

**RURAL DEVELOPMENT PROGRAMMES AND EXTERNALITIES: A
STUDY OF SEVEN VILLAGES IN TAMIL NADU**

VOL. I: EXECUTIVE SUMMARY

Dr. E. KARUPPAIYAN

PRINCIPAL INVESTIGATOR
DEPARTMENT OF ECONOMICS
ANNAMALAI UNIVERSITY
TAMIL NADU

**FINAL REPORT SUBMITTED
TO
THE PLANNING COMMISSION**

GOVERNMENT OF INDIA

**YOJANA BHAVAN
NEW DELHI**

JULY 2002

Ref. No. O-15012/57/2000-SER

EXECUTIVE SUMMARY

The project has been carried out under the direction of SER division, Planning Commission, Government of India, New Delhi within the period of six months. The project has appraised the Centrally sponsored and State sponsored rural development programmes implemented in the State from an environmental perspective. A general review of the programmes has been given in the Volume II.

In probing into the issue of externalities of Rural Development Programmes, the project appreciates the regional differences in their endowment of natural resources. Hence it has adopted the classification of Tamil Nadu as seven agro-climatic zones, to select the villages and to prosecute the study. The survey has adopted the disproportionate stratified sampling method, for identifying the beneficiaries, which enabled a programme wise comparison among the zonal villages. The study comprising 270 households in each village, 1890 in all provided the database. Results of the primary data analysis are presented in the Volume III.

Major Conclusions: Review of Programmes (Vol. II)

The major conclusions of this report have been drawn from the secondary data analysis of the Centrally Sponsored and State Sponsored Rural Development programmes implemented in the State. These analyses were done on the basis of available aggregated and disaggregated data in respect of the schemes. In realizing the importance of the database and documentation, the State Government is paying attention to build a computerized database to monitor and evaluate the programmes. The observations are recorded in respect of the approaches of the programmes, financial and physical achievements, and hurdles in implementation of the programmes. Besides, the project also reviews the overall impact on environment from the angle of sustainable development. This secondary data analysis would provide the perspective to identify the core issues, which are being discussed in the primary data analysis of the report.

1. *Swarnjayanti Gram Swarozgar Yojana*: SGSY aims to improve the family income of the rural poor, through micro enterprises development using both land based and other resources. In doing so effective linkages would be established among various components such as capacity building of the poor, credit, technology, marketing and infrastructure.

During the last three years, the scheme has been working in all the blocks. There are four components of the programme funds viz. Central share, State share, interest on deposit and return of subsidy. Aggregating all the components inclusive of spillovers, the total available funds during 1999-2000 stood at Rs. 110.24 crores, which was reduced to Rs. 90.43 crores in the subsequent year. The percentage expenditure against total available funds was 87.93. However, the expenditure percentage against the total allocation was quite high, at 130.18. During this period, 24,460 Swarozgaris provided fund for their group activities. These funds as well as their monthly savings were used for lending among themselves of the group members to meet their domestic expenses. Under this programme, 1,96,449 Swarozgaris were trained. As per the central government guidelines the State government took efforts to form the groups with the help of NGO and they gave adequate training to the Swarozgaris. It is observed that the bankers' attitude is not one of encouragement, to effect distribution of revolving funds and economic assistance in the State. Bankers viewed the restructured programme similar to the earlier programmes of IRDP, etc. Hence a majority of SHGs received their funds as only the government assistance and not from the banks. This posed a hurdle in their activities being furthered, and the meagre local resources available could not help them sufficiently.

Swarozgaris did not have adequate skill to use the local resources and they did not know how to market the produced goods in a profitable way. Current training programmes organized by the NGOs were not encouraging. It could be suggested that the groups formed should be given adequate training to use the

local resources and educate them to market the goods. There are some cases in the State, which may be treated as a model for further emulation. They are: various group activities in Kanyakumari district, Sericulture activities in Erode district, Mango pulp production in Dharmapuri district, Leather goods production in Kancheepuram district, etc. NGOs have to involve actively and monitor the group activities. In some districts NGOs activities are not satisfactory. Since this programme has been functioning during the last two and a half years, this programme has to be strengthened further by all means, to conserve the local resources optimally. Environment friendly activities can be encouraged to preserve the natural resources.

2. ***Jawahar Gram Samridhi Yojana:*** JGSY is being implemented in all the blocks from April 1, 1999 onwards. The restructured employment programme ensures development of rural infrastructure at the village level. This programme was implemented through the Panchayat Raj institution. Under this programme, the following works were carried out: infrastructure for SCs/STs habitation, infrastructure support for SGSY, community infrastructure for education and health and other social, economic and physical infrastructure. The total allocation of funds was reduced nearly to half of the amount during 1998-99. The Central government took some steps for rationalizing the employment generation programmes and hence there was a reduction in the total allocation. The expenditure too follows in the same pattern and the percentage of achievement recorded more than 92% during the last five years.

During the period, the man-days of employment generation gradually fell from 488.60 lakhs to 137.02 lakhs. However, the achievements recorded more than hundred percent against the targets. Similarly, the physical achievements too were registered hundred percent.

Through this programme, the Government put up various physical assets for the use of common people. The question arises in the context, how these

infrastructures use to be maintained by the panchayat raj institutions / elected members / collective action. To manage and preserve the common property resources in the village, a collective action is required. The externalities of the CPRs are discussed separately in the primary data analysis.

3. ***Employment Assurance Scheme:*** EAS was launched during 1993 and it was restructured on April 1, 1999, making it a single wage employment programme. The objectives of the schemes were two fold. It aimed at creating additional employment opportunities during the lean period and generating durable community assets in the region. Resources under this scheme were to be shared between the Centre and the State in the proportion of 75:25. The financial and physical achievements during the last four years (1997-2001) were satisfactory in the State. Under this programme the following works were carried out viz. soil and moisture conservation, minor irrigation, rejuvenation of drinking water, sources and augmentation of ground water, traditional water harvesting structures, formation of rural roads linking villages / Block headquarters. It is suggested that the works have to be identified and prioritised on the basis of generating maximum social advantage.

4. ***Rural Housing:*** In addition to the Government of India's share, the State government provides fireproof RCC roofed houses; supplement Rs. 12,000 per house as additional roofing. The unit cost including sanitary latrine under this scheme is Rs. 32,000 in normal terrain and Rs. 34,000 in difficult terrain. For upgradation of unserviceable kutcha houses, Government of India fixed Rs. 10,000 as unit cost and its share was fixed at Rs. 7,500 per house. Government of Tamil Nadu besides borrowing its share of Rs. 2500 per unit, came forward to assist to a tune of Rs. 22,000 per house during 1999-2000. Financial achievement could be registered for over 94 per cent against the total available funds during the last five years (1996-2001). The works progressed in different faces during the period. The percentage of physical achievements ranged in between 80 per cent and 100 per cent. The works were also carried out in the innovative schemes of

IAY upgradation, CCS, etc. The CCS evoked a good response among the people, hence it was a success in this State. The financial achievements under CCS registered more than 92 per cent in both the years.

It is observed that the quality of the houses constructed under the programme IAY is questionable. Due to the poor quality of construction, the houses were damaged through leaking, seepage during rainy days. The life of the houses was reduced over the period. In some regions, the houses were constructed with the participation of households and they had contributed labour and material. In such cases, the houses are in good condition. The houses were allotted to BPL categories at free of cost. There were some BPL categories did not have land patta and they could not enjoy the benefits.

Since the government constructed the houses free of cost, the general attitude among the beneficiaries was one of neglect in regard to the maintenance of their houses. They looked for the government to undertake repairs of the houses as well, whenever they were needed. In addition to the houses, the government provides smokeless chulahs and a toilet facility. These facilities are not utilised by people in almost all the villages. In consultation with the beneficiary, one gains the view that these provisions have to be made as per their culture, immediate need, etc.

5. ***Member of Parliament Local Area Development Scheme:*** MPLADS was launched during 1993 and earmarked rupees one crore per annum to take up developmental works in the constituency. In response to the programme, the allocation of funds gradually were enhanced Rs.2 crores per annum. The physical achievements registered under this programme were not satisfactory due to some regional problems in execution of works. To make the program a good success, the hurdles have to be identified and policies amended suitably in an environmental perspective.

6. **Rural Sanitation:** The Rural Sanitation programme was launched in 1986 with the objective of improving the quality of life of the rural people and to provide privacy and dignity to the women. The programme was restructured and introduced during April 1999. As per the revision, fifty per cent allocations for total sanitation campaign (TSC) in select districts and the balance for the 'allocation based programme'. Subsidy was provided to construct household latrine viz. Basic Low Cost Unit (BLCU) without the super structure.

In general, the performance of financial achievements was satisfactory, but the district wise performance was found to vary among the districts. So far, they created 60,785 individual household latrines, 142 school latrines, 48 health centers for women and 13 Rural Health Dispensaries. The implementing authorities faced various difficulties in execution of the programme, particularly household latrine. The subsidy for household latrine Rs.500 is not enough to construct a toilet. The officials struggled to identify the beneficiaries. Hence they were forced to provide the subsidy to the people who were constructed / constructing the toilets. If this practice continues, the benefits could not trickle down to the target groups. On the other hand, the people could not contribute and construct the toilet for their use. According to them, the toilets are not needed immediately. To make the environment neat and clean, the policy approach has to be restructured suitably and implemented. Besides, awareness has to be created among the people, to make the programme a real success.

7. **Biogas and Chulahs:** Biogas project is a centrally sponsored programme with an aim of preventing of deforestation and to promote the use of environment friendly non-conventional energy sources for lighting, cooking, pumping water, etc. Since inception of the scheme 1,36,632 plants were installed. Of these, 21,402 plants were more than 5 year old and were under repair in the State. The physical performance was gradually improved and reached hundred percent during the last five years. The users of the biogas are willing to switch over to alternative energy viz. LPG, Kerosene, etc. The non-availability of grazing lands and the feeding

cost of the cattle were emerged as the main causes to switchover to alternative energy sources.

Provision of smokeless chulahs is a centrally sponsored programme launched with the aim for conservation of fuel energy, eliminate indoor air pollution, prevent deforestation and drudging of rural women. The financial and physical achievements were satisfactory in the State. However these chulahs were not used almost by all the beneficiaries. The reasons were: size is not enough to use the local firewood, broken, in some cases indoor air pollution. The Government has to rethink to provide these types of chulahs, these chulahs may be provided according to their culture and need.

8. ***Anna Marumalarchi Thittam:*** The aim of AMT is to bring out holistic development of village panchayats by providing all necessary minimum needs and basic amenities, infrastructure and to improve the living standard of the people through convergence of programmes and to make such villages a models for socio-economic development. There were 212 rural assembly constituencies when the scheme was implemented. Every year one village panchayat in rural assembly constituency was identified for implementation of the programme by giving the priority to the villages on certain predetermined criteria. During the last four years, 844 village panchayats were covered under this programme. The total fund generated under this programme slightly increased from Rs. 172.52 Crores (1997-98) to Rs. 176.75 Crores (2000-2001). During the last four years, there has not been any constant increase in the fund generated and allotted to this scheme.

The various works undertaken assured the following order of points: Drinking Water, Roads, Street Lights, School Buildings, Noon Meal Centers and Building for public Distribution System. During the first three years, the physical achievements recorded more than 98 percent. It shows that the scheme received a

good response among the public. Depending on the need of the village, the works were taken up in various villages.

However it could be observed that the identification of the villages was based on political influence, violating the guidelines of the program. In some cases, town panchayats were enlisted as rural panchayats, to enable them to enjoy the benefits of the programme. A few problems were also noticed in the programmes implemented villages. They are: 1) funds allotted on the basis of population and ignoring the area coverage, hence the works were partially completed. 2) Allotment of group houses to the above BPL category due to the non-availability of patta of the BPL categories. It is suggested that the above-mentioned problems may be rectified in implementation of the programme in the rest of the panchayats in the State. This unique program is successfully going on in this State, and this programme may be emulated to other States to avoid the dose inefficiency of various development programmes.

9. ***Namakku Naame Thittam:*** NNT is a participatory demand driven scheme launched during 1997-98. The scheme involves the village community directly in the developmental process from planning stage. The aim is to educate people to plan their requirement and accomplish them with their total involvement. People after identifying their requirement through Gram Sabha, chalk out plans and fulfill their needs by implementing the schemes from 25% of their contribution from their end in the form of cash or material or labour and the Government releases the balance 70% under the NNT and extend necessary technical assistance through the department concerned.

The expenditure under this program during the last three years (1997-2000) steadily increased from Rs.17.57 Crores to Rs. 50.19 Crores. There was a little deceleration in the expenditure during 2000-01, and reached to Rs. 36.56 Crores of the people's contribution, the percentage of cash contribution stood at a higher level. It is observed that the panchayat presidents took efforts and

contributed much to execute the programs. There is a suspicion here in the quality of the assets created under this programmes.

It is imperative to motivate the local people and execute the program through local bodies. If they do with voluntary participation, good quality of assets will be created and the local people will maintain the same. This approach will help reduce corruption, if any, in the execution of the programmes.

10. ***Periyar Memorial Samathuvapuram:*** Periyar Memorial Samathuvapuram was launched during 1997-98 to promote universal brotherhood, communal harmony and peaceful coexistence of all communities irrespective of their caste, creed and religion. It was targeted to construct 150 Samathuvapurams in the 27 districts of the State. Due to the change over in the political set up and the government in the State, the Samathuvapuram activities were stopped to 132. On an average, to create one Samathuvapuram the State Government spent Rs.1.70 crores. Of the total expenditure, 52 per cent spent for house construction and provision of electricity to the houses, the remaining 48 per cent for the provision of additional infrastructure.

It is expected that suitable employment opportunities and other infrastructure have to be provided quite in proximity to the Samathuvapuram. This will enable them to live in the Samathuvapuram and to avoid renting out their houses to others. Besides, the house allotment has to be made without any political interference.

11. ***Member of Legislative Assembly Constituency Development Scheme:*** The scheme MLACDS was introduced in the State to bridge the critical infrastructural gap in their respective constituencies. The scheme was grabbed by the MLAs with enthusiasm and all of them used this as a opportunity to render some service to their constituencies. This would naturally enable them to reach their electorate again in the next election, as a successful track record of achievements. In

realizing the importance, the State government enhanced the allotment continuously and increased from Rs. 55 crores to Rs. 167 crores. The expenditure too increased similarly and the percentage of achievement varies between years. Overall, the physical achievement recorded 92 per cent during the last four years.

This scheme is found to be quite a good success in the State and hence the programme may be continued in future. Through this scheme, they could create essential infrastructure in their constituency. This is in sharp contrast with other schemes, where personal benefits in the choice of the projects and their location will prevail over community consideration. It is observed that the works have to be identified on the basis of priority and the same has to be approved collectively to generate common benefits.

12. ***Training Programmes:*** The SIRD and RETCs trained the officials and non-official in the State. Training modules were prepared for capacity building to various elected representatives, officials of Rural Development Department and line department through interactive, informal, experience sharing and interface methodologies. During the last four years, 13,315 officials and 2,023 non-officials were trained. The materials were prepared in the regional language of Tamil and disseminated to the individuals keeping in view, their skill and qualification. These centers played a vital role in the State and imparted the knowledge of Rural Development Programmes and the experience, which we had in the State as well as in the Country.

Major conclusions: Primary Data Analysis (Vol. III)

1. ***Religion:*** There were three religious groups in the total sample of the different agro climatic zone villages. It comprised of Hindu (80%), Christian (17%) and Muslims (3%). It is observed that the distinguished culture among different religious groups prevail in the State, may help safeguard the environmental resources.

2. **Community:** The policies of the Government aimed at helping the socially and economically deprived sections of the population of SCs, STs, MBCs etc. Of the total sample, the majority of the households belonged Backward Community (43%). The MBCs and SCs constituted i.e. 28 per cent and 26 per cent respectively. The STs households were studied in four zones and their percentage was 2.33.
3. **Size of Household:** Size of household is one of the important parameters, which determines the socio-economic development of the people. The households were categorized into three groups viz. small, medium and large. Of these three groups, 65 per cent of the households belonged to the medium size of 4 - 6. At the next level, small families occupied 28 per cent and the rest of them belonged to large families (7%). It was evident that the majority of them were living in the form of nuclear families.
4. **Sex of the Surveyed Household:** Sex, age and educational status of the Head of the households would play a vital role in enhancing their family income and status in the society. The households surveyed could reveal that the male-headed households dominate and represent 90 per cent. The female-headed households were relatively high in High Rainfall Zone village of Kanyakumari (18%) and High Altitude zone village of the Nilgiris (12%). Both the zones were situated on the borders of the neighbouring States; hence their culture is somewhat different from others.
5. **Age of the Surveyed Head:** The age of the head of the household would decide their economic activities. In total, the active middle-aged group belonged 69 per cent. The rest 24 per cent and 7 per cent belonged to young and old age group respectively. A similar trend could be seen in all the zone villages.

6. ***Educational Status of the Surveyed Head:*** Of the total surveyed households, 40 per cent belonged to the category of illiterate. College educated percentage was very low (2%). These Rural people had some education in the Government schools at Panchayat, Block level, but they could not move to collegiate education.
7. ***Male Female Ratio:*** The male/female proportion was 51 per cent and 49 per cent respectively. For every 1000 male, 950 female were prevailed in the sample. Female population was just low compared to the male population in all the zones, except in the case of High Rainfall Zone.
8. ***Age-group of the surveyed population:*** The population were grouped into four age groups viz. children (<15), young (15-35), middle aged (36-60) and Aged (>60). Of these four groups, majority of them were in the economically active groups of young (40%) and middle (29%).
9. ***Earners dependant ratio:*** Earner dependant ratio gave a picture that how many of them belong to the economically active category. On an average, earner dependant ratio was 1.01, depicting the fact that for every one earner, there is one dependant in each family.
10. ***Size of Household:*** The average size of the household was 4.32. It showed that the families live in rural areas too followed the family planning practices and used the available birth control devices. Household size varied in between 3.59 and 4.82. Due to the emergence of the nuclear family systems, the figure came down sizeably over the period, compared to the number in the census data.
11. ***Literacy:*** Educational status was classified as illiterate, primary, secondary and collegiate. Of these, 32 per cent of the population was illiterates. The figure was conforming to the census 2001, and much low as compared to the rural illiterates

of the State (33%). Of the seven zones, illiterates were high in four zones viz. Cauvery Delta (35%), North East (39%), North West (46%) and the Western (40%). The illiterates were low in the High Altitude zone and High Rainfall Zone (15%). Among the literate categories, the proportion was very high in the case of secondary educated population (44%). At the next level, the primary educated population, constituted 20 per cent of the total.

12. **School Dropouts:** The Government of Tamil Nadu introduced the Noon Meal Programme, to arrest the dropouts. On an average, the percentage of dropouts was 7 per cent. In some regions dropouts were high, viz. Southern (11%), Cauvery Delta (10%) and North Western (10%). It could be confirmed that the school dropouts were reduced over the period.
13. **Occupation:** The major occupations of the seven agro-climatic zone villages enabled forming eight categories. Of the total households surveyed, 62 per cent of the head of the households' main occupation was agricultural labourers. Agriculture is the main activity in the rural area of the State. Putting together, the agricultural labourers and cultivators proportion was 69 per cent. A little diversification took place in the occupation of the rural households. The diversification is very poor in terms of percentages. The nature of occupation permitted the households to enjoy the benefits of the Government Programmes and thereby development.
14. **Household Assets:** Assets were categorized into seven groups, broadly brought under the financial and non-financial types. Average value of the total asset stood at Rs. 1,45,481. Among the zones, it varied in between Rs. 89,840 and Rs. 2,41,858. It could be said that inequality prevails among the households as well as in the zone villages. Of the total assets, the composition of the living house was 41%. In all the zones the people gave the preference to construct living houses. Then they moved over to land (38%) and consumer durables (81%) respectively. The average financial assets composition stood at only 3 per cent. It showed that

the people were not habituated to save in the banks or invest in the capital markets.

15. **Household Income:** There were eight major sources of income of the rural households surveyed in different agro-climatic zonal villages. On an average, the household income stood at Rs. 40,065. Of this, wage constituted as the major component i.e. 49 per cent and the income was Rs. 19,819. At the next level, agriculture income was Rs. 7,926, which was more than 2 times below the level of wage income. On the other hand, rent and interest turned out to be a meagre source of income. The lowest household income Rs. 29,886 was attributed to the High Rainfall Zone village. On the other hand, the highest income Rs. 50,303 was recorded in the North Eastern Zone. The relative shares of the various sources of household income varied significantly among the zone villages. It could be concluded that the wage and agriculture income constituted around 70 per cent. In all the zones, the poorer income group people benefited from the wage.

16. **Consumption Expenditure:** On an average, the total household expenditure stood at Rs. 19,555. Of this, 67 per cent of their expenditure was on food. In the other expenses category, they spent 9 per cent. Under this component, there are various social expenses like marriage, ear boring, funeral, puberty, etc. Hence this proportion of expenditure of expenditure recorded next to the food. At the next level they spent 9 per cent of their income as clothing. Among the zones, the expenditure on food emerged as a major expenditure of the households. Per household food expenditure varied significantly among the zones, i.e. it lies in between Rs. 8,801 of High Rainfall Zone and Rs. 17,818 of North Eastern Zone. It is inferred that there is a positive relationship in between the income and expenditure. The rural households of different agro-climatic zones spent more on food than on other items of consumption. Since their income is limited, they could not enhance their income on other items.

17. ***Distribution of Assets:*** On an average, the percapita asset value was recorded at Rs. 39,995. The per capita asset distribution grouped into five, on the basis of existing distribution in the sample population. Of these five groups, the highest proportion (31%) constitutes in the lowest asset group of less than Rs. 10,000. There are 22 per cent of the households belonged to the highest asset group of above Rs. 40,000. It reveals that the spectrum of asset distribution is wider. There is significant variation of the per capita assets among the zone villages. The lowest per capita value Rs.22,283 was attributed to High Altitude Zone and the highest value Rs. 73,147 was attributed to the North Eastern Zone village.
18. ***Distribution of Income:*** On an average, the per capita income of the seven agro-climatic zones stood at Rs. 9,635. The household income of the different zones was grouped into seven classes to trace the distribution of income. A very meagre per cent (0.85) of the surveyed household belonged to the income class of less than Rs. 2,500. At the next level, 28 per cent of the households came under the income class of Rs. 2,500 - 5,000. Thirty one per cent of the households hailed in the income class of Rs.5000 – 7,500. It is observed that there is no uniform relationship in all the income classes. It could be saved that the spectrum of income distribution is wider among the zonal villages.
19. ***Distribution of Expenditure:*** The expenditure distribution too follows the same pattern of income distribution. On an average, the percapita expenditure stood at Rs.5101. Fourteen per cent of the households belonged to the lowest expenditure class of less than Rs 2500. In the next expenditure class (Rs.2501-5000) onwards, there is an inverse relationship between the number of households and the expenditure. Among the zones, it varied in between Rs.3451 and Rs.7578. A skewed pattern of expenditure is observed among the zone villages.
20. ***Indebtedness:*** Of the total sample, 62 per cent of the households had no outstanding loans. It could be concluded that the majority of the surveyed households did not avail the loans. Of these not avail loan categories, some of

them had repaid the loan, and hence the proportion was very high in the list. Among the availed loan categories of institutions and non-institutions, the role of institutions is very high. It showed that the people borrowed loan for their productive activities hence they could repay the loan.

21. Magnitude of average household debt: The average outstanding loan stood at Rs.51,744 of the total 847 recorded cases. In between the two major sources of credit, the institutional sector contributed 59.00 per cent of the credit to the beneficiaries. In the context of SGSY, the numbers are very high, but the loan amount is very low. It is assessed that the SHG would give minimum amount of loan to the members to meet their urgent domestic expenses. On an average, the quantum of loan received from the SHG is Rs 4419.

22. Swarnjayanti Gram Swarozgar Yojana: Of the seven zone villages, 39 per cent of the sample population, i.e.742 persons joined the SHG to get benefit from the programme. Within two and a half years, the Government and NGOs took various steps and mobilised the groups. The proportion of membership varied among the zones. According to the members of the SHG surveyed, three zone village people revealed that they get some additional employment. The zones are Western (8 per cent), North Western (16 per cent) and high rainfall zone (9 per cent). It is inferred that the membership is very high in the southern zone (67 per cent) and High Rainfall zone (72 per cent), whereas the members of the high rainfall zone alone received additional income. On an average, 55 per cent of the group members revealed that they availed loan from the SHG.

23. Common Property Resources and Externalities: Through the Centrally sponsored and State sponsored programmes, a number of common property resources have been created in the rural areas. Besides, the existing CPRs too have been renovated and made to use. The project identified the following CPRs exist in the study villages and assessed their positive and negative externalities: 1) Water Harvesting Structures, 2) Common Trees, 3) Holy Places, 4) Roads,

5) Culverts/Small Bridges, 6) Public School, 7) Community Hall, 8) Public Toilet, 9) Television, 10) Post Office, 11) Police Station, 12) Public Distribution System Infrastructure, 13) Cremation Shed and approach road to Burial ground, 14) Group Houses, 15) Bus Stop, 16) Primary Health Centre, 17) Street Light, 18) Veterinary hospital and 19) Library. A detailed analysis is given in the report Vol. III.

24. ***Income Poverty:*** Annual household income of Rs. 20700 has been used as the cut off line to assess the level of poverty. Of the households 1890 surveyed, 29 per cent of the households were living below poverty line. It is interesting to note that majority of the below poverty households belong the category of marginally poor. It reveals that a minimum dose of Rs. 2431 is required for a household to come up from BPL. There is no clear relationship in between the level of poverty and the zonal characteristics and other opportunities of the village households. It shows that some of the households could not access the benefits due to lack of properties, level of community, lack of participation in political activities, etc.

The HCR varied among the zonal villages and it ranged in between 18 per cent and 38 per cent. In the first three CDZ, NEZ and WZ, the proportion of households is below the level of 27 per cent. These zones enjoyed the privileges maximum and reduced the level of poverty considerably.

25. ***Income Gap Ratio:*** Income Gap Ratio gives an idea that how much income is required to lift the people from BPL. On an average, 17 per cent of additional income is required from their current income position. The IGR varied among the zone villages, and it ranged in between 5 per cent and 26 per cent. There is no relationship in between the HCR and IGR. The dimension and focus of these ratios are differed with one another. In general, the IGR is lower among the zone villages and it is possible to lift them within short span of time. A collective responsibility is required both from the officials and the beneficiaries to achieve the goal of poverty alleviation.

26. **Sen's Index:** The Sen's index computed at the village level reflects the low level of poverty. It varied in between 0.07 and 0.16. On comparison to the overall average (0.1178), only in two zones NEZ (0.1675) and SZ (0.1579) villages recorded more than that. It reveals that the level of poverty is very poor in the State of Tamil Nadu and there is a little variation among the zonal villages due to the topography of the region and their participation in the Governmental programmes. Further, it brings to focus that a minimum effort is required to make the State as completely poverty free.
27. **Community and Poverty:** Of the total sample, the majority belonged to the BC group (43%). Most of the rest comprised the MBC (28%) and others (26%). A meagre proportion belonged to the category of SCs and STs (3%). On comparison only two communal groups' register high HCR levels viz. SCs (40%) and others (33%). The SCs and STs are generally treated as socially and economically disadvantaged groups in the country. The level of poverty is very high in the case of SCs. These communities have less land and other resources and most of them participated only in the wage employment programmes apart from their routine work. The sample size of STs is very less in number and they represented only in NWZ village. Hence it does not truly reflect the situation of poverty among the STs in Tamil Nadu.

The Gini Ratio is worked out to assess the income distribution among the communal groups. Of these five communal groups, the Gini ratio is found to be high in others category (0.359) and the lower ratio (0.196) are attributed to the STs. For both the groups' sample size is very small and in total they shared around only three per cent. In the rest of the majority of the groups, there is no much variation in Gini Ratios. It reveals that there is less inequality among the communal groups and the values too registered only in the beginning level that is very close to the value zero.

28. ***Natural Resources Index:*** A composite index has been evolved to get an aggregate picture, quantifying subjective as well as objective indicators. The index comprises of seven indicators viz. land use, slope, soil, water level, water quality, rainfall and river and drainage. A uniform scale is introduced to understand the environmental problems and the endowment of resources. If the index value is close to zero, it means that the resources are at higher level. On the other hand, if the value is one, it has been treated, as the region has no such resources. Indicators meticulously examined and identified the direction of the indicators. Wherever the direction changes against the conceptualisation of the scale values, it has been subtracted from one, to make uniformity. Since the indicators varied in terms of their relative importance, assigning equal weights would not be justified. Having had the discussion on various methodological issues on assigning weights to the indicators, the present exploratory study has taken into account the analysis of 'average correlation'. The derived weights ranged in between 10.237 and 17.575. It reveals that the relative importance of the indicators selected. On an average, the Natural Resource Index (NRI) stood at 35. The data reveals that the endowment of natural resources significantly differed among the agro climatic zones in Tamil Nadu. Overall, the sectoral performance too varied significantly and the index value ranged in between 14 and 56. The endowment of natural resources is good in the CDZ and HAZ blocks.

29. ***Household Environment Index:*** In assessing household environment, there are six broad indicators identified. These sectoral indicators reflect in different perspectives and highlight the emerging environmental problems in the country. After constructing six sectoral indices, a composite index has been constructed. The weights for the sectoral indicators were derived on the basis of correlation analysis. The computed weights ranged in between 15 and 17.59. It shows that the indicators are closely interrelated with one another and again validates the conceptual significance in assessing the household environment. The composite

index values have been reckoned to address the level of pollution and it has been construed zero as low level of pollution and 100 as high level of pollution. Overall, the computed composite index HEI stood at 41.46. It reveals that the level of pollution crossed around 40 per cent in the rural households. The topography of the agro-climatic zones is differed significantly. However, it does not reflect much in the HEI among the study villages. These index values varied in between 39 and 43. Only 4 percent differences in the index values were exist in the household environment. It depicts the Tamil culture and tradition exists in the rural areas of the state. Among the sectoral indicators, a significant difference is observed. The percentage of Tree Index value is reached 96 and conform that 47 per cent of the households do not possess any trees in the homestead land. Further the Housing Quality Index value too was high (62%). The performance of these two indicators is low as compared to other sectoral indicators. It is interesting to observe that less than 20 per cent score values registered in the indices of Water Quality, Kitchenware and Health. At the next level, Air Quality Index value stood at 47 per cent. It shows that the people in the rural areas facing the problems of indoor air pollution.

In the light of the analysis, it could be concluded that the sample population may be deemed poor in respect of tree possession, housing quality and air quality. In general, the rural household environment is moving towards high pollution and their day-to-day practices have to direct towards sustainable development.

30. ***HEI and Community:*** Traditionally some of the communities are being treated as socially backward and untouchables. Their occupational status is relatively poor. The characteristics of environmental good are entirely different from other goods. Hence, it is expected that the consumption of these goods do not vary much. However in the context of household environment, it has been realised that their employment and income level alone help them to enhance the household environment. Further, the tradition and cultural traits also play in improving the

household environment. In highlighting this issue, community-wise analysis has been done.

The computed composite index values did not vary much among the communities. It ranged in between 40.94 and 42.39. However, the sectoral indices varied among the communities. It shows that the culture and tradition of the people influenced much in maintaining the households apart from the determinants of employment and income.

31. *Poverty and Household Environment:* In all the identified indicators, the score values did not vary much. It confirms the characteristics of environmental goods viz. non-rivalness, non-excludability free rider problem, etc. A symbiotic relationship can be seen in between the poverty and environment. Household environment is determined by various factors of social, economic and cultural. Of these, economic factors play a major role in accessing the resources. However, accessing the CPRs and environmental resources are equal to all categories of population. In certain cases exclusive principle applies to keep away from the benefits of the resource.

In probing the relationship, Spearman's correlation was worked out in all categories of variables. In the case of poverty variable, household-wise income gap ratio was used to assess the relationships. In general, the worked out correlation coefficients among the zones in between the IGR and HE are significant except in the villages of HAZ and HRZ. The correlation coefficient of HAZ village is positive and it is significant. In the rest of the cases, negative relationships are observed in between the variables. The negative relationships reveal that the income level of the household increases, the household environment is moving towards no pollution that means to reach zero level in the score values.

Major Recommendations

This part gives some concrete suggestions in order to reconceptualize the existing Rural Development programmes, removing their loopholes. It is earnestly hoped that if these suggestions, are implemented it will make these programmes serve their avowed goal of uplifting the socially and economically deprived population in the real sense. The suggestions are made here on the basis of the field survey in the selected seven villages. They reflect the objective appraisal that the research team undertook of the various rural development programmes implemented in the State of Tamil Nadu. Further, the study team came across various cases as they could interface with the officials, NGOs, and beneficiaries at the time of preliminary visits made to all the 28 districts and some select blocks in the State. In the light of the experience gained and the benefit of exposure that the research team had, during the last six months, the report attempts to record a few policy suggestions / agenda for future action.

I Centrally Sponsored Schemes

1. *Swarnjayanthi Gram Swarozgar Yojana*: The aim of developing micro-enterprises under the programme SGSY in the State of Tamil Nadu is still receiving attention and it has to be activated and strengthened further. The field experience gained, Research Team of this project, suggests that for any action programme to take roots, the most needed input is the much inspired and highly involved participation of the very target groups. This warrants introducing the participants to successful experiments obtaining in certain regions, and it is hoped that such an exposure, shall trigger off a demonstration effect.

As per the programme guidelines, the group formation and training is assigned to the NGO's. Most of the NGO's are incapable of delivering the goods. This is a sad spectacle witnessed in all regions of the study, since their skill, knowledge and other infrastructure required for capacity building of the group

members are very poor. First all the NGO's should understand the objectives of the programme and their functional modalities, before participating / involving themselves in any developmental activity. The Government has to impart training to the top officials of the NGO's and the NGOs thus trained, in their turn have to disseminate the knowledge to their subordinates. These subordinates are those who interface with the beneficiaries directly, and thereby play a vital role in the whole work. Hence it has been suggested that the key workers in NGO's have to be trained well and they have to be retained in the same job for continuously at least for five years and attractive salary has to be offered to them. They should be trained to have the skills in-group formation, group dynamics, solving disputes among the group members, interaction with other bodies like banking etc.

SGSY proposed a number of measures for upgrading the capacity of Swarozgaris both as individuals as well as group oriented activities. The district SGSY committee should, in consultation with concerned technical personnel, determine the Minimum Skill Requirement (MSR), in terms of both technical and manageable skills. The basic orientation programme and skill development training varied from region to region and it was reported that the beneficiaries had not received any adequate training viz. book keeping, knowledge of market, identification and appraisal acquaintance with product costing and product pricing, familiarisation with project financing by banks as well as some basic skills in key activity identified. The current approaches, in respect of the context of training and its methodology have to be devised suitably to enhance their technical and managerial skills. Perhaps, periodical training for a longer duration will be helpful in this regard.

Technology absorption, transfer and introduction in the activities of micro-enterprises have to be monitored continuously and periodically, for identifying the setbacks on the programme activities. These micro-enterprise units should concentrate not only on production but also on activities like the food processing,

which will help value-addition to their products. Further in the context of globalisation, quality of products is vital for the development of micro-enterprises. Otherwise, they will be edged out by the forces of the market-system and a virtual extinction from the scene.

In each village, in the name of infrastructure, a hall alone has been constructed for the use of beneficiaries. Proper infrastructure is essential for the success of micro-enterprises. This program has to create the critical infrastructure viz. production, processing, quality testing, storage and marketing, at least in the cluster of villages. The availability of a better infrastructure alone will encourage the participants of the programme.

It is a conspicuous lacunae that no clusters among the micro-enterprises have been established and the entrepreneurs too could not trace the backward and forward linkages. These linkages have to be established to conserve the local resources in an efficient way. This will facilitate greater control of the progress of the programme, including setting up of infrastructure, raw material distribution, technology transfer as well as quality control.

2. ***Micro Financing – Revolving Fund:*** The revolving fund is provided to the groups to augment the group corpus so as to enable more number of members to access loans, enhancing in the per capita loan available to the members. Majority of the groups have already reached the second stage of grading and thereby receive revolving fund from the DRDA and make a corpus from their savings and interest. The group meets the credit requirements and loan advances from out of the corpus. These credit requirements of the members are generally used for consumption, social and medical expenses. The micro financing institutions impart credit discipline and financial management skills to the member, and make them credit worthy and bankable in the eyes of the bank. The objective of the scheme is to provide some amount of loan to the members for their urgent requirements and to relieve them from the clutches of the moneylenders. Some of

the groups lend their corpus money at the rate of interest of around 24 per cent to the members. It is obvious that this high rate of interest will be all the more oppressive causing hardships to the poverty stricken groups. This has to be taken a serious notice of and it is suggested that the Government should fix the interest rate to help the poor.

The study records the gratifying performance of the practice of micro financing. Through group activities and the back-end subsidy it has paved the way to recover the loans quickly without any defaults. Hence, it is recommended that the same policy be followed to uplift the poorer income groups.

3. **Indira Awaas Yojana:** As a unique policy, the Government of Tamil Nadu provides RCC roofed fire proof houses, supplementing Rs.12,000 per house as additional roofing cost apart from its usual matching share of the central grant. Therefore, the unit cost including sanitary latrine under this scheme is Rs.32,000 in normal terrain and Rs. 34,000 in difficult terrain. Currently, it has been realised in all the blocks that the allotted amount is not enough to meet the material cost of the construction of dwelling units. The cost of construction varies from region to region due to the transmission of raw materials like sand, brick, and metals, cement from far away places. It involves huge amount of transport cost. Region wise cost of construction has to be identified and the allotment has to be made accordingly by the Central and State Government. The Central Government makes its allocation only on the basis of soil condition and it has not taken into account, the cost of transportation particularly in the hilly region Nilgiris district. In the hilly district, everything has to be taken from plain regions and the cost of transportation is very high. Further, the materials have to be carried as head loads to the steep hills and it involves huge amount of labour cost. Hence it is suggested that the material and labour costs have to be assessed and fixed as per the regional requirements. Assessing the region-wise cost of construction of dwelling units enables them to maintain the quality of construction.

The allotment per unit of dwelling unit has to be revised by the Governments on par with the rate of inflation. While the rate of inflation is very high, keeping the allotment as fixed for more than five years, leads to the reduction of quality of construction over the period. Also this practice will reduce considerably the life of the house.

The design of the house and the provision of windows / jolly have to be made on the basis of the requirement of the region, particularly in the High Altitude Zone and High Rainfall Zone.

The attitude of the beneficiaries shows sharp variations among different regions. In some regions the beneficiaries realise the importance of the programme and they are enthused to come forward and participate in the housing programs. In these areas, the house construction is one of the good qualities and the value of the houses is more than the Government allotted fund. They have obviously made some additional contribution in the form of labour and cement, to construct Pucca / strong houses. On the other hand, there are certain other regions where the people view the contractors quite unfavourably as unduly profiting from the programmes and officials working hand in gloves with the former. Hence they are inclined to keep a vigil over the programme implementation. They did not actively participate and contribute labour and material in the construction of houses. This naturally affected the quality. This situation prevailed in number of regions, still the beneficiaries think that the houses are the property of Government.

It is understood that the smooth and cordial way, the officials approach the public is a critical input to make the programme a success. Keeping in view of developments that emerged in the study region, it may be suggested that the government officials at the block and panchayat level, have to be actively involved and the eligible beneficiaries should be educated. It is expected that

these eligible beneficiaries may participate and make some additional contribution in terms men and material to construct the dwelling units for their use. If they contribute in the form of men and material, they will be inclined to maintain the houses continuously and treat them as their own property. The current practice of giving whole amount to the beneficiaries makes the beneficiaries expect the Government assistance for repairs too. It is strongly suggested that the beneficiary should share some proportion of expenditure and this will be a built-in check against corruption, malpractices, and pilferages, if any.

4. ***Employment Schemes:*** As per the guidelines of the programmes, contractors are not permitted to be engaged for execution of any of the works under the programme. Further, no middleman or any other intermediate agency should be employed for executing works under the programmes of EAS and JGSY. The full benefit of wages paid should reach the workers and the cost of the works should not involve any commission charges payable to such contractors, middlemen or intermediate agency. These guidelines should be followed very strictly in the execution of the programme to avoid misuse of the funds and other pilferages, if any. At the village level, the Gram Sabha members are not aware of the guidelines of the programme; hence their participation is very poor in the activities. Awareness has to be created among the electoral members of the PRIs and the village people, which will generate better benefits among the rural people. This will facilitate them to come forward and participate in the social audit, usually carried out at the level of Gram Sabha.

The Central assistance allocated to the States / UTs is decided on the basis of proportion of rural poor in a State to the total rural poor in the country, or it is done as per any other criteria to be decided by the Govt / NDC from time to time. The poverty estimates prepared by the Planning Commission is used for this purpose. All the State Governments intend to grab the maximum benefits from the Central financial resources. Hence, these State Governments are inclined to retain

the poverty statistics equal to the national average, for the fear that a lower level of poverty will automatically bring down the allotment of central resources. In this context a uniform policy has to be adopted in identifying the level of poverty, instead of employing the proxy indicators. A composite development index at the household level may be constructed to identify the poverty, and thereby help execute the programmes. The current practice of sharing the Government programme benefits among the political and communal groups in their villages in the name of Gram Sabhas may exclude some of the really deprived households. It is hoped that this index will facilitate them to identify the target groups, and thereby distribute the benefits on a priority basis.

5. **MPLAD** was launched during 1993 and earmarked rupees one crore per annum to take up developmental works in their constituency. In response to the programmes, the allocation of funds was enhanced gradually to Rs.2 crores per annum. It is observed that a significant proportion of the elected officials at the panchayat level are not aware about the programmes and the current position of available funds. The approval of the schemes and the availability of funds should be made transparent to the public. This will help motivate them to utilise the funds and create critical infrastructure in their parliamentary constituencies and avoid favouritism to a particular village or block. Further, it is observed that some of the districts registered nil performance in respect of the programme. It shows that the members have neglected some areas and paid attention to only particular regions. They have to use the fund on the basis of priority, as per the exigencies arising in their constituency.

6. **Training Programmes:** Continuous improvement of the skill and knowledge of Panchayat Raj functionaries and elected representatives is of paramount importance to improve the efficiency of rural development machinery. As the elected representatives continue in the office only for a particular tenure, they are contributed to acquire the knowledge and skills in as to the ongoing Rural Development programmes immediately after assuming the office. Since the

training institutes are very small in number, they could not train all the elected representatives of PRIs within the stipulated period. One cycle of training will be completed to all the elected people during the tenure, and there is no possibility of further upgradation in knowledge and skill in delivering the goods as per the guidelines evolved /amended by the Central and State Government. Some of them will get training during the initial period of their tenure and others may receive the same only at the end of their tenure. It is seriously viewed that the State Government has to train all the elected officials within a year, seeking the co-operation / assistance of the Universities, Research institutes, NGOs, etc. in order to complete the training schedule. Appropriate training modules should be prepared to suit the existing social, economic and cultural conditions of the rural areas of Tamil Nadu. They should be put to use to enhance the capacity of the elected representatives, officials of RD and line departments through interactive, informal, experience sharing and interface methodologies. A continuous assessment has to be done about the impact of training programmes at various level officials. This will help restructure the training modules periodically and their adoption then and there.

7. ***Smokeless Chulahs:*** The aim of provision of smokeless Chulahs for conservation of fuel energy, eliminate indoor air pollution, prevent deforestation and drudging of rural women. These Chulahs were provided to all the IAY beneficiaries and to some other eligible households. Most of the beneficiary households possessed single room houses and there is a possibility of indoor air pollution. Traditionally, these people used fire wood stoves, and kept the stoves in front of their houses, to avoid indoor air pollution. The beneficiaries told that they had not used the chulahs, as they were small in size, causing indoor air pollution. Hence, it is suggested to construct a small kitchen outside of the house, and to make provision of strong stoves, which will accommodate locally available firewood.

8. **Biogas:** The aim of Biogas project is one of preventing deforestation and to promote the use of environment friendly non-conventional energy sources for lighting, cooking, pumping-water, etc. Of late, the practice of rearing cattle has been reduced due to the reduction in the size of CPRs and the high feeding cost of animals. In order to conserve the local energy and producing enriched natural manure, the Government has to encourage them further by way of disseminating the use of biogas among the rural mass and through continuing the subsidy for the new unit as well as for units under repair to make them sustainable. The role of turnkey agents has to be encouraged and the responsibility should be assigned to them for periodical maintenance of these units.

9. **Credit Cum Subsidy for Housing:** Under this scheme, the rural families, which had annual income up to Rs 32,000 are eligible to enjoy the benefits. The subsidy is restricted to Rs. 10,000, the maximum loan amount that can be availed of is Rs. 40,000. Due to this relaxation in the eligibility of households to avail these benefits, the government received good response from the people and implemented the scheme. It is noticed that houses constructed under this scheme is more than Rs. 2 lakhs worth. It reveals that the households are not eligible to enjoy these benefits, however, the banking institutions come forward and lend to these households keeping in view, the norm of easy recovery. It is suggested that the programme has to be implemented as per the guidelines of the Government, hence the benefits will reach to the target groups.

10. **Household Latrines:** The objective of Rural Sanitation and constructing household latrines is to improve the quality of life of the rural people and to provide privacy and dignity to the women folk. Recently, the Government reduced the subsidy around four times and fixed it at Rs.500 for sanitary latrine without the super structure. The rural people are not yet habituated to use household latrines. Of late, it is gaining some popularity among the semi urban village for the open stall available is getting shrunk. This signifies incidentally the

reduction of CPRs in the rural areas. Further, the officials at the block level struggle hard to implement the programme. They are forced to find out, who is constructing toilet, using their own resources. The officials sanction money to them, record it as construction under the programme, implemented in the concerned block. Practically, the supply of sanitary household latrine has not evoked much response among the rural people. It is observed that the current situation does not warrant the construction of household latrine. It is strongly suggested that to make use of the programme fund in an effective way, a demand driven approach has to be followed to construct household latrines. The use of latrine and the need for hygiene have to be disseminated among the rural people, in the context of emerging environmental problems.

11. ***Rural Sanitation***: This programme emphasises safe disposal of solid and liquid waste including human excrete and environmental hygiene. The rural people are habituated to go for open defecation, even though modern facilities like household and communal toilets are being provided to them at subsidised rate or free of cost. They feel that the toilets should not be kept adjacent to the houses, for it may affect the hygiene of the ambience. The current practice of providing toilets in the group houses is not in use. Further, it was observed that the toilets were not constructed as per the technical guidelines and hence there is a possibility of further deterioration in the household environment.

12. ***Monitoring of Rural Development Programmes***: The research team faced several problems in obtaining data from the Directorate of Rural Development and DRDAs in the State Tamil Nadu. It is understood that the State Government is gradually building infrastructure at the district level as well as at the State headquarters in storing data for further analysis. At the district level, the computers are used merely as typewriting machines. Most of the computers remain under utilised due to the lack of awareness in need and purpose of data,

lack of skill in computer operations and network facilities. The State Government is engaged in developing software for monitoring of Rural Development Programmes. Currently, the data were stored only physical achievements of some selective programmes. Such software has to be developed all the more to accommodate the new programmes and its features and make them user friendly.

The officials of the Directorate of Rural Development aim at maintaining the consistency in records, which had been submitted earlier to the Central Government in the form of progress reports. These reports did not match the present records available at the State level and the District level. However, there is a mismatch in their records of financial and physical achievements. The State officials could not obtain the relevant information for further planning and approval in time from the district and the block offices. At this juncture, the State officials have been forced to project / manipulate the figures and submit then to the Central Government, in order to make them release the programme fund. This practice has become very common in all the States / Union Territories of the country. The Central Government has to take up earnest measures to build e-governance in all the States of the country and thereby execute the programmes in time with perfection. This system will facilitate to update and maintain the relevant programme information. This will avoid the duplication of submission of hard copies to the parental organisations and make it transparent.

Sometimes, the study team could not identify or segregate whether the data is provisional or not. The question arises, how long a data can be retained as provisional. Due to the lack of skilled manpower in these organisations, they could not understand and develop the monitoring system. Once the audit is over, the data has to be finalised and treated as final. Still there is a lack of coordination in keeping the records at the State level. The audited reports seem to be not updated / incorporated suitably in the records of financial and physical achievements.

As per the programme guidelines, the performance of the programme has to be monitored monthly, quarterly, half-yearly and annually. The State government carries out periodical meeting to appraise the on going programmes in the State. The hurdles have to be identified and have to be solved to help the completion of project in time. A time series data has to be built up in comparing the performance periodically. This will make the officials to be alert and thereby expedite the programme activities.

13. **Identification of Below Poverty Line Families:** The current approach for identifying the BPL families gives a lot of scope for manipulation. At the block level, the officials employ a one page structured schedule and gather social and economic information about the families that live in. Assessing the income is a very difficult task and the records manipulate the figures conveniently to make the families enjoy the benefits. The field workers are really facing a tough task in removing the families from the BPL list. If any one adheres to the Government guidelines, in this regard he / she will have to earn the wrath of politicians and face the consequences. Hence no one even ventures into revising the existing list. In this approach, the Government is using PCI as one of the proxy indicators for assessing their standard of living. The proxy indicator does not reveal the actual level of living, since the BPL families enjoy the maximum benefit of the social goods viz., education, health, basic needs, etc. either free of cost or subsidised provisions. In this context, an alternative approach, Household Development Index comprising various development indicators is being contemplated. To introduce this, a strong political will is needed to change the policy of the Government. These changes may affect some beneficiary groups and naturally the party in power to accommodate the vested interest, last the latter will turn into powerful lobbies, which may even topple the Government in future.

14. **Public Distribution System (PDS):** PDS has been functioning in the country to assist the population living below poverty line. Of the surveyed households, 99

per cent of them possessed the ration card and enjoyed the benefits of the services. As per the poverty analysis, it revealed that around 29 per cent of the households are living below the poverty line. It shows that a significant proportion of non-entitled population is enjoying the benefits of the scheme PDS. The system has to be streamlined further, so as to detect the non-eligible households, and make the scheme to deliver the goods exclusively to the BPL category of population.

15. ***Common Property Resources (CPRs):*** The CPRs were created under various employment generation and area development programmes viz., JRY, JGSY, DPAP, etc. made some positive and negative externalities. The following CPRs were created under various Rural development schemes in the study villages viz., Water Harvesting Structures, Roads, Public Schools, Culverts / Small Bridges, Community Hall, Public Toilet, Television, Post Office, PDS, Cremation Ground, Library, Groups Houses, Street light and PHC. All the CPRs created / renovated under the Rural Development Schemes generated significant positive externalities rather than the negative externalities among the rural people. Hence it is recommended to build the infrastructure in the rural areas, and follow the guidelines strictly in favour of the local rural poor.

The CPRs created have to be managed properly. In this context, the suggestion is to strengthen the traditional institutions for managing these resources. Besides, the role of SHGs has to be encouraged by way of granting more powers and providing financial assistance to them, to enable their Collective Action, wherever the Property Rights are not clearly defined.

16. ***Property Rights and Trees:*** Varieties of trees reflect the possession of trees and their nature of yield. The periodicity of returns varied from trees to trees and the pay back period goes up to 25 years in the case of Teak Wood. A sizeable number of households from the four study villages viz. High Altitude Zone (98%),

Western zone (66%), North Eastern Zone (61%) and North Western Zone (49 %), did not possess any trees either to meet their consumption needs or for sale. Since these households live in small pieces of encroached household land, there was no security of land rights. Although the Government distributed patta land they were not inclined to growing any trees. It is warranted to make them realise that they are the owners of the property. With secure property rights, they may be educated to value high the future benefits through planting trees. In particular in the context of afforestation and sustainable development, the practice of growing trees has to be encouraged in all the households, wherever possible, including the High Altitude Zone. The practice of offering Teak wood saplings to the households by the Government in Dharmapuri District, Tamil Nadu, with a view to arresting the female infanticide can be emulated in other regions to control the social evil. The concept of the novel scheme is that when the child attains the age of their marriage after twenty-five years the teak planted would pay its dividend reducing the burden of the parents. This scheme is a commendable one, for it serves both the social and environmental ends.

17. **Livestock:** The composition of livestock varied among the zonal villages. It reflected the extent of their need for agricultural and other activities. In some regions, the topography does not permit to rear particular variety of livestock. It gives an opportunity to agricultural families to use their by-products as feed to the cattle. Besides, the residuals and wastages too were used as cattle feed. Non-agricultural families have to depend upon the CPRs and also they enjoy the secondary rights to graze and collect the residuals and wastages in the harvested field of the private landholders. They can enjoy the secondary rights only during the season and it will not give a sustainable feed to their cattle.

In the light of the facts above, it is suggested that the people should be educated to rear livestock and make use of the available feed throughout the year by way of creating some storage facilities. It is also suggested that some food processing industries have to be developed at the local level, enable to supply the

feed continuously to the cattle. This will encourage the population to rear some livestock and get some additional returns to manage their families.

18. **Roads:** Under AMT, the State Government dovetailed various programme funds and made the selected village as self sufficient one. In the rural areas, they provided end-to-end cover concrete maintenance free road. These concrete roads are very much useful to the people who live in the rural areas around for their day-to-day use. Most of the people appreciated the facility, which helped their vehicle movement, drying and thrashing food grains and other by-products. This protected them against foot skin disease, etc. In the light of the above discussions, it is recommended to provide maintenance free concrete roads in the rural areas. The authorities should make a perspective plan and provide all possible connections in future before laying of roads and this will avoid further digging of roads. Further, the quality has to be ensured by way of strengthening local institutions to take collective action, if they violate any guidelines.

II State Sponsored Rural Development Programmes

19. **Samathuvapuram:** The Periyar Memorial Samathuvapuram was unique in the country that aimed at creating a congenial atmosphere and establishing harmony among various communal and religious groups. These Samathuvapurams consist of 100 households of various communities each. Adequate infrastructure facilities viz., drinking water, public distribution, primary schools, noon meal centres, parks, roads and streets have to be created on priority basis to live happily and comfortably without any communal and religious discrimination. But the real picture is somewhat different among the occupants. Some of these occupants rented out / leased out / locked their houses. It is observed that the occupants owned some houses at still better locations and lived among their own community members. All of a sudden, they could not break their social traditions as to live among different caste groups. Further, lack of employment opportunities in proximity to the settlement clusters, discouraged them from occupying the houses.

This was implemented in the state Tamil Nadu, with the noble intention of removing social and economic inequalities. To remove social inequality, the Government allotted the houses for persons belonging different strata in the caste hierarchy who have expected to live adjacent to one another. In the context of removing economic inequalities, the government insisted on organising SHG among the different communities. The guidelines are good enough, but the real picture, which obtains is different. It is expected that it will take some more years to achieve the goal of establishing egalitarian settlement clusters.

20. ***Anna Marumalarchi Thittam:*** This enables the preparation of the village development plan through a participatory process. The conduct of a Rapid Appraisal of Resource Endowments (RARE) at the village level enables the Government to identify the basic problems viz., drinking water, primary education, health, nutrition, housing, roads and streets, PDS, etc. Besides, they will seek the opinions / receive petition from the public. These opinions are incorporated in the village development plan. The research team came across various inadequacies / errors in the village development plan documents. Further, in the guidelines of the scheme, it has been clearly mentioned that the document RARE survey would be used as a base line study, to compare the position in the post Anna Marumalarchi Thittam period, enabling a development impact analysis. Hence, it is recommended that the plan should be prepared with meticulous care, totally free of errors. This will help assessing the impact of the programme in future.

It is observed that some of the town panchayats of minister's constituencies has been low graded as village panchayat, enabling them to enjoy the benefits of the programme Anna Marumalarchi Thittam. These town panchayats had maximum infrastructure facilities, and they grabbed some additional programme benefits from this scheme. These types of practices have to

be avoided and the programmes have to be implemented as per the guidelines, facilitate them to deliver the goods to the poor infrastructural villages.

As per the guidelines, the size of the population is one of the criteria for identification and implementation of the programme Anna Marumalarchi Thittam. It is observed that the current criteria for assessing the financial requirements may not reveal the actual requirements; hence, in some of the villages, the selected works could not be completed. It shows that the guidelines are not adequate to serve the intended purpose of the scheme making the village self-sufficient. The size of population, number of hamlets, and area coverage varied from village to village. It is observed that in some of the villages, due to the wide coverage of the area, some of the works viz., roads could not be completed within the allotted fund. Hence, the works were incomplete. It is recommended that the required funds have to be assessed fully instead of distributing funds to the selected Panchayat villages. This will help them complete the targeted works and make the village as self-sufficient one.

It is a welcome step that the Government allotted free houses to the houseless families under the housing scheme. However it is noticed that some family members had the benefits of the houses and possessed two or three houses in the names of their sons. They reserved such houses for the unmarried sons of their families. Hence, the purpose of the scheme was defeated. It reveals that the allotment has not been made as per the guidelines, for it has given room for favouritism. It is viewed that the allotment has to be done genuinely in the Gram Sabha, instead of sharing the benefits among the politically and communally dominant group members.

The scheme, Anna Marumalarchi Thittam is one of the successful Rural Development programmes going on in the State of Tamil Nadu. Earlier programmes faced the problems of resource crunch and thereby the works could not be completed or made as self-sufficient. Under this programme, the State

Government would sanction special grant under the scheme every year besides convergence of other ongoing programmes including rural water supply programmes implemented by TWAD board. After exhausting funds converged under dovetailing with State and Central schemes like EAS / JRY / MLACD / MPLAD / DPAP / Tenth Finance Commission Grant etc, the gap alone has to be filled up from the public grant sanctioned by the State Government under Anna Marumalarchi Thittam. This procedure largely solves the problem of resource crunch and financial dose inefficiency. This passes for a model scheme, worthy of emulation in other regions of the country which to create critical infrastructure in the rural areas.

21. ***Namakku Naame Thittam:*** Tamil Nadu has a unique practice of ‘Kudimaramathu’ where in the members of the village community organise themselves to put in their collective labour to desilt, renovate and improve the irrigation channels, tanks, ooranies (drinking water ponds) every year, just before the cultivation season. Such collective efforts have benefited the people immensely to conserve and use water judiciously to get maximum benefit from the land and water resources and sustained such benefits. The reflection of this wisdom of our society and their successes resulted in launching of NNT an innovative, participatory scheme during 1997-98 in this State. Participatory development process is an attempt to overcome the limitation of top-down development approach and taking into account the needs and aspiration of the local people who are the highest stakeholder in the development process. It is cost effective, quick and quality of assets created will be much more than the top-down approach. This approach has to be followed and strengthened further in terms allotting grants without any delay to fulfil their urgent needs.

The aim is to educate people to plan their requirement and to accomplish the same with their total involvement. People often identify their requirement through Gram Sabha chalk out plans and fulfil their needs by implementing the schemes, with their contribution making 25 per cent of the outlay from their end

in the form of cash or material or labour, while the government releases the balance of 75 per cent under the NNT, extending all necessary technical assistance through the department concerned. This approach makes them look upon the property thus created as a social good, which should be managed collectively. The State need not bother about managing the resources created under the programme NNT. Hence, it is recommended that a larger number of social infrastructures be brought under this scheme, which will incidentally solve the problems of corruption, poor quality of construction, etc.

It is observed that in some of the villages, the elected panchayat presidents took this opportunity to create critical assets and contributed 25% share from their personal funds to get the matching grant 75% from the government. Later, they took away their personal shares and created assets equivalent to the government share or well below the value of the grant. It is unfortunate that this bad practice has demonstration effect in other areas as well. If we encourage these practices, the very objective of the programme will fail. Hence it is suggested that the bottom up approach (Trickle-up) be followed to implement the scheme. The elected officials in the local bodies have to play a vital role in educating the rural mass and get their support in creating/ maintaining / renovating the assets in their villages. If these people collectively contribute in the form of material / labour /cash, it would make them look upon them as their own collective assets.

The opinion of the people too varied among the regions. If we ask, why the village president alone takes much effort in creating the social assets, without seeking the co-operation of the public, they attribute it to their selfish goal of grabbing the maximum out of the Government money contributing 75 per cent of the outlay. The local people entertain the view that the President would corner for himself certain percentage of the programme fund. Further, the elected officials have spent a huge amount of money, violating election guidelines to win the election. Hence, they expect that the invested money have to be recovered within a short span of time. These issues should be viewed seriously and all efforts

should be made to strengthen the political institution further with the full co-operation of the public, avoiding all types of corruption in executing the programmes. The elected officials generate the co-operation of the public and get the maximum contribution from the public to make the programme a success. This programme should justify the well-avowed goal of development. The development at grass-root level has to be self-generated, self-organised and self sustained on a community participation basis.

22. **MLACDS:** MLACDS has been receiving a good momentum in the state of Tamil Nadu. Hence the financial allocation was gradually enhanced under this scheme from Rs.25 lakhs during 1997-98 to Rs.77 lakhs during 2000-01. Through this scheme, they could create black topping, bituminous roads, concrete roads, school building for computer education, school latrines and some other works depend on the need of the area. Since the scheme is delivering the good as per the need of the legislative constituency, it is recommended that the scheme be continued in the state and strictly following the guidelines without any misuse of funds.
23. **School Sanitation:** Under the Total Sanitation Campaign (TSC), school latrines were constructed in selected Districts. The provision of school latrines has to be extended to all Primary, Middle and High Schools functioning in the State. The practice of using toilets in the Schools, make the pupil to use the toilets in their houses. If we encourage these practices at the school level, it will prompt them to make use of toilets in future at their houses.
24. **Conversion of Unserviceable Houses into Pucca/ Semi-Pucca houses:** An innovative scheme has been introduced by the government to convert unserviceable houses into Pucca / Semi-Pucca houses. As the need for upgradation is acutely felt, the government earmarked 20% of IAY allocation for this scheme. This scheme may be continued further to all categories of eligible families.

25. Sustainable Rural Development: There are eight small Sago industries functioning in the North Western Zone study village B. Pallipatti in Dharmapuri district. These industries make use of the locally available agricultural product Tapioca and they employ around 30 labourers per shift and offer two shifts of work during the season. On average male labourers get Rs.100 per day and female labourers get Rs.35 per day. The production of sago in this village generates a lot of water and air pollutions. Those who are living in close proximity to the industries complain that they face the problems of ground water pollution and they articulate strongly the need for strong action against water pollution. In view of emerging problems in this region, a detailed study is warranted to quantify the externalities of the sago industries. These industries are giving opportunity to cultivate the crop tapioca and also providing seasonal employment to the local people providing both in the field as well as in the factory. Hence it is recommended to continue these activities and trace suitable alternative to purify the water effluents of these industries. This village typically represents the problems of all those villages located in remote areas. It is imperative to concentrate on such villages, from the angle of achieving sustainable development.

26. Occupational Diversification: The rural development schemes aim at developing micro enterprises in the rural areas and thereby they expect that the occupational diversification will take place among the people. In the total surveyed sample population, around 62 per cent are agricultural labourers. It shows that the impact has not been significant to benefit the hitherto unreached in the country. There is a rich scope to strengthen further in terms of occupational diversification and make these groups get sustainable income and employment by way of diversifying their activities, slightly towards industrialisation and services. In this context, adequate training has to be given to them through various rural development programmes to enhance their skill and knowledge.

27. **Schools:** The study team noticed that there is no lighting, ventilation and furniture in the primary schools functioning at the village level. It is strongly suggested that these facilities have to be provided to the primary schools. The availability of school infrastructure including furniture and good teaching, alone will encourage the parents to admit their kids in the local schools. There are a few private schools functioning in certain areas with good facilities that attract the parents. This was evident in the study villages of High Rainfall Zone and North Western Zone. In the HRZ village, only three students are studying in a Government primary school manned by three teachers. The functioning of government school is not viable in this area. It is recommended that the government school infrastructure including good quality of teaching alone will help deliver the educational goods to the rural mass in a sustainable way.
28. **Library :** Provision of Rural Library is an important and innovative step to disseminate information on the current scientific, technological and political developments around the World. This facility makes them keep abreast of the knowledge and enables them to succeed in their life. The infrastructure and availability of books are not adequately available due to resource crunch. The success of any development programme depends upon the local participation, whatever the initiative the Government took. As for mobilising local participation in regard to library service, it is suggested that some minimum contribution from the users may be collected. This will ensure their responsibility in managing the library. Also the scope for additional collection of books and periodicals will improve beyond the use of Newspapers.
29. **Televisions:** The State Government provided Colour Television to the Panchayat Villages and the number of television sets distributed was decided on the basis of population size and hamlets. It was reported that some of the televisions were under repair/stolen away. The responsibility of maintenance has been given to the panchayats. The panchayat does not have skilled manpower to look after this

work. Hence, it is suggested that some specific employee appointed at the Block level may look after all the televisions functioning in the villages. Further it is recommended that the responsibility of the property should be borne by the village president and he should reimburse the cost of television in the case of any theft.

In the context of making provision of TV halls, the State Government put up a very small structure to install TV and the space could accommodate hardly a few persons. Hence the viewers were made to sit outside the TV hall. This caused hardships to the viewers during rainy days particularly in the High Altitude Zone area. During night hours, people could not sit outside the hall due to heavy wind blows and chillness. Some of the youngsters, viewing the TV within the small structure, run the risk of their eyesight being affected in future. The structure can be widened particularly in the Hill Area Zone and High Rainfall Zone areas of the State.

30. **Community Hall** : The State Government created community hall in the villages to perform the family functions, entertainment, storing of food grains, etc. The cost of construction and the size of the hall are varied among the regions. The externalities created under this infrastructure are very meagre. Hence, it has been suggested to construct the community halls with more space inside and outside of the hall, and make it more convenient to perform the functions.
31. **Cremation Shed**: The successive State Governments in Tamil Nadu made provision in the budget and created approach roads to the burial ground and cremation sheds. Creation of Cremation Shed is one of the identities of the area and prevents from the encroachment. Further, the aim of creating the shed is to burn the dead bodies during rainy days. The Sheds put up in the rural areas could not be protected against the rain and wind blows. Hence it has been recommended to restructure the design. It is understood that the scheme has been

- withheld due to certain charges of irregularities that cause up. This scheme may be revived in order to ensure the provision of approach road and Cremation Shed to all the rural areas of the country. In future, electric crematorium may be introduced at the block level to control the pollution and energy.
32. **Street Lights:** Street Lights in the rural areas produced significant positive externalities rather than negative externalities. It is realised and recommended that the services may be continued still better through Panchayat Raj bodies without any interruption in favour of poor population.
33. **Veterinary Hospitals and Dispensaries:** The functioning of Veterinary Hospitals and Dispensaries in most of the Panchayat Villages are delivering the goods and fulfilled the needs of the local population. The availability of Doctors and Medicine has to be ensured in all the Dispensaries for the livestock to get treatment in right time, avoiding their deaths. A Collective Action among the public is required to control the practices of misappropriation, bribe, etc. This type of collective institution has to be strengthened and empowered to take action immediately.
34. **Primary Health Centres:** It is encouraging to note that the Primary Health Centres were found to be properly functioning in the villages and there is a rich scope for further development in delivering the health goods. Some of the households were the victims of some problems such as bribery, lack of hygiene and non-availability of medicine, etc. In order to curb some irregularities, the Government has to take necessary action against those officials immediately, besides the Collective Action warranted.
35. **Function of Schools:** Employees and Teachers working under the purview of the panchayats are not employees of panchayats and they are employees of Government. Hence, these employees are not accountable to local bodies, as a result of which the schools are not properly managed. However, it is expected that

the presidents of the panchayat to look after the functioning of primary schools. It is suggested that the Presidents can report to the concerned authorities to ensure proper functioning of the schools.

36. **Repair Works:** The work force is inadequate to attend to the repair and maintenance works of rural amenities. Hence the streetlights are seldom replaced and the motors fixed in overhead tanks were not repaired in time for the technicians cause inordinate delay. Further the rates fixed for repairing work is very low and hence nobody turns towards these works. For the purchase of materials for the repairing work or replacement, Presidents have no option but to give more money than the prescribed as well as the market rate. It is suggested that a few skilled labourers with the provision of some spares for replacement at the block level, may be appointed to take care of the maintenance and repairs in all the panchayat villages.
37. **Powers for Managing CPRs:** Currently the powers for managing CPRs are not under the control of local bodies. These powers can be given to these local bodies for better utilisation of these resources and managing for the same.
38. **Powers of the Union Engineer** is unlimited and it is unfortunate that the Union Engineer is invariably corrupt. He is more powerful than the BDO. He is the person responsible for clearing the bills and the proposals. Hence, he makes the Gram Panchayat President act as per his wish. Most of the Union Engineers demand 15 per cent commission for every work. It results in the poor quality of construction. To control corruption, awareness and a collective action are required among the public, and the erring officials should be punished. For this, the existing laws may be amended suitably.
39. **Panchayat President and Vice President:** The people elect Panchayat Presidents and Vice-President of Gram Panchayats are elected by ward members. The cheque signing power has also been given to Vice-President. In most of the

panchayat villages, the president and vice-president belong to different communities, and there is no socialisation and mutual understanding among these people. It disturbs the entire atmosphere and administration. In some villages, Dalit Presidents are controlled through the caste Hindu Vice-Presidents. The aim of this cheque signing power is to reduce the corruption. But, these presidents and vice-presidents use this opportunity to grab the maximum benefits of the works carried out in their respective panchayats. It has been realised that the works carried out at the panchayat level should be made transparent in the Gram Sabha to reduce the corruption, if any.

40. **Gram Sabha Meetings:** Generally the local people do not come forward voluntarily to attend the Gram Sabha meetings. The response is generally very poor in most of the villages, even when the meetings are held during the National Holidays. Different political parties are actively involved in the election process. When the victor assumes office, those defeated in the election are not actively involved in the developmental activities of the villages and some times they prefer to be mute spectators. This practice cuts at the very root of democracy and the people should be encouraged to voluntarily participate in all the activities of the village. This will go a long way in reducing corruption in managing and developing CPRs. To make full participation in the Gram Sabha meetings, some economic instruments can be used like entitlement to ration facilities. If any one does not attend the meeting, the benefits of PDS may be withdrawn for another three months. For this, the powers have to be assigned to the Gram Sabha. For those not entitled to the benefits of PDS, the other privileges like bank credit / co-operative credit, etc. may be denied for one year or so.

41. **Panchayat Assistant:** Currently, a panchayat assistant is being appointed by the President in every panchayat village. They are not regular employees of the institution. Their salary is around Rs.750 per month. Responsibility and duties of the panchayat assistant are very high; hence they are tempted to accept some

money from the people as bribe for discharging their duties at the village level. As he is the official working at the grass root level any one has to approach him first, for any information or for clinching any village related task. Given his importance, he should be regularised in service and fixed with salary suitably.