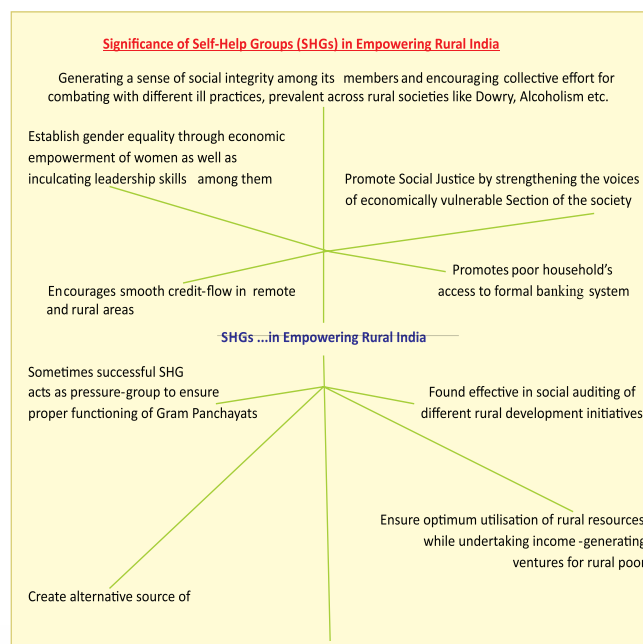


ADDING NEW DIMENSIONS TO SUSTAINABLE RURAL GROWTH

Anupam Hazra

As per the recent microfinance report released by NABARD - as on March 2012, a total number of 79.6 lakh SHGs with active bank-linkages are operating in India which have been able to ensure involvement of around 9.7 crore people of this nation, with an aggregate bank balance of Rs. 6,551 crores; simultaneously latest statistics also indicate that over 90% of SHGs in India consist exclusively of women.

In a country like India where the population already exceeds one billion and in its rural areas where almost half of its residents live below the poverty line – the ideology of Self Help Group (SHG) bears enormous potentialities to offer some alternative and innovative ways for such nation to get rid of the vicious cycle of rural poverty. The SHG-Bank linkage programme, later on recognised as the Indian Microfinance Model, was officially introduced in February 1992 following a set of guidelines passed by National Bank for Agriculture and Rural Development (NABARD) and Reserve Bank of India (RBI). In the last two decades, since the inception of this pioneering microfinance model, numerous pilot studies and researches conducted have explored the multifaceted significance of SHG-approach which was instrumental in providing a major impetus to sustainable rural growth of the nation – may be portrayed through the diagram below.



From the evidence and records available with some of the Indian research institutes and universities, issues and agendas related to SHGs have been found to be one of the most popular research topics across social science academic fraternity which continue to lure the mind of researchers and academicians;

however when we look into those studies and research-reports minutely, keeping in mind the SWOC (Strengths-Weaknesses-Opportunities-Challenges)-framework – along with its areas of strengths, some of the emerging areas of concerns and weaknesses of SHGs also attract our attention (see table below).

Looking at Current Dynamics of SHGs from SWOC-lens

Strengths	Weaknesses	Opportunities	Challenges
<ul style="list-style-type: none"> - Through socio-economic empowerment of women, SHGs often create hope for gender equality within societies - Low financial investment through SHGs can ensure large economic benefits in return - SHGs build integrity among its members or people from more or less same socio-economic background, which often lead towards social integrity across rural villages - SHGs expand the horizons of livelihood opportunities for rural poor - SHGs are prone toward effective and optimum utilisation of existing community-resources for creation of new livelihood opportunities - Strong integrity and cohesion among SHG members sometimes lead to social movement against ill practices of the society - The ideology of SHGs encourages involvement and participation of people from lowest economic strata or from most vulnerable section of the society - for their socio-economic empowerment - which ultimately becomes instrumental in establishing social justice in society. 	<ul style="list-style-type: none"> - Reluctance among SHG-members to return loan taken from banks - Apathy of rural banks to provide fund to SHGs, keeping in view their failures to return bank-loan in time - Lack of knowledge and proper orientation among SHG-members to take up suitable and profitable livelihood options - Lack of regular supervision and monitoring on SHG-activities by the loan-providing banks - Lack of awareness among SHG-members regarding their own community resources, often leaves them with limited options for income-generating activities which only produces marginal profits - There is growing need to organise suitable capacity-building or orientation programs for the SHG-members who have been provided loan so that they can go for a cost-benefit analysis before making financial investment 	<ul style="list-style-type: none"> - SHGs often appear to be instrumental in rural poverty alleviation - Economic empowerment through SHGs, provides women the confidence for participation in decision-making affairs at the household-level as well as at the community-level - Un-utilised and under-utilised resources of the community can be mobilised effectively under different SHG-initiatives - Leaders and members of successful SHGs bear the potentiality to act as resource persons for different community-developmental initiatives - Active involvement in different SHG-initiatives helps members to grow leadership-skills. Evidences also show that often women SHG-leaders are chosen as potential candidates for Panchayat Pradhans or representatives to Panchayati Raj Institution (PRI) 	<ul style="list-style-type: none"> - Dominance of patriarchal mentality across rural societies, often creates obstacles for women to join SHG or to take up income-generating assignments/projects outside home - Inability of the SHG-members to explore innovative options for livelihood opportunities or economically beneficial projects - Because of proper communication, very often rural banks cannot reach the geographically isolated or remote villages of our nation which discourages formation of SHGs in such villages due to lack of funding-sources or financial assistances - Incidences of misappropriation of funds by SHG-members very often reported which maligns the spirit and ideology of SHG-formation - Sometimes Govt. fail to provide equal attention towards the agenda of spreading the spirit of SHG-formation along with other income-generating schemes or flagship programs like MGNREGA, Bharat Nirman, NRHM etc.

In spite of the existing drawbacks and weaknesses as reflected from the above table, while concluding I would like to draw your kind attention towards the fact that - as per the recent microfinance report released by NABARD - as on March 2012, a total number of 79.6 lakh SHGs with active bank-linkages are operating in India which have been able to ensure involvement of around 9.7 crore people of this nation, with an aggregate bank balance of Rs. 6,551 crores; simultaneously latest statistics also indicate that over 90% of SHGs in India consist exclusively of women. So it seems that in recent

years, SHG-approach has emerged to be one of the most aggressive and effective strategies for empowering rural women and alleviating rural poverty; rather I must say that SHGs have been evidently instrumental in bringing about structural changes in rural economy as well as across rural societies of India towards a progressive and positive direction.

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CORPORATE-SHG LINKAGES FOR RURAL MARKETS

Vivek Kumar Tripathi, Tanu Marwah

Rural market offers tremendous potential of growth for corporations by making their products and services available to these areas. Lot of interventions are designed by various companies to tap the market including designing tailor made supply chain, rural marketing campaigns, pruning marketing mix elements and integrating social elements to develop their brand awareness and market for their products.

Apart from all these endeavors there is still a significant area largely untapped. The paper tries to further on the integration of SHGs (Self Help Groups) with corporations as a part of their company policies in tackling to the issues of reach and market awareness.

Various government initiatives including Promotion of SHG formation, microenterprise development, microcredit by FIIs (Foreign Institutional Investors) and NBFCs (Non Banking Financial Institutions) and skill training, SHGs are becoming viable in their operations. Symbiotic association of corporations and SHGs utilizing distinctive competence can prove to be a fruitful for both in long run broadly in the form of market and Socio-economic development.

SHGs are broadly studied on two basis- Microfinance and Microenterprises. Since late 1990s several studies have been undertaken on Microfinance. Development of Microenterprises is relatively a new phenomenon. As per the study of M. Kunhaman, 2012 SHGs can better promote Microenterprises, especially in rural areas. The first aspect of SHGs (Microfinance) is widely studied and several changes have been incorporated towards making SHGs viable.

The real effort to support SHGs in India, however, came in the late 1990s when the central government of India introduced a holistic program, Swarnjayanti Gram Swarozgar Yojana (SGSY) based on the group approach for rural development. The SGSY approach was to encourage the rural poor to organize themselves into SHGs and to independently take up viable economic activities as micro-enterprises with support from government subsidies and bank credit (Tripathy 2004). With the development of industrial norms micro enterprises are also coming up apart from large, medium and small industries. Microenterprises can be started and managed by individuals, Groups or SHGs. Intended to strengthen viable, small businesses, resulting in increased household income and savings, and thus alleviating the crunch of economic poverty (World Vision India 2009), micro-enterprise development (MED) aims at building self-esteem and self-reliance, encouraging autonomy and creating a community atmosphere (Geroy et al. 1997). It builds economic capital by creating jobs and generating income, ultimately working towards community development in impoverished or unemployed areas. SHGs started various activities includes- economic activities, supplementary economic activities, social activities, voluntary activities for government departments.

Rural Markets

According to the reports of working committee of RBI (1994) corporations can also integrate SHGs into their strategies and policies. Rural market has a huge potential and is largely untapped. SHGs can provide a suitable option for companies if they can be integrated



into various functions such as – Marketing, Distribution of products and services, Procurement of various raw materials and semi finished materials, Production and processing of indigenous products etc. companies are generally working hard to reach out to various areas and markets for their products and is a huge cost to design and develop a marketing channel. In the book “Marketing Channels (7th edition)” Ennie Coghlan and Eric Anderson give the following definition for a marketing channel: A marketing channel is a set of interdependent organizations involved in the process of making a product or service available for use or consumption.

Various models used by companies across rural markets for distribution of their products to these markets includes- Piggybacking and Hub and spoke model. The challenges that a rural market offers includes-infrastructure support, in accessibility, transport, low per capita income, seasonal income and so on (Kavitha T. C,2012). Pradeep kashyap finds that 68% of the rural market is untapped because of inaccessibility. TAJ group goes on for integrating a local SHG for procurement of sea food and they are able to get 60% of demand of sea food through the SHG. SHGs can also become a suitable vehicle for distribution of rural products and helps in faster diffusion of innovation in the rural market.

Thus designing a channel to unlock the potential of rural markets requires a continuous improvement and development along with integration of local people to be cost effective. SHGs can provide an alternative which can be developed and nurtured to manage odds of rural markets and tapping the untapped markets.

Self Help Group

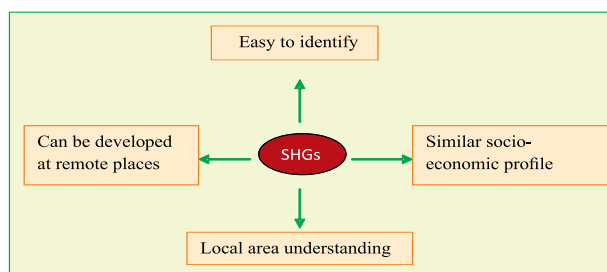
Self-help group is a method of organizing the poor people and the marginalized to come together to solve their individual problem. The SHG method is used by the government, NGOs and others worldwide. Grameen Bank of Bangladesh is a people bank formed by the poor to provide easy loans for themselves. The poor collect their savings and save it in their own banks. In return they receive easy access to loans with a small rate of interest to start their micro unit enterprise. Thousands of the poor and the marginalized population in Bangladesh are building their lives, their families and their Society through Self help groups. The 9th five year plan of the government of India had given due recognition on the importance and the relevance of the Self-help group method to implement developmental schemes at the grassroots level.

Socio Economic Changes Through SHGs

Villages are faced with problems related to poverty illiteracy, lack of skills health care etc. These are problems that cannot be tackled individually but can be better solved through group efforts. Today these groups known as Self help groups have become the vehicle of change for the poor and marginalized.

- SHG is a development group for the poor and marginalized
- It is recognized by the government and does not require any formal registration
- The purpose of the SHG is to build the functional capacity of the poor and the marginalized in the field of employment and income generating activities
- People are responsible for their own future by organizing themselves into SHGs

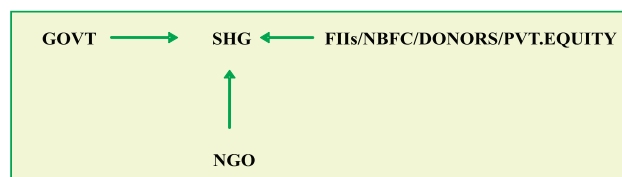
Benefits of SHGs



Development of SHGs

For the purpose of poverty alleviation especially in rural areas government has initiated the concept of Self help groups pooling in the similar socio-economic profile. They are provided with skill training and certain loan amount is advanced so that they can take up certain activity. Apart from government bodies NGOs, SHPAs (self help promotion agencies), FIIs/NBFCs. various activities are undertaken by SHGs in villages but broadly limiting to manufacturing and distribution of indigenous products (local products made of raw materials available from natural resources such as-cane products, farm equipments, flower bouquets, Food ,Dairy and Meat products and so on. These products developed by SHGs face certain limitations such as quality as provided by corporate counterparts, scale of operations, finance, skill and marketability. To further overcome the barriers concept of microcredit and skill based training is further initiated by various government and Non government agencies, banks and Non Banking Financial institutions and private corporations. As a result of which SHGs in various parts of country are able to further increase their horizons.

Slowly concept of Microenterprise development is introduced to further facilitate and standardize the process of industrial development. The general framework for development and promotion of SHGs is as below-



Through continuous efforts of existing structure in development and promotion of SHGs viability of SHGs has increased significantly in various parts of country. But still there are certain limitations towards the viability of SHGs which includes-

- Efficiency in Business operations
- Effectiveness in product quality, man power skill training, continuous revenue generation
- Sustainability in long run since they are not developed as enterprises

To overcome the barriers and making SHGs more viable in long run and profitable ventures corporate interventions can contribute a lot. Thus the integration of private corporations and SHGs can go long way in providing symbiotic benefits to both the parties. Vast majority if rural markets are untapped by companies because of market characteristics (uneven population density, uneven income generation, poor infrastructure thus making these areas inaccessible). Various models adopted by companies for distribution of their products to these markets includes-hub and spoke model, piggybacking, manual distribution centers etc. SHGs suffer from issues of product quality, marketability and sustainable business models. If both can integrate it will attract some prominent benefits to both.

Company benefits

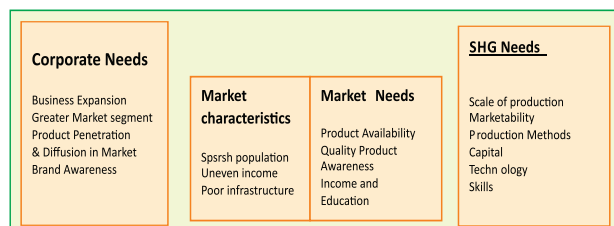
These microenterprises (developed with identified SHGs) can assist in delivery and distribution of company products in the areas untapped

- Procurement of raw materials or semi finished materials can be developed
- Diffusion of innovation in those areas will be easy
- Brand awareness and Equity can be enhanced

SHG Benefits

- They will have secured business and hence secured revenue

- Skill enhancement of members
- Social status upliftment



Corporate-SHG linkages Need

The purpose can be addressed by companies through two different approaches-

1. Adoption approach
2. Development approach

Adoption approach

In this approach corporate entities can select a SHG who has their own products (indigenous) but lacks technology, capital, skill and market to increase their scale of operation though the product may have potential to be a future product.

Lijjat papad is a well known brand but is a result of seven women's who have thought of enhancing their income. They organize few women and everyone works passionately to manufacture papads. Few members are involved in distribution and revenue is generated. Likewise there are various other self help groups of men/women who are working together and develop certain indigenous products but because of deficiency of skill, technology and capital they are not able to develop into an enterprise (small scale or Microenterprises). Companies in similar line can identify these groups developing their own products and can adopt the complete business. This can help in faster new product development (innovation and product line extension).

The major benefits addressed by N. Srinivasan Material Manager Taj Coromandel as "We are able to get fresh produce at a reasonable rate. As it eliminates middlemen, there are fewer communication problems and we are able to deal with them easily"

various objectives which force companies to look for new product includes- product failure, product line extension and Diversification, competition and customization as per the taste of local market. Companies can identify SHGs involved in production of various local products. If product falls under the interest of company product line they can adopt the SHG and

further develop it as a strategic business unit. The SHG has resource and Capabilities. The Company can adopt corporate parenting in various stages of development of SHG. The approach can help the SHG to develop into a microenterprise or small scale enterprise. They can be further developed as associates in the region for the company undertaking production, sales and After sales activities (in case of consumer durables).

Developmental Approach

The second approach for business entities is that they can work on developing business skills of SHGs which are functional but due to certain limitations like lack of technology, business skill and seed capital they are not able to upgrade their business potential. With the corporate-SHG linkage these drawback can be reduced. The major advantage to SHGs is that they are easy to form and they can develop themselves and improve their skill and expertise. On the other side of the coin the corporate can be benefitted by the services which are provided by various SHGs as their functionaries (Supply Chain, Logistics, and After Sale Service

- Generally marketers face some common problems with their products in rural market which includes-
- Developing adequate point of sale (PoS) for Distribution and Logistics
- Developing Point of Procurement of Raw materials
- After sale services in case of consumer durables

SHGs can provide an alternative to such problems if they can be trained and developed accordingly. If we look at the case of Jeevika they had developed a good mix of distribution plan including street vendors, direct sales persons and Retail sales. The major limitation to their sustainable profit includes similar line of products offered by companies, quality, and sales skills. This requires a collaborative effort from the industry to further develop them into enterprises specializing in logistics and Distribution, developing PoS and sales services.

- The SHG routes of distribution can provide another vehicle of product delivery/PoS/PoP and sales services.
- SHG Managed PoS (Point of Sales)/PoP (Point of Procurement)/Sales services

Apart from the corporate distribution process using authorized retailers and distributors another channel can integrate SHGs in the process of distribution through developing Master distribution centers which acts as sub stockiest for the channel in the area. They can forward the product to groups involved in direct sales and SHG members operated and managed Point of sales which can be developed in proximity to significant population. These SHG members managed Point of Sales can also act as Point of procurement for various products such as agricultural produce, dairy products, fish and Meat produce from the areas and After Sales services of durable goods. These can further enhance the operation and scale of SHG members.

Sustainability of SHGs

The major objective of any business enterprise is to earn profit. The profitability model deals with the various variations of measurement which shows the expected rate of return which a business enterprise may yield from the proposed approach.

CONCLUSION

Rural market has a huge potential for future corporate development. Various initiatives are being started by government like promotion and development of Self Help Groups towards undertaking various activities for employment and Income generation. The process can speed up with corporate interventions by developing more commercial enterprises utilizing the potential of social groups such as SHGs towards facing the challenges of rural markets by integrating with them.

[Vivek Kumar Tripathi is Assistant Professor (Marketing), and Tanu Marwah is Assistant Professor (Supply Chain Management), Hindustan College of Science and Tech, Sharda Group of Institutions, Mathura, U.P.]



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CHALLENGES BEFORE SELF HELP GROUPS

Gurmeet Singh

Micro finance is now increasingly being recognized as a cost effective and sustainable way of expanding outreach of the banking sector to the rural poor. The relative absence of internal subsidies, high repayment performance and reduced transaction costs to lenders are some of the major advantages of micro finance.

Credit has been considered not only as one of the critical inputs in agriculture, but also an effective means of economic transformation. A large number of agencies, including co-operatives, regional rural banks, commercial banks, non banking financial institution, self help groups and well spread informal credit outlets represent Indian rural credit delivery system. These networks, apart from working as financial intermediaries, also play a key development role in the economy. The key milestone of rural credit system are rural credit survey committee report (1954) and acceptance of its recommendations, nationalization of major commercial banks (1969 and 1980), establishment of RRBs (1975), establishment of NABARD (1982) and the on going financial sector reforms since 1991. Further, several institutes like Kisan Credit Card scheme, special Agriculture credit plan, RIDF scheme etc, have been put in place to increase the

flow of credit to agriculture sector. An important development in this regard is the phenomenal growth of the self help groups since 1990.

Access to social security is a fundamental humans right. While the Country is experiencing faster growth in its Gross Domestic Product (GDP), a major concern is the balanced growth to bridge the gap between rich and the poor. According to RBI, Over 40% of Indians do not even have a bank account. The national sample survey 59th round (2003) estimates notes fact that of the total cultivator household, only 27% have received credit from formal source and 22% from informal sources. The remaining 51% mostly marginal farmers have virtually no access to credit.

Micro finance is now increasingly being recognized as a cost effective and sustainable way of expanding outreach of the banking sector



to the rural poor. The relative absence of internal subsidies, high repayment performance and reduced transaction costs to lenders are some of the major advantages of micro finance. The small beginning of linking only 500 SHG to banks in 1992, has grown to over 0.5 million SHGs by march 2002 and further to 8 million SHGs by march 2012. It is widely believed that the SHGs of the poor will be the vehicles leading the march of the India's emergences as a super economic power in the next decade. A number of countries, especially the developing countries and international agencies are turning to India to learn form its experiments with micro finance and to explore possibilities of replication of the model in other parts of the globe.

Rural India at present is interfaced with a thickening web of such grass root organization namely Self – Help Group Bank Linkage and micro finance institutions. The SHG banking Linkage programme was initiated in 1992 which tried to facilitate the flow of bank credit to SHGs in 1991-92, RBI took a series of measures in April 1996 to give a thrust to micro finance based Lending under the SHG-bank Linkage programme. Over 103 million rural households have now access to regular saving through 7.96 million SHGs linked to benefit. About 27% of there SHGs are savings linked through the SHGs Programme, the rural poverty alleviation programme of the Government of India's where predominantly households before the poverty line are admitted as member.

Although micro enterprises are not a panacea the for complex problems of chronic unemployment and poverty yet promotion of micro enterprises is a

Savings Linked SHGs-Agencywise



Role of commercial banks is much more than Cooperatives and Regional Rural Banks.

viable and effective strategy for achieving significant gains in income and assets for poor and marginal

people. SHGs are being promoted as a part of the micro finance intervention aimed at helping the poor to obtain every financial service like savings, credit and insurance. SHG approach is the key element of social mobilization being devoid of bureaucratization and politicization. It provides credit to rural women on easy term with access to several income generating activities.

Role of Self Help Groups

- A SHG working on the principal of solidarity helps poor to come together to pool their saving and access credit facilities in the process, a SHG helps the poor especially woman to establish their credit worthiness.
- It's potential to empower the women members. The participation in SHG and the access obtained to savings and credit can play a transformational role for women, socially and economically.
- SHGs also make it possible for women to leverage the savings for accounting credit.
- Because of the successful implication of SHGs, dependence on money lenders has reduced significantly. A study on SHGs reported a decline in he share of money lenders loan from 66 to 15 percent for the members.
- Through credit obtained from SHGs, the members made efforts both to protect their families from various vulnerabilities as well as build their economic base to escape poverty.
- Formal financial institutions in the country have been playing a leading role in the micro finance program. They have joined hands with informal delivery channels to give micro finance sector the necessary momentum. During the current year too, micro finance has registered impressive expansive at the grass root level.

Challenges to Self Help Groups

The phenomenal expansion of the programme in the last 4 to 5 years, has thrown many challenges.

System for monitoring of SHGs

The general reports on the progress of SHGs show statistics of growth and spread of SHGs without questioning the process and internal

health of SHGs. There is need to pay considerable attention to this aspect for developing health and sustainable groups. For this purpose there is need to establish a separate SHG Monitoring Cell in every State. The cell should have direct links with district and block level monitoring system. The cell should collect both quantitative and qualitative information.

Capacity building of SHG members

It is time that the government focus on capacity building of SHG members as many of the SHGs. A network of capacity building institutions should be set up to strengthen and develop SHGs to undertake various functions, into which they are expanding, and to nurture and mentor them during the process. A Task Force could be set up to review the exiting capacity building programmes for SHG members and suggest in addressing the capacity and suggest innovative approaches in addressing the capacity building needs.

Uneven distribution of SHGs

The spread of the SHG-Bank linkage programme in different regions have factors like pro-active role of State Government, presence of well performing NGO's, Socio cultural factors etc. In March 2001, 71percent of the linked SHG, were from southern region consisting of Andhra Pradesh, Karnataka, Kerala and Tamil Naidu. The share of southern region has come down progressively over the years but it is still at 44percent. Many State such as Utter Pradesh and Bihar with high incidence of poverty have shown poor performance under the programme.

Regional imbalances

This underlines the need for the expanding the SHG network in the States, where the banking penetration ratio is very low. It is the recommended that based on the Census 2001 data, 100 districts having the highest percentage of the deprived rural households, can be selected and special strategies need to be designed for increasing the number of SHGs in the identified districts.

The Southern region currently constitutes about 54 percent of the credit linked SHGs in the country.

SHG lending and agriculture

The SHGs have been quite active in disbursing small doses of credit but their foray into agriculture per se is somewhat limited. They have excelled in providing micro credit for activities allied to agriculture sector but the loans made for crop cultivation and land based activities are comparatively less.

Livelihood promotion among members of SHGs

There is need to evolve a methodology for promoting micro enterprises among SHG members that can be replicated on a large scale. NABARD is implementing a pilot project in nine districts spread over nine State with a view to evolving a replicable methodology. The lessons from these interventions need to be documented and disseminated.

SHGs has proved to be a strategic tool for organizing rural women in groups and promoting Savings and thrift habits to gain access to institutional credit for their socio-economic development and empowerment. There is need to focus on concerns of women under the SHG programme and in credit lending.

The following measures are recommended in this context:

- An integrated approach is required for meeting overall credit needs of a poor family in terms of backward linkage s with technology and forward linkages with processing and marketing organizations.
- Credit needs to be provided for diversified activities including income generating livelihood activities productions, housing consumption loan and against sudden calamities.
- The delivery system has to be proactive and should respond to the financial needs of the farmers.
- Simplify the process of giving loans, i.e. reduce the number of questions to important non repetitive ones.
- Provide gender sensitization training to bank staff so that they are sensitized to the needs of rural clients especially women.

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MICRO CREDIT-THE ENGINE OF INCLUSIVE GROWTH

Dr. Kartick Das

Micro credit, being part of financial inclusion, is defined as the provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve their living standards.

Bank-SHG's linkage programme" by which National Bank for Agriculture and Rural Development (NABARD) and commercial banks promote the formation of SHGs.

The Self Help Groups (SHGs) methodology was first developed in Karnataka in 1992 to link rural population to the formal financial system. Now about 8.6 crore households have access to banking through SHGs.

Linking SHGs with bank finance has been identified as a key tool towards achievement of holistic inclusive growth. Despite the vast expansion of the formal credit system in the country, marginal farmers, landless labourers, petty traders and rural artisans belonging to socially and economically backward classes and tribes whose propensity to save is limited or too small to be mopped up by the banks, continues to depend on money lenders. In order to minimize the dependence on money lenders, NABARD, APRACA

and ILO have carried out a study and brought out the concept of SHGs and launched a pilot project supported by refinance. The criteria would broadly be adopted by NABARD for selecting SHGs:

- Membership of the group could be between 10 to 20 persons.
- The group should be in existence for at least six months.
- The group should have actively promoted the savings habit.
- Groups could be registered or unregistered.

What is Micro Credit?

Foreseeing the need of sustainable development for the improvised; Muhammad Yunus, the father



of microfinance, popularized the concept of micro credit. Micro credit, being part of financial inclusion, is defined as the provision of thrift, credit and other financial services and products of very small amount to the poor in rural, semi-urban and urban areas for enabling them to raise their income levels and improve their living standards (as per RBI Master Circular, 2008). In India, the most flourishing testing ground of social entrepreneurship has been in the area of micro credit, and more recently microfinance. Culling from international literature empirical features of micro credit are:

- Quantum of loans is small,
- No collaterals are required,
- Rural and urban poor are the major borrowers,
- Ideally loans are used for income-generation through market-based self-employment,
- Loans are administered through borrower groups,
- Owing to NGOs' controlling disbursement as well the basic terms and conditions for sanction, they sometimes become private transaction.

In India, the most flourishing testing ground of social entrepreneurship has been in the area of micro credit, and more recently microfinance.

- Less than 15 per cent of the households have any kind of insurance.
- Bankers feel that it is fraught with risks and uncertainties.
- High transaction costs.
- Unfavourable policies like caps on interest rates which effectively limits the viability of serving the poor.
- Lack of an appropriate legal vehicle.

Framework for Micro Credit

In India, there are two routes through which micro credit is provided to borrowers. The first is the "Bank-SHG linkage programme" by which

National Bank for Agriculture and Rural Development (NABARD) and commercial banks promote the formation of SHGs. Banks lend directly to SHGs, which, in turn, open group savings accounts in the banks. The second route is the "Micro Finance Institute (MFI) model", is the most important institution in the chain.

Why Micro Credit?

Providing credit is in the top priority for policy makers to achieve inclusive growth. Unless we are able to meet the credit needs of our people, we can never hope to grow in a sustainable way. Despite multiple agencies giving credit to the rural sector, the critical gap in rural credit still exists resulting in the exploitation of the rural masses by money lenders. The status of micro credit is as follows:

- Considerable gap between demand and supply for all financial services.
- Majority of poor are excluded from financial services.
- About 56 per cent of the poor still borrow from informal sources.
- 70 per cent of the rural poor do not have a deposit account.
- 87 per cent have no access to credit from formal sources.

The SHGs-Bank Linkage Programme

In 1991-92, a pilot project for linking about 500 SHGs with banks was launched by NABARD in consultation with the Reserve Bank of India. Since launching it as pilot project, it has proved its efficacy as a mainstream programme for banking by the poor who mainly comprise the marginal farmers, landless labourers, artisans and craftsmen and other engaged in small business like hawking and vending in the rural areas.

MFI Model

Microfinance refers to a movement that wants to provide low-income households a wide range of financial services, including not just credit but also savings, insurance and fund transfer. The Indian MFIs are among the fastest growing sector and most efficient in the world today and will continue to develop into an important delivery mechanism to reach out to the poor and empowering women. The role of MFIs is to enhance human capital and

to evolve the bankable clients to make poverty irrelevant.

SHGs-bank linkage programme and MFIs model have become an important alternative to traditional lending in terms of reaching the poor and will continue to be an important delivery mechanism as:

- Poor people need not just loans but also savings, insurance and money transfer services.
- Microfinance must be useful to poor households: helping them raise income, build up assets and/or cushion themselves against external shocks.
- Subsidies from donors and government are scarce and uncertain, and so microfinance must reach to the large numbers of poor people.
- Microfinance means building permanent local institutions.
- Microfinance also means integrating the financial needs of poor people into a country's mainstream financial system.
- The key bottleneck is the shortage of strong institutions and managers.
- Donors should focus on capacity building.
- Interest rate ceilings hurt poor people by preventing microfinance institutions from covering their costs, which chokes off the supply of credit.
- MFIs should measure and disclose their performance - both financially and socially.

Governments should provide an enabling legal and regulatory framework which encourages the development of a range of institutions and allows MFI to operate as recognized financial intermediaries subject to simple supervisory and reporting requirements.

What is needed to be done?

Micro credit institutions should fund their loans through savings accounts that help poor people manage their myriad risks. Governments should provide an enabling legal and regulatory framework which encourages the development of a range of institutions and allows MFI to operate as recognized financial intermediaries subject to simple supervisory and reporting requirements. Usury laws should be repelled or relaxed and MFIs should be given freedom of setting interest rates and fees in order

to cover operating and finance costs from interest revenues within a reasonable amount of time. MFIs on its own are unlikely to be able to address formidable challenges of underdevelopment, poor infrastructure and governance. It needs:

- Appropriate legal structures for the structured growth of microfinance operations.
- Ability to access loan funds at reasonably low rates of interest.
- Appropriate loan products for different segments.
- Ability to innovate, adapt and grow.
- Bring out a compendium of small and micro enterprises for the microfinance clients.
- Ability to attract and retain professional and committed human resources.
- Identify and prepare a panel of locally available trainers.
- Ability to train trainers.
- Capacity to provide backward linkages or create support structures for marketing.
- Finding adequate levels of equity for the new entities to leverage loan funds.

Micro credit is not yet at the centre-stage of the Indian financial sector. The knowledge, capital and technology to address these challenges however now exist in India, although they are not yet fully aligned. With a more enabling environment and surge in economic growth, the next few years promise

to be exciting for the delivery of financial services to poor people in India. Micro credit will continue to develop into an important delivery mechanism to reach out to the poor and achieving financial inclusion and empowerment of women. Its role in enhancing human capital is considerable. The objective of the micro credit initiatives must be to evolve the bankable clients to creditworthy clients, thus making concerns about poverty irrelevant.

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EMPOWERMENT UNTO THE LAST

Archana Kumari

Self Help Groups or SHGs represent a unique form of micro financing in India with an approach of financial intermediation. Microfinance institutions can support the marginalised section of society in managing their savings and also offer loans to them for various purposes. However, majority of people are not able to avail the facilities due to variety of reasons.

Self Help Groups is a concept evolved from Grameen Bank of Bangladesh, founded in 1975 by Prof. Mohammed Yunus. In these banks, loans were given without asking from the borrowers any collateral or engage in any paper work. In India, it was initiated by NABARD in 1986-87. However, substantial step was taken during 1992 by linking SHGs with the banks.

In India, an SHG is a small democratically formed group of about 20 persons from a homogeneous class, who come together voluntarily to attain certain collective goals, social or economic.

How to start an SHG

A self help group can be started by anybody, anywhere and for any social or economic purpose.

It is recognized by the government and does not require any formal registration. Whenever a person visits a poor family, he/she can talk to them about their problems and note them. Then talking to families with similar problems, he/she can mobilise and convince them to sit together and ponder over solutions. The very purpose of SHG is to build the functional capacity of the poor and marginalised in getting rid of the common problems like unemployment, illiteracy, health care, etc. These problems can be resolved by group activities. However, someone will have to take the initial step and only educated people can pursue the marginalized people to go for solving their problems collectively.

The members of SHG are themselves responsible for their future as efforts are made on completely mutual trust and support to each other. Each member is equally responsible for any decision made by the group, the reason being the group will be successful only when each member is committed to the cause of the group.

Usually NGOs or (increasingly) Government agencies facilitate and support the marginalized sections form SHGs. Linked not only to banks but



also to wider development programmes, SHGs are seen to confer many benefits, both economic and social.

Functioning of SHG

According to a research paper by Lakshmi. R and Vadivalagan. G, “the SHGs in India are small, informal and homogenous groups of not less than 10 members and not more than 20 members each. Among them a member is selected as an “animator” for a period of two years and two members are selected as representatives. Members of the group meet every week. They discuss social and community programmes, group savings, rotation of funds, bank loan and repayment of loan.” Savings is the foundation for proper functioning of the group and for any collective action. Thus the group members are encouraged to collect money on a regular basis.

The members of the group need to elect a management committee of five members: a president, a person responsible for the savings administration, a person responsible for the loan administration, a person responsible for the cash book and a controller. The group meets every week primarily to collect savings and to give out loans. The collected fund is used to make short-term loans with interest to the members and the profit of the fund is distributed to the members of the group at the end of the year.

Criteria for linking to a bank and providing loan to the members

SHGs must save for at least six months before they can be linked to a bank credit or provide loans to its members. The rate of interest in lending to any group member and the amount to be given should be decided by the members of the group themselves. The rules and regulations for lending money should be decided by the group only. Whether loan should be given to a member or not also depend upon the consensus of the group. Soon after an SHG is formed and one or two meetings held where the savings are collected, a savings bank account can be opened in the name of the SHG. According to a handbook issued by NABARD, following steps should be taken before opening a saving bank account.

Resolution of SHG :

The SHG has to pass a resolution in the group meeting, signed by all members, indicating their decision to open SB A/C with a bank. This resolution should be filed with the bank.

Authorization from SHG :

The SHG should authorise at least three members, any two of whom, to jointly operate upon their account. The resolution along with the filled in application form duly introduced by the promoter may be filed with the bank branch.

Copy of the rules and regulations of SHG :

This is not mandatory if the group has not formulated any such rules or regulations. Loans can be sanctioned even without this.

A savings bank account passbook may be issued to the SHG. This should be in the name of the SHG and not in the name of any individual/s.

A roadmap of SHG till now

The small beginning of linking only 500 SHGs to banks in 1992, had grown to over 0.5 million SHGs by March 2002 and further to 8 million SHGs by March 2012 according to a report by NABARD. In southern states, almost 100 per cent of the SHGs linked to banks in the pilot stage, while the total number of SHGs linked in southern states shrank to 46 per cent by March 2012. On the other hand, the share of eastern States (especially, West Bengal, Odissa, Bihar) shot up to over 20 per cent as per NABARD data of micro financing. This means that SHGs are being self-reliant in southern states and are in a mature phase, while it is still gaining its ground in eastern states. But the day is not far away when it will stand with strength in the eastern states too.

The SHGs can also be community platforms from which women become active in village affairs, stand for local election or take action to address social or community issues like the abuse of women, alcohol, the dowry system, schools, water supply and so on.

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BANK-SHG LINKAGE PROGRAMME IN ASSAM- AN ANALYSIS

Sushanta Kumar Kashyap

In Assam, the formation of SHG and thereby linkage to Bank, the main microfinance model by which formal banking system reaches the micro entrepreneurs, was started in 1992. However, the programme has gathered momentum from the year 2001-02 onwards. Till the end of March 2012, all 499183 SHGs have been bank linked in the state out

of which 2,26,361 SHGs were credit linked (Economic Survey, Assam 2012-13). It is observed that last three years more than 5,000 SHGs have been linked with bank every year. Moreover, deposit linked SHGs are higher than that of credit linked SHGs, which indicates that, all the SHGs is not able to get the loan or other financial assistance.

Table: 1 SHGs financed by Banks

Year	Total bank linked SHGs		Deposit linked		Credit linked	
	No.	Amount (In Lakh)	No.	Amount (In Lakh)	No.	Amount (In Lakh)
2005-06	269917	48274.77	175565	9846.77	94352	38392.36
2006-07	230902	58040.52	121474	5261.61	109428	52778.91
2007-08	257863	57417.70	142147	6044.72	115716	51372.98
2008-09	305132	77365.49	166740	7485.51	138392	69879.98
2009-10	374745	92724.79	210890	9123.46	163855	83601.33
2010-11	433954	118051.17	240032	11195.29	193922	106855.88
2011-12	499183	139741.00	272822	10928.00	226361	128813.00

Source: Reports of State Level Bankers Committee, SBI, Guwahati Head Office



Again, NABARD, Assam Regional Head office had extended grant assistance of Rs.416.06 lakh to 119 NGO-SHPI projects for promotion and credit linkage of 16409 SHGs in the state up to 31st Oct. 2012. Moreover, Rs. 85.00 lakh were sanctioned to three NGOs for promotion and credit linkage of 850 women SHGs in four backward districts Dhemaji, Dima Hasao, Karbi-Anglong and Kokrajhar under Women SHG Development Fund. Another significant step of NABARD particularly where the NGOs and Bank network is weak, is the scheme for associating Individual Rural Volunteers (IRVs) in promotion and linkage of SHGs. This scheme is currently implemented through Assam Gramin Vikash Bank (AGVB) with assistance of Rs.108.00 lakh for promotion of 6000 SHGs through 600 IRVs in 22 districts of Assam.

In addition, a new concept of Joint Liability Group (JLG) lending has been evolved with a view to increase the flow of credit to the small borrowers having limited or no collateral to offer wherein social collateral substitutes the physical collateral in respect of small loans. Of late the commercial banks like Indian Bank, ICICI Bank, SBI, UCO Bank and Assam State Cooperative Apex Bank have also adopted JLG mode for financing the mid segment clients. JLG mode of financing has also been adopted for financing production credit and handloom weaving activities.

The banks have been very active for the past few years in the region and we do find that the growth rate of SHGs credit linked to banks much higher than the national average for the past several years. However, unlike the rest of the country, where the commercial banks have been very active, the RRBs have been playing a leading role in Assam. "Assam Gramin Vikas Bank", the RRB from Assam, which is the largest bank in terms of branches in the region, has been most aggressive in this segment. Interestingly, these Banks are showing keen interest in the involvement of NGOs in case of disbursing loans to people rather than handling it directly.

SHG-Bank linkage under SGSY

The Government of India launched Swarnajayanti Gram Swarozgar Yojana (SGSY),

a credit cum subsidy programme, with effect from 1.4.1999 by reviewing and restructuring the following programmes

- Integrated Rural Development Programme (IRDP)
- Development of Rural Youth for Self Employment (DWCR)
- Training of Rural Youth for Self Employment. (TRYSEM)
- Supply of Improved Toolkits in Rural Areas (SITRA)
- Ganga Kalyan Yojana (GKY)
- Millions Well Scheme (MWS)

The objective of the programme was to bring the existing poor families above the poverty line by covering all aspects of self employment viz. organisation of the rural poor into Self help Groups (SHGs) and their capacity building, planning of activity clusters, infrastructure build up, technology, credit and marketing. Generally, the list of BPL households identified through BPL census duly approved by the Gram Sabha will form the basis for identification of families for assistance under SGSY. Under SGSY, the financial assistance is received in the form of subsidy from Government and credit from Bank. Generally, women and weaker sections are the targeted areas of poverty alleviation effort under SGSY. The programme is financed on 75:25 costs sharing between the Centre and State. However, this ratio is 90:10 for the northeastern states.

The implementation of Swarnajayanti Gram Swarozgar Yojana (SGSY) started in Assam with the other parts of the country since its beginning i.e from 1999.

In Assam both government and NGOs are playing a vital role in formation of SHGs and their linkage to bank. Most of the SHGs have members in between 15 to 20 and members of each group save a regular amount of Rs.50 to Rs.200 per month. It is to be noted that some the SHGs have undertaken economic activities as group, and in some SHGs, only some members have undertaken economic activity individually. In the latter one, the groups circulate the saved money along with

bank loan to the needy members, who are willing to take entrepreneurial activities, at a specified interest rate. The saving amount also increase faster owing to the accumulation of income from interest. In times of need the members borrow money from the group's account, which helps the members to escape from the clutches of moneylenders. Moreover, some SHG lends money to people outside the group too at a much higher rate of interest.

Another significant surveillance is that in case of many SHGs the credit need seems to be fulfilled. However to get into the next stage they require livelihood support services. The apex organization as well as government should encourage the sector support organizations including NGOs to take up this important livelihood support role. An important component of this is that supporting should be focused on the marketing aspect of the different goods and services produced by these SHGs. Since majority of the members of the SHGs are involved in marketing and production of traditional items, therefore, a purposeful planning and programming is essential to enhance the share of these items in global market. The supporting organizations should make sufficient arrangement in this direction in addition to their role in increasing the no. of SHGs so that existing SHGs can come forward in the global environment.

As well, the following recommendations can be put forward for better implementation of Bank-SHG linkage programme in Assam and entire northeastern states.

Future course of action: In Assam and North East context

- Assam and the entire Northeast are famous for its rich tradition of indigenous culture and technology. It is endowed with various tribes each of which has own culture and technology. Therefore, there is enough potentiality in developing indigenous industries in North East. Generally, tribal women especially Bodo, Kachari, Miching, Dimasa, Karbi, Naga etc. have skill in traditional handloom, handicraft and bamboo based products. Again, in Northeast indigenous medicines or indigenous system
- of health care has been practised by some non-institutional physicians both men and women especially in hilly areas. They prepare medicines from locally available plants and herbs, different types of animal products like milk, bones and oxidized form of minerals like gold, iron, silver etc. after proper purification and detoxification. Some of the medicines have unbelievable power in curing chronic diseases. It is to be mentioned that in North-East India more than 5000 species of plants are found to grow in the plain and hill areas most of which has medicinal values. Through the development of SHGs among these people of hilly areas of Northeast, there have tremendous potential for the development of indigenous medicinal farms.
- Therefore, more emphasis should be given to form SHG among these people so that the different types of indigenous industries can be developed and harnessed for the purpose of income and employment generation. NABARD and other financial institutions may play an important role in this regard.
- In Assam and Northeast, banks are generally located in urban and semi urban areas. Banks should open more branches in rural areas so that the SHGs can direct contact with the Banks.
- There should be constant monitoring of the activities and performance of the groups. Subsidy on bank loan should be granted according to performance of the groups so that genuine SHGs are encouraged to come forward rather than subsidy seekers.
- It is the need of the hour to generate awareness amongst the government officials, policy-makers and politicians about the benefits of microfinance to the rural poor. Seminar, media, exposure trips could be some methods to bring about a change in perception.

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MAPPING THE MOVEMENT OF ARTISANS FROM THE MARGIN TO THE MAINSTREAM

Dr. P. N. Sankaran

Traditional artisans spread over the country, are unevenly distributed across regions, villages and cities; they are seldom looked at by political parties as a vote bank worthy of wooing. Despite their skills, they are driven to casual labour and are paid [in real terms] lesser than unskilled agricultural workers and similar workforce in the unorganized sector.

Artisans of India comprise of highly skilled traditional workforce, attached to varied operations in carpentry, black smithy, gold smithy, stone smithy, copper/ bronze smithy, masonry, pottery, cobblery etc. Their critical space in the traditional economy, characterized by agriculture and village industries, deeply embedded in the unique cultural milieu, rituals, festivals and other socio -religious ceremonies are well documented and widely shared in the oral traditions and written history of India.

However, due to political, governance, technological and public policy changes that swept across the country over the centuries, the structure and organization of traditional production systems

underwent fundamental transformation that tilted drastically the harmonious relations between labour and capital. The changing equations of labour and capital in the new economy have driven traditional communities (as a workforce) to the margin of economy, society and polity. Over the years, development NGOs, irrespective of their geographical base, have been grappling with the issue of mobilizing the widely scattered, fragmented and socially heterogeneous artisan groups for design and delivery of effective macro development interventions. Thanks to the vibrant forces of artisans' cultural awakening, socio-economic rehabilitation and empowerment emerging across India under the ripples of the movement launched by Artisan Welfare Organisation [AWO] (2005), the



historic *March for Mobilisation of Artisans from the Margin to the Mainstream of the economy* was set in motion. The conceptual frame and operational parameters of a national strategy for mass mobilization of artisan labour for their optimum productive and coordinated deployment, particularly in the booming construction sector, are outlined in the paper.

Traditional Artisans: The Development Context

Traditional artisans spread over the country, are unevenly distributed across regions, villages and cities; they are seldom looked at by political parties as a vote bank worthy of wooing. Though a segment of the artisan population is facing poverty and unemployment [who can hopefully be covered by poverty alleviation programmes of the Union and State governments], the crux of their development issue lies not mainly in poverty, but in multiple deprivation, exclusion and low level of human development. Despite their skills, they are driven to casual labour and are paid [in real terms] lesser than unskilled agricultural workers and similar workforce in the unorganized sector. Growth of the private sector exercising overwhelming control over capital and technology proceed with commodification of artisan labour and craft goods. Moreover, traditional artisans remain voiceless and excluded even in local level participatory planning. Though majority of the artisans are attached to the construction sector [and production of utility goods], growth of the sector/s brings poor returns to them for want of capital, entrepreneurship, bargaining power and a mechanism for their organized and planned deployment. Instead of individual bargaining [which is sure to be unsuccessful in competing markets, high capital and corporate presence in the industry, namely construction], the scope of a mechanism for organized bargaining outside the framework of trade unions [whose powers are declining with the influx of private capital and enterprise, supported by capital-friendly government policies] is worthy of attempt. A model that may fit into the emerging structure presented above is attempted in the paper, namely Artisan Labour Banks [ALBs].

Traditional artisans spread over the country, are unevenly distributed across regions, villages and cities; they are seldom looked at by political parties as a vote bank worthy of wooing.

Artisan Labour Bank: Concept and Structure

The proximate reasons for unequal/low wages, exclusion and the exposure to competition from non-traditional workers seeking successful entry into the traditional domain of artisans are:

- Progressive de-linking of wages from the skill sets of the workforce (artisans), in the absence of minimum wages or enforcement of such wages, if any.
- Growing mismatch between traditional skills of artisans (acquired mainly through parental guidance/training) and the demands of the capital-intensive industry introducing mechanization of tasks and activities.
- Inadequate competence to switch over to innovative production processes using new raw materials and technology.
- Rigid mindsets sticking to traditional customs, practices and work environment, posing barriers to the much-needed transition to entrepreneurial status through occupational mobility--vertical and/or horizontal.
- Inability to convince, motivate and retain young talents [sons/daughters] in the parental trade/profession, while non-traditional communities make successful entry into the world of traditional artisans.
- Lack of awareness about programmes for self-employment [like Prime Minister's Employment Generation Programme 2008], Skill Development Initiative Scheme [NCVT accreditation/certification of competence], Artisan Credit Card etc that facilitate financial support, better employment, wages, entrepreneurship etc.
- Problems in mass mobilization of artisans spread across the country under a common platform for effective and remunerative deployment.

In few States, for example Kerala, Welfare Boards have been established under the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 to attend to some of the broad issues [need for social security, old age pension etc] of construction

workers. However, the Welfare Boards cater to the wider category of construction workers, both skilled and unskilled; specific issues of rehabilitation relevant to traditional artisans lie beyond the purview of the welfare boards. Hence, it is argued in the present paper that an organizational structure in the form of *Artisan Labour Banks [ALBs]* would serve better the issue of artisan mobilisation in a holistic manner, compared to Welfare Boards and Artisan Trade Unions.

Like banks as commonly understood, the proposed ALBs are conceived as institutions receiving deposits of labour through registration [taken as willingness to work] and investing/deploying deposits of labour in tasks, jobs and processes based on sound principles of manpower planning and marketing with a view to obtain maximum returns to be shared among the registrants. In other words, ALBs serve as intermediaries for procuring unorganized labour as deposits of workforce and deploying it more remuneratively in competitive channels/procured contracts. Besides the basic mediatory role, ALBs have the potential for diversification of their deposit and investment portfolios in terms of training, R & D, welfare and social security services

Aims of Artisan Labour Banks

The objectives of the proposed banks are:

- To undertake registration of labour.
- To arrange basic and skill-related training to labour.
- To find suitable employment for labour by securing contracts for execution of construction work, maintenance, repairs etc.
- To acquire tools, equipments, accessories and related machinery for own use/leasing.
- To advance loans to clients in the form of labour (man days) against future repayment (wages).
- To provide essential goods and services to the registrants.
- To mobilize funds for financing the housing, education and other needs of the members through pooling of the wage incomes and access to financial institutions under group guarantee.

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SCHEMES PROVIDING SUBSIDISED FOODGRAINS

TARGETED PUBLIC DISTRIBUTION SYSTEM

Government of India makes allocation of foodgrains under Targeted Public Distribution System (TPDS) for Below Poverty Line (BPL) families and Antyodaya Anna Yojana (AAY) families @ 35 kg per family per month. Beneficiaries for the scheme are identified by the States on the basis of 1993-94 poverty estimates of Planning Commission and March 2000 population estimates of Registrar General of India.

OTHER WELFARE SCHEMES

The Department of Food & PD also makes allocation of food grains at BPL prices for the following welfare schemes implemented by various Ministries/Departments of the Government of India as well as State Governments/UTs:

MID DAY MEAL SCHEME

The Mid Day Meal Scheme is implemented by the Ministry of Human Resource Development. The Scheme covers students of Primary & Upper Primary Classes in the Government Schools/ Schools aided by Government and the Schools run

by local bodies. Food grains are supplied free of cost @ 100 gram per child per school day where cooked/processed hot meal is being served or 3 kgs per student per month where foodgrains are distributed in raw form.

WHEAT BASED NUTRITION PROGRAMME

This Scheme is implemented by the Ministry of Women & Child Development. The food grains allotted under this Scheme are utilized by the States/UTs under Integrated Child Development Services (ICDS) for providing nutritious/energy food to children in the age group of 0-6 years and expectant/lactating women.

RAJIV GANDHI SCHEME FOR EMPOWERMENT OF ADOLESCENT GIRLS 'SABLA'

The Ministry of Women and Child Development administers the scheme at the central level and State/UT Governments implement the scheme. The SABLA Scheme has been launched on 19.11.2010 by merging two schemes namely Nutrition Programme and Adolescent Girls (NPAG) and Kishori Shakti Yojana (KSY) in to a single scheme



and proposed to be implemented in 200 selected districts across the country. The Scheme aims at empowering adolescent girls of 11-18 years by improvement of their nutritional and health status and upgrading various skills like home skills, life skills and vocational skills. It also aims at equipping the girls on family welfare, health hygiene etc. and information and guidance on existing public services along with aiming to mainstream out of school girls into formal or non-formal education. The requirement of food grains under the scheme for nutrition is @ 100 grams of grains per beneficiary per day for 300 days in a year.

SUPPLY OF FOODGRAINS TO HOSTELS/ WELFARE INSTITUTIONS

This Scheme is implemented by the Department of Food and Public Distribution through the State Governments/ UTs. To meet the requirement of Hostels/Welfare Institutions, viz., N.G.Os/Charitable Institutions, an additional allocation of foodgrains up to 5% of the BPL allocation of each State/UT is made to States/UTs at BPL rates under this Scheme.

SUPPLY OF FOODGRAINS FOR SC/ST/OBC HOSTELS

This Scheme is implemented by the Department of Food and Public Distribution through the State Governments/UTs. Under this Scheme, all residents of the hostels having 2/3rd students belonging to SC/ST/OBC are given 15 kg. foodgrains per resident per month.

ANNA PURNA SCHEME

This Scheme is implemented by Ministry of Rural Development. Indigent senior citizens of 65 years of age or above who, though eligible for old age pension under the National Old Age Pension Scheme (NOAPS) but are not getting the same, are covered under this Scheme and 10 kgs. of foodgrains per person per month are supplied free of cost.

EMERGENCY FEEDING PROGRAMME

This Scheme is implemented by Department of Food and Public Distribution through the State Government of Orissa. The Scheme is being implemented in eight KBK Districts of Orissa covering 2 lakh beneficiaries and foodgrains (rice) at BPL rates are being allocated to State Government of Orissa. Cooked food containing, inter alia, rice-200 gms, dal (pulse)-40 gms and vegetables-30 gms is provided daily in the diet of each EFP beneficiary by the State Government.

VILLAGE GRAIN BANKS SCHEME

Village Grain Bank Scheme was earlier implemented by the Ministry of Tribal Affairs in 11 States. However, since 24.11.2004, the scheme is being implemented by the Department Food & Public Distribution.

The main objective of the scheme presently being implemented is to provide safeguard against starvation during the period of natural calamity or during lean season when the marginalized food insecure households do not have sufficient resources to purchase rations. Such people in need of food grains will be able to borrow food

grains from the Village Grain Bank. The grain banks are to be set up in food scarce areas like the drought prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc. These villages are to be notified by the concerned State Government/Union Territory. The scheme envisages inclusion of all willing BPL/AAY families in the villages to be identified by the State Government in food deficit areas. The quantity to be lent and the period of repayment is to be decided by the Group themselves. Village Panchayat/Gram Sabha, Self Help Group for NGOs etc. identified by the State Governments are eligible for running the Grain Banks.

(Spurce PIB).

The grain banks are to be set up in food scarce areas like the drought prone areas, the hot and cold desert areas, tribal areas and the inaccessible hilly areas which remain cut off because of natural calamities like floods, etc.



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DRINKING WATER FACILITY FOR VILLAGES

Sarita Brara

Five crore people living in over one lakh habitations in villages in our country do not have access to safe drinking water even today. According to official figures twenty two per cent rural families have to walk for at least half a kilometer or more to fetch water (mostly it is the women who have to bear the burden). The percentage of such families is the maximum in Manipur, Tripura, Odisha, Meghalaya, Jharkhand and Madhya Pradesh. Fifteen per cent of households in villages depend on uncovered wells and other unimproved sources like rivers, springs, ponds for drinking water. Also eighty five per cent of all drinking water resources in villages are based on underground sources of water and in many of these areas water is contaminated. Only 30.80 per cent of the rural population has access to tap water. In fact there are only four states which have been able to bring fifty per cent or more of the rural areas under piped water supply. Many of the states are yet to fully comply with the Supreme Court order on supply of potable water in government schools. The latest available data shows that less than the 44 per cent government schools in villages have drinking water facility.

During the national consultation in Delhi held recently on the progress of national rural drinking water programmers and related issues, it was revealed

that in spite of this unsatisfactory scenario with regard potable water availability in villages many of the states have failed to fully utilize the funds allocated by the centre under the various heads of NRDWP.

To achieve the objective of providing drinking water facilities to all the villages, the Government is bringing about a major paradigm shift in the National Rural Drinking Water Programme in the XIIth Five Year plan period. In the backdrop of over extraction of ground water in most parts of the country, the emphasis is to shift away from ground water to surface water. The focus would be on piped water supply and minimizing the use of hand pumps. The target is to ensure individual household connections to at least 35 per cent of the population in villages by 2017 against only 13 per cent today.

In order to encourage the villagers to take water connections, the Government is roping in Accredited Social Health Activists (ASHA). A recent order said the ASHAs will get an incentive of 75 rupees for motivating each of the families in villages to take individual household tap connection. The states can use the money from the support funds allocated to states under the NRDWP.

The norm of 40 litres of water per capita per



day(LPCD) in villages was set way back in 1972 but now under the 12th five year plan , it is being increased from 40 to 55 litres .In the 12th plan the target is to cover at least half of the population to get 55 LPCD water within in their house hold premises or within 100 meter radius. Once the states are able to increase the per capita availability of drinking water, it will help in bridging the gap to some extent between urban areas and rural areas. Under NRDWP, States have the flexibility to fix their own supply norms. The Drinking Water and Sanitation Minister Bharatsinh Solanki has urged the states to aim at 55 LPCD , this he says will enable higher level of household connections and reduce the burden on women and girls in fetching water from hand pumps and public taps as well as reducing risk of contamination.

Quality of drinking water availability is a major concern in villages many parts of the country are affected by contamination of arsenic and fluoride, which are considered the most hazardous in terms of their effect on health. In the budget proposals for 2013-14 Rs 1,400 crore will be provided for the setting-up water purification plants as there are still 2,000 arsenic and 12,000 fluoride affected rural habitations in the country. Then there are contaminants like iron, salinity uranium and pesticides. The centre is assisting States affected with Chemical contamination of drinking water, and those States which have cases of Japanese and Acute Encephalitis Syndrome through a provision under the NRDWP by allocating 5% of the NRDWP funds for Improving the quality of drinking water

Given the growing importance of water quality issues, under the 12th plan dedicated funding will be provided to States with quality affected habitations, over and above the normal NRDWP allocation to the State. Highest priority will be given to arsenic and fluoride affected habitations. Part of the funding would also be made available to tackle bacteriological contamination in the priority districts with high incidence of Japanese and Acute Encephalitis Syndrome as identified by the Ministry of Health and Family Welfare

Unfortunately many of the states like Chhattisgarh, Gujarat, Haryana, Jammu & Kashmir, Jharkhand, Kerala, and Uttarakhand & Tripura are yet to submit proposals to get the benefit from 5% Water Quality earmarked fund.

World over lack of drinking water and sanitation facilities account for over nine per cent of the diseases and more than six per cent of deaths. In our country where more than half the population resorts to open defecation, the situation is worse.

It is in this scenario that major emphasis in the 12th plan is strengthening convergence between rural drinking water supply and rural sanitation by taking up villages covered with piped water supply to get Open Defecation Free status priority and vice versa.

The 12th plan draft document says that all government schools and anganwadis in government or community buildings will be provided with water supply for drinking and for toilets as per relevant quality norms by convergence of NRDWP for existing schools and Sarva Shiksha Abhiyan and for new schools set up under SSA. For private schools this will be enforced the right to education provisions. All community toilets built with public funds and maintained for public use will be provided with running water supply under NRDWP. Care will be taken to ensure that minimum distance is maintained between the toilet systems and water sources, to alleviate the problem of nitrate contamination.

A part of NRDWP outlay will be set aside for integrated Habitat Improvement Projects to provide housing, water and sanitation facilities in rural areas at par with urban areas.

Participation of the beneficiaries especially women in drink water supply schemes is also proposed.

In another initiative Solar powered pumps will be provided for implementation in remote, small habitations and those with irregular power supply by converging subsidy available under Ministry of New and Renewable Energy.

Waste water treatment and recycling will also be an integral part of every water supply plan or project.

India is fast becoming a water stressed country and over and above everything else there is need to generate awareness about protecting drinking water sources from contamination, regular testing of drinking water sources, conserving rainwater in tanks and ponds, water recharge and water saving devices so that everyone in the country is able to get the basic facility of drinking water. [source PIB]

[The author is a Freelance Writer.]

RURAL EMPLOYMENT POTENTIAL FOR INCLUSIVE GROWTH

Dr. Sanjay Tiwari

India 61.35% people still live in rural areas, which is about 12 percent of the global population living in rural areas. The size of India rural population is 750 million which is more than the total population of the U.S., the U.K., France, and Germany.

India is one of leading emerging economies of the world including Brazil, China, South Africa and Russia with the human population expected to surpass China by 2025. This demographic dividend is the key factor of growth because India will have the largest number of younger workforce between the age group of 15 to 59 years in the year 2030. The average age of India will be only 29 years much younger than in China and the rest of world. Among this young working population the share of people from rural areas will be substantially higher making the rural demography more prominent in the decade to come.

In India 61.35% people still live in rural areas, which is about 12 percent of the global population living in rural areas. The size of India rural population is 750 million which is more than the total population of the U.S., the U.K., France, and Germany. The inclusive growth target of Twelfth five year plan (2012-17) can be achieved if the demographic dividend in rural areas is encashed properly and

development strategies are guided towards more inclusion of rural population by way of increasing employment opportunities in rural areas, creation of infrastructural and urban utilities in rural areas, reducing the rate of plight of rural people in urban areas and retaining the workforce in rural areas and moreover improving the quality of life in rural areas.

The Economic Survey 2011-12 envisages that “Achieving minimum agricultural growth is a pre-requisite for inclusive growth, reduction of poverty levels, development of the rural economy and enhancing of farm incomes”.

Rural Demography in India: Some Facts

According to the Census Survey Data (2011), the demographics of India are inclusive of the second most populous country in the world, with over 1.21 billion people which constitutes more than a sixth of the world's population.



India has more than 50% of its population below the age of 25 and more than 65% hovers below the age of 35. It is expected that, in 2020, the average age of an Indian will be 29 years, compared to 37 for China and 48 for Japan; and, by 2030, India's dependency ratio should be just over 0.4. In terms of population density, India's position is 24th out of 212 countries in the year 2010 and male female ration it was at 12th position in the same year.

A look at the table 1 reveals that except the UTs of Delhi and Chandigarh all the states have rural population higher than the urban population.

More than 60% of the population still depends on the agricultural activities. Though the share of agriculture in economy is only 15-17%, the employment in agricultural sector is very high.

Table 1: State-wise comparison of the rural demography in India

Rank	State/ UT	Population (2011)	%age	Rural population	Urban Population	Sex ratio
1	UP	199,581,520	16.49%	131,658,339	34,539,582	908
2	Maharashtra	112,372,972	9.29%	55,777,647	41,100,980	925
3	Bihar	103,804,637	8.58%	74,316,709	8,681,800	916
4	West Bengal	91,347,736	7.55%	57,748,946	22,427,251	947
5	Andhra	84,665,533	7.00%	55,401,067	20,808,940	992
6	M.P.	84,665,533	7.00%	55,401,067	20,808,940	992
7	Tamilnadu	72,138,958	5.96%	34,921,681	27,483,998	995
8	Rajasthan	68,621,012	5.67%	43,292,813	13,214,375	926
9	Karnataka	61,130,704	5.05%	34,889,033	17,961,529	968
10	Gujrat	60,383,628	4.99%	31,740,767	18,930,250	918
11	Orrisa	41,947,358	3.47%	31,287,422	5,517,238	978
12	Kerala	33,387,677	2.76%	23,574,449	8,266,925	1,084
13	Jharkhand	32,966,238	2.72%	20,952,088	5,993,741	947
14	Assam	31,169,272	2.58%	23,216,288	3,439,240	954
15	Punjab	27,704,236	2.29%	16,096,488	8,262,511	893
16	Chattisgarh	25,540,196	2.11%	16,648,056	4,185,747	991
17	Haryana	25,353,081	2.09%	15,029,260	6,115,304	877
18	J & K	12,548,926	1.04%	7,627,062	2,516,638	883
19	Uttarakhand	10,116,752	0.84%	6,310,275	2,179,074	963
20	H.P.	6,856,509	0.57%	5,482,319	595,581	974
21	Tripura	3,671,032	0.30%	2,653,453	545,750	921
22	Meghalaya	2,964,007	0.24%	1,864,711	454,111	986
23	Manipur	2,721,756	0.22%	1,590,820	575,968	987
24	Nagaland	1,980,602	0.16%	1,647,249	342,787	931
25	Goa	1,457,723	0.12%	677,091	670,577	968
26	Arunachal Pradesh	1,382,611	0.11%	870,087	227,881	920
27	Mizoram	1,091,014	0.09%	447,567	441,006	975
28	Sikkim	607,688	0.05%	480,981	59,870	889
UT1	Delhi	16,753,235	1.38%	944,727	12,905,780	866
UT2	Puducherry	1,244,464	0.10%	325,726	648,619	1,038
UT3	Chandigarh	1,054,686	0.09%	92,120	808,515	818
UT4	Andaman and Nicobar Islands	379,944	0.03%	239,954	116,198	878
UT5	Dadra and Nagar Haveli	342,853	0.03%	170,027	50,463	775
UT6	Daman and Diu	242,911	0.02%	100,856	57,348	618
UT7	Lakshadweep	64,429	0.01%	33,683	26,967	946
Total	India	1,210,193,422	100.00%	742,490,639	286,119,689	940

Source: Census 2011, GOI

Challenge of Urbanization

Growing urbanization is seen as an indicator of progress and development of a country. During the last two decades a lot of migration has occurred from rural areas to urban areas in India due to increased opportunities, education, health, sanitation, infrastructure and other facilities for better living conditions. According to authenticated sources the percentage decadal growth of population in the urban areas during 1991-2001 was 31.2% as compared to 17.9% in the rural areas. Industrialization of urban areas, investment opportunities, growing service industry, food security, better health infrastructure, education facilities are some of the factors responsible for the growth of urbanization in India. In other words this challenge has become an opportunity for the rural youth seeking jobs in urban areas because of its potential of creating more job opportunities. Also, since the productivity of land and land holding pattern is not in favour of rural youth, the creation of demand for skilled and semi skilled jobs is much in urban centres and rural capabilities can be utilized optimum in these areas.

Problem of Unemployment

For growth to be inclusive it must create adequate livelihood opportunities and add to decent employment commensurate with the expectations of a growing labour force. The Eleventh Five Year Plan (2007-12) aimed at generation of 58 million work opportunities. The NSSO quinquennial survey has reported an increase in work opportunities to the tune of 18 million under the current daily status (CDS) between 2004-5 and 2009-10. However, the overall labour force expanded by only 11.7 million. This was considerably lower than in comparable periods earlier, and can be attributed to the much larger retention of youth in education and also because of lower labour force participation among working-age women. As a result, unemployment in absolute terms came down by 6.3 million. The lower growth in the labour force is not expected to continue as educated youth are expected to join the labour force in increasing numbers during the Twelfth Plan and in the years beyond. This means that the pace of job/ livelihood creation must be greatly accelerated. The Twelfth Plan Approach Paper (2012-17), therefore, lays greater stress on skill building which can be viewed as an instrument for improving the effectiveness and contribution of labour to overall production. This will push the production possibility frontier outward and take the

economy on to a higher growth trajectory and can also be viewed as a means of empowerment.

Recent Trends in Employment

As per the 66th Round survey of NSSO, the employment rate has actually declined in the five year period ended 2009-10 to 39.2 per cent from 42 per cent in 2004-05. This means, if the growth in population is factored out, there has been a decline in employment in absolute terms. When one looks at these statistics along with Census of India projections, it seems that during this 5 year period, only 2 million jobs were added compared with 55 million who joined the workforce aged between 15-59 years.

As far as the nature of employment is concerned, the report by NSSO also shows an increase in the number of casual workers by 21.9 million, while growth in the number of regular workers nearly halved between 2004-05 and 2009-10, compared with the previous 5 year period. This means that there has been a substantial shift in the structure of labour force in the Indian economy during the period in question. Planning Commission resorted this to the severe drought year, possibly forcing some among the self employed (includes farmers) into casual labour.

In a study by Brajesh Jha of the Institute of Economic Growth, it has been observed that "Though the share of agriculture in the economy has declined during the planned development of the country, it still assumes a pivotal role in the rural economy since three-fourths of the rural work force is dependent on it. The bulk of employment in agriculture is rural-based (97 per cent) and it is astonishing that rural employment growth in agriculture is abysmally low (0.06 per cent) and insignificant during the 90s."

Thus, one of the biggest challenges in case of rural employment is the nature of employment which is not regular and influenced by natural calamities.

Government Initiatives for Rural Employment Generation

In view of the uncertain employment in rural areas, the Government has initiated major employment generation programmes and one of them is the MGNEGS i.e. Mahatma Gandhi National Employment Guarantee Scheme which was started in the year 2006. The Programme ensures guaranteed employment of 100 days to rural poor

with minimum wages as prescribed by the respective state governments. The primary objective of the scheme is to augment wage employment. This is to be done while also focusing on strengthening natural resource management through works that address causes of chronic poverty like drought, deforestation, and soil erosion and thus encourage sustainable development. The MGNREGA was notified in 200 districts in the first phase with effect from 2 February 2006 and then extended to an additional 130 districts in the financial year 2007-8. The remaining districts with rural areas were brought under the Act with effect from 1 April 2008. Till now the progress has been good in terms of number of households provided employment, average wages per person days, and percentage share of women and SC/STs in total person days generated.

Though MGNREGS has created employment to the rural unskilled youth for few days, the real benefits are still to be tapped i.e. there is no such scheme to provide employment to the skilled, educated and trained youth in rural areas.

Need for Agrarian Reforms

Agriculture plays an important role in rural economy but the sector is still not lucrative from the point of view of investment and employment. Rural youth are more interested in going to cities for acquiring necessary skills for getting jobs in companies or corporate sector. This trend seems to be good but if the same youth force is stopped in the rural areas with creation of more opportunities in agriculture sector then the problem of unemployment and increasing urbanization can be solved easily. The growth target of agriculture has been set at merely 4%, which is not so motivating. The investment in agriculture and allied activities requires attention of the government and the corporate as well since the rural economy contributes about 50% to the national economy and rural market constitutes about 720 million consumers.

There is a strong need to convert the agrarian economy into resource based value added economy by way of creation of viable business models linking agriculture production to the commercial usage, entrepreneurship development of rural youth to start their own venture in rural areas confining to the requirement of rural consumer needs and involvement of NGOs, community in identifying, mapping and tapping of local resources.

Promotion of Human Capabilities and Urban amenities in Rural Areas

Health, infrastructure, banking, insurance, education and other social services are key to

development of rural economy. Efforts should be made to provide the accessibility of these services in rural areas and migration of large population may be reduced by adopting PURA (Provision of Urban Amenities in Rural Areas) model as suggested by former President of India Dr.A.P.Abdul Kalam. The Union Minister for Rural Development Sh. Jairam Ramesh also observed while inaugurating the multi-crore project in Tamil Nadu that "the scheme would go a long way in uplifting the rural areas of the country. The purpose of the model is to PURA envisages holistic and accelerated development of compact areas around a potential growth centre in a grama panchayat, through a public private partnership (PPP) framework. It is aimed at providing livelihood opportunities and urban amenities to improve the quality of life in rural areas."

Conclusion

Rural economy has its crucial role in development of India for achieving the planned target of faster, more inclusive and sustainable growth. Rural population has a major chunk in the overall population of India but the decadal growth in urban areas is higher than the rural area which is a cause of concern. It is estimated that 12.2% of the world's consumers live in India and rural households comprises of 70 % of the total households, thereby acquiring a rural consumer market of about 720 million people. Though the income level and consumption pattern of rural people has gone significantly in the recent past, there have been increasing trends of shifting and migrating population from rural to urban areas which need to be controlled. The growth and development of rural regions can be ensured with the policy focusing on the issues of identifying, mapping and encashing of rural resources, exploring the possibilities of sustainable agricultural practices, tapping the potential of rural youth in entrepreneurship catering to rural market needs, creation of viable business models for rural people with a strong linkage between rural and semi urban areas, capacity enhancement of rural youth in various skills required to augment the employment opportunities in rural regions and the vicinity and making agriculture an attractive career option by providing enough funding and investment.

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GRAMIN BHANDARAN YOJANA

M.V.S. Prasad

It is well known that the small farmers do not have the economic strength to retain the produce with themselves till the market prices are favourable. There has been a felt need in the country to provide the farming community with facilities for scientific storage so that wastage and produce deterioration are avoided and also to enable it to meet its credit requirement without being compelled to sell the produce at a time when the prices are low. A network of rural godowns will enable small farmers to enhance their holding capacity in order to sell their produce at remunerative prices and avoid distress sales. Accordingly, Gramin Bhandaran Yojana, a capital investment subsidy scheme for construction / renovation of rural godowns was introduced in 2001-2002.

The main objectives of the scheme include creation of scientific storage capacity with allied facilities in rural areas to meet the requirements of farmers for storing farm produce, processed farm produce and agricultural inputs; promotion of grading, standardization and quality control of agricultural produce to improve their marketability; prevention of distress sale immediately after harvest by providing the facility of pledge financing and marketing credit; strengthen agricultural marketing

infrastructure in the country by paving the way for the introduction of a national system of warehouse receipts in respect of agricultural commodities stored in such godowns and to reverse the declining trend of investment in agriculture sector by encouraging private and cooperative sectors to invest in the creation of storage infrastructure in the country.

The project for construction of rural godowns can be taken up by individuals, farmers, groups of farmers/ growers, firms, non-Government organizations (NGOs), Self Help Groups (SHGs), companies, corporations, co-operatives, federations and agricultural produce marketing committees in the country.

Location

Under the scheme, the entrepreneur will be free to construct godown at any place, as per his/her commercial judgment except that it should be outside the limits of Municipal Corporation area. Rural godowns constructed in the food parks promoted by the Ministry of Food Processing Industries shall also be eligible under the scheme for assistance.

Size

Capacity of a godown shall be decided by an entrepreneur. However, Subsidy under



the scheme shall be restricted to a capacity of minimum 100 tonnes and maximum 30,000 tonnes. Rural godowns of smaller size upto 50 tonnes capacity will also be eligible for subsidy under the scheme as a special case based on viability analysis. In hilly areas, rural godowns of smaller size upto 25 tonnes capacity will also be eligible for subsidy.

Conditions for Scientific Storage

Godowns built under the scheme shall be structurally sound on account of engineering considerations and functionally suitable to store the agricultural produce. The entrepreneur may obtain a licence to operate the godown, if required by the State Government concerned, under the State Warehousing Act or any other relevant laws. The rural godowns of 1,000 tonnes capacity and more should get accreditation from Central Warehousing Cooperation (CWC).

Credit Linked Assistance

Subsidy under the scheme is linked to institutional credit and will be available to only such projects as are financed by commercial banks, Regional Rural Banks, state cooperative banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), Urban Cooperative Banks etc. Loan to the entrepreneurs from banks for the construction of godowns would carry an adequate long-term repayment period.

Assistance under the scheme shall be available on capital cost of construction of godown including the cost of allied facilities like boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown.

Pledge Loan Facility

The farmers keeping their produce in the godown shall be eligible to avail pledge loan on hypothecation of their produce. The terms and

conditions governing pledge loans, rate of interest, period of pledge, amount etc. will be as per the guidelines issued by RBI/NABARD and as per normal banking practices followed by the financial institutions.

Subsidy

Rate of subsidy shall be:-

- (a) 33.33% of the capital cost of the project for SC/ST entrepreneurs and their cooperatives and in case of projects located in North - Eastern States, hilly areas subject to a maximum ceiling on subsidy of Rs.3.00 crores.
- (b) 25% of the capital cost of the project to all categories of farmers, agriculture graduates and cooperatives subject to a maximum ceiling on subsidy of Rs.2.25 crores.
- (c) 15% of the capital cost of the project to all other categories of individuals, companies & corporations etc., subject to a maximum ceiling on subsidy of Rs.1.35 crores.
- (d) 25% of the capital cost of the project for renovation of godowns of cooperatives with assistance from NCDC.

Capital cost of the project for the purpose of subsidy under the scheme shall be calculated as follows:

- a) For godowns up to 1000 tonnes capacity - project cost as appraised by financing bank or actual cost or Rs.3500/- per tonne of storage capacity, whichever is lower;
- b) For godowns exceeding 1000 tonnes capacity - project cost as appraised by bank or actual cost or Rs.1500/- per tonne of storage capacity, whichever is lower.

Subsidy shall be released through NABARD for projects financed by commercial, cooperative banks and RRBs. It will be kept in the Subsidy Reserve Fund Account of the financing bank and shall be tax free.

[The author is Joint Director, PIB, Chennai With inputs from the Ministry of Agriculture.]

GOLDEN FIBRE MAKING INROADS INTO ROAD CONSTRUCTION

Rohit Kapoor

The first thing when we hear about coir comes to our mind is traditional items like mats, baskets and ropes, but it is not the case anymore.

With the changing times and growing charm for eco-friendly products, the golden fibre is finding new applications and is also being preferred in road construction.

With increasing deforestation affecting the environment, the biodegradable geotextiles is being used in the construction of roads.

The major reasons for increased use of the natural fibre are sustainability and cost-effectiveness.

Coir (coconut fiber) geotextiles are a popular solution for erosion control, slope stabilisation and bioengineering, due to the fabric's substantial mechanical strength.

Classified as woven, meshes, nets and non-wovens,, it lasts about 3 to 5 years depending on the fabric weight. It also degrades into humus, thus, enriching the soil.

Coir Geotextiles when used on the soft soil for construction of village roads have been found to perform very well as reinforcement, filter, drainage and separation materials in comparison to the conventionally used materials like synthetics, cement, lime, etc.

The National Rural Roads Development Agency (NRRDA) has approved Central Coir Research Institute (CCRI) as a nodal institute for application of Coir Geotextiles in construction of rural roads.

Indian Roads Congress (IRC), New Delhi has also given the accreditation for the use of Coir Geotextiles in the roads for a period of 2 years with effect from 18 April, 2011.

For the evaluation of its effectiveness, inter-alia a collaborative project has been initiated by the Central Coir Research Institute with the National Institute of Technology, Calicut with the in-principle approval of the Airports Authority of India.

The government has already decided to use coir geo-textiles for construction of rural roads in nine states, under the Prime Minister's Gram Sadak Yojana (Bharat Nirman). In the future, the project is likely to be extended to all 28 states of the country.

Given the popularity of the golden fibre in construction of roads, the coir industry may face problems in catering to the huge likely demands unless adequate measures are taken by the industry to have a decentralised production infrastructure to cater to the huge requirements.

One of the solution to this could be by taking advantage of the Anugraha loom developed by the CCRI as the technique will come handy for development of production infrastructure for manufacturing it.

With the initiatives of the Coir Board, coir sector today is a supplier of geotextiles. The Board



is a statutory body established by the government under a legislation enacted by the Parliament namely, Coir Industry Act 1953, for the promotion and development of coir industry in India.

To promote this segment, the Board has also established a testing laboratory for coir geotextiles at the Central Coir Research Institute, Kalavoor.

Geotextiles made out of coir are ideally suited for low-cost applications because coir is available in abundance. Therefore, there is enough scope to enhance the application. Coir fibers resemble the wood fibres in terms of physical properties and chemical composition.

The geotextiles and its related products have many applications and currently support many civil engineering applications including roads, airfields, railroads, embankments, retaining structures, reservoirs, canals, dams, bank protection, coastal engineering and construction site silt fences.

Usually geotextiles are placed at the tension surface to strengthen the soil. It is also used for sand dune armoring to protect upland coastal property from storm surge, wave action and flooding.

Besides, it promotes new vegetation by absorbing water and preventing top soil from drying out. The golden fibre is a 100 per cent organic naturally occurring fiber from a renewable source obtained from coconut husk.

The advantage of the coir is that it is not only hard but strongest among all natural fibers, which can be spun and woven into different types of mattings.

Alleppey (Alappuzha) is the nerve centre of Kerala's famous coir industry where one can see coconut husks being beaten into fibre for making beautiful mats and other coir products.

Both men and women are actively involved in the production of coir in Kerala. The women are mainly involved in the yarn spinning sector and the men in the product-weaving sector. Coir Industry enjoys the status as the largest Cottage Industry in Kerala, giving employment to over a million people.

Indian coir industry has been fortunate to get a boost in the form of the ever increasing awareness about eco-protection. The eco-friendly quality of coir will help it to hold its ground even as it battles competition from synthetic fibres in today's developing world.

The coir Industry in India has a strong position in the export orientation since several decades.

However, the pattern of exports and its product mix has changed drastically. With more emphasis on value-added products, the coir sector witnessed a significant change in the total volume and value of exports.

At present, coir and its products from India are exported to more than 80 countries and the US is the single largest market with a share of more than 40% in the total export. European countries together share more than 41 % of the exports.

However, the sector has been confronted with a number of problems such as lack of access to timely and affordable credit, absence of innovative channels of financing, low-level of technology adoption, poor brand building and marketing, low-level of innovation and low penetration of ICT to name a few.

During the 12th Five-Year Plan, the coir sector has a vision of acquiring new dimensions by way of following broad interventions :-

Creation of husk collection banks is essential, to ensure optimum utilisation of raw-material. Once it is set up, the present utilisation level of coconut husks at 40% could be enhanced to 60%.

Modernising the traditional processes of spinning and weaving by eliminating drudgery and facilitate women to operate the machines.

Enhancement of the present insurance scheme for providing compensation for accidental death and partial/permanent disabilities along with introducing a new scheme for health cover to coir workers to be undertaken.

The technologies/machinery items developed by the research institutes to be demonstrated and transferred to the grassroots level of the coir industry through appropriate extension work.

Technological interventions to be made through appropriate schemes for upgradation of quality of coir and its products.

Certification of Eco-Mark to be obtained for coir and its products, besides promoting it widely in the international market.

Coir Mark Scheme to be strengthened by extending the coverage of the scheme to the entire range of coir products consigned to the domestic market.

(PIB Features.)

AGRICULTURE-A SWOT ANALYSIS

First in livestock population, 18% of world's cattle population with 13% of world's total milk production is contributed by India. No doubt production is highest but the productivity of 987 Kg/year is the least as compared to world average of 2200 Kg/year.

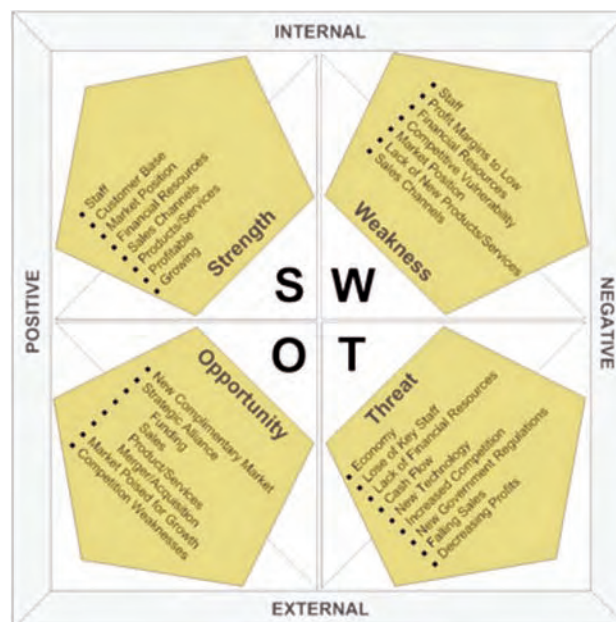
Parveen Kumar, M.S. Nain

After nearly four decades of globally acclaimed phenomenal increase in food grains production, termed as Green revolution, Indian agriculture is once again at cross roads. Despite a plethora of schemes at the national and state level, the agricultural growth rate is still at 1.76%, well below the half way mark of 4% set up by NDC to achieve a double digit growth rate of 10%. Agriculture is becoming non remunerative and if farmers are not getting enough money to be encouraged to stay in agriculture, it would be ridiculous to come up with a binding legislation on food security.

SWOT analysis is a strategic planning method used to evaluate the Strengths, Weaknesses, Opportunities, and Threats involved in any venture. The technique is credited to Albert Humphrey, who led a convention at Stanford University in the 1960s and 1970s using data from Fortune 500 companies. A SWOT analysis helps us to identify the strengths, weaknesses, opportunities and threats to the agriculture sector thereby enabling the policy makers and the scientific community to continuously reorient themselves to the prevailing conditions.

Strengths: These are the characteristics of an enterprise that give it an advantage over the others

Weaknesses: These are the characteristics that place it at a disadvantage relative to others.



Opportunities: These are the external characteristics that can be exploited to get maximum advantage for the enterprise.

Threats: These are also the external elements in the environment that could cause trouble for the enterprise

(A) STRENGTHS OF INDIAN AGRICULTURE

Agriculture sector is contributing 14% of Gross



Domestic Product and 60% of population is dependent directly or indirectly on it for their livelihood.

A fourfold increase in food grains production as compared to threefold increase in population (from 50 million tons in 1950 to 230 million tons in 2010)

The country has the second largest area under cultivation.

Highest area under irrigation 55.8 million hectare China has 54.5 million hectare under irrigation and United States has 22.4 million hectares under irrigation.

Third in food grains production

We are the world's largest user of fertilizers (11% of world's dosage).

First in livestock population, 18% of world's cattle population with 13% of world's total milk production is contributed by India. No doubt production is highest but the productivity of 987 Kg/year is the least as compared to world average of 2200 Kg/year.

First in production of Pulses

Second in production of Cereals like Wheat

Second in production of Vegetables; next to China

We are third in terms of farm mechanization.

It was the strength of our agriculture that we were hardly hit by the global recession a couple of years back that bankrupted many economies of the world

(B) WEAKNESSES

(a) **Low Yields:** our weakness lies in having more or less stagnant yields that are lower than most of other countries as illustrated in Table 1

Table 1: Yield of Major crops in India

S.No	Crop	Yield (q/ha)
1	Rice	22
2	Wheat	28
3	Oilseeds	11
4	Pulses	6.5

The yield is far less than the yield of most of

developed countries. Indian wheat yield stagnated at 28 q/ha while those of most wheat producing countries was 64 q/ha. Similarly rate of growth of rice production in India is far lower than most of Asian countries. Our per capita availability of Pulses is back to seventies level. The per capita availability of pulse was 32.6 grams/day in 2004-05 which was just half of per capita availability of 60.7 grams per day in 1960-61 (Kumar, *et.al*). Although, the production is the highest yet the productivity of 6.5 q/ha is lower than best of the countries which produce 18 q/ha.

(b) **Low value addition and Food processing:** Food processing and value addition are the sunrise sectors which have the potential to generate lot of employment opportunities in rural areas. Unfortunately we in India have only 2% of value addition and 6% of food processing. This is much lower when compared to the Thailand having 30% food processing, Brazil having 70%, 78% in Philippines and 80% in Malaysia.

Table 2: Level of processing in different items

S. No	Item	Level of processing (%)
1	Fruits and Vegetables	2
2	Milk	35
3	Marine products	8
4	Poultry	6
5	Meat	21

(Source: An Overview of Indian food Processing Industry)

(c) **Post Harvest losses:** Due to low processing levels in the country there is a considerable amount of wastage of agricultural and horticultural produce. As per a study conducted by the Central Institute for post harvest engineering and Technology, post harvest losses in 2009 were to the tune of rupees 44,000 crores (Daily Excelsior).

(d) **Food wastage:** What can be more shocking that food grains worth crores of rupees had to be sold to the farmers as manure for just 14 paisa par Kg.? The reason, water from river Ghaggar in Haryana had entered the grains

which were stored in open and spoiled the grains. This is the height of things, a country having record production of food grains have millions of peoples going to bed without two square meals a day. This is attributed to the poor management by Food Corporation of India and one of the causes why we have been put by International Food Policy Research institute (IFPRI) Washington at 66th position out of 88 In the Global Hunger Index (Kumar.2010). All this makes it urgent to look for alternatives such as Food stamps.

- (e) **No access to modern technology:** Sixty percent of the country's population has no access to modern technology. They still rely on the traditional methods of agriculture having no linkages with any institution or industry. We talk of green revolution, evergreen revolution but what we need is a trickledown revolution so that innovations reach the farming community. The technology is of no use unless and until it reaches those for whom it is intended. For those standing in the last of queue, we have to ensure the last mile delivery of extension services.

(C) THREATS

(a) Size of Holdings

Table 2: Average size of holdings

Year	Size of Holding (acre per person)
1970	0.94
2000	0.56
2050 (Projected)	0.15

The arable land has shrunk from 0.94 acre per person in 1970 to 0.56 acre per person in 2000 and going by the rate the population is increasing it is projected to decrease to 0.15 acre per person. Such small holdings create problems in performing farm mechanization operations and make farming non remunerative

(b) Land Degradation

More than 5 billion tonnes of soil is washed every year taking with it 6 million tonnes of

nutrients. A look at Table 3 reveals that threat of land degradation looms large over Indian agriculture. Presently 93.7 million hectares of land is under threat of water erosion, 9.5 m ha under wind erosion, 14.3 m ha under water logging, 5.9 m ha from soil salinity, 16 m ha from soil acidity and 7.4 m ha from other types of threats. This puts the total area under land degradation to 146.8 m ha i.e. more than the total cultivable land.

Table 3: Land Degradation due to various sources

S. No	Source	Area (m ha)
1	Water erosion	93.7
2	Wind erosion	9.5
3	Water logging	14.3
4	Salinity	5.9
5	Acidity	16.0
6	Others	7.4
7	Total	146.8

(Source: NBSS&LUP)

(c) Crop loss due to weeds, insect and diseases

S. No	Source	Crop loss
1	Weeds	37
2	Insects	29
3	Diseases	22
4	Others	12

(Source: Shivay and Rahal, 2011)

A considerable portion of our production is lost due to weeds, insects and other diseases. Weeds account for 37% of total loss, insects account for 29% of total loss, Diseases account for 22% of the loss whereas other factors such as temperature humidity account for 12% of total loss.

(d) Low seed replacement ratio

In India still those varieties are used which were developed 20-30 years ago. We have a low seed replacement ratio of 20-25%. There is a close relationship between good quality seed and the yield.

Quality seeds can increase yield by 25-30%. There is a need to rejuvenate the seed sector by producing more quality seeds by National Seeds Corporation and State seed corporations.

Table 4: Percentage Hybrid seeds used in different crops

S. No	Crop	%age Hybrid seed used
1	Cotton	80
2	Maize	55
3	Bajra	80
4	Sunflower	100
5	Rice	3

While the percentage is excellent in case of crops like cotton Bajra and Sunflower it needs to be increased in case of Maize. The most worrying aspect is the case of rice where it is only 3%. Use of hybrids from 3% to 25% in case of rice can contribute additional 25 million tonnes of rice to the total production.

(e) Climate Change: Climate change is also another important threat hanging like a domicile's sword over Indian agriculture. Climate change is expected to increase dry lands by 11%. Due to Global warming the average temperature has increased. It has affected the yield of major crops. A 1^oc increase in the temperature will reduce the duration of wheat and rice in north and western India by a week. This will result in reduction of rice yield by 4 to 5 quintals per hectare (Sinha and Swaminathan, 1991). In Northern parts of country in December, the day temperature has risen from 14^o c to 20^oc and night temperature has increased from 4^o c to 7^o c has reduced the wheat yields in Northern parts of the country especially in Haryana from 4106 Kg per hectare in 2000-01 to 3937 Kg per hectare in 2003-04. Climate change would also result in the emergence of new insect pests besides reducing the milk yield in cattle and affecting fruit crops such as Apples in Himachal Pradesh and Jammu and Kashmir.

(f) Declining Interest in Agriculture: A survey by National Sample Survey Organization (2005) reveals that 41% of farmers want to leave agriculture if any other option was available. Even in agriculturally progressive state like Punjab 37% of farmers wants to quit agriculture. Definitely the percentage must have risen high now. 95% of farming community has no access to microfinance and insurance. 56% still borrow from informal sources and 70% has no deposit account in Banks. Crop insurance also covers only 4-6% of farmers. Youths are not interested in agriculture. This is because agriculture is not economically rewarding and intellectually stimulating. A December 2012 report of the Institute of Applied Manpower Research (IAMR) a part of the planning commission on an average 2,035 farmers are losing main cultivators status every single day for the last 20 years. Census 2011 also shows that we now have 95.8 million cultivators for whom farming is their main occupation and this number is down from that was 103 million in 2001 and 110 million in 1991. Between 1981 and 1991 the number of cultivators (main workers) actually went up from 92 million to 110 million. The huge decline comes after post 1991.

MANPOWER/ YEAR	1981	1991	2001	2011
CULTIVATORS	92.5	110.7	103.6	95.8
LABOURERS	55.4	74.5	63.4	86.1
TOTAL AGRICULTURAL WORKERS	148.0	185.2	167.1	182.0

(Source: The Hindu, May 2, 2013)

(D) OPPORTUNITIES:

(a) Rain fed Agriculture: With agriculture growth reaching near saturation in irrigated ecosystems, as evident from the stagnation in productivity of different crops, the hope of further increase in Food grains production rests with rain fed areas. About 60% of agricultural land is rain fed which can be exploited for getting high yields

of coarse cereals. The crux of food security lies in these rain fed areas. Emphasis should be laid on strengthening Research and Development in dry land areas to enhance their productivity and income.

(b) Diversification: Land being already a limiting factor and no more horizontal expansion possible, the situation calls for vertical expansion by integration of food crops with allied enterprises like Apiculture, Floriculture, Sericulture, Horticulture and Vegetables etc. We have enough scope in Floriculture. The state of Himachal Pradesh earned rupees 11 crore by selling flowers in the Common Wealth Games. Similarly Goatry is another highly remunerative enterprise with a high benefit cost ratio.

(c) Organic Farming: It avoids the large scale use of synthetic fertilizers, pesticides, growth regulators and solely depends upon the use of on-farm and off-farm use of crop residues, animal wastes, green manures and biological pest control to maintain soil productivity.

The philosophy is to feed the soil rather than crops to maintain soil health (Chhonkar and Dwivedi, 2004). It is an answer to the chemical intensive agriculture that has already led to the degradation of our natural resources. In India, about 528,171 hectare area is under organic farming with 44,926 numbers of certified organic farms. This accounts for about 0.03% of total agricultural area. Indian organic farming industry is estimated at US \$ 78 million and is entirely export oriented (Gautam and Bhardwaj, 2011). Organic farming can be used in rain fed areas where there is a limited use of fertilizers. The states of Madhya Pradesh and Uttaranchal have been declared Organic states. Other states are also following the suit. India has urban consumer market of about 300 to 400 million peoples in a position to utilize the commodities produced by practicing organic farming.

A survey by National Sample Survey Organization (2005) reveals that 41% of farmers want to leave agriculture if any other option was available.

(d) Sleeping Giants: At the same time there is urgent need to exploit the so called 'sleeping giants' of Indian agriculture, the eastern Uttar Pradesh, West Bengal, Orissa, Chhattisgarh and Madhya Pradesh. All these are the 'potential green revolution' areas

(e) Food Processing Sector: This is the sunrise sector. The average growth has doubled from 7% in 2004 to 14% in 2010. Food processing sector has a huge potential. Provision of efficient supply chains and processing infrastructure can do miracles in terms of employment generation and creation of productive assets in rural areas. Mega foods park (MFP's) scheme, a flagship scheme of the ministry of food processing facilitates establishment of a strong infrastructure backed by efficient supply chains. MFP's have the potential to revive the agriculture in surrounding areas by increasing returns for farmers, besides creating large employment opportunities in rural areas.

(f) Agri-Clinics and Agri-business Scheme: The Government of India launched the scheme in April 2002 with an aim to provide self employment opportunities to unemployed agriculture graduates by transforming them into entrepreneurs who would then supplement the extension efforts and will be job providers instead of job seekers. By March 2010 a total of 22,158 agricultural graduates were trained under ACABC scheme and 7986 ventures were established (Gowda *et.al*, 2010). The scheme has all the potential in contributing significantly in making agriculture intellectually stimulating and economically rewarding thus attracting and retaining more youth in agriculture.

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TERMITES USE IN ECOSYSTEM

Ansu Abraham

The pest management literature depicts termites as “pests”. But actually, they are the builders of the soil, aptly known as ‘soil engineers’.

Everything present on the earth is useful to human beings. But we always see termites as a nuisance to plants. They are often branded as enemies in agriculture. The pest management literature depicts termites as “pests”. But actually, they are the builders of the soil, aptly known as ‘soil engineers’. They create a huge amount of space in the soil that helps in improving the availability of air and infiltration of water into the soil. They are also used as food and feed, and have medicinal value. There is no doubt that some species cause significant damage to crops, trees, and structural timber. But the ecological literature demonstrates their crucial role in ecosystems, as they play a beneficial role through promotion of essential ecological processes. The ongoing interest in sustainable agriculture and food security highlights the need for a more balanced approach to termite control and maintenance of their ecosystem services. This article tries to put forth the importance of termites to human beings, especially in agriculture.

Myth behind Termite Attack

Termites are considered as intolerable pest around the world. Every year we use many tons of agrochemicals to manage these insects with little success. Many people think that termites would kill a plant or tree, which is a myth. Actually they eat away a plant while it is struggling to dry away due to lack of moisture. It is like mercy killing. They graze only on dead bark of the tree which otherwise could have encouraged fungus growth during rainy season. In reality, the termite hill built up with their saliva moistened mud is not only fertile but also a very good antibiotic. Many use this termite hill mud for bathing and shaving. The natives and traditional healers of Chhattisgarh use these termites both as medicine and food. Here, the natives collect the termite queen and sell it in local markets at fair rates. In many African countries, it is applied in the pit before planting saplings as because of its fertility.



Various Termite Species

Termites are a large and diverse group of insects consisting of over 2600 species worldwide. They belong to the order Isoptera. On the basis of nesting behaviour two types are found – soil nesting termite species including mound building species and subterranean species, and non-soil nesting species i.e. tree nesting species. Termites are reported from all zoogeographical regions of the world, but most of the termite species are known from the tropics. With over 660 species, Africa is by far the richest continent in termite diversity. Most of the known genera and those species that damage crops, trees, and rangeland belong to the family Termitidae. This family consists of four subfamilies: Macrotermitinae, Nasutitermitinae, Termitinae, and Apicotermitinae. Although the exact number of pest species is not known, it is estimated that only less than 20% of members of the family Termitidae are serious pests (Pomeroy et al. 1991).

Uses of Termites

Conserves Ecosystem

It must be noted that the pest activity is a part and parcel of the termite's beneficial role in various ecosystems. Various studies in South Africa shows that Macrotermitinae collect up to 60% of the grass, woody material, and annual leaf fall to construct the fungus gardens in their nests. This translates to 1.5 tons of litter removal per hectare every year, which leads to a dramatic reduction in "fuel load" and fire intensity, while at the same time preserving nutrients in termitaria beyond the reach of fire. By breaking down up to 100% of the litter fall and mineralization of up to 50% of the net primary production, termites influence ecosystem services such as nutrient cycling and biomass production. From this viewpoint, termites are beneficial for the functioning of forest and savannah ecosystems. Termites also play a significant role in the availability of nutrients and water to crops and trees, and hence the productivity of agricultural ecosystems (Black and Okwakol 1997). There is also evidence of a role in the N-cycle, especially symbiotic nitrogen fixation, which may be the primary contribution of

some of the associated microbes, rather than the degradation of lignocellulose.

Helps in Land Management

The combined effect of organic matter depletion due to overgrazing, continuous cultivation, and adverse climatic conditions has resulted in severe soil degradation. Water runoff on these soils will be also very high. In this situation, sometimes the use of heavy machinery becomes inappropriate, may be due to the high cost of this technology, or due to the weak structure of certain soils. But the presence of termites may help to increase the aeration and fertility of the soil. The termites open many burrows through the sealed surface of the soil. Throughout the soil profile, they create big pores with irregular shapes and different diameters. Soil structure, aggregation and other physical properties will slowly improve. To invite termites, applying mulch is a more sustainable and affordable option for farmers. Mulch application triggers termites to rework the soil and refill it with life (Normally, termite species attracted by dry mulch will not destroy fresh crops in the field. The termite species that destroy crops are mainly root feeders whose occurrence does not depend on mulch application).

Helps in Water Retention

Literature indicates that termite mound soils generally have high clay content, enhancing water storage capacity. When termite mound soil is spread on low water retention capacity soils, it results in a higher soil moisture content and improved crop growth. The plant biomass and grass growth near termite mound will be high due largely to accumulation of runoff water at the base. Not only could this lead to increased productivity during dry years, but it could also make it possible for plants to survive intense drought.

An indicator for soil fertility and water availability

Subsistence farmers largely base their nutrient-management strategies on their perception of niche fertility. Within field variability of soil properties creates

niches that farmers perceive as essential to their farmers. Termites, specifically the Macrotermitinae, create such niches and in most cases help farmers to reduce risks of crop failure. Thus, farmers use termites as biological indicators of soil fertility status. Traditional soil classification is also based on termite presence or absence among some communities. In Chhattisgarh, the farmers of forest areas choose new land for cultivation by observing the Termite mound. The height of mound is considered while selecting the land for tuber and seed crops. It is common belief in Chhattisgarh that the presence of Termite Mound in any land, indicates the presence of sufficient amount of ground water (Oudhia P, 2003). If they found termite mound and koha tree in the same land, they never leave it without cultivation.

Termites as Fertilizer

Farmers in many tropical countries have traditionally used soil from termite mounds as fertilizer, but this practice was abandoned when subsidized inorganic fertilizers became available all over. Farmers apply termite mound soil to the field where they plant maize, soybeans, cowpeas and other local cereals and legumes. They do this once every three years. Literature shows that termite mound soils have high levels of calcium, phosphorus and organic matter, which also contribute to better crop development, especially on the poor soils. Various studies show that plants also take up nutrients very easily from termite mound soil. In Africa, termite soil is proving a viable option to local farmers who can not afford to buy expensive inorganic fertilizers. While taking the mound, they make sure that they leave the base intact so that the colony is not destroyed. Most research shows that termitaria contain significantly higher concentrations of total nitrogen (N) and exchangeable cations than the surrounding area. In addition, soil from termitaria has other positive effects on crops such as suppression of weeds (Andrianjaka et al. 2007).

Termites as Alternative Fuel

Scientists and several companies are currently experimenting with using termites to convert wood, corn stalks and other plant waste into ethanol in an effective and economic way. The hope is that through

the study of a termite's unique digestive processes and selected microbes, pollution-free energy may be developed to help solve the world's imminent energy crisis. The United States is investing hundreds of millions of dollars in alternative fuels, part of it being spent on termite research (Evans C. 2007). A termite's intestines take indigestible cellulose, which makes up the bulk of all plant material grown on earth, and convert it to ethanol, a versatile and popular fuel. The US already subsidizes farmers to grow corn for ethanol, but the process isn't carbon-neutral or safe for the environment. But termites can convert 95% of what they consume into energy within 24 hours by using the bacteria and protozoa that inhabit their digestive tracts. Supporters of alternative energy sources believe that energy companies may be able to produce ethanol easily and inexpensively through the use of termites.

Termites as Medicines

The investigation reports of termite mounds and nearby soil extracts collected from three different sites of South India, describes the antibacterial activity of *Odontotermes formosanus*. In Chhattisgarh, a few species like *Microtermes* sp: *Odontotermes* sp; *Coptotermes* sp. and *Trinervitermes* sp. is the dominant species. In this place, over 550 traditional healers are aware of various medicinal uses of Termite queen. The natives and healers are aware of these uses and using it in their regular practice. Now many enthusiastic young Homoeopaths of Chhattisgarh are trying to prepare a drug from Termite queen. They have submitted a research project for the clinical trials. In southern parts of Chhattisgarh, the soil from termite mound is given in very small quantity to the pregnant woman to assure safe delivery. According to the healers, its use helps in making the complexion of new born, fair. The soil is also used as veterinary medicine, in treatment of many common diseases particularly in Foot and Mouth (F & M) disease (Oudhia P, 2003).

Termites as Food

The literature reviewed indicated that farmers have extensive knowledge of the value of termites in human nutrition. The alates, queen, and soldiers

(Contd. on page 45)

ASHA THE NEW HOPE OF HEALTH CARE DELIVERY IN RURAL INDIA

Dr. H. R. Keshavamurthy

Awareness about health care programmes and facilities is the essence for the success of any health care initiative which is closely linked with human development. The Government launched the *National Rural Health Mission* in 2005 to provide accessible, affordable and quality health care to rural population. One of the key components of the Mission is to provide every village with a trained female community health activist called ASHA or Accredited Social Health Activist.

ASHA is selected from the village itself and is accountable to it. ASHA acts as a bridge between the ANM and the village. She is accountable to the Panchayat. She is an honorary volunteer, receiving performance-based compensation for promoting universal immunization, referral and escort services for RCH, construction of household toilets and other healthcare delivery programmes. She facilitates preparation and implementation of the Village Health Plan along with Anganwadi worker, ANM, functionaries of other Departments and Self Help Group members.

ASHA works as an interface between community and the public health system. ASHA is the first port of any health related demands of deprived sections of the population, especially women and children who find it difficult to access health services in rural areas. ASHA programme is expanding across states and has been successful in bringing people back to public health system, increasing the utilisation of out-patient services, diagnostics facilities, institutional deliveries and in-patient care.

ASHAs are central feature of National Rural Health Mission (NRHM) community based health care delivery. They are widely accepted as the most visible face and one of the most successful components of NRHM. Till date more than 8.85 lakh ASHA workers have been selected, trained and deployed across the country. ASHAs perform the role of facilitation, activism and community level care. Their work includes counselling on improved health practices and prevention of illness

and complications and appropriate curative care or referrals for pregnant woman, newborn, ill children as also for malaria, tuberculosis and other conditions. Other than this, ASHAs have also been engaged in the social marketing of products such as sanitary napkins and spacing contraceptives. To enable ASHAs to perform these roles, most states have established the institutional structures required for training and support. What more needs to be done is strengthening these structures to perform effectively.

ASHAs are effective in reaching about 70 percent of the population with their services but a substantial 30 percent still remain unattended. A training booklet has been disseminated to state governments to help ASHA in reaching marginalised populations in her area. Incentive package for ASHAs has been increased and payments are being streamlined.

ASHA facilitators are an integral part of the ASHA programme and are to be deployed before the selection of ASHA. An intensive induction training programme of 23 days in 5 episodes is given to the ASHA worker. After a period of six months of her functioning in the village she is sensitised on HIV/AIDS issues including Sexually Transmitted Diseases, Reproductive Tract Infections, prevention and referrals. She is also trained in new-born care. The Central Government bears the cost of training, incentives and medical kits. The remaining is funded through central assistance given to state governments under this programme. Over 7.99 lakh ASHAs have been provided drug kits so far. These kits contain Generic AYUSH and allopathic formulations for common ailments which are replenished from time to time. Most states are also in the process of distributing an equipment kit to ASHAs for providing home-based new-born care.

An evaluation study commissioned by the Planning Commission has revealed that more than 65 percent beneficiaries are visited by ASHA

once in 15-30 days. 80 percent beneficiaries have confirmed delivery of free drugs by ASHA. 65 percent beneficiaries have opted for institutional delivery and 60 percent of women availed antenatal care services in government facility proving the significant role of ASHA in motivating pregnant woman for utilisation of antenatal care from public health care facilities. 56 percent of couples reported use of contraception of which 88 percent availed from government health counters.

ASHA has also played an important role in educating patients from the households visited by them to go for treatment of chronic diseases in public health institutions instead of private health facilities. Evaluation study has also pointed out the need to improve payment of compensation to ASHAs and also to provide advance money for emergency transport.

The new initiatives are:- Establishing an ASHA database in all states; Introducing a system for outcome monitoring; Introducing handbook for ASHA facilitators; and Setting up ASHA grievance redressal mechanism.

In a separate evaluation study in Madhya Pradesh, Uttar Pradesh and Uttarakhand it has been pointed out that there is a great urgency to speed up establishment of support structures and implementation of the programme. All these states will benefit a great deal while having a skilled ASHA at the community level to promote maternal, newborn and child health and family planning.

(PIB Features)

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of some species in the subfamily Macrotermitinae are eaten across most of Africa. Local people easily tell the edible termites from those unsuitable for consumption. Consumption of soil from termitaria is common among the nutritionally vulnerable populations, especially children and pregnant and lactating women. Among the positive health benefits during pregnancy are improved maternal calcium status, improved foetal skeletal formation and birth weight, reduction in pregnancy-induced hypertension, and decreased risk of embryonic

exposure to teratogens and loss of nutrients through emesis (Wiley and Katz 1998).

Termites as Poultry Feed

The poultry farm owners are using the winged termites as feed. The owners collect the winged Termites using light traps and use it as poultry feed. They informed that the poultry birds are fond of this seasonal dish and for their health it is good (Oudhia P. 2003).

Termites as Diet for Animals

Termites form the major dietary component of many animals, including invertebrates and vertebrates. It is the most nutritionally important insects in the diet of chimpanzees and gorillas. It forms a major source of food for many amphibians, reptiles, birds, and mammals. In addition, many animals including birds, reptiles and mammals nest in termitaria. Termitaria usually act as grazing and browsing hotspots for herbivores. Therefore, indiscriminate use of pesticides on termitaria may put the health of animals at risk.

Conclusion

Many local communities have comprehensive indigenous knowledge of termite ecology and taxonomy. Many communities also have elaborate knowledge of the nutritional and medicinal value of termites associated with termite nests. In addition, farmers use termites as indicators of soil fertility, and use termite mound soil in low-risk farming strategies for crop production. But the termite control measures adopted under the present farming system is harming the environment. Considering the many uses, the management of termites in future should be built on farmers' indigenous knowledge and adequate understanding of the ecology of the local termite species. There is also a need for scientific investigation into the various indigenous uses. Unfortunately, we have yet not started work on this important aspect.

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DISASTER MANAGEMENT UNDER DECENTRALISED GOVERNANCE

Dr. Mahi Pal

Disasters are common throughout the world. India is also vulnerable to a number of natural, as well as, man-made disaster on account of its unique-climate and socio-economic conditions. It is highly vulnerable to floods, droughts, cyclones, earthquakes, landslides, avalanches and forest fires. Out of 35 States and UTs in the country, 27 (77%) are disaster prone. Almost 59 per cent of the landmass is prone to earthquakes from moderate to very high intensity; over 40 million hectares (12 per cent of land) are prone to floods and river erosion. Of the 7,516 km long coastline, close to 5,700 km is prone to cyclones and tsunamis; 68 per cent of the cultivable area is vulnerable to drought and hilly areas are at risk from landslides and avalanches.

No doubt, there is institutional arrangement for disaster management provided by the Disaster Management Act, 2005(hereafter referred to DMA) which gave the constitutional sanction to constitute National Disaster Management Authority (NDMA) under the chairmanship of Prime Minister. Similarly, State Disaster Management Authorities in the State/ UTs under the chairmanship of Chief Minister or Lt Governor or Administrator and District Disaster Management Authority under the chairmanship of District Magistrate in each District are constituted. DMA also seeks to constitute Disaster Response Fund

& Disaster Mitigation Fund at the national, state and district levels. This shows the existence of elaborate arrangement for disaster management.

However, challenge before us is to ensure the role of local democratic institutions like panchayats and municipalities in disaster management. This paper argues that the sustainable solution of the disaster to a great extent depends on integrating the risk management planning into the development planning of the country with the participation of vulnerable groups emerging from the grassroots. How can Panchayats and Municipalities perform this task is discussed here?

Desired Role of Panchayats in Disaster Management Act, 2005

The local governing institutions (i.e. Panchayats and Municipalities) are so marginalised that they have been reduced to 'local authority' from institutions of self - government. The expression "local authority" in the Chapter IV of the Disaster Management Act(DMA) shows that no thought was given to the 73rd and 74th amendments while piloting this Bill. The Articles 243G of the 73rd Amendment Act and 243W of the 74th Amendment Act have not only made these bodies as institutions of self government, but



also made them democratically elected bodies. Local authorities are those bodies which are dominated by nominated civil servants and not by community. On the other hand, Panchayats and Municipalities are elected bodies by local community and answerable to local community through the institution of Gram Sabha (village Assembly or equivalent body in urban areas) comprising all voters.

Hence, in the light of elevated role given by the constitution to these institutions, these bodies are to be designated as institutions of self government. It is surprising to note that the 73rd and 74th Amendments to the Constitution were enacted more than a decade before the DMA came into existence even then the provisions of these Acts have not been reflected in the DMA. There are ample evidences to show that local self- governing institutions have played critical roles in the tsunami affected Tamil Nadu and Kerala, cyclone- ravaged Orissa, flood affected Bihar and earthquake affected Gujarat.

Further, the Chapter IV of the DMA refers to formation of District Disaster Management Authority (DDMA). Zila Parishad Chairperson will be the co-chairperson of DDMA while the Collector, District Magistrate or Deputy Commissioner shall be the chairperson of this body. While Prime Minister and Chief Minister chair the National and State level Disaster Management Authorities respectively. Taking the same principle chairperson of the Zila Parishad should head the district level disaster management authority because they are also elected by people and have organic linkages with elected representatives of Block and Gram Panchayat bodies as well as with villagers.

Participation of Vulnerable Groups in the Disaster Management through Panchayats

If we see the outcome of disasters, we find that economically and socially deprived segment of

the population namely, women, Scheduled Castes, Scheduled Tribes, suffer the most. Hence, it would be desirable if these sections of the community are involved in the decision making of various activities both in pre-disaster phase comprising prevention, mitigation and preparedness and post-disaster phase comprising response, rehabilitation, reconstruction and recovery. Panchayats and municipalities provide adequate space to these segment of society in disaster management. Here, numbers of elected representatives of SCs, STs and women have been given to show the strength of these sections in local bodies. Panchayati Raj system has three tier structure namely Gram Panchayat at lowest level, Panchayat Samiti at intermediate level and Zila Panchayat at district level. The space provided to SC, ST and women is shown in the table given below:

It may be seen from table-1 that adequate space have been provided to these segment of society under local self- governance system in the country. For example, at Gram Panchayat level, out of total elected representatives more than 5 lakh are from SC category, more than 3 lakhs from ST category and about 10 lakh are women. At Block level, 32779 from SC category, 11510 from ST category and 58112 are women. At District level, 2699 are from SC category, 1691 from ST category and 5763 are women. Putting all category together, about 5.5 lakh are from SC category, 3.35 lakh from ST category and 10.48 lakh are women working as Panchayat leaders at different levels of the Panchayati Raj system in the country.

This is the level of participation of vulnerable section of rural community in rural governance. Their share in the Municipalities is in addition to that mentioned above. Representatives of these categories also hold the offices of the chairpersons and vice-chairpersons in these bodies. Thus, elected representatives of these categories will take care of marginalized groups and also the entire community

Table -1
Representation of SCs, STs and Women on three tiers of the Panchayati Raj Institutions

(Figures in Nos.)

Institutions	SC	ST	General	Women	Total
Gram Panchayats	506385	321464	1850334	984273	2678183
Panchayat Samiti	32779	11510	113684	58112	157973
Zilla Prishad	2699	1691	11193	5763	15583
Total	541863	334665	1975211	1048148	2851739

Source: State of the Panchayat Report, 2008-09, Ministry of Panchayati Raj.

in pre-disaster phase comprising prevention, mitigation and preparedness and post-disaster phase comprising response, rehabilitation, reconstruction and recovery.

Shift from Relief-centric Approach to Development oriented Plan under Panchayati Raj System

In order to solve the problem of risk management on sustainable basis the relief - centric approach of Disaster Management has to be integrated into development planning of the country. The Panchayati Raj Institutions provide institutional arrangement for solving at least manmade disasters on continuous basis. Article 243 G of the Constitution says that Panchayats prepare plan for economic development and social justice and while doing so they may also take into account the 29 subjects listed in the 11th Schedule of the Constitution. This list contains varieties of subjects such as agriculture, animal husbandry, construction of roads, implementation of poverty alleviation and rural development programmes, education including technical education, welfare of women, children and weaker section including disabled, public distribution and maintenance of community assets. In urban area, Panchayats' counterparts Nagarpalikas as per Article 243W of the Constitution also prepare plan for economic development and social justice including 18 subjects listed in the 12th Schedule of the Constitution. This list, among others, contains subjects of urban planning, fire service, welfare of weaker sections, sanitation, urban forestry, urban amenities, etc.

Further, Article 243ZD of the Constitution says that there shall be constituted a District Planning Committee at the district level in every state to consolidate the plans prepared by the Panchayats and the Municipalities in the district and to prepare a draft development plan for the district as a whole. In the composition of the Committee, not less than four-fifths of the total number of members of such Committee shall be elected representatives of Panchayats and Municipalities.

Every District Planning Committee (DPC) while preparing the draft development plan also take into account of common interest between the Panchayats and the Municipalities including spatial planning, sharing of water and other physical and

natural resources, the integrated development of infrastructure and environmental conservation. It will also look into the extent of financial or otherwise resources available.

It is clear from above discussion that Panchayats in rural area, Municipalities in urban area will prepare plans for economic development and social justice and the plan so prepared shall be consolidated at district level by DPC taking into account, among others, environments issues. Hence, the Panchayats and municipalities and DPC should have been given principal role in pre and post disaster management activities. It was expected that in view of the reality of the situation, these bodies will be empowered to do the activities which integrate relief to development planning these institutions are expected to prepare at their respective levels.

Besides, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) has made Panchayats principal authorities for planning and implementation of its activities. Permissible activities under the Act are to be decided on participatory bottom-up planning by Panchayats which is an additional avenue for mainstreaming disaster risk reduction into development planning. Under the Act permissible activities are aimed at conservation and preservation of water and land resources, which are very relevant in averting disaster management in a practical way. Panchayati Raj Institutions and Gram Sabha also provide ideal platforms for convergence which seek to efficiently utilize, manage and conserve natural resources including soil and water at local level on sustained basis.

No doubt, for carrying out such a task, the capacity building of these institutions has to be enhanced both at institutional level in terms of infrastructural accessibility like Panchayats offices, availability of personnel & accessibility of technology and at operational like building their capacity as how to blend disaster plan with development plan of the village, block and district) levels. Role of the National Institute of Disaster Management is crucial in this regard.

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