



## Chapter 13

# Rural Development

Himachal Pradesh can be classified into two distinctive zones on cultural grounds. The first one is inhabited by tribes or semi-nomadic, semi-agricultural and semi-pastoral people living in the great Himalayas. The districts of Lahaul and Spiti, Kinnaur, Upper Shimla, Upper Kullu, remote areas of Sirmaur, Chamba and Kangra districts fall in this zone. The people of these areas are an admixture of the Indo-Aryan or Mongolian stock. These are Kinnaures, Lahules, Gaddis, Gujars, Lambas, Khampas, Bhots, Pangwalas and Swanglas. The other zone consists of the outer Himalaya or the Shivalik and mid-Himalaya. The people of this zone have much in common with the people of the plains of Punjab and Haryana. The caste patterns, value systems and traditions are also similar to those of Punjab and Haryana. The main caste groups in Himachal Pradesh are Rajputs, Brahmins, Kanets, Kulindas, Girths, Raos, Rathis, Thakurs, Kolis, Holis, Chamars, Darains, Rehars, Chanals, Lohars, Baris, Dagsis, Dhakhis, Turis, Batwals and some groups like Jats, Lubanas, Sainis, Nais, Jhiwars, Chimpas, etc. The tribals can be categorised as Gaddis, Gujars and Bhots. These castes are further classified as general castes, the Scheduled Castes, Other Backward Castes and the Scheduled Tribes.

The rural society of Himachal Pradesh has its own identity and psyche regarding traditions, culture and heritage. Therefore, within the overall rural development strategies, there has to be an explicit recognition of its identity. At the time of its formation in 1971, Himachal Pradesh was an economically backward rural state (93 per cent rural population in 1971). Its rural population was deprived of basic amenities such as health, education and drinking water. Rural infrastructure, i.e., rural roads, electricity, housing, transport, banking and market network, was also very poor. Almost half the rural households were living below the poverty line.

To accelerate the pace of economic development and significantly improve the standard and quality of living of rural people, the government of Himachal Pradesh took bold steps to improve their socio-economic condition. The government incorporated new policy initiatives and programmes in its budgets. New strategies were evolved to;

- a) Raise farm productivity
- b) Create the much needed rural infrastructure
- c) Empower families below the poverty line by enlarging the scope of the programmes of poverty alleviation and welfare of women, the Scheduled Castes and Scheduled Tribes
- d) Expand education and health facilities
- e) Promote institutional finance
- f) Upgrade technical skills
- g) Strengthen rural institutions such as *panchayats*, co-operatives and others.

Successful implementation of various plans made a dent in rural poverty. Much improvement has taken place in the provision of basic amenities and building up rural infrastructure.

The government of Himachal Pradesh has chalked out its planning strategies mostly on the lines followed by the central government. The state government in its document on the Tenth Five Year Plan (2002-07) and the Annual Plan (2002-03) has strategically defined areas, which need to be addressed and require the highest attention. These areas are

- Improvement of financial position of the state
- Proper utilisation of its hydro-power generation potential

- Breaking stagnation of agriculture and horticulture
- Development of tourism
- Provision of safe drinking water
- Connectivity to all villages
- Tackling the unemployment problem
- Introduction of information technology in educational and technological institutions

The contribution of Himachal Pradesh to India's Net Domestic Product (NDP) in 2000-01 (at current prices) was estimated at 0.62 per cent only. According to the census of 2001, while nearly three-fourth of India's population lived in villages, in Himachal Pradesh more than four-fifths of the people live in rural areas. Almost one-fourth of the state's NDP comes from agriculture and allied sectors. It shows the weak position of the primary sector of the economy, since, a majority of the population lives in the rural areas and depends on agriculture. However, agriculture is of a subsistence nature and is unable to shape the level of living of the rural people. In this situation, the non-farm rural sector, with its forward and backward linkages can become an integral part of rural development in the state. But it has not received much attention. As a result, a sizeable number of the people of rural areas, especially the youth, are migrating to urban centres, inside and outside the state, in search of livelihood. To stop the migration of the rural unemployed, it is essential to create better socially acceptable employment opportunities by developing non-farm activities in the rural areas. To stop this trend, the basic facilities are required to be utilised properly, wherever these exist, and to be developed where these are non-existent. There is need for mobilising and involving the community in the proper maintenance of the available facilities at the local level under Panchayati Raj Institutions.

There is need for better co-ordination between government departments, non-government organisations, Panchayati Raj Institutions and private institutions to explore better opportunities of employment. The corporate sector can play a leading role by bringing in resources, new technology, modern management and extension services, which can create employment opportunities in the non-farm sector by training them for the required jobs. For example, Himachal Pradesh was a land of some rare handicrafts, and these goods were exported to overseas markets. In course of time, handicrafts such as *Pattus* (sheep wool shawls), *Thobis* (goat hair items), *Kasida* (embroidery goods) and silver

ornaments have almost vanished and the artisans have abandoned this skill-based vocation. In the present era of liberalisation, such distinctive works can be revived through technical and managerial intervention. The people can be trained in these indigenous skills through modern techniques.

Keeping in view the development that has taken place in the past plan periods, much more remains to be done to improve the quality of life in the rural areas. Himachal Pradesh, with 90.2 per cent of its population in the rural areas, according to the 2001 census (Table 13.1), has a sizable deprived population consisting of marginal farmers, landless labourers besides Scheduled Castes, the Scheduled Tribes and other Backward Castes. This component of the population has to be brought into focus for uplift with special emphasis on their skill upgradation, removal of unemployment and vertical growth to acquire productive assets for better living on a sustainable basis. Sector-wise allocation of funds during different plan periods shows that the main stress has been on social services, energy, transport and agriculture (Table 13.2)

TABLE 13.1  
Rural Urban Population in Himachal Pradesh

Year	Total Population (in lakh)			Percentage of Total Population	
	Total	Rural	Urban	Rural	Urban
1971	34.60	32.78	2.42	93.0	7.0
1981	42.81	39.55	3.26	92.4	7.6
1991	51.71	47.55	4.49	91.3	8.7
2001	60.77	54.82	5.95	90.2	9.8

Source: Census of India.

For an integrated development of such a rural economy, the development of physical as well as social infrastructure has an important role as it directly contributes to employment generation and asset creation. A better network of physical infrastructure facilities (well-built roads, rail links, irrigation, power and telecommunications, information technology, market-network, processing of horticulture and vegetables produce, cold chain system and social infrastructure support, viz, health and education, water and sanitation, veterinary services and co-operatives) is essential for the development of the rural economy. Tables 13.3, 13.4, 13.5 and 13.6 highlight inter-district disparities with regard to some of the basic development indicators.

Himachal Pradesh has comparatively better rural infrastructure facilities, such as cent per cent rural

**TABLE 13.2**  
**Plan-wise Expenditure under Different Heads in Himachal Pradesh (Fifth Plan to Tenth Plan)**

(Rs. in lakh)

	<i>Fifth 1974-78</i>	<i>Annual 1978-79</i>	<i>Annual 1979-80</i>	<i>Sixth 1980-85</i>	<i>Seventh 1985-90</i>	<i>Annual 1990-91</i>	<i>Annual 1991-92</i>	<i>Eighth 1992-97</i>	<i>Ninth 1997-2002</i>	<i>Tenth* 2002-07</i>
Agriculture programme	26.02	25.42	27.47	15.81	19.63	18.43	20.98	13.91	11.63	11.67
Co-operation and community development	1.09	1.57	1.87	—	—	—	—	—	—	—
Water, irrigation and power	26.60	21.42	22.68	—	—	—	—	—	—	—
Industry and mining	3.53	3.43	3.28	3.08	3.22	2.93	3.46	2.47	1.47	1.02
Transport and communication	22.73	24.47	21.40	17.81	14.78	13.37	14.94	12.56	14.10	15.90
Social services	—	—	—	—	—	—	—	—	40.68	47.51
Misc	—	—	—	—	—	—	—	—	—	—
Rural development	—	—	—	4.67	3.71	3.46	3.81	3.34	3.92	4.03
Irrigation and flood control	—	—	—	5.85	5.39	6.55	6.39	4.24	4.02	4.40
Spec area programme	—	—	—	0.08	—	—	—	—	0.25	—
Energy	—	—	—	26.97	26.55	18.04	12.92	18.89	16.03	12.21
Social and community services	16.72	21.69	20.82	22.44	—	—	—	—	—	—
Scientific services and research	—	—	—	0.03	0.07	0.10	0.21	0.14	0.09	0.06
Economic services	0.08	0.10	0.06	0.12	—	—	—	—	—	—
General services	2.22	1.89	2.42	3.14	2.13	2.08	1.88	2.40	1.62	1.03
General economic services	—	—	—	—	1.80	3.98	4.41	7.39	6.18	2.17
Edu, sports, art and culture	—	—	—	—	7.41	10.20	11.79	13.00	—	—
Health	—	—	—	—	3.28	3.90	4.85	4.65	—	—
Water supply, housing urban development and sanitation	—	—	—	—	10.61	13.63	12.47	14.91	—	—
Information and publicity	—	—	—	—	0.25	0.27	0.56	—	—	—
Welfare of SCs/STs/OBCs	—	—	—	—	0.42	0.35	0.27	—	—	—
Labour and labour welfare	—	—	—	—	0.08	0.12	0.11	—	—	—
Social welfare	—	—	—	—	0.66	2.58	0.95	2.10	—	—
<b>Total</b>	<b>(100)</b> <b>16214.10</b>	<b>(100)</b> <b>6810.17</b>	<b>(100)</b> <b>7945.36</b>	<b>(100)</b> <b>66471.40</b>	<b>(100)</b> <b>132474.75</b>	<b>(100)</b> <b>37762.92</b>	<b>(100)</b> <b>40482.00</b>	<b>(100)</b> <b>34990.05</b>	<b>(100)</b> <b>789672.00</b>	<b>(100)</b> <b>1030000.00</b>

Source: Five Year Plans and Annual Plans.

Statistical Abstracts of Himachal Pradesh, various issues.

Note: \* - Plan outlay.

**TABLE 13.3**  
**District-wise Selected Socio-economic Indicators in Himachal Pradesh**

<i>Districts</i>	<i>No. of Inhabited Villages (1995-96)</i>	<i>% of SC Popu. (1991)</i>	<i>% of ST Popu. (1991)</i>	<i>Sex Ratio (2001)</i>	<i>Density of Popu. % sq. km. (2001)</i>	<i>% Age of Main Workers in Total Popu. (2001)</i>	<i>Work Participation Rate (2001)</i>	<i>Male Work Participation Rate (2001)</i>	<i>Female Work Participation Rate (2001)</i>	<i>% Age Workers Engaged in Non- Agri. Activities</i>	<i>% Age of BPL Households, to Total Households (1998-99)</i>
Bilaspur	950	28.82	2.70	992	292	32.52	48.95	52.31	45.56	14.44	26.63
Chamba	1144	19.75	28.35	961	71	27.88	50.04	53.98	45.94	13.12	61.72
Hamirpur	1617	23.68	0.06	1102	369	29.34	49.90	51.06	48.85	14.18	24.17
Kangra	3620	21.17	0.14	1027	233	25.20	44.04	50.84	37.41	16.01	24.07
Kinnaur	228	26.87	55.58	851	13	50.79	60.54	65.62	54.78	18.85	26.57
Kullu	172	29.93	3.61	928	69	43.96	57.05	60.63	53.20	12.11	19.00
Lahaul & Spiti	272	7.11	76.97	804	2	57.88	63.50	68.39	57.43	28.78	37.93
Mandi	2818	28.98	1.21	1014	228	29.89	50.44	52.69	48.23	13.07	24.73
Shimla	2311	27.13	0.71	898	141	42.19	51.19	57.46	44.20	16.81	33.67
Sirmaur	965	30.18	1.61	901	162	38.38	49.30	56.49	41.32	12.73	22.89
Solan	2348	31.27	0.64	853	258	34.57	52.70	61.32	42.60	22.63	27.44
Una	552	22.46	0.01	997	291	26.60	45.03	53.02	37.01	16.74	19.06
<b>H.P.</b>	<b>16997</b>	<b>25.35</b>	<b>4.22</b>	<b>970</b>	<b>109</b>	<b>32.36</b>	<b>49.28</b>	<b>54.70</b>	<b>43.69</b>	<b>-</b>	<b>27.59</b>

Source: Statistical Abstract of Himachal Pradesh, various issues.

Census of India, Himachal Pradesh, 2001.

TABLE 13.4  
Distribution of Total Rural Workers (2001)

Districts	Cultivator	Agricultural Labour	Worker in Household Industry	Other Workers
Bilaspur	71.67	1.77	1.57	24.99
Chamba	76.88	0.66	1.17	21.22
Hamirpur	73.29	1.44	1.23	24.04
Kangra	59.15	6.90	3.25	30.70
Kinnaur	66.67	2.20	1.81	29.32
Kullu	80.58	2.64	1.17	15.61
Lahaul & Spiti	53.11	1.57	0.47	44.85
Mandi	75.92	1.40	1.38	21.30
Shimla	77.75	2.96	1.12	18.17
Sirmaur	76.45	2.57	1.09	19.89
Solan	64.45	3.14	1.22	31.19
Una	60.33	5.82	1.94	31.90
<b>H.P.</b>	<b>70.43</b>	<b>3.29</b>	<b>1.71</b>	<b>24.57</b>

Source: Census of India, Himachal Pradesh, 2001.

TABLE 13.5  
Percentage of Workers and Non-workers in Total Population (2001)

Categories	Total Workers	Main Workers	Marginal Workers	Non-Workers
Total	49.28	32.36	16.92	50.72
Male	54.70	43.30	11.40	39.30
Female	43.69	21.08	22.61	56.31

Source: Census of India, Himachal Pradesh, 2001.

electrification, public distribution system and households using separate kitchens (Table 13.7). However, there are inter-district disparities in the accessibility of basic facilities.

In the present economic situation, agriculture and rural development, especially agriculture and allied activities, are now poised for a paradigm shift. The core factors that can bring forth tangible transformation are:

- Development of rural infrastructure, such as roads, power and communications for generating more employment opportunities at the local level
- Development of village and cottage industries and agro-processing industries
- Skill upgradation through research and extension and information technology so that the rural people especially the youth can design means for their own betterment
- Minimising social differences through collective participation in rural development activities; developing common programmes for village uplift and minimising economic and gender disparities in the rural society

To meet future challenges, It is now felt that rural transformation can be hastened through the effective

TABLE 13.6  
District-wise Physical, Social and Economic Indicators in Himachal Pradesh

Districts	% of Geographical Area (sq. km) of the State (2001)	% of Popu. to Total Popu. of State* (2001)	% of Holdings in Total no. of Holdings (1991)	% age of Area in Total Area (in hec)	% of Crime Rate (2001)	% of Panchayats in Total Panchayats (2001)	% of Backward Panchayats (2001)	% of Agri Cooperative Societies in Total (2001)	% of Telephone Connection in Total (2001)	% of Road Length in Total (2001)	% of Primary School in Total (2001)	% of Govt. Employee in Total (2001)	% age of Bank Offices in Total (2001)	% of Below Poverty Line Households in Total of State (1998-99)
Bilaspur	2.10	5.61 (10)	5.63	5.27	8.28	4.48	2.66	3.50	4.21	4.61	5.54	5.09	5.42	6.10
Chamba	11.72	7.58 (5)	7.47	5.67	5.66	8.89	30.47	6.19	3.60	10.14	10.16	6.63	6.97	16.48
Hamirpur	2.01	6.78 (8)	8.01	7.66	5.69	7.08	2.66	10.45	7.21	4.43	4.76	5.96	6.97	7.05
Kangra	10.31	22.02 (1)	26.03	20.97	17.48	24.10	3.48	28.37	17.55	16.05	16.85	19.00	19.61	22.36
Kinnaur	11.50	1.38 (11)	1.12	1.43	1.14	2.04	-	1.65	1.56	3.78	1.78	2.24	2.32	1.01
Kullu	9.88	6.25 (9)	6.61	4.43	7.11	6.32	14.72	5.91	6.94	4.62	6.55	4.98	6.06	4.00
Lahaul & Spiti	24.85	0.55 (12)	0.46	0.64	0.98	1.35	-	2.46	0.12	3.88	1.97	1.59	1.03	0.85
Mandi	7.09	14.82 (2)	15.83	12.98	14.53	13.90	24.13	10.12	13.39	16.12	16.17	12.81	12.77	14.68
Shimla	9.22	11.82 (3)	10.44	12.60	15.84	10.90	14.72	8.09	22.50	13.83	15.20	21.88	15.74	11.10
Sirmaur	5.07	7.54 (6)	5.22	10.26	6.85	7.21	5.32	5.58	5.26	8.88	9.04	6.69	6.32	4.69
Solan	3.48	8.22 (4)	5.74	9.17	8.93	6.52	1.23	7.61	11.84	8.58	7.10	7.02	10.06	6.27
Una	2.77	7.34 (7)	7.44	8.91	7.51	7.21	0.61	10.12	5.82	5.08	4.89	6.16	6.71	5.40
<b>H. P.</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>(55673)</b>	<b>(6077248)</b>	<b>(863437)</b>	<b>(999099.68)</b>	<b>(15516)</b>	<b>(3037)</b>	<b>(469)</b>	<b>(2115)</b>	<b>(225103)</b>	<b>(26373)</b>	<b>(10633)</b>	<b>(123626)</b>	<b>(775)</b>	<b>(286112)</b>

Source: Various Statistical Abstract of Himachal Pradesh.

Note: \* Figure in the parenthesis are ranking of the districts according to population

TABLE 13.7  
Rural Infrastructure in Himachal Pradesh

	Rank	States Having Better Ranks
Percentage of household having <i>kutcha</i> houses	8	Bihar, UP, MP, Orissa, North-east, West Bengal and Kerala
Households using separate kitchens	2	Kerala
Using toilets	5	North-East, Kerala, West Bengal and Punjab
Electricity	1	Nil
Piped water	1	Nil
Protected water	9	Eight other states
Households using PDS	3	Tamil Nadu and Kerala
Population below poverty line (rural)	3	Orissa and West Bengal
Proportion of total H.H. income spent on education	1	Nil

Source: India Human Development Report, 1999, NCAER.

TABLE 13.8  
Caste-wise Distribution of Male and Female Representatives of  
Gram Panchayats in Total Wards of Twelve Districts of Himachal Pradesh

Districts	Male					Female					Grand Total
	General	S.C.	S.T.	B.C.	Total	General	S.C.	S.T.	B.C.	Total	
Bilaspur	454	115	12	-	581	230	139	12	-	381	<b>962</b>
Chamba	472	221	286	-	979	316	72	177	-	565	1544
Hamirpur	676	213	-	-	889	338	106	-	-	444	1333
Kangra	2319	777	-	-	3096	1080	256	-	-	1336	4432
Kinnaur	-	70	152	-	222	-	36	92	-	128	350
Kullu	499	151	28	-	678	262	193	3	-	458	1136
Lahaul & Spiti	-	1	122	-	123	-	23	59	-	82	205
Mandi	1091	354	2	-	1447	780	444	21	-	1245	2692
Shimla	919	255	-	-	1174	466	336	5	-	807	1981
Sirmaur	583	272	10	-	865	304	142	6	-	452	1317
Solan	552	260	5	-	817	265	158	2	-	425	1242
Una	642	215	-	-	857	411	87	-	-	498	1355
<b>H.P.</b>	<b>8207</b>	<b>2904</b>	<b>617</b>	-	<b>11728</b>	<b>4452</b>	<b>1992</b>	<b>377</b>	-	<b>6821</b>	18549

Source: Panchayati Raj Department, Himachal Pradesh, Shimla.

implementation of the multilevel decentralised system, as envisaged in the New Panchayati Raj System, which has Constitutional authority to plan and implement programmes for rural development.

### Rural Development and Panchayati Raj

*Panchayats* have been in existence since time immemorial. In the ancient period, the *Panchayats* generally functioned as informal institutions to solve intra-village and sometimes inter-village feuds, and organised forums for village-level social development and cultural functions.

In Himachal Pradesh, the *Panchayati Raj* system was established in a statutory form in 1954 under the Himachal Pradesh Panchayati Raj Act-1952. After the reorganisation of the state on 1 November 1966, the 1952 Act was replaced by the Himachal Pradesh Panchayati Raj Act 1968, incorporating the major

recommendations of Balwant Rai Mehta Committee and a two-tier system was established in the state.

With the passage of the 73rd Constitutional Amendment Act, 1992, the Himachal Pradesh Panchayati Raj Act, 1994, came into force on 23 April 1994, in place of the Himachal Pradesh Panchayati Raj Act, 1968. New rules were framed under new Act. Simultaneously, the State Election Commission and the State Finance Commission were also constituted. The two-tier *Panchayati Raj* system, namely *Gram Panchayat* and *Panchayat Samiti*, gave way to the three-tier system. First elections to the *Panchayats* were held in December 1995.

The second general elections to the PRIs were held in December 2000, and in the scheduled areas in June 2001. At present there are 3037 *Gram Panchayats*, 75 *Panchayat Samitis* and 12 *Zila Parishads* with 24623, 1658 and 251 members respectively (Tables 13.8 & 13.9).

TABLE 13.9  
Panchayati Raj Institutions in Himachal Pradesh - A Glance

Particulars	Male					Female					Total Male & Female
	General Castes	Schedule Castes	Backward Castes	Tribal Castes	Total	General Castes	Schedule Castes	Backward Castes	Tribal Castes	Total	
Ward Members of Gram Panchayat	8207	2904	-	617	11728	4452	1992	-	377	6821	18549
Panchayat Samiti Members	663	282	76	72	1098	330	155	42	35	560	1658
Zila Parishad Members	98	41	11	14	164	48	24	8	7	87	251
Pardhans of Panchayat	1233	501	147	130	2011	615	270	77	64	1026	3037
Chairpersons Panchayat Samitis	29	12	3	4	48	15	7	2	3	27	75
Zila Parishad Chairpersons	5	2	-	1	8	1	1	1	1	4	12

Source: Panchayati Raj Department, Himachal Pradesh, Shimla.

The 73rd Constitution Amendment Act, 1992, has enabled the PRIs to assume the role of self-governing institutions at the micro level of the administration for decentralised planning and management. It provides an arrangement for the association of rural voters, both men and women, in governance by managing the local affairs in a more meaningful manner that conforms to local wishes and aspirations. This constitutional status of PRIs has also empowered women, the Scheduled Castes and the Scheduled Tribes in the position of chairpersons by providing reservation.

The Himachal Pradesh *Panchayati Raj Act, 1994* gives greater importance to the *Gram Sabha*. A minimum of four general meetings on the first Sundays of January, April, July and October have been made mandatory and the family has been made the unit for determining the quorum of *Gram Sabha* meetings. For every ward, an *Upgram Sabha* has also been constituted, which must meet twice in a year to discuss local issues and to suggest viable solutions. It will also nominate 15 per cent of the families for the general *Gram Sabha* meeting, and one-third of the participants shall be women. The *Gram Panchayats* and *Panchayat Samitis* shall prepare development plans for their areas, which will be consolidated at the *Zila Parishad* level and submitted to the District Planning Committee (DPC). For efficient functioning of the PRIs, rules have been framed for setting up standing committees at all the three levels. Besides this, administrative and judicial powers have also been delegated to the *panchayats*.

#### Delegation of Powers and Functions

The state government devolved powers, functions and responsibilities relating to 15 departments, namely Agriculture, Animal Husbandry, Ayurveda, Education, Food and Supply, Forest, Health and Family Welfare,

Horticulture, Industries, Irrigation and Public Health, Public Works, Revenue, Rural Development and Social and Women's Welfare, to the PRIs on 31 July 1996. These powers relate mainly to planning and execution and monitoring of schemes.

The government has empowered the *Gram Panchayats* to enquire and give reports on grassroot level government functionaries, such as peon, bailiff, constable, head constable, *chowkidar*, patrol of the irrigation department, forest guard, *patwari*, vaccinator, canal overseer, *gram sewak*, *gram* watcher and *panchayat* secretary. The *panchayats* are also empowered to hear and decide cases relating to minor offences under the Indian Penal Code (IPC). In reality, the *Gram Panchayats* have been delegated powers only to report on the physical attendance of grassroots level functionaries such as *patwaris*, forest guards, school teachers, water carriers, water guards and *panchayat* secretaries in their assigned areas of work.

The other important delegated functions are:

- *Gram Panchayats* are empowered to hear and decide cases relating to minor offences under the IPC.
- *Gram Sabhas* have been empowered to consider and make recommendations and suggestions to *gram panchayats* in respect of the annual statement of accounts, and other related issues.
- Constitution of vigilance committees of the *Gram Sabha* to supervise the works, schemes and other activities of the *Gram Panchayat*.
- Delegation of powers to the *Gram Panchayats* to execute works up to the value of Rs. 50,000 without any external sanction and development works costing up to Rs. 5 lakh to be executed by the *Gram Panchayat*.

TABLE 13.10

## Recommendation of First State Finance Commission

(1996-97 to 2000-01)

Devolved Functions	Grants	Taxes
I. Delegated functions of:	= 3750.00	
(1) Agri Deptt		1) Raise resources through taxes and levies
(2) Animal Husbandry		2) Fix minimum and maximum cash tax to be levied in the rural areas.
(3) Agurveda & Homeopaths		
(4) Education		
(5) Fishery		
(6) Forest		
(7) Health & Family Welfare		
(8) Horticulture		
(9) Industry		
(10) Irrigation & Public Health		
(11) Public Works		
(12) Rural Development		
(13) Social & Women Welfare		
II. Rural Infrastructure Maintenance Corpus	= 1280.00	
(1 per cent of the capital cost of assets)		
<b>Total</b>	<b>= 5030.00</b>	<b>= 1758.88</b>

- The *Panchayat Samitis* are supervising the implementation of Indira Awaas Yojana.
- The *Zila Parishads* will evaluate all poverty alleviation programmes and coverage of women, SC, ST and BPL families under these programmes.
- *Gram Panchayats* shall prepare micro-plans proposing development intervention which will be approved by the *Gram Sabha*.
- Formation of seven standing committees, namely Public Works Committee, Health and Welfare Advisory Committee, Village Education Committee, Forest Committee, Agriculture Production Committee, Irrigation and Public Health Committee and Food, Civil Supply and Consumers Committee.

### Financial Devolution

The District Planning Committees (DPCs) have been constituted by the state government in all districts and ministers of the state government have been designated as chairpersons of the DPCs. For empowering the PRIs and to make them financially sound, the state government has accepted most of the recommendations of the First Finance Commission. The Commission recommended the devolution of functions involving an expenditure of Rs. 5030 lakh for a period of five years from 1996-97 to 2000-01 (See Table 13.10). In its recommendations, the commission has suggested that the state government should consider fixing the maximum rates for each tax. The state government has

allowed the *Gram Panchayats* to levy taxes, fees and duties in their areas subject to the maximum rates of such taxes specified by the government. The Second Finance Commission was constituted on 25 May 1999. According to the recommendations of the First State Finance Commission and the Tenth Finance Commission, Rs 8.05 crore is being released to the PRIs annually to discharge the delegated functions. The Eleventh Finance Commission has awarded Rs 1313.38 lakh annually for the period 2000 to 2005. The state government has earmarked an amount of Rs. 57.00 lakh for the construction of *Zila Parishad Bhawans*, Rs. 193.34 lakh to meet the office expenses of all the three tiers of PRIs and Rs. 689.65 lakh for honorarium to be paid to the elected representatives of PRIs. In addition, the state government is also providing a grant of Rs. 561.17 lakh on account of honorariums to *panchayat chowkidars*, *panchayat sahayaks*, tailoring mistresses and junior engineers of the *Panchayats*.

Himachal Pradesh is one of the states of India, which give a monthly honorarium to the elected representatives of PRIs. It gives an honorarium of Rs. 2700, Rs. 1250 and Rs. 750 to the chairpersons of *Zila Parishads*, *Panchayat Samitis* and *Gram Panchayats* respectively. For the vice-chairpersons of all the three tiers, the monthly honorarium is Rs. 1800, Rs. 1000 and Rs. 650 respectively. Members of *Zila Parishads* and *Panchayati Samitis* are given Rs. 1250 and Rs. 750 each as monthly honorarium. Members of *Panchayats* receive an honorarium of Rs 100 per meeting up to two meetings in a month.

TABLE 13.11  
Revenue and Expenditure of Gram Panchayats: Comparison

Particulars	Himachal Pradesh	Punjab
No. of Gram Panchayats	3037	12369
Rural Population per Panchayat	1800	1320
Average No. of Panchayat Members (including Pardhan & Up-Pardhan)	8	7
Revenue		
i) Revenue of (2001-02) (in lakh)	7958	18732*
ii) Revenue per Panchayat (in lakh)	2.62	1.51
iii) Per capita Revenue (in Rs.)	145.00	115.00
iv) Percentage of Revenue Collection		
(a) Taxes	2.19	0.73
(b) Non Taxes	7.57	38.16
(c) Grants-in-aid	9024	61.11
Total	100.00	100.00
Expenditure		
(i) Expenditure (in lakh)	6564	14078
(ii) Expenditure per Panchayat (in lakh)	2.13	1.14
(iii) Per Capita Expenditure (in Rs.)	120.00	87.00
(iv) Percentage of Expenditure on		
(a) Office Expenditure	3.50	2.92
(b) Developmental & Other Activities	96.50	97.00
Total	100.00	100.00

Source: Annual Administrative Report (2001-02) Panchayati Raj Department, HP, Shimla.

Report of the Second Punjab State Finance Commission, Feb 2002, Government of Punjab, Chandigarh.

The financial resources of the PRIs are grants-in-aid from the government, house tax, tax on extraction and export of sand, stone, *bajri* and slates, excise cess, land revenue, water charges, one per cent contingency, interest money, *Teh-Bazari* from shopkeepers, service fees and income from own assets. Data show that only 2.09 per cent of the funds are generated by the PRIs through taxes and almost 90 per cent of the revenue comes from grants-in-aid from the centre or the state government and only eight per cent from other sources (Table 13.11).

The first State Finance Commission has done little to review the fiscal relations and to suggest a way to provide finances to the local bodies. The result has been apathy to implementing the recommendations and that has made the *Panchayats* dependent on resource transfers from the state. That is the reason why:

- Administrative support to the District Planning Committees is not forthcoming from the bureaucratic network. Political support too is not very enthusiastic. Untied funds should be given to the *panchayats* on a large scale so that development works could be started according to the needs of the people.
- Only certain functions, not powers, are being devolved to the *Panchayats*. Thus from the very

beginning, the *Panchayats* have been treated as executing agencies. Even if powers are given to the PRIs, these cannot be brought into effect without a political will.

- Since the officials deputed to PRIs are not put under the direct administrative control of the *panchayats*, the officials working in a bureaucratic network take it for granted that there is no need to share power with the elected representatives of the PRIs.
- Devolution of administrative responsibility to the PRIs without a commensurate devolution of resources may result in limited reforms. Though, the State Finance Commission puts greater emphasis on internal revenue mobilisation, an effective and appropriate mechanism has not been suggested. However, rapid devolution of financial responsibility may create problems of accountability and resort to corrupt practices. Thus, a gradual approach for financial devolution in phases through proper institutional arrangements is appropriate to ensure proper accountability.
- Expenditure assignments need to be more decentralised than revenue collection. Further, greater local accountability and direct visibility of



benefits at the local level encourage greater resource mobilisation. Often, effective decentralisation also fails to mobilise adequate local resources. Therefore, more than resource mobilisation, strengthening of the *Gram Sabha* to prevent misappropriation at the grassroot level is crucial.

- There are growing apprehensions among the leadership of different political parties about the participation as well as development related role of the elected representatives of the PRIs at the lower level, as the leaders may lose their political authority in rural development programmes. Therefore, the test of democratic decentralisation lies in the extent to which members of the *Gram Sabha* will participate in the political process and self-governance.

Moreover, the objectives of the *Panchayati Raj* System could be revitalised by transferring more funds, functions and functionaries as provided in the 73rd Constitutional Amendment Act-1992 and Himachal Pradesh *Panchayati Raj* Act, 1994. In the changed situation, the PRIs will have to be viewed as institutions of local self-government, not as implementing agencies for central and state government programmes, but as institutions that prepare and implement micro-plans. Active participation of women, the Scheduled Castes and Scheduled Tribes has to be ensured in decision-making so as to build, promote and empower a new leadership of these sections. For this, the PRIs will have to be strengthened with clarity about their role, the system of governance, accountability, transparency and interlinkages. Therefore, to strengthen the *Panchayati Raj* system and its institutions, the state must ensure effective transfer of functions, finances and functionaries to the PRIs, empowerment of the *Gram Sabhas*, and strengthening the District Planning Committees. There is also need to integrate the development funds allotted to members of Parliament with the funds of *Zila Parishads*, and to ensure training of all newly elected representatives within a year of their election and to organise refresher courses periodically. All this will add up to building the capacity of the PRIs and their members without which rural development will be slow and remain incomplete.

### *Capacity Building*

#### **Training**

In order to make the representatives aware of their functions, powers and responsibilities, the state

government has decided to impart training to all newly elected office-bearers of the PRIs from the first year of their tenure. Accordingly, office-bearers of *Zila Parishads* and *Panchayat Samitis* are imparted training at the Himachal Institute of Public Administration (HIPA), and members of *Panchayat Samitis* and chairpersons and vice-chairpersons of *Gram Panchayats* at the district level and at the *Panchayati Raj* Training Institutes at Baijnath and Mashobra. Training to the members of *Gram Panchayats* is provided at the block level. The state government has imparted training to one-fourth of the PRIs representatives since the election of these bodies in 2000. Of the 26,532 representatives, 61 per cent of the *Zila Parishads* members, 96 per cent of the *Panchayat Samiti* members, 26 per cent of the *Pardhans* and *Up-Pardhans* and 89 per cent of the *Panchayat* members are still without training.

### *Approaches to Training and Development for Capacity Building*

The *Panchayati Raj* System in Himachal Pradesh is working under the guidelines set by the State *Panchayati Raj* Act. It is imperative to increase and upgrade the knowledge, administrative and technical skills, leadership qualities and governance capabilities of members of PRIs through education, research and training for planning and implementing programmes concerning the 29 subjects mentioned in the Eleventh Schedule. These subjects could further be clubbed into five clusters, viz., *agriculture and allied activities, rural industrialisation, infrastructure development, human development and social welfare; and gender development* (Annexure 1). Once these elected representatives are converted into more effective human resources, they will become the trainers for members of the *Gram Sabhas* (co-ruler in rural governance). This will convert every rural adult into a valuable human resource capable of accelerating the rural development process and its sustainability.

Though, the state government is making efforts to impart training to the representatives of the PRIs, it has not yet developed an integrated or holistic model for rural development. For this there is need for setting up or developing the existing centres for conducting research on issues and problems of the rural society and suggest viable solutions. These centres could impart training and education to representatives of local governance (PRIs), co-operatives (dairy, fishery, forest, floriculture, tourism and processing), *Mahila Mandals*, *Parivar Kalyan Salahkar Samitis*, Youth Clubs and other

TABLE 13.12

**Action Plan for Education, Training and Empowerment of the Elected Representation of PRIs**

Particulars	No. of PRIs	Total No. of Elected Representatives	Proposed No. of Workshops	Expenditure Per Participant (in Rs.)	Total Expenditure Required (in Rs.)
Gram Panchayats	3037	24623	492	1500	3,69,34,500
Panchayats Samiti	75	1658	75	2000	33,16,000
Zila Parishads	12	251	12	2500	6,27,500
<b>Total</b>	<b>3124</b>	<b>26532</b>	<b>579</b>	-	<b>4,08,78,000</b>

Note: Based on CRRID's Training Programme.

stakeholders if any, about their role and responsibilities and also promote appropriate rural technologies and skills for human development. At present, Himachal Pradesh needs a long-term policy for the development of human resources, through education, training and empowerment of grassroot level institutions, especially PRIs, and creation of a congenial socio-economic, institutional and political environment. Himachal Pradesh has two training institutes, at Baijnath and at Mashobra, which cater mainly to the training needs of development functionaries of *Panchayats* and the office-bearers of *Zila Parishads*, *Panchayats Samitis* and *Panchayats*. These are grossly inadequate to meet the training requirements of the elected representatives of *Gram Panchayats*. This conclusion is derived from the experience of CRRID in conducting the training and education workshops for representatives of PRIs in Punjab.

At present, Himachal Pradesh has 24,623, 1658 and 251 members of *Gram Panchayats*, *Panchayats Samitis* and *Zila Parishads* respectively. An estimated sum of Rs. 4 crore will be needed for a one-time training programme (Table 13.12). It is also necessary to build a reorientation-training programme, for which a separate budget should be worked out every year.

#### Course Contents of PRI Training

The *Panchayati Raj* system is meant not only for decentralisation of power and the people's participation but also for accelerating rural development and strengthening the planning process at the micro level. The PRIs have been made responsible for promoting development and social activities, which are listed in the 11th Schedule of the 73rd constitutional amendment. This is an integrated model of economic development with social justice, based on a decentralised planning system. Therefore, for rural development and decentralised planning, proper training of the representatives is necessary. This should include:

- *Panchayati Raj* concept, historical perspective, main features of the 73rd Constitutional Amendment and the Himachal Pradesh Panchayati Raj Act.
- *Gram Sabha* and its role.
- *Gram Panchayat*: powers, functions and responsibilities.
- Power and responsibilities of *Pardhans*, *Up-pardhans* and members of *panchayats*.
- *Gram Panchayat* meetings, quorum, agenda preparation and its circulation, rules and regulations for maintaining discipline and taking decisions.
- Statutory committees and sub-committees.
- Duties and responsibilities of the *panchayat* secretary.
- Rural development, central and state sponsored programmes and schemes.
- Maintenance of records: cashbooks, receipt books and assets created.
- Concern for environmental degradation, especially deforestation.
- Planning, its need and relevance, multilevel decentralised planning process of the village plan, its formulation and implementation.
- Preparation of budget, its approval and execution and resource mobilisation.
- Rules, regulations and procedures for purchases, maintenance of accounts and audit of accounts.
- People's participation in the development process.
- Gender issues.
- Rural leadership: emerging patterns in rural leadership, importance of democratic values and ethics in grassroot level leadership.

- Good governance; role of *panchayat* and village functionaries.
- Computer application in local governance.
- Social and other problems: their management by the *panchayat*.
- Co-ordination with Non-Government Organisations and other bodies.
- Social mobilisation, human resource development through skill formation, promotion of education and health infrastructure/facilities and protection of the interests of those in the grip of grinding poverty and indebtedness.

### Some Other Socio-economic Factors

The social factors that dominate the style of living and the working of the state, when compared with Indian standards, are better in some respects but there is need for restructuring the following areas, according to the spirit of decentralisation, and for overall rural development of the state.

#### *Indigenisation of Rural Education*

In the light of the 73rd Constitutional Amendment time has come when rural development programmes must take the lead. The National Council of Rural Institutes (NCRI) has started considering introduction of rural higher education programmes, primarily based on the New Education (*Nai Talim*) concept in accordance with local needs. The people have not so far been made part of the mainstream higher education, covering research, teaching, extension and networking. With the introduction of such rural education programmes, the *Panchayati Raj* system will get the required strength for understanding and resolving local problems. Rural problems of Himachal Pradesh, are different from those of other states. In the context of rural development, indigenisation of concepts and theories is essential for understanding and resolving the issues that confront the state government, the PRIs and the stakeholders. This calls for social science research in Indian experience and reality, particularly relating to the rural areas. Such an approach in social science research is likely to bring rural transformation at a faster pace.

#### *Rural Industrialisation*

In the present situation, rural development requires a positive change in the rural areas both qualitatively and quantitatively. This is possible only by providing

gainful employment utilisation of local resources, introduction of modern-technology industries and micro planning under the *Panchayati Raj* setup with decentralisation of finances and delegation of powers.

To explore employment opportunities in the rural areas, there is need for a study of the potential of rural industrialisation in the context of the 73rd amendment. The demand for encouraging the setting up of rural industrial enterprises is going to be generated with the mandate to plan and implement the work plan on subjects transferred to the PRIs. A close look at the 29 subjects in the Eleventh Schedule provides a clear picture of the potential of setting up all types of industries in the rural areas. Now is the time for the state government to consider it seriously. The state government should also hold dialogue with international organisations like the International Labour Organisation (ILO) and the corporate sector or big industrial houses to work out operational plans for capacity building and clearly designed operational strategies for promoting enterprises for the manufacture of products, demand for which is going to be generated by decentralised activities. The operational strategy is sure to get the support of the central government in view of its plan to have a National Programme for Rural Industrialisation (NPRI) and to set up 100 rural clusters every year to give a boost to rural industrialisation in the context of a rural-urban integrated economic complex. Besides the promotion of cottage industries and handicrafts, a good network of engineering and foundry industries, agro-based and livestock based industries can be created in Una, Hamirpur, Kangra, Bilaspur, Sirmour and Solan districts. The districts of Kullu, Shimla, Chamba, Mandi, Bilaspur and Solan are suitable for horticulture and forest-based industries. The tribal areas of Kinnaur, Lahaul-Spiti and Chamba, besides Kullu and Shimla, are suitable for handicraft units.

The slow growth of the rural non-farm sector can be attributed to the low CD ratio (24.4 in 2000) in rural Himachal Pradesh (Table 13.13). This sector has the potential of generating more employment. There is need for providing credit to village-based cottage and small-scale industries, agro-processing units, transport and other services.

In the absence of an institutionalised banking system, the rural people especially the marginal farmers and the underprivileged sections, such as the Schedule Castes and Scheduled Tribes approach moneylenders and traders for their credit needs. It has been seen that

TABLE 13.13

**Number of Branches, Deposits and Credit Deposit Ratio in All Commercial Banks for the Year 1990 and 2000***(Rs. in lakh)*

Name of the State/India	Nature of Bank Branches	No. of Branches		Deposits		Credits		Credit-Deposits Ratio (%)	
		1990	2000	1990	2000	1990	2000	1990	2000
<b>Himachal Pradesh</b>	<b>Rural</b>	<b>626</b> <b>(88.3)</b>	<b>657</b> <b>(84.5)</b>	<b>83916</b> <b>(69.4)</b>	<b>394326</b> <b>(63.9)</b>	<b>29512</b> <b>(67.4)</b>	<b>96285</b> <b>(68.1)</b>	<b>35.2</b>	<b>24.40</b>
	<b>Total</b>	<b>709</b>	<b>778</b>	<b>120970</b>	<b>617464</b>	<b>43810</b>	<b>141372</b>		
Haryana	Rural	736 (57.8)	697 (46.7)	85505 (24.9)	344318 (20.2)	58109 (28.0)	143535 (20.3)	67.95	41.68
	Total	1273	1491	343324	1705250	207801	706137		
Maharastra	Rural	2491 (43.7)	2309 (37.1)	148237 (4.5)	602134 (3.9)	111083 (4.9)	351640 (2.7)	74.93	58.40
	Total	5689	6216	3281284	15299611	2276369	12820100		
<b>All-India</b>	<b>Rural</b>	<b>34184</b> <b>(56.50)</b>	<b>32719</b> <b>(50.00)</b>	<b>2623364</b> <b>(15.3)</b>	<b>12044675</b> <b>(14.6)</b>	<b>1606785</b> <b>(15.4)</b>	<b>4739602</b> <b>(10.1)</b>	<b>61.25</b>	<b>39.35</b>
	<b>Total</b>	<b>60515</b>	<b>65521</b>	<b>1719439</b>	<b>82213276</b>	<b>10431193</b>	<b>46903171</b>		

Source: Banking Statistics, Basic Statistical Returns Volume 19 March 1990. Banking Statistics, Quarterly Handout – March 2000.

Note: Figures in parentheses represent the share in rural region to the total of all the regions.

such credit does not help in capital formation and is used for consumption and meeting the daily needs of the rural people, which has not helped the growth of the non-farm sector.

At this stage, micro-credit may become a successful programme to realise the social agenda of the banking sector. Here, the role of the PRIs, co-operatives and NGOs can be acknowledged as a catalyst. These bodies can stand for guarantee for the loans advanced to 'Self Help Groups'. This will ensure timely repayment and reduce the cost through participatory approach.

#### *Rural Informatics*

Information technology is an integral part of the future development process, especially for rural development and so are the new concepts and contents of 'Governance Information Technology'. The Seventh Five Year Plan Document (1985-90) has recognised that information technology has a facilitative role to play in providing information about the Intensive Rural Development Programme, development problems and possibilities. All components of rural development, viz., agricultural growth, infrastructure development, human resource development, rural industrialisation and grassroot level rural governance can directly or indirectly benefit from information technology by focusing attention on improvement of production, consumption and social services. Computerised information can be used in decision making at the village, block, and district levels, for maintaining land records, forestation, beneficiary details, development schemes, rural banking,

rural environment and other socio-economic indicators; It has become necessary that information technology is made a part of the training of the rural youth.

#### *Rural Poverty Alleviation Programme*

The basic objectives of the poverty alleviation programme are to provide income-yielding assets and skills, to ensure employment opportunities; and to improve the quality of rural life. To achieve these objectives, several poverty alleviation schemes have been started from time to time. The emphasis in rural development has progressively shifted from growth to welfare and then from responsive to an integrated approach.

Poverty alleviation has always been the main agenda of the policy planning of successive governments in Himachal Pradesh. Various programmes of the central and state governments have been implemented. Due to these efforts, the poverty figure in the state, according to Planning Commission estimates, has been decreasing. In 1977-78, the percentage of the states population below the poverty line was 32.45, which came down to 16.39 in 1983, 15.46 in 1987-88 and 7.63 in 1999-2000 (Table 13.14). On the basis of a BPL survey, conducted by the state government in 1998-99, the percentage of families living below the poverty line has decreased from 42 in 1981 to 26.69 in 1998-99. The survey shows that of the 2,86,447 identified poor families, 1,06,468 (41.13%) belonged to the Scheduled Castes, 10,801 (4.17%) to the Scheduled Tribes and the remaining 1,41,590 (54.70%) were from other categories. The

results indicate that poverty still persists in the state and its prevalence is more among the unprivileged sections of society consisting mainly of marginal and small farmers, agricultural labourers, rural artisans, the Scheduled Castes, the Scheduled Tribes, physically handicapped persons and women. Hence, more serious efforts are required for poverty alleviation and employment generation in the rural areas. The Tenth Five Year Plan of Himachal Pradesh envisages efforts to reduce poverty and provide rural employment to the poor. For this, the involvement of the PRIs in implementation, supervision, monitoring and evaluation shall be ensured. The PRIs and NGOs shall be closely associated in planning and execution of rural development programmes.

TABLE 13.14

**Poverty Ratio in Himachal Pradesh and India**

Year 1999-2000	Poverty (Total)	Rural	Urban
<b>Himachal Pradesh</b>			
1999-00	7.63	7.94	4.63
1993-94	28.44	30.34	9.18
1987-88	15.46	16.28	6.8
1983-87	16.39	17.00	9.25
1977-78	32.45	33.49	19.47
<b>India</b>			
1999-00	26.10	27.09	23.62
1993-94	35.97	37.27	32.36
1987-88	39.34	39.06	40.12
1983-87	44.76	45.61	42.15
1977-78	51.81	53.07	47.40

Source: Report of the Expert Group on Estimation and No. of Poor, Perspective Planning Division, Planning Commission, Government of India, New Delhi, July 1993. Planning Commission, Government of India.

The financial and physical achievements of some major centrally and state sponsored schemes during the plan periods are briefly discussed below:

*Swaranjayanti Gram Swarozgar Yojana (SGSY)*

The scheme aims at covering 30 per cent of the BPL families in each block during 1999-2000 to 2003-2004 and envisages that the monthly income of an assisted family will increase by at least Rs. 2,000. SGSY adopts a project approach for key activities. The selection of key activities is based on the cluster approach and resources, occupational skills and availability of markets.

For 2001-2002, a target of credit mobilisation of Rs. 20 crore was earmarked. Till March, 2002, 3588 individual *swarogaris* were assisted and given Rs. 220.89

lakh and Rs. 966.67 lakh as subsidy and credit respectively. Besides this, 2707 groups were formed since the inception of the programme, of which 563 groups consisting of 5503 BPL members have been given Rs. 377.221 lakh and Rs. 1074.39 lakh as subsidy and credit respectively.

The physical progress of this scheme is shown in Table 13.15. The total number of *swarogaris* assisted till to December 2002 was 33393 and the scheme particularly focuses on vulnerable groups among the rural poor. Accordingly, 38 per cent of the beneficiaries belong to the SCs, about 11 per cent to the STs and almost one half are women. The SGSY is being implemented by the DRDA through the *Panchayat Samitis*.

TABLE 13.15

**Financial and Physical Achievement under SGSY**

	1999-00 to 2002-03 (Rs. in lakh)	Per cent to Total
Total Funds Available	3364.54	—
Total Expenditure	2446.152	72.59
Total Beneficiaries/ Swarogaris Assisted (No.)	33393	—
SCs	12715	38.07
STs	3802	11.38
Women	16732	50.11
Handicapped	129	0.38
No. of Groups Formed	4613	—
No. of Women SHGs Formed	390	—
No. of SHGs taken up Economic Activities	1479	—
No. of Women SHGs taken up Economic Activities	158	—

A total of 4613 Self Help Groups have been formed, of which 390 are women's groups. The performance of utilisation of central allocation is satisfactory. The projects/schemes, being taken up by the groups or individual *swarogaris* have been selected keeping in view the backward and forward linkages.

*Sampoorn Grameen Rozgar Yojana (SGRY)*

The objectives of the SGRY are to provide additional wage employment and food security, in the rural areas along with the creation of durable community, social and economic assets and infrastructure. The programme is self-targeting and will be available to all the rural poor (BPL/APL) who are in need of wage employment and are willing to engage in it. Preference will be given to the poorest among the poor, women, SCs/STs and parents of child labour withdrawn from hazardous occupations.

Under the scheme, 5 kg of foodgrains (in kind) is to be distributed as part of the wage per manday. The remaining part of the wages is to be paid in cash to ensure the notified minimum wage.

#### *SGRY is Executed in Two Streams*

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

The second stream is being implemented at the Village *Panchayat* level; 50 per cent of the funds available under the SGSY are earmarked for the Village *Panchayats* and for distribution among *Gram Panchayats* through the *Zila Parishads* or DRDAs. The funds are so allocated as to ensure that each *Panchayat* receives a minimum of Rs. 50,000/-.

Physical progress under the two streams is shown in Table 13.16. Table 13.17 shows details of food-grains made available and their utilisation.

TABLE 13.16

#### Physical Progress (Stream I & II) of SGRY

Category	Stream I		Stream II	
	Lakh Manday Generated	Percentage	Lakh Mandays Generated	Percentage
SC	3.08	41	2.52	42
ST	0.73	10	0.87	14
Other	3.66	49	2.60	44
Total	7.47	-	5.99	-
Women	0.37	5	0.35	6
Landless	-	-	-	-

Source: Department of Rural Development, Himachal Pradesh.

TABLE 13.17

#### Foodgrain Availability and Utilisation under SGRY (Stream I & II) during 2002-03

(Foodgrains in tonnes)

Stream	Total Availability of Foodgrains Based on Lifting	Foodgrains Utilised	% age
I	7828.65	3809.77	49
II	5446.77	3059.40	56

Source: Department of Rural Development, Himachal Pradesh.

#### *Reasons for Slow Progress of the Scheme\**

- In this hilly state some areas are far-flung and snow bound. Therefore, the working season is very limited.
- Foodgrains allocated under the scheme have often been received two three months after the issue of sanction letter by the Ministry of Rural Development, Government of India.
- The scheme could not pick up in the introductory year of the scheme. Implementing agencies (PRIs) have taken a long time for approval of shelf of work.
- The lifting of foodgrains is slow due to late release by the Food Corporation of India. Hence, the Ministry of Food and Consumer Affairs, Government of India, should ensure quick release of foodgrains so that these are lifted on time.
- Under the directions of the Government of India, 5 kg. of foodgrains per manday are being distributed as part of the wages. The targeted persons in the state are also getting foodgrains under other schemes. Therefore, it is suggested that the state may be permitted to distribute 3 kg. of foodgrains per manday under this scheme.
- The Government of India releases funds under the two streams in two equal instalments. As the funds are not sufficient to start a durable infrastructure, it is suggested that these should be released in one instalment.
- The labourers should be given the option to get foodgrains or wages in cash. If they are forced to accept foodgrains, they may sell these, which will defeat the purpose of the scheme.

#### *Jawahar Gram Samridhi Yojana (JGSY)*

JGSY is the restructured, streamlined and comprehensive version of the erstwhile Jawahar Rozgar Yojana (JRY). Designed to improve the quality of life of the poor, JGSY was launched on 1 April 1999.

The primary objective of JGSY was to create a demand-driven community village infrastructure, including durable assets at the village level and, to increase opportunities for sustained employment for the rural poor. The secondary objective was the generation of supplementary employment for the unemployed poor in the rural areas.

\* As envisaged by Department of Rural Development, Himachal Pradesh.

TABLE 13.18  
**District-wise Physical and Financial Progress under  
 SGSY Special Projects Component "Installation of Hydrams"**

District	Target Fixed	Sites Selected/ Approved	Hydrams Procured	Expnd. (Rs. in lakh)	Installed in Year 2000-01	Installed in 2001-02/ 2002 -03	Total Hydrams Installed	Under Installation/ Work in Progress	Expnd. (Rs. in lakh)
Bilaspur	30	10	17	16.32	1	9	10		8.142
Chamba	30	5	5	4.80	1	4	5		0.462
Hamirpur	20								
Kangra	30	26	15	14.40		7	7		Nil
Kinnaur	10								
Kullu	50	60	28	26.88					
Lahaul & Spiti	10								
Mandi	80	30	57	54.72		27	27		8.80
Shimla	60	45	45	43.20					
Sirmaur	30	2	5	4.80		1	1		0.23
Solan	30	39	9	8.64		6	6		2.20
Una	20	9	7	6.72		2	2		1.96
<b>H.P.</b>	<b>400</b>	<b>226</b>	<b>181</b>	<b>180.48</b>	<b>2</b>	<b>56</b>	<b>58</b>		<b>21.794</b>

Source: Department of Rural Development, HP.

This programme is being implemented by village *Panchayats* and executed with the approval of the *Gram Sabha* of the village concerned.

The Government of India had fixed a target of generating 11.74 lakh mandays in 2001-02, against which 13.899 lakh mandays were generated and Rs. 1219.06 lakh was spent on the *yojana*.

#### *Prime Minister's Gramodaya Yojana (PMGY)*

PMGY was launched in 2000-01 with the objective of achieving sustainable human development at the village level. Additional central assistance is being received and earmarked for various components of this *yojana*. PMGY aims at consolidating the gains of the earlier BMS programme and further improving and strengthening rural infrastructure facilities. Rs. 70 crore has been approved and earmarked for this *yojana* during the 2002-03 annual plan. The state has been allocated Rs. 60 crore for 2002-03 under PMGY, exclusively for rural roads. Besides this, PMGY funds are used for the development of primary health (18.57%), primary education (8.71%), rural drinking water supply (56.14%), nutrition (15%) and rural electrification (1.57%).

#### *SGSY Special Projects*

**Installation of HYDRAMS:** The Government of India had approved a project for installation of 400 hydrams in 1999-2000 with a total project cost of Rs. 1047.20 lakh, which includes a subsidy of Rs. 770.48 lakh, Rs. 161.40 lakh as loan and Rs. 115.32 lakh as

beneficiary share. Till March, 2002, 226 sites had been selected and approved. Only 58 hydrams have been installed and Rs. 202.27 lakh spent on them. The district-wise physical and financial progress of this project is shown in Table 13.18.

Apart from this, there was a programme to install hydrams to develop waste and marginal lands through the application of appropriate technology, extension and training in the districts of Kullu and Shimla, under this programme. A target of 200 hydrams was fixed; 170 sites were selected/approved and 100 hydrams were procured in 2001-02. Only 72 hydrams were installed at an expense of Rs. 88.46 during this period.

**Gold mines project:** The Government of India approved in 2000-01 a project on gold mines in Bilaspur district as an SGSY special project. Three activities, floriculture, sericulture and mushroom cultivation, are being taken up under this project at a total expense of Rs. 840.35 lakh. The project was to run for two years and had a target of 900 beneficiaries. Till December, 2002, Rs. 152.243 lakh was spent on the development of these activities. The progress made till December, 2002, is shown in Table 13.19.

**Marketing of rural goods:** The Central Government approved in 2001-02 another project as SGSY special project component with a total project cost of Rs. 914.52 lakh. Under this project 50 Himachal Gramin Bhandars and one Central Gramin Bhandar are being constructed in the state. Till March, 2002, 29 sites of these *Bhandars* were selected and construction on 21 sites was completed. Construction on 12 sites was awarded to

contractors. An expenditure of Rs. 20 lakh has been incurred till March, 2002. It is suggested that construction activity under this project should be given to PRIs instead of private contractors.

**Milch livestock improvement:** To promote dairy farming activities, the Government of India has approved a project on milch livestock improvement in Solan district, the total cost of which is Rs. 886.95 lakh. The project will run for five years and is targeted to benefit 10,000 families. The progress made till December, 2002, is shown in Table 13.20.

TABLE 13.19

**Gold Mines Project: Progress Made up to December 2002**

<i>Sericulture Production</i>	<i>Targets of Farmers to be Assisted</i>	<i>Cases Sanctioned</i>	<i>Subsidy (Rs. in lakhs)</i>	<i>Loan (Rs. in lakhs)</i>
Gladiolus Farming	100	18	3.346	5.544
Carnation Farming	100	16	4.50	7.05
Mushroom Cultivation	200	34	8.50	32.54
Sericulture Production	500	282	53.523	127.59

Source: Department of Rural Development, HP.

TABLE 13.20

**Milch Livestock Improvement Project : Progress Made upto December 2002**

<i>Name of the Component</i>	<i>Expenditure Incurred (Rs. in lakh)</i>	<i>Physical Progress</i>
Extension & Training	12.00	6385 cattles treated in 92 field level camps. 448 breeder imparted training. 45 Vet Officials trained
Breeding Efficiency Improvement	4.34	Equipments
Genetic Improvement	7.13	Do
Young Stock Rearing	9.75	—
Improvement of Fodder Production	1.21	Procurement of seeds
Milch Livestock Management	17.64	Mineral mixtures, medicines etc.
Marketing	03.65	Equipment
Monitoring Vehicles	16.04	Advts., tenders, honorarium,
<b>Total</b>	<b>71.76</b>	

Source: Department of Rural Development, Himachal Pradesh.

**Rural development through diversification of agriculture in Mandi district:** The project, started in November, 2001, was to run for four years and its total cost was Rs. 1385.32 lakh. It will benefit 36,365 individuals. An expenditure of Rs. 148.06 lakh has been incurred till March, 2002.

The main activities under this diversification project are:

- Cultivation of medicinal and aromatic plants, flowers and orchards
- Sericulture
- Innovative practices in animal husbandry

The physical and financial progress of this programme is shown in Table 13.21.

Other special component projects under SGSY are Green Gold in Chamba district, Self-reliance through Sericulture and Dairy Development in Hamirpur district, and Intensive Dairy Development Project in Kangra district.

**Issues Relating to SGSY Special Project Component**

- Hundred per cent subsidy is given under wasteland development project, whereas under SGSY Special Projects, a loan component is also involved. The Government of India has asked the state government to surrender the special project on hydrams, if it is not implemented properly. The state government wants to continue this project and has requested the central government to provide 100 per cent subsidy for this project also.
- Special projects augment the resources and to get the maximum benefit, a period should not be imposed. Rather the quality of the output should be the criterion to judge the success of the projects.

**Watershed Development Projects**

The objective of these projects is to promote economic development of the village community and to check the adverse effects of drought by restoring the ecological balance and generating employment for the people of watershed area.

Under the Integrated Wastelands Development Project, funds worth 33.32 per cent of the total cost have been released. Of the released funds, 71.11 per cent have been utilised for the improvement of 21.36 per cent of the area targeted under the Desert Development Programme; 36.78 per cent of the total cost of the project has been released and of the released funds, 79.47 per cent have been utilised for treating 25.91 per cent of the total targeted area. Under the Drought Prone Area Programme, 36.52 per cent of the total cost of the project has been released. Of released funds, 65.25 per cent have been utilised for treating 44.55 per cent of the total targeted area.



TABLE 13.21  
Physical and Financial Progress

Activity	Physical Achievement	Financial Achievements (Rs. in lakh)
<b>Cultivation of medicinal plants, aromatic plants and flowers</b>	1. One poly house has been constructed, another one is under construction and the remaining eight are yet to be completed.	32.21
	2. Three demonstration farms have been established for the plantation of medicinal and aromatic plants.	
	3. 2500 orchids have been planted. 9000 chrysanthemums of nine different varieties have been planted and successful rooting and multiplication of these plants have been achieved. About 16,000 chrysanthemums have been sent to Delhi and Chandigarh markets for sale.	
	4. One tissue culture laboratory is under construction for training SHGs in tissue culture.	
	5. A district level society, namely, "The Mandi District Herbs and Flower Promotion Society", has been set up.	
	<b>Total</b>	<b>32.21</b>
<b>Sericulture</b>	1. Establishment of three technical service stations has been undertaken by the District industry Centre, Sericulture wing, Mandi.	21.67
	2. Five hundred new families (in SHGs mode) have been identified for taking up this activity.	
	3. Short-term training camps are being organised by the DRDA.	
	<b>Total</b>	<b>21.67</b>
<b>Innovative practices in animal husbandry</b>	1. Livestock survey is being carried out.	91.18
	2. All the equipment required under the project for upgradation of 105 artificial insemination centres has been procured.	
	<b>Total</b>	<b>91.18</b>
	<b>Grand Total</b>	<b>145.06</b>

Source: Department of Rural Development, HP.

TABLE 13.22  
Physical and Financial Achievements (till September 2002)

Programme	Project Cost (in lakh)	No. of Watersheds	Targeted Area (in Hec.)	Total Funds Released (in lakh)	Total Expenditure (in lakh)	Total Area Treated (in Hec.)
Integrate Wasteland Dev. Project	13971.79	422	261666	4656.04 (33.32)*	3310.58 (71.11)**	55890.27 (21.36)***
Desert Dev. Programme	10496.00	371	117098	3860.629 (36.78)*	3068.05 (79.47)**	30339.97 (25.91)***
Drought Prone Area Programme	6430.00	238	79866	2348.11 (36.52)*	1532.217 (65.25)**	35579.04 (44.55)***

Source: Department of Rural Development and Panchayat, Himachal Pradesh.

Note: \* % taken with total project cost.

\*\* % taken with total funds released.

\*\*\* % taken with total targeted area.

Details of physical and financial achievements under these three programmes are given in Table 13.22.

#### Issues

- The Central government while sanctioning a project, insists that forest land should not be more than 25 per cent and private land not more than 50 per cent. It is suggested that watershed, should cover all types of land, whether forest, private, community or government, because it is a geo-hydrological unit.
- The cost norms should be revised because of hard and peculiar geographical conditions, particularly under the DDP, being executed in the tribal districts of Lahaul & Spiti and Kinnaur. It is also suggested that per hectare cost under IWDP and DPAP should also be increased, considering the geographical conditions of the state.

- Besides other activities relating to water harvesting structures, irrigation schemes should also be allowed to be taken up under the watershed development project, because nothing can be grown in hilly areas without assured irrigation.
- Instead of creating a parallel body i.e. Watershed Association or Watershed Committee, a single *Panchayat* should be given jurisdiction to execute the projects through user groups, SHGs and the village community.
- For the sustainability of the project, the *gram panchayats* and other local level institutions, such as *Mahila Mandals*, *Yuvak Mandals*, SHGs should be involved in post-project maintenance.
- For capacity building, the DRDA should ensure that relevant time-bound training programmes are organised for all functionaries.
- Desilting should be a continuing activity, as the problem of silting is a perennial problem.

Problems are faced by watershed projects in winter because much of the area remains under snow for three to four months.

**Desert Development Project, Pooh, District Kinnaur**  
A Journey towards success

The watershed guidelines impress upon the implementation of all watershed-based programmes with active participation of the community. However, till I joined the project in May 2000, community participation was nil. Rather, the community was not even aware of the full form of DDP, as a result the community gave several sarcastic names to the project, depending upon the results on the ground, such as ***Dat Ke Dakaro Paisa***, ***Dat ke Daru Piyo***, etc. No community participation was possible without awareness of the community, organisation of the community into watershed associations/committees, user groups and SHGs, training of the functionaries at all levels. When I joined the project, there were four functionaries at the PIA level, only two Junior Engineers to implement 32 watershed projects, no watershed committees.

One year and 10 months after I took over the project in March 2002, 102 micro watershed projects were in hand with an allocation of Rs. 2900 lakh. (Once the project was streamlined and the desired level of expenditure was achieved, 70 new watershed projects were sanctioned for Pooh) Now, there are 12 official functionaries at the PIA level, three watershed development teams (civil engineer team 12 members), Agri/Horticulture/Forestry team six experts, community organisation team, five community organisers, 35 watershed associations have been organised after generating detailed awareness in the community. The watershed associations have one male and one female

member from each household of the watershed area; all watershed committees have been formed by watershed associations unanimously and these committees have appointed watershed chairmen for all watershed committees. Watershed associations have further organised user groups, which are the actual implementing agencies. The community organisers of the project have formed 60 SHGs, which are functioning ideally. These groups hold their monthly meetings regularly. Thrift and credit norms are being followed regularly. 45 groups have been given revolving funds after proper gradation by watershed development team members. This success is due to the seven day training, which was imparted to WDT members, watershed chairmen and secretaries. The Desert Development Project (DDP) now is working on the modalities of taking up some income-generating activities by exploiting the existing potential of the area. The identified activities are traditional handloom cottage industry, potato chips, chulli oil, horticulture-based cottage industry and medicinal herbs.

The community has now understood the concept of a holistic development approach. After the awareness campaign, exposure visits to other successful watershed areas and training of the community as a whole, the community has felt that watershed means not water or installation of tanks as kuhls only, it is more than this. There is need for mass scale plantations in the watershed areas. Technology for raising vegetables during winter has been learnt and the community has decided to adopt trench cultivation during winter for vegetables production. It is hoped that within the project period the entire watershed area can be covered under a modern drip/sprinkler irrigation system.

— **CAPT. J.M. PATHANIA**  
*Project Director*  
*DDP, Pooh*

**Indira Awaas Yojana (IAY)**

Under this centrally sponsored scheme an assistance of Rs. 22000 is given to a below- poverty line (BPL) family to construct a house. Earlier, the financial assistance was provided only for construction of a new house but, since 1999-2000, an assistance of Rs. 10,000 is also provided for conversion/upgradation of a *kutcha* house in to a semi-*pucca/pucca* house. The financial and physical performance of the scheme in the state is given in Tables 13.23 and 13.24

- The selection of the beneficiaries is done strictly by the *Gram Sabha*.
- The beneficiaries are motivated to complete the houses on time.
- The findings of the Concurrent Evaluation of IAY have been circulated to all DRDAs for strict compliance.

- Sanitary latrines are constructed in every house under IAY.

TABLE 13.23  
Financial Performance (Rs in lakh)

Total Available Funds	Expenditure				
	SC	ST	SC+ST	Other	Total
553-788	161.13	20.02	181.15	181.986	363.136 (82%)

Source: Department of Rural Development, HP.

TABLE 13.24  
Physical Achievements

Target	Houses Completed					Houses Upgraded
	SC	ST	SC+ST	Other	Total	
3901	559	74	633	482	1115	2834

Source: Department of Rural Development, HP.

It is suggested that the present limit of Rs. 22,000 should be raised to Rs. 40,000 due to the specific geographical conditions of the state.

#### Credit-cum Subsidy Housing Scheme

This scheme was launched on 1 April 1999, and it aims financing the construction of houses for the SCs/STs and the freed bonded labourers. The scheme is being implemented in rural areas five km away from the towns. The target groups under the scheme are rural households having an annual income up to Rs. 32,000. However, BPL households are given preference. In 2001-2002, 158 houses were constructed against a target of 155 houses for which Rs. 67.69 lakh was given as credit and Rs. 19.88 lakh as subsidy.

Other housing schemes implemented in the state are:

- Innovative Rural Housing Scheme in Sirmaur district.
- Innovative Rural Housing Project in Kullu district.
- Innovative Housing Project at Solan.
- SAMAGRA Awas Yojana in Sirmaur district.

#### Restructured Central Rural Sanitation Programme

The Government of India restructured the Central Rural Sanitation Programme in April 1999, and reduced the subsidy from Rs. 2000 to Rs. 500. A total of 353

schools and women complexes and 38 individual latrines were constructed in 2001-02 at a total expenditure of Rs. 55.73 lakh. Under the sanitation campaign in Sirmaur district, 77 sanitary complexes for women and school sanitation and 13 individual latrines were constructed at an expenditure of Rs. 34.27 lakh.

The other important centrally sponsored schemes implemented in the state are:

- National Social Assistance Programme; National Old-Age Pension Scheme, and National Family Benefit Scheme.
- NORAD aided project titled Environmental Conservation through *Mahila Mandals* in the districts of Hamirpur, Kullu and Solan.
- Rural building centres for DRDA, Hamirpur, Kangra, Bilaspur and Mandi.

#### State Plan Schemes

Besides the Centrally sponsored schemes, the government of Himachal Pradesh has been implementing various welfare schemes for poor families. These are:

- Chief Ministers Gratuity Scheme
- Rural Housing
- Rural Sanitation
- Social Audit Scheme and
- Mahila Mandal Protsahan Yojana

#### Monitoring and Evaluation

Progress under different rural development programmes is reviewed at various meetings by the Ministry of Rural Development at the Chief Secretary and Secretary levels. The state government has started a process to hold district level review meetings under the chairmanship of the Chief Secretary, where the progress of different rural development programmes is reviewed.

An evaluation study on IRDP was assigned to evaluation division of the Planning Department in the year 2000 for assessment of the implement of this programme in the Eighth Five Year Plan period (1992-97). The main findings were as under;

- The names of the majority of the beneficiaries (99.42%) were approved by *Gram Sabha* which shows that selection of beneficiaries has been done according to the guidelines as poorest of the poor families were given priority in providing assistance.

- Out of the total assisted beneficiaries, 51.66 per cent covered under primary sector activities, 7.44 per cent under secondary sector activities and remaining 40.90 per cent under tertiary sector activities. The more coverage under primary sector was due to the reason that in rural areas people concentrate on dairy farming and other allied agricultural activities.
- Majority of the beneficiaries (98.43%) face no difficulties in obtaining loan.
- Majority of the beneficiaries (93.15%) reported that no training with regard to operational skill/maintenance of assets was imparted to them.
- Majority of the beneficiaries (72.21%) has fully repaid their loan. Hence recovery position is quite satisfactory.
- Marketing facilities were available in the village for majority of the beneficiaries (84.31%)
- Majority of the beneficiaries (73.19%) were not able to derive annual income of Rs. 11,000 from the assets.
- It was found that none of the family members of the sample beneficiaries were employed under any other poverty alleviation programme.

The observations regarding implementation of various poverty alleviation programmes made during another CRRID project implemented in 88 *panchayats* of two blocks namely Nagrota Bagwan and Panchrukhi of Kangra district are as under:

- Failure to reach the right beneficiaries, pilferages and leakages, procedural difficulties, inadequate assistance, the beneficiaries using the money for other unproductive purposes, the problem of marketing the products, bank loan formalities, lack of proper information about the schemes, lack of training and human resource development.
- For proper identification of BPL families, the role of NGOs, *Panchayats* and the community must be ensured. Transparency can be ensured by the people's participation and proper training of the surveyors.

### **Sub-plans for the Development of Scheduled Castes, Scheduled Tribes and Backward Areas**

Formation of a special component plan for the SCs and Sub-plans for the tribal and backward areas is an

extension of the decentralised planning process. The main objective is to ensure the speedy, equitable and rational development of all areas.

#### *Special Component Plan for Scheduled Castes*

The Scheduled Castes in Himachal Pradesh account for almost one-fourth of the state's population and they are concentrated mostly in the districts of Bilaspur, Kullu, Mandi, Solan, Shimla and Sirmaur. These six districts have more than 60 per cent of the Scheduled Caste population of the state. Most of the Scheduled Caste families depend on agricultural pursuits and other low-income activities, such as sweeping, shoe-making, basket-making, weaving, blacksmithy, poultry and some similar occupations. A special component plan for the Scheduled Castes was initiated in 1979-80 for improving their living conditions and promoting their skills. Rs. 4.61 crore was earmarked for their development. During the Sixth Plan (1980-85) a thrust was given to this activity by providing 11 per cent of the total state plan outlay for the special component plan. The Tenth Five Year Plan (2002-07) approach paper clearly defines the goals and the strategy for improving the quality of life of the Scheduled Castes in the state. Literacy among the SCs is below the state average. It was 10 per cent less than the state average (only 53.20% in 1990-91). Among the women it was still lower (41.02%) as against the state average of 52.17 per cent. The sex ratio was also low at 967 against the state average of 976 in 1990-91. Since the implementation of the plan, there has been a marked improvement in the infant mortality rate, health services, literacy and skills among the Scheduled Caste families. Much remains to be done to improve their economic and social conditions by conserving their assets, providing them with land for tilling, upgrading their skills for improving productivity, ensuring the minimum agricultural wage, provision of minimum literacy and imparting of technical and entrepreneurial skills, and promoting their capacities in the areas of industrial and service sectors through self-empowerment programmes. Further, there is need for modernising their existing traditional occupations like shoe-making, leather processing, basket-making, carpentry and blacksmithy. On the social side, much more shall have to be done to liberate this section from untouchability, social discrimination and exploitation. There is need for basic amenities, such as safe drinking water, education and health, approachable roads and a better public distribution system in their habitations. There are almost 2613 villages (one-sixth of the total

number of villages in the state) where more than 65 per cent of the population consists of the Scheduled Castes.

The outlay for the Scheduled Castes component plan for 2002-03 has worked out to Rs. 187 crore, which is 11 per cent of the total state plan. For the Tenth Five Year Plan, the outlay is Rs. 1046.65 crore.

#### *Sub-Plan for Tribal Areas*

Kinnaur and Lahaul and Spiti districts, besides the Pangi and Bharmaur tehsils of Chamba district, have been declared tribal areas. These tribal areas fall in the High Hill Zone having cold and dry weather conditions. More than 40 per cent of the geographical area of the state falls in the tribal belt which has a population of less than two lakh. During the last Plan period, almost one-eleventh of the state's plan outlay was allocated for the development of the tribal areas under the "Tribal Plan". The Tenth Five-Year Plan (2002-07) has envisaged in its approach paper the basic problems of the tribal people and implementation of protective and anti-exploitative measures for safeguarding their rights. The government has accorded the highest priority to education, health, promotion of social and cultural values of the local communities, sustainability of environment, creation of direct and indirect employment opportunities, involvement of PRIs in development activities, implementation of watershed development programmes for irrigation and the revival of handicrafts.

Yet, much remains to be done for protection of their land rights (when their land is acquired for major hydel projects, a feeling of alienation arises among them), promotion of credit facilities (due to non-institutional indebtedness, they pay heavy interest to money lenders), protection of forests (deforestation is creating economic, environmental and social problems in this tribal border zone) and rehabilitation of the displaced people. (A substantial number of the people shall have to be displaced from the catchment areas of major hydel projects). To improve the quality of their life, there is also need for poverty alleviation schemes implemented through tribal *panchayats*.

The outlays for tribal sub-plan for 2002-03 is Rs. 153 crore which is nine per cent of the total state plan. For the Tenth Plan, the outlay is Rs. 856.35 crore.

#### *Sub-Plan for Backward Areas*

This sub-plan was introduced by the state government during the Fifth Five Year Plan. The basic criterion for the identification of backward areas was remoteness and inaccessibility, besides the level of socio-

economic development and infrastructure backwardness. The state government framed a comprehensive policy for the backward areas in 1995-96, and accorded special weightage to remoteness and inaccessibility (25 points), demographic indicators (35 points), infrastructure indicators (36 points) and agricultural indicators (4 points). The policy clearly elaborates the concept of backward areas, area-based plans, beneficiary-based plans, separate budgetary arrangements, administration of plans and categorisation of areas (three categories i.e. backward blocks (8), contiguous pockets (15) and dispersed *panchayats* (109). Of the 3037 *Gram Panchayats* in the State, 489 have been declared backward. More than four-fifths of the backward *panchayats* (84%) fall in the districts of Chamba, Kullu, Mandi and Shimla. Successful efforts have been made to develop rural infrastructure such as roads, power, irrigation, drinking water and credit facilities in these areas.

Fifteen per cent of sectoral outlay has been earmarked under this sub-plan for the development of agriculture, social conservation, horticulture, minor irrigation, food and civil supplies, animal husbandry, social forestry, rural electrification, education, general education, rural health, ayurveda and rural water supply.

These sub-plans are playing an effective role in modernising the rural economy of Himachal Pradesh and can be treated as an integral part of the development planning. Lastly, it can be said that rural development is a joint venture of the public, private, co-operative and corporate sectors. Any single sector cannot effectively tackle all the problems of rural development. Panchayati Raj Institutions, co-operatives, non-government organisations, private companies and corporations can jointly play an important role in the process of development by complementing and supplementing the functions and activities of the government.

### **Summary and Recommendations**

Himachal Pradesh is a state where 90 per cent of the population lives in rural areas and almost 70 per cent depends on agriculture which contributes only 23 per cent to the Gross State Domestic Product at factor cost at constant prices (1993-94). No development can be successful if it is not built on the foundation of the rural sector. In view of this, there is urgent need for giving high priority to rural development, taking into account the following recommendations.

- Ensure effective dissemination of information, education and impart training to the elected

representatives of the PRIs for good governance and management for overall rural development.

- Besides the elected representatives, government officials working with the PRIs too need to be trained. Though the government, non-government organisations and civil society groups are imparting such training, yet there is need for joint training so that the impact is more effective and transparent.
- Ensure co-ordination between *Panchayats*, government and NGOs to upgrade the skills of the rural people and improve the quality of their life by establishing rural enterprises catering to their skills and needs.
- Maintain and upgrade the existing rural infrastructure and promote facilities such as cold chains, marketing intelligence network to facilitate the agro-processing industries.
- The Government of India in certain cases provides funds for the development of rural areas through the agency of NGOs, whereas the PRIs, being the real representative bodies of the people, are not treated as NGOs. The Government of India should abandon this approach and provide funds from all agencies, including international funding, to the PRIs.
- The state government is in the process of adopting the central pattern of devolution of functions, functionaries and funds in respect of 29 items. The Government of India is also required to devolve to the PRIs similar functions in respect of schemes implemented by various ministries of the Government of India in the rural areas.
- To discourage over dependence on funds from outside, the PRIs should be encouraged and empowered to mobilise their own physical and human resources.
- Special efforts should be made to promote and facilitate a network of elected women representatives. Intra-state and inter-state exposure visits of women representatives of PRIs need to be encouraged.
- Agricultural reforms are a key element for improving the economic condition of the small and marginal farmers. The involvement of PRIs in this process has a great scope.
- For better implementation of poverty alleviation programmes, there is need for effective co-ordination between the officials of various departments and the PRIs.
- *Gram Panchayats* should be encouraged to involve themselves actively in planning, implementing, monitoring and evaluating the poverty alleviation programmes for better results.
- All poverty alleviation programmes at the village level should be put at the disposal of the *gram panchayat* and implemented with the help and co-operation of the local-level bureaucracy. Further, the *Gram Panchayats* should be selective in this regard and take into account the needs of the people and the scope of real employment generation, before taking up the programmes for implementation.
- For proper identification of the BPL families, the role of the NGOs, *panchayats* and the community must be ensured.
- An appropriate institutional and organisational structure is a prerequisite for the success of a rural development programme. Appropriate technology skills, equitable access to production inputs, services and credit are other prerequisites for the success of a production-oriented programme: A producer-owned and -controlled integrated system of production, procurement, processing and marketing is necessary to derive full benefits from the backward and forward linkages of these activities.
- Although, the government has been and will continue to be the most important actor in rural development, it alone cannot effectively tackle all problems. The PRIs, co-operatives, voluntary agencies and the private sector can play an important role in the process of development by complementing and supplementing the functions and activities of the government.

Himachal Pradesh has a large deprived population, consisting of marginal and small farmers, Scheduled Castes, Scheduled Tribes and backward classes. This segment of the population has to be brought into focus for their uplift with special emphasis on their skill upgradation, removal of unemployment and poverty and vertical growth, to acquire productive assets for better living on a sustainable basis.

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