

Rural Development



TOPIC – RURAL DEVELOPMENT

MASTER NOTES PART XII AS PER SYLLABUS

- Rural Development: Concept of Rural Area, Structure of the Indian Rural Economy- Importance & role of the rural sector in India- Economic, Social & Demographic Characteristics of the Indian rural economy, causes of Rural Backwardness.
- Rural population in India; Occupational structure, Farmers, Agricultural Labourers, Artisans, Handicrafts, Traders, Forest dwellers/tribes and others in rural India- Trends of change in rural population and rural work force; problems and conditions of rural labour; Issues and challenges in Handlooms
- Panchayati Raj Institutions – Functions and Working. MGNREGA, NRLM – Aajeevika, Rural Drinking water Programmes, Swachh Bharat, Rural Housing, PURA and other rural development programmes.

YouTube Lectures on these topics can be accessed through following Links Revision series on Rural Development

Part I	https://youtu.be/VjMQ9SeJBJM
Part II	https://youtu.be/xlCtSrFVtEM
Part III	https://youtu.be/5O3Z_2IKleU

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1 Rural Development:

The term “**Rural Development**”, has no standard definition but can be understood as the overall development of rural area with a focus on improving the quality & standard of living of the people residing in rural areas by creating livelihoods, assets, infrastructure, services and by other interventions.

2 Ministry of Rural Development (MoRD):

2.1.1 Departments of MoRD:

1. **Department of Rural Development (DoRD):**

- Implements schemes of generation of employment (self- employment & wage employment), social assistance, rural housing, rural roads etc.

2. **Department of Land Resources (DoLR):**

- It is mandated to all land based developmental programmes. It implements area development programmes on watershed basis.

The three watershed development programmes of DoLR are,

- ❖ Integrated Wasteland Development Programme (IWDP)
- ❖ Drought Prone Area Programme (DPAP)
- ❖ Desert Development Programme (DDP)

All the above programmes have been consolidated into single programme called **Integrated Watershed Management Programme (IWMP)**

2.1.2 Autonomous bodies under MoRD:

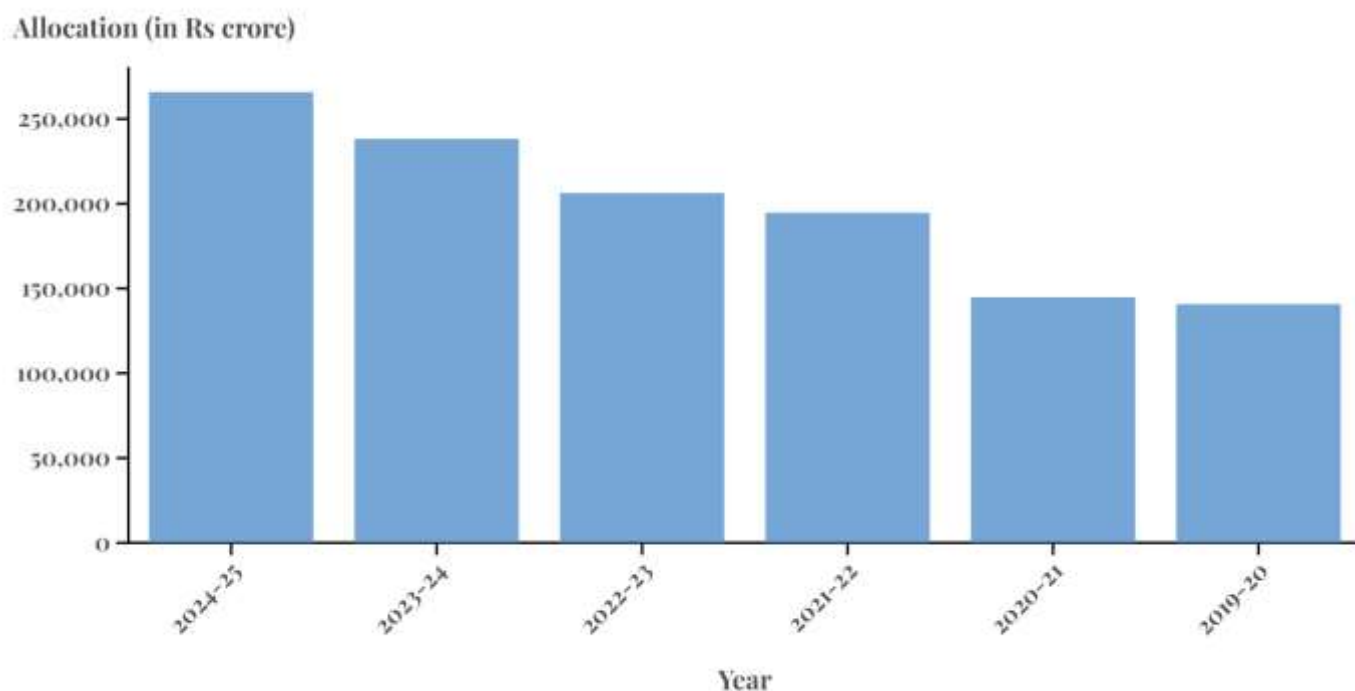
- ❖ National Institute of Rural Development & Panchayati Raj (**NIRD & PR**)- Hyderabad
- ❖ National Rural Infrastructure Development Agency (**NRIDA**)- New Delhi
- ❖ Bharat Rural Livelihoods Foundation (**BRLF**)- New Delhi
- ❖ National Rural Livelihood Promotion Society (**NRLPS**)- New Delhi

3 Major programmes of DoRD are,

- ❖ MGNREGA
- ❖ Pradhan Mantri Gram Sadak Yojana (PMGSY)
- ❖ Pradhan Mantri Awas Yojana- Gramin (PMAY-G)
- ❖ DAY- NRLM
- ❖ National Social Assistance Programme (NSAP)

- ❖ Sansad Adarsh Gram Yojana (SAGY)
- ❖ Shyama Prasad Mukherjee RURBAN Mission (SPMRM)
- ❖ Mission Antyodaya

4 Budget for MoRD 2023-24



This year, the government allocated Rs 2,65,808 crore for rural development, an increase of over Rs 1 lakh crore since 2019-20 levels.

	Actuals 2022-23	Budgeted 2023-24	Revised 2023-24	Budgeted 2024-25	% change (2023-24 RE to 2024-25 BE)
MGNREGS	90,806	60,000	86,000	86,000	0%
Pradhan Mantri Awas Yojana	73,615	79,590	54,103	84,671	56.5%
Jal Jeevan Mission/National Rural Drinking Water Mission	54,700	70,000	70,000	70,163	0.2%
PM-KISAN	58,254	60,000	60,000	60,000	0%
Samagra Shiksha	32,515	37,453	33,000	37,500	13.6%
National Health Mission	31,279	29,085	31,551	36,000	14.1%
Modified Interest Subvention Scheme	17,998	23,000	18,500	22,600	22.2%
Saksham Anganwadi and POSHAN 2.0	19,876	20,554	21,523	21,200	-1.5%
Pradhan Mantri Gram Sadak Yojana	18,783	19,000	17,000	19,000	11.8%
National Livelihood Mission-Ajeevika	11,536	14,129	14,129	15,047	6.5%
Pradhan Mantri Fasal Bima Yojana	10,296	13,625	15,000	14,600	-2.7%
Reform Linked Distribution Scheme	2,738	12,072	10,400	12,585	21.0%
Pradhan Mantri Poshan Shakti Nirman (PM POSHAN)	12,681	11,600	10,000	12,467	24.7%
Swachh Bharat Mission	6,851	12,192	9,550	12,192	27.7%
Pradhan Mantri Krishi Sinchai Yojana	6,380	10,787	8,781	11,840	34.8%

	Actuals 2022-23	Budgeted 2023-24	Actuals 2023-24	Budgeted 2024-25	% change (2023-24 Actuals to 2024-25 BE)
Food	2,72,802	1,97,350	2,11,814	2,05,250	-3.1%
Fertiliser	2,51,339	1,75,100	1,89,487	1,64,000	-13.5%
Interest*	41,676	27,565	23,980	29,550	23.2%
LPG Subsidy	6,817	2,257	12,240	11,925	-2.6%
Others*	5,281	812	3,090	17,698	472.6%
of which allocation to Price Stabilisation Fund	0	0	0	10,000	
Total	5,77,916	4,03,084	4,40,612	4,38,423	-0.5%

	Actuals 2022-23	Budgeted 2023-24	Actuals 2023-24	Budgeted 2024-25	% change (2023-24 Actuals to 2024-25 BE)
Defence	5,73,098	5,93,538	6,09,799	6,21,941	2.0%
Road Transport and Highways	2,17,089	2,70,435	2,75,715	2,78,000	0.8%
Railways	1,62,410	2,41,268	2,45,794	2,55,393	3.9%
Consumer Affairs, Food and Public Distribution	2,83,954	2,05,765	2,32,498	2,23,323	-3.9%
Home Affairs	1,86,839	1,96,035	1,96,886	2,19,643	11.6%
Rural Development	1,77,840	1,59,964	1,63,643	1,80,233	10.1%
Chemicals and Fertilisers	2,53,563	1,78,482	1,91,165	1,68,500	-11.9%
Communications	1,40,976	1,23,393	1,11,327	1,37,294	23.3%
Agriculture and Farmers' Welfare	1,08,277	1,25,036	1,18,147	1,32,470	12.1%
Education	97,196	1,12,899	1,23,364	1,20,628	-2.2%
Jal Shakti	71,618	97,278	95,365	98,714	3.5%
Health and Family Welfare	75,731	89,155	83,149	90,959	9.4%
Housing and Urban Affairs	77,310	76,432	68,565	82,577	20.4%
Other Ministries	17,67,256	20,33,419	19,27,124	22,10,838	14.7%
Total Expenditure	41,93,157	45,03,097	44,42,542	48,20,512	8.5%

Sources: Expenditure Budget, Union Budget 2024-25, Controller General of Accounts; PRS.

July 23, 2024

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5 Concept of Rural:

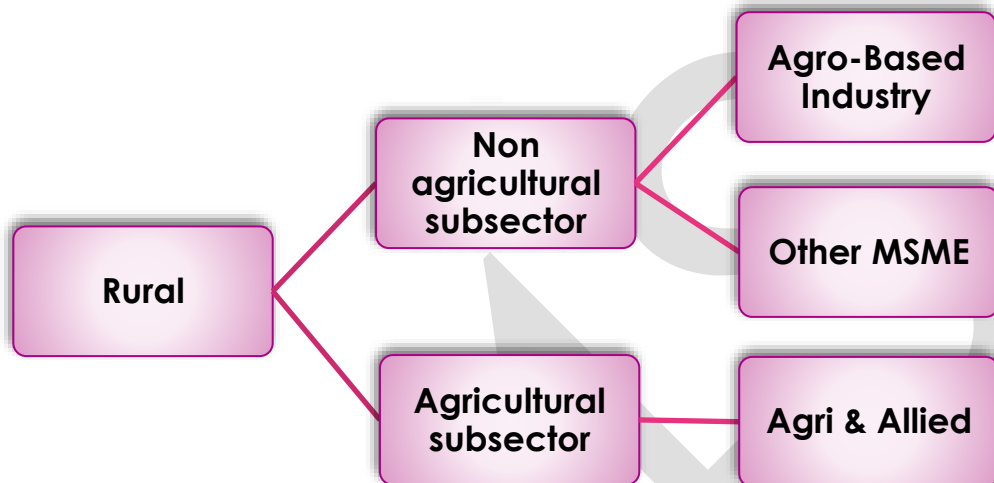
- There is no concrete definition for rural, but attempts had been made to define urban area, so anything **excluded** of this definition is considered rural.

NSSO	<p>The National Sample Survey Organisation (NSSO) defines 'rural' as follows:</p> <ul style="list-style-type: none"> An area with a population density of up to 400 per square kilometer Villages with clear surveyed boundaries but no municipal board A minimum of 75% of male working population involved in agriculture and allied activities.
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Census 2011	<p>The Census of India 2011 defines urban India but rural India is left for guesswork. Urban India is defined as:</p> <ul style="list-style-type: none"> • All statutory places with municipality, corporation, cantonment board or notified town area committee <p>A place which satisfies the three criteria:</p> <ul style="list-style-type: none"> • Minimum population of 5,000 • Density of population of at least 400 per sq. km. (1,000 per sq. mile) • At least 75% of male working population engaged in non-agricultural activities 																				
RBI	<p>Details of tier-wise classification of centres based on population</p> <table border="1" data-bbox="272 689 1458 1137"> <thead> <tr> <th>i) Classification of centres (tier-wise)</th><th>Population (as per 2011 Census)</th></tr> </thead> <tbody> <tr> <td>Tier 1</td><td>- 1,00,000 and above</td></tr> <tr> <td>Tier 2</td><td>- 50,000 to 99,999</td></tr> <tr> <td>Tier 3</td><td>- 20,000 to 49,999</td></tr> <tr> <td>Tier 4</td><td>- 10,000 to 19,999</td></tr> <tr> <td>Tier 5</td><td>- 5,000 to 9,999</td></tr> <tr> <td>Tier 6</td><td>- Less than 5000</td></tr> </tbody> </table> <p>ii) Population-group wise classification of centres (Centre = Revenue unit)</p> <table border="1" data-bbox="256 1375 1485 1541"> <tbody> <tr> <td>Semi-Urban centre</td><td>from 10,000 to 99,999</td></tr> <tr> <td>Urban centre</td><td>- from 1,00,000 to 9,99,999</td></tr> <tr> <td>Metropolitan centre</td><td>- 10,00,000 and above</td></tr> </tbody> </table>	i) Classification of centres (tier-wise)	Population (as per 2011 Census)	Tier 1	- 1,00,000 and above	Tier 2	- 50,000 to 99,999	Tier 3	- 20,000 to 49,999	Tier 4	- 10,000 to 19,999	Tier 5	- 5,000 to 9,999	Tier 6	- Less than 5000	Semi-Urban centre	from 10,000 to 99,999	Urban centre	- from 1,00,000 to 9,99,999	Metropolitan centre	- 10,00,000 and above
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NABARD (NAFIS)	<p>'Agricultural Household' (AH) is defined as:</p> <ul style="list-style-type: none"> ✓ A household that received some value of produce more than ₹ 5000 from agricultural activities (e.g., cultivation of field crops, horticultural crops, fodder crops, plantation, animal husbandry, poultry, fishery, piggery, bee-keeping, vermiculture, sericulture, etc.) 																				

- ✓ Having **at least one member** self-employed in agriculture either in the principal status or in subsidiary status during **last 365 days**.
- ✓ The condition of land possession was dispensed with

5.1.1 Structure of Rural India:



- Rural India does not mean only agriculture and agriculture-allied sectors. Interestingly, the share of agriculture in rural output is **39%**, whereas the rest is contributed by the manufacturing, construction and services sectors. However, a large **64%** of rural employment is in the agriculture sector.
- India's economy can be thought of as comprising two main sectors, namely, the rural sector and the non-rural sector. The rural sector is, in turn, composed of two main subsectors, i.e., the agricultural subsector & the non-agricultural subsector. The agricultural subsector comprises agriculture and allied economic activities such as crop husbandry, animal husbandry and dairying, fisheries, poultry and forestry.
- The non-agricultural subsector consists of economic activities relating to industry, business and services. Industry here refers to cottage and village industries, khadi, handloom, handicrafts, etc; business refers to microenterprises, trading of general goods, small shops, petty traders, etc.; whereas services refer to transport, communications, banking, input supply, marketing of farm and non-farm produce, etc.

- The main stakeholders of the rural sector include farmers, agricultural and non-agricultural labourers, artisans, traders, moneylenders, and those engaged in providing such services as transport, communications, processing, banking and education and extension.

5.1.2 Important data (as per Census 2011):

***Population (In crores)**

Census	2001	2011	Difference
India	102.9	121.0	18.1
Rural	74.3	83.3	9.0
Urban	28.6	37.7	9.1

Percentage Share (%)

- Rural – Urban distribution: **68.84% & 31.16%**

Population Growth Rate:

The rate at which a population is increasing (or decreasing) in a given year due to natural increase/ decrease and net migration, expressed as a percentage of the base population.

5.1.3 Number of Rural Units (or Villages) in India:

Census 2001	6,38,588
Census 2011	6,40,867
Increase	2,279

5.1.4 Features of the Indian Rural Economy:

- Low per capita income in rural areas
- Excessive dependence of agriculture
- High rate of population growth

- Chronic unemployment (occurs when unemployment tends to be a long-term feature of a country)
- Disguised unemployment in India
- Poor rate of capital formation
- Inequality in the distribution of wealth
- Poor quality of human capital
- Low level of use of technology
- Under-utilization of natural resources
- Lack of infrastructure
- Low level of standard of living

Sex Ratio:

	2001	2011	Difference
Overall			
India	933	940	+7
Rural	946	947	+1
Urban	900	926	+26
0-6 years			
India	927	914	-13
Rural	934	919	-15
Urban	906	902	- 4

- Though the Urban Child sex ratio is far worse than in the rural areas, the fall in Child sex ratio in rural areas is around 4 times that in urban areas. In fact the decline is more gradual in urban areas.

Literacy Rate:

	2001	2011	Difference
--	------	------	------------

Overall			
India	64.8%	74.0%	+9.2%
Rural	58.7%	68.9%	+10.2%
Urban	79.9%	85.0%	+5.1%

- The rural urban literacy gap which was **21.2** percentage points in **2001**, has come down to **16.1** percentage points in **2011**.

5.1.5 Points to remember:

- There are **6,40,867** villages in India
- During 2001-11 the growth of Rural Population has been **12.18%**
- Four States recorded decline in Rural Population during 2001-11. These are **Kerala (by 26%), Goa (19%), Nagaland (15%) & Sikkim (5%)**
- Average size of operation holding **1.08 Ha** (As per AC-2015-16)
- The small and marginal holdings taken together (0.00-2.00 ha.) constituted **86.08%**
- The Semi-medium and Medium operational holdings (2.00-10.00 ha.) in 2015-16 were only **13.35%** with **43.99%** operated area.
- The large holdings (10.00 ha. & above) were merely **0.57%** of total number of holdings in 2015-16 and had a share of **9.07%** in the operated area.
- According to a NITI Aayog report, income per farmer is around **one-third** of the income per non-agriculture worker
- Villages are India's backbone, contributing around **46%** to the country's net domestic product and employing **70%** of the **total** workforce.

6 Importance and role of the rural sector in India - Economic, Social and Demographic Characteristics of the Indian rural economy, causes of Rural Backwardness

Bol Bacchan Topic, no importance for prelims in MCQ format. Some fodder points mentioned can be used in descriptive type question in mains.

- Around **two-thirds** of India's population is in rural areas and a large proportion of this population lives in abject poverty.
- Apart from the agriculture sector, there needs to be increased focus on agriculture-allied sectors, if we want to improve overall rural income.
- The **livestock sector**, which contributes around **4%** to India's gross domestic product (GDP), is particularly critical. India has a mixed crop livestock farming system, with livestock becoming an important secondary source of income. Small and marginal farmers have high dependence on the livestock sector. Hence, measures to boost livestock sector growth and productivity will have a significant impact in alleviating rural distress.
- Rural India does not mean only agriculture and agriculture-allied sectors.
- Interestingly, the share of agriculture in rural output is **39%**, whereas the rest is contributed by the manufacturing, construction and services sectors. However, a large **64%** of rural employment is in the agriculture sector.
- The **manufacturing sector** in rural India contributes **18%** to rural output, but employs only **8%** of the rural workforce.
- The rural workforce finds it difficult to get absorbed in the manufacturing sector. This is where improving education facilities and skill development programmes in rural areas will play an important role.
- The **services sector** contributes around **27%** to rural output, as against **55%** to India's GDP.
- A strong push to sectors like **food processing, warehousing and logistics** will be very beneficial as it will help push up farmer incomes, reduce the wastage of perishable agriculture commodities and provide employment to rural workers.
- Villages are India's backbone, contributing around **46%** to the country's net domestic product and employing **70%** of the total workforce.

7 Occupational Structure & Rural Workforce:

Farmer
Agriculture & Non Agri Labours
Handicrafts & Artisans
Tribals
Forest Dwellers

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7.1.1 Farmer:

Classes:

S. No.	Group	S. No.	Classes (in ha.)
I.	Marginal	1.	Below 0.5 ha.
		2.	0.5 < 1.0 ha.
II.	Small	3.	1.0 < 2.0 ha.
III.	Semi-medium	4.	2.0 < 3.0 ha.
		5.	3.0 < 4.0 ha.
IV.	Medium	6.	4.0 < 5.0 ha.
		7.	5.0 < 7.5 ha.
		8.	7.5 < 10.0 ha.
V.	Large	9.	10.0 < 20.0 ha.
		10.	and above.

Sl. No.	Size Groups	Average (in ha.)									
		1970-71	1976-77	1980-81	1985-86	1990-91	1995-96	2000-01*	2005-06*	2010-11	2015-16
1	Marginal	0.40	0.39	0.39	0.39	0.39	0.40	0.40	0.38	0.39	0.38
2	Small	1.44	1.42	1.44	1.43	1.43	1.42	1.42	1.38	1.42	1.40
3	Semi-Medium	2.81	2.78	2.78	2.77	2.76	2.73	2.72	2.68	2.71	2.69
4	Medium	6.08	6.04	6.02	5.96	5.90	5.84	5.81	5.74	5.76	5.72
5	Large	18.10	17.57	17.41	17.21	17.33	17.20	17.12	17.08	17.38	17.07
	All Sizes	2.28	2.00	1.84	1.69	1.55	1.41	1.33	1.23	1.15	1.08

(Average size in Ha)

7.1.2 Agriculture Labours, Rural Labours and Cultivators:

Agriculture & Rural Labour:

- A person is treated as an agricultural labourer if he or she follows one or more of the agricultural occupations in the capacity of a labourer on hire, whether paid in cash or kind or partly in cash and partly in kind.
- A rural labourer is defined as one who does manual work in rural areas in agricultural and non-agricultural occupations in return for wages in cash or kind, or partly in cash and partly in kind.
- As per Census 2011, conducted by the Registrar General of India, the total number of agricultural workers in the country have increased from **234.1 million** (127.3 million

cultivators and **106.8 million** agricultural labourers) in 2001 to **263.1 million** (118.8 million cultivators and **144.3 million** agricultural labourers) in 2011.

- However, the share of workforce engaged in the agriculture sector (comprising of cultivators and agricultural labourers) has come down from **58.2** per cent in 2001 to **54.6** per cent in 2011.
- Migration of agricultural labour from rural to urban areas is a general phenomenon and a natural part of the development process.
- The reasons for this shift include, inter alia, better employment opportunities in industry and services, increasing urbanization, low income in agriculture etc. In a market economy like India, movement of the people for better economic opportunities is inexorable.

Consumer Price Index:

It measures price changes from the perspective of a retail buyer. It is released by the National Statistical Office (NSO)

At the national level, there are four Consumer Price Index (CPI) numbers viz,

Types	Base Year
CPI for Agricultural Labourers (AL)	1986-87
CPI for Rural Labourers (RL)	(Will be revised soon to 2018-19)
CPI for Industrial Workers (IW)	2016
CPI for Urban Non-Manual Employees (UNME) (Discontinued since 2011)	1984-85
CPI General combining all	Base Year for CPI in general is 2012

- CPI AL+CPI RL + CPI IW Combined released by **Labour Bureau** in the Ministry of Labour and Employment & Fourth CPI General is compiled by the **NSO** in the Ministry of Statistics and Programme Implementation.
- **Frequency:** CPI AL & RL Released **monthly**

Periodic Labour Force Surve (PLFS) report:

- It is India's first computer-based survey launched by the NSO in 2017.

- It has been constituted based on the recommendation of a committee headed by **Amitabh Kundu**.
- It essentially maps the state of employment in the country.
- In doing so, it collects data on several variables such as the level of unemployment, the types of employment and their respective shares, the wages earned from different types of jobs, the number of hours worked etc.
- Before PLFS, the National Sample Survey Office (NSSO)- previous name of NSO used to bring the data related to employment and unemployment based on its quinquennial (every 5 year) household socio-economic survey programme.
- Considering the importance of availability of labour force data at more frequent time intervals, **National Statistical Office (NSO)** launched PLFS.

The objective of PLFS is primarily twofold:

- ❖ To estimate the key employment and unemployment indicators (viz. Worker Population Ratio, Labour Force Participation Rate, Unemployment Rate) in the short time interval of three months for the urban areas only in the Current Weekly Status (CWS)
- ❖ To estimate employment and unemployment indicators in both usual status (ps+ss) and CWS in both rural and urban areas annually.

Key Terminologies in PLFS

- ❖ **Labour Force Participation Rate (LFPR):** LFPR is defined as the percentage of persons in labour force (i. e. working or seeking or available for work) in the population.
- ❖ **Worker Population Ratio (WPR):** WPR is defined as the percentage of employed persons in the population.
- ❖ **Unemployment Rate (UR):** UR is defined as the percentage of persons unemployed among the persons in the labour force.
- ❖ **Activity Status - Usual Status:** The activity status of a person is determined on the basis of the activities pursued by the person during the specified reference period. When the activity status is determined on the basis of the reference period of **last 365 days** preceding the date of survey, it is known as the **usual activity status** of the person.

❖ **Activity Status- Current Weekly Status (CWS):** The activity status determined on the basis of a reference period of **last 7 days** preceding the date of survey is known as the **current weekly status** (CWS) of the person.

7.1.3 Handicrafts & Artisans:

- The office of Development Commissioner (Handicrafts) implements various schemes for welfare development of artisans through “**National Handicraft Development Programme (NHDP)**” and **Comprehensive Handicrafts Cluster Development Scheme (CHCDS)** to emphasize integrated approach for development of handicraft in a holistic manner and provide sustainable livelihood opportunities to the artisans.

7.1.4 National Handicrafts Development Programme (NHDP):

- ❖ Base Line Survey & Mobilization of Artisans under Ambedkar Hastshilp Vikas Yojana
- ❖ Design & Technology Up-gradation
- ❖ Human Resource Development
- ❖ Direct Benefit to Artisans
- ❖ Infrastructure and Technology Support
- ❖ Marketing Support & Services
- ❖ Research and Development

7.1.5 Comprehensive Handicrafts Cluster Development Scheme (CHCDS):

- ❖ Mega Cluster
- ❖ Integrated Development and Promotion of Handicrafts Projects (Special Projects)
- The Office of Development Commissioner (Handicrafts) provides MUDRA loan and margin money to handicrafts artisans. The details of the loan amount /margin money provided to handicrafts artisans through banks are as under:
- Handicrafts artisans' comprehensive welfare scheme wherein the handicrafts artisans is issued the identity card under **PAHCHAN initiatives**, so that he/she may get the benefit of all the schemes of Govt. of India.
- Support to artisans in indigent circumstances to the recipient of **Shilp Guru Awards**, National Awards or merit certificate or state award in handicrafts above the age of 60 years. The assistance to an amount of **Rs.3500/-** per month is provided to the

eligible master crafts persons on the recommendation of field offices whose income should not exceed to **Rs. 50,000/-** per annum. The relaxation in age is in the case of disability.

- The first phase of Technical Training Programme under **SAMARTH scheme** of the Ministry of Textiles is being conducted for promotion and development of Kheta Embroidery benefiting 30 artisans.

The following five (5) projects are being supported by ONGC

- ❖ **Bamboo Cottage:** ONGC has joined hands with Shivganga, a voluntary non-profit venture of young tribal entrepreneurs, to make the artisans of Jhabua district of Madhya Pradesh, who are struggling to keep the age-old art of crafting decorative items with bamboo alive, thus becoming self-dependent.
- ❖ **Dhokra:** In association with Anwasha Tribal Arts and Crafts in Odisha's Dhenkanal, this project will create new opportunities for the artisans of ancient metal casting craft Dhokra and lost wax technique Cire Perdue by forming clusters, impart training and create market linkages.
- ❖ **Lac:** In association with CINI, ONGC aims to make the communities in Khunthi and Ghumla districts of Jharkhand aware of their forest resources and reviving the forgotten Lac culture. The project will train the tribal women and local youth in scientific lac cultivation.
- ❖ **Bhotia:** To promote the traditional craft of wool dyeing in Uttarakhand, ONGC with the support of SEWA International, will create platforms and marketing opportunities to showcase talent by combining their style of costume with modern clothing trends and exhibit their craftsmanship to a wider consumer base.
- ❖ **Assam Silk:** ONGC, along with the North East Development Forum, will facilitate the sustainable development of handloom weavers located in and outside identified handloom clusters of Sivasagar district (Upper Assam) into a cohesive, self-managing and competitive socio-economic unit.

- The **Ministry of Minority Affairs** has proposed the Upgrading the Skills and Training in Traditional Arts/Crafts for Development (**USTTAD**) **scheme** to promote the heritage of traditional arts and crafts of minorities.

7.1.6 Handloom:

- India is a major handloom producer in the world, accounting for **85 per cent** of the total production globally.
- The sector is key to women empowerment as over **70% of handloom weavers and allied workers** were **women**.
- Handloom contributes **14.6%** to the total cloth production in the country (excluding wool, silk and yarn).
- Major clusters in India are Bahraich, Bhuj, Karimnagar, Patan, Varanasi, Nawan, Shaher, Boudh etc.
- Handloom industry is the **second largest** employment generator in India, next only to agriculture.
- Ministry of Textile will celebrate **7th National Handloom Day on August 07, 2021**
- In the 75th year of independence, Prime Minister Shri Narendra Modi has urged all of us as a nation to buy Indian Handloom products and showcase their grandeur by associating with **#MyHandloomMyPride**.
- Three Handloom Craft Villages at **Kovalam, Thiruvananthapuram, Kerala, Mohpara Village, District Golaghat, Assam and Kanihama, Budgam, Srinagar** are being set up by Ministry of Textiles in collaboration with the respective State governments.

7.1.7 Famous Handlooms:

Andhra Pradesh	Kalamkari Handloom dress materials
Karnataka	Ilkal silk sarees
Madhya Pradesh	Chanderi sarees
Odisha	Sambalpuri likkat sarees
Punjab	Phulkari

West Bengal	Jamdani sarees
Telengana	Pochampally Ikat sarees

7.1.8 Schemes of Handloom:

Handloom Weavers' Comprehensive Welfare Scheme	Handloom Weavers Comprehensive Welfare Scheme (HWCWS) is providing Life, accidental and disability insurance coverage to handloom weavers/workers under the components Pradhan Mantri Jivan Jyoti Bima Yojana (PMJJBY), Pradhan Mantri Suraksha Bima Yojana (PMSBY) and Converged Mahatma Gandhi Bunkar Bima Yojana (MGBBY).
National Handloom Development Programme (NHDP)	Education of handloom weavers and their children: Ministry of Textiles has signed Memorandums of Understanding with Indira Gandhi National Open University (IGNOU) and National Institute of Open Schooling (NIOS) to secure educational facilities for the weavers and their families.
Weaver MUDRA Scheme	Under the Weavers' Mudra Scheme, credit at concessional interest rate of 6% is provided to the handloom weavers. Margin money assistance to a maximum of Rs.10,000 per weaver and credit guarantee for a period of 3 years is also provided.
Block Level Cluster	Financial assistance up to Rs.2.00 crore per BLC for various interventions such as skill upgradation, Hathkargha Samvardhan Sahayata, product development, construction of work shed, project management cost, design development, setting up of common facility centre (CFC) etc. is provided. Besides, financial assistance up to Rs.50.00 lakh is also available for setting up of one dye house at district level.

Hathkargha Samvardhan Sahayata (HSS)	Hathkargha Samvardhan Sahayata (HSS) was introduced on 1st December, 2016 with an objective to provide looms/accessories to the weavers to enhance their earnings through improved productivity and quality of the handloom products. Under the scheme, 90% of the cost of loom/accessory is borne by the Government of India while remaining 10% is borne by the beneficiary
India Handloom Brand	During the celebration of 7th August 2015 as National Handloom Day, 'India Handloom' Brand was launched by Hon'ble Prime Minister for branding of high-quality handloom products.
Sant Kabir Award	Conferred to outstanding handloom weavers who are carrying on with the tradition and have made valuable contribution to the development of the sector.
Kamala devi Chattopadhyay Awards	From the year 2016 , two Sant Kabir Awards, four National Awards and four National Merit Certificates awards have also been instituted exclusively to the women handloom weavers in addition to the existing Sant Kabir Awards, National Awards and National Merit Certificate in the field of weaving. This exclusive award to the women handloom weavers is named as 'Kamala devi Chattopadhyay - Awards'.
Comprehensive Handloom Cluster Development Scheme	The Comprehensive Handloom Cluster Development Scheme (CHCDS) is implemented for development of Mega Handloom Clusters covering at least 15000 to 25,000 handlooms and financial assistance as Gol share from Rs.40.00 to Rs.70.00 crore is in a period of 5 years . 8 mega handloom clusters taken up as announced in the Budgets i.e. Varanasi, Sivasagar (2008-09), Virudhunagar, Murshidabad (2009-10), Prakasam & Guntur districts and Godda & neighboring districts (2012-13), Bhagalpur & Trichy (2014-15).

7.1.9 Forest Dwellers & Tribals:

- **Recent Act:** The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006.
- The Act recognizes and vests the forest rights and occupation in Forest land in Forest Dwelling Scheduled Tribes (**FDST**) and Other Traditional Forest Dwellers (**OTFD**) who have been residing in such forests for generations.
- Forest rights can also be claimed by any member or community who has for at least **three generations** (75 years) prior to the 13th day of December, 2005 primarily resided in forest land for bona fide livelihood needs.
- It strengthens the conservation regime of the forests while ensuring livelihood and food security of the **FDST** and **OTFD**.
- The **Gram Sabha** is the authority to initiate the process for determining the nature and extent of Individual Forest Rights (IFR) or Community Forest Rights (CFR) or both that may be given to FDST and OTFD.

7.1.10 The Act identifies four types of rights:

- **Title rights:** It gives FDST and OTFD the right to ownership to land farmed by tribals or forest dwellers subject to a **maximum of 4 hectares**. Ownership is only for land that is actually being cultivated by the concerned family and no new lands will be granted.
- **Use rights:** The rights of the dwellers extend to extracting **Minor Forest Produce**, grazing areas etc.
- **Relief & development rights:** To rehabilitate in case of illegal eviction or forced displacement and to basic amenities, subject to restrictions for forest protection.
- **Forest management rights:** It includes the right to protect, regenerate or conserve or manage any community forest resource which they have been traditionally protecting and conserving for sustainable use.

8 Other Points (not so important but read it once)

- The Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006 (FRA in short), in section 4(5) states that save as otherwise provided, no member of a forest dwelling Scheduled Tribes or Other Traditional Forest Dweller

shall be evicted or removed from the Forest Land under his occupation till the recognition and verification procedure is complete.

PESA 1996	The Panchayats (Extension to Scheduled Area) Act, 1996, also provides that the Gram Sabha or the Panchayats at the appropriate level shall be consulted before making the acquisition of land
Schedule V	Constitutional provision under Schedule-V also provide for safeguards against displacement of tribal population because of land acquisition etc.
Atrocities Act	The Scheduled castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989" has been introduced to prevent the commission of offences of atrocities against members of the Scheduled Castes and the Scheduled Tribes

**Tribals & Vandhan already discussed over separate Supplementary master notes

8.1.1 Traders:

- Government of India has introduced two voluntary and contributory Pension Schemes, i.e.
 - (1) Pradhan Mantri Shram Yogi Maan-dhan Yojna, (**PM-SYM**), a pension scheme for the Unorganised Workers and
 - (2) National Pension Scheme for the Traders and Self Employed Persons (**NPS-Traders**) (for the Vyapari's) under section 3(1) of Unorganised Workers Social Security Act, 2008 to provide old age protection to them.
- PM-SYM** is meant for old age protection and social security of Unorganised Workers (UW) who are mostly engaged as rickshaw pullers, street vendor, mid-day meal workers, head loaders, brick kiln workers, cobblers, rag pickers, domestic workers, washermen, home-based, agricultural workers, construction workers, beedi workers, handloom workers, leather workers, audio-visual workers or in similar other occupations.
- There are estimated **42 crore** such unorganised workers in the country. The entry age for the beneficiary is **18-40 years** and he/she should not be a member of ESIC/EPFO or an income tax payer.

- The NPS-Traders scheme is meant for old age protection and social security of Vyapaaris (retail traders/ shopkeepers and self-employed persons) whose annual turnover is **not exceeding Rs.1.5 Crore**. The entry age for the scheme is **18-40 years** and the Vyapaari should not be a member of ESIC/EPFO/PM-SYM or an income tax payer.

9 Schemes of Rural Development:

1. MGNREGA – Refer Scheme Handout of Clarity
2. NRLM – Aajeevika – Refer Scheme Handout of Clarity
3. Rural Drinking water Programmes – Refer Jal Jeevan Mission Scheme Handout
4. Swachh Bharat – Refer scheme Handout of Clarity
5. Rural Housing – PMAY-G Refer scheme handout of Clarity
6. PURA
7. Other rural development programmes.

9.1.1 MGNREGA

- The National Rural Employment Act (NREGA), later renamed as Mahatma Gandhi Rural Employment Act (MGNREGA), is regarded as the Indian labour law and social security measure that targets to guarantee people of India the '**Right to work.**'
- MGNREGA was enacted in **September 2005**.
- 'The mandate of the act is to provide **at least 100 days** of wage employment in a financial year to every rural household whose adult member volunteers to do unskilled manual work.
- An **additional 50 days** of wage employment are provided over and above 100 days in the notified **drought affected** areas or **natural calamity** areas in the country on recommendation of the Ministry of Agriculture & Farmers Welfare.
- The Centre has allocated **₹60,000 crore** at the Budget for the MGNREGA for the 2023-24 fiscal year.
- The Ministry also mandates the provision of additional **50 days** of wage employment to every **Scheduled Tribe** Household in a forest area, provided that these households have no other private property except for the land rights provided under the FRA Act, 2006.

- Wage rates for workers under the act are notified annually based **on Consumer Price Index-Agricultural Labourers (CPI-AL)** by the Central Government in accordance with the provisions of **section 6 (1)** of the MGNREGA.
- At present **99.7 per cent** payment is made through e-transfer

The central government bears,

- ❖ 100% of the cost of unskilled labour
- ❖ 75% of the cost of semiskilled & skilled labour
- ❖ 75% of the cost of materials
- ❖ 6% of the administrative costs

In FY 2022-23 (till Dec 2022),

1. **5.54 Cr** households have been provided with employment
2. **224.98 Cr** person-days of employment have been generated.
3. **Women** accounts for **56.31%** and **SC/ST** households had **38%** work participation.

9.1.2 Initiatives taken by government to strengthen MGNREGA:

- ❖ GeoMGNREGA- Geo tagging of MGNREGA assets
- ❖ GIS based planning
- ❖ National Mobile Monitoring Service (**NMMS**)- (started in FY 2021-22)
- ❖ National Electronic Fund Management System (NeFMS/ DBT)
- ❖ NREGASoft
- ❖ **SECURE**- Software for Estimate Calculation Using Rural rates for Employment
- ❖ **Yuktdhara**, geospatial planning portal (launched in 2021)
- ❖ **Jaldoot** App, to measure water levels in GPs (launched in 2022)
- ❖ **e-Saksham** (digital learning platform)
- ❖ JANMGNREGA (Mobile app to search assets by citizens)
- ❖ Emphasis on Social Audit (**twice a year**)
- ❖ Ombudsperson
- ❖ Skill Development (Bare Foot Technicians, E-Saksham, Project Unnati)

Read in Detail over Clarity scheme handouts and sessions with ANALYTICAL Questions

9.1.3 DAY-NRLM:

Genesis:

- The Swarnjayanti Gram SwarozgarYojana (SGSY) was a flagship programme of the Ministry of Rural Development.
- It was started in **1999** and was **restructured in FY 2010-11** for implementation as the National Rural Livelihoods Mission.
- The SGSY aimed at providing sustainable income to rural BPL households through income generating assets/economic activities in order to bring them out of poverty.
- It is in this context that the Ministry of Rural Development (MoRD), constituted a Committee on Credit Related Issues under SGSY (**under Prof. Radhakrishna**) to examine various aspects of the scheme implementation. The Committee recommended adoption of a '**Livelihoods Approach**' to rural poverty elimination.
- **AwaasApp** – a mobile application is used to monitor real time, evidence based progress of house construction through date and time stamped and geo referenced photographs of the house.
- A survey named "**Awaas+**" was conducted by all the States/UTs with the help of field functionaries for identification of those households who though eligible but have not been included in the Permanent Wait List of PMAY-G.
- The programme implementation is to be monitored not only electronically, but also through community participation (Social Audit), Members of Parliament (DISHA Committee), Central and State Government officials, National Level Monitors etc

9.1.4 Swach Bharat Mission Grameen (SBM-G):

- To accelerate the efforts to achieve universal sanitation coverage and to put focus on safe sanitation, the Prime Minister of India launched the Swachh Bharat Mission (SBM) **on 2nd October, 2014.**
- The Mission aimed to achieve Swachh Bharat by October 2, 2019, as a fitting tribute to the 150th Birth Anniversary of Mahatma Gandhi.
- **Swachhagrahis:** There is a need for a dedicated, trained and properly incentivized sanitation workforce at the village level. An army of 'foot soldiers' or 'Swachhagrahis', earlier known as '**Swachhata Doots**' could be developed and engaged through

existing arrangements like Panchayati Raj Institutions, Co-operatives, ASHAs, Anganwadi workers, Women Groups, Community Based Organisations, Self-Help Groups, water linemen/pump operators etc. who are already working in the GPs, or through engaging Swachhagrahis specifically for this purpose.

9.1.5 PURA (SPMRM)

Provision of Urban Amenities in Rural Areas (PURA)

- PURA was **mooted by the former President Dr. Abdul Kalam in January 2003** as a way of empowering and accelerating rural development.
- The **Ministry of Rural Development (MoRD)** implemented the PURA scheme on a pilot basis in seven clusters for a period of three years (2004-05 to 2006-07).
- **PURA 2.0 as a central sector scheme was launched in 2012** focussing on the development of potential growth centres such as **census towns**.
- **Objective:** Provision of livelihood opportunities and urban amenities in rural areas to bridge the rural – **urban divide**.
- **Present scheme which is based on PURA is SPMRM**
- **Ministry:** MoRD, February 21st, **2016** with an outlay of Rs. 5142.08 crore.
- **Theme:** SPMRM is a program focused on integrated development of Rural clusters by stimulating local economic development, enhancing basic services, and creating well planned Rural clusters. SPMRM follows the vision of “Development of a cluster of villages that preserve and nurture the essence of rural community life with focus on equity and inclusiveness without compromising with the facilities perceived to be essentially urban in nature, thus creating a cluster of “Rural Villages”.

10 Other Rural Development Schemes:

10.1.1 DDUGKY

- **What the scheme is all about?** DDU-GKY is the demand-driven placement-linked skill training initiative of the Ministry of Rural Development, Government of India (MoRD), uniquely aimed at rural poor youth between **15 and 35 years** of age, with the purpose

to create income diversity in poor families and help rural youth realize their career aspirations.

- **Types:** Skilling + Reskilling + Upskilling
- **Genesis:** DDU-GKY has its origins in the 'Special Projects' component of the Swarnajayanti Gram Swarozgar Yojana (SGSY), which was positioned as a holistic livelihood intervention in 2004. This programme was revisited under a new Skills framework and repositioned under Aajeevika as Deen Dayal Upadhyaya – Grameen Kaushalya Yojana (DDU-GKY) on Antyodaya Diwas (25th Sept 2014).

10.1.2 PMGSY

- **Launch:** 25th December, **2000**.
- **Beneficiaries:** Unconnected habitations of designated population size (**500+** in plain areas and **250+** in North-Eastern States, Himalayan States, Deserts and Tribal Areas as per 2001 census) in the core network for uplifting the socio-economic condition of the rural population.
- The Union Minister of Rural Development, Agriculture and Farmers Welfare & Panchayati Raj, launched **Phase III** of Pradhan Mantri Gram Sadak Yojana (PMGSY).
- The Phase-III of PMGSY aims at consolidation of **1,25,000 Kms.** Through Routes and Major Rural Links that connect habitations to Gramin Agricultural Markets (GrAMs), Higher Secondary Schools and Hospitals with an estimated cost of **Rs. 80,250** crores (Central Share of **Rs. 53,800** crores) for the period **2019-20 to 2024-25**.

The funding pattern,

- **60:40** for other States
- **90:10** for NE & Himalayan States

10.1.3 Gram Swaraj Abhiyan:

- **Launched in 2018**, It is a centrally sponsored scheme
- **Primary aim:** Strengthening of Panchayati Raj Institutions for achieving Sustainable Development Goals.
- **Main thrust:** Convergence with Mission Antyodaya and emphasis on strengthening Panchayati Raj Institutions in 117 Aspirational districts.
- It is an effort in the direction of achieving "Sabka Sath, Sabka Gaon, Sabka Vikas".

- e-Gram SWARAJ unifies the planning, accounting and monitoring functions of Gram Panchayats

10.1.4 DISHA

- **District Development coordination and Monitoring committee (DISHA)** is formed to fulfill the objective of ensuring a better coordination among all the elected representatives in Parliament, State Legislatures and Local Governments for efficient and time-bound development of districts in our country. These Committees could monitor the implementation of the programmes and promote synergy and convergence for greater impact.
- This committee will have coordination and Monitoring powers. Its role is to facilitate the timely execution of approved projects. It will have powers in seeking effective follow up of issues raised during the deliberation.

10.1.5 Composition

- The Chairperson of the DISHA should be **a Member of Parliament (Lok Sabha)** elected from the district, nominated by the Ministry of Rural Development.
- One MP (Rajya Sabha) representing the State and exercising an option to be associated with the district level Committee of that district (on first come basis), to be designated as Co-Chairpersons by the Ministry of Rural Development
- Member secretary: The Member Secretary of the DISHA should be the District collector
- All Members of the State Legislative Assembly elected from the district
- One representative of the State Government / UT Administration
- All Mayors / the Chairpersons of Municipalities and five elected heads of Gram Panchayat
- Chairperson of the Zila Panchayat
- Head of the Autonomous District Council in districts having Schedule VI Areas
- And nominated members

10.1.6 Indira Gandhi National Widow Pension Scheme:

- Under this scheme, widow pension is provided to the widows belonging to Below Poverty Line (BPL) households.

- This is a sub-scheme under National Social Assistance Programme (NSAP) of Ministry of Rural Development.
- Under the National Social Assistance Programme (NSAP), monthly pension at the rate of **Rs.300/- p. m** to widows in the age group of 40 to 79 years and divyangjan in the age group of 18-79 years and **Rs.200/- p. m** to old age persons in the age group of 60 to 79 years belonging to below poverty line households is being paid.
- The amount of pension is increased to **Rs. 500/- per month** in respect of these beneficiaries on reaching the age of 80 years and above.
- Ex-gratia (for COVID-19) of **Rs. 1000 (in two installments of Rs.500 each)** to the old aged, widows and divyangjan beneficiaries of NSAP under Pradhan Mantri Garib Kalyan Yojana Package
- **Mission Antyodaya** is a mission mode project envisaged by the Ministry of Rural Development.
- It is a convergence framework for measurable effective outcomes on parameters that transform lives and livelihoods.

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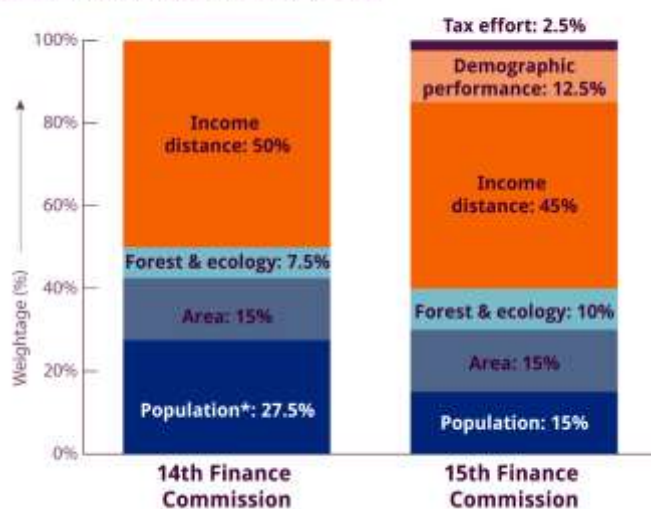
- All Mayors / the Chairpersons of Municipalities and five elected heads of Gram Panchayat
- Chairperson of the Zila Panchayat
- Head of the Autonomous District Council in districts having Schedule VI Areas
- And nominated members

11 Some Points to remember

- **Gram Manchitra** is a Spatial Planning Application launched by MoPRI
- The SHG Bank Linkage Project launched by **NABARD in 1992** has blossomed into the world's largest microfinance project.
- The Genesis of SHG in India can be traced to formation of **Self-Employed Women's Association (SEWA)** in 1970.
- **Kudumbshree** is popular SHG initiative from Kerala
- MoPRI has developed **mActionSoft** – a mobile based solution to help in capturing photos with Geo-Tags (i.e. GPS Coordinates) for the works which have asset as an output.
- **National Panchayati Raj Day** celebrated on **24th, April**.
- **Swadhar Greh Scheme:** The Ministry of Women and Child Development implements Swadhar Greh Scheme which provides a supportive institutional framework for women victims of trafficking so that they could lead their life with dignity and conviction. Shelter, food, clothing, medical care, legal aid, and vocational training are provided to such women under the scheme.
- **Mission Antyodaya** is a mission mode project envisaged by the Ministry of Rural Development. It is a convergence framework for measurable effective outcomes on parameters that transform lives and livelihoods.
- Annual survey in Gram Panchayats across the country is an important aspect of Mission Antyodaya framework. It is carried out coterminous with the People's Plan Campaign (PPC) of Ministry of Panchayat Raj and its' purpose is to lend support to the process of participatory planning for Gram Panchayat Development Plan (GPDP).
- The State Governments will be distributing the XV FC Grants to all the tiers of panchayats – village, block and district and the traditional bodies of Fifth and Sixth Schedule areas based on the accepted recommendations of the latest State Finance Commission (SFC) and in conformity of the following bands recommended by XV FC.
- 70-85 % for village/gram panchayats
- 10-25 % for block/intermediate panchayats

- 5-15 % for district/zilla panchayats
- Types of Fund
- The Finance Commission has recommended Grants-in-aid to all tiers of the Panchayati Raj including the Traditional Bodies of Fifth and Sixth Schedule areas, in 28 States, in two parts, namely,
 - (i) a Basic Grant and
 - (ii) a Tied Grant.
- 50 % of the grant will be Basic Grant and 50 % will be the Tied Grant. The basic grants are untied and can be used by RLBs for location-specific felt needs, except for salary or other establishment expenditure.
- The Tied Grants are to be used for the basic services of (a) sanitation and maintenance of open-defecation free (ODF) status and (b) supply of drinking water, rain water harvesting and water recycling. The RLBs shall, as far as possible, earmark one half of these Tied Grants each to these two critical services. However, if any RLB has fully saturated the needs of one category it can utilize the funds for the other

Revenue-sharing formulas in the 14th and 15th Finance Commissions



category.

12 Panchayati Raj Institutions:

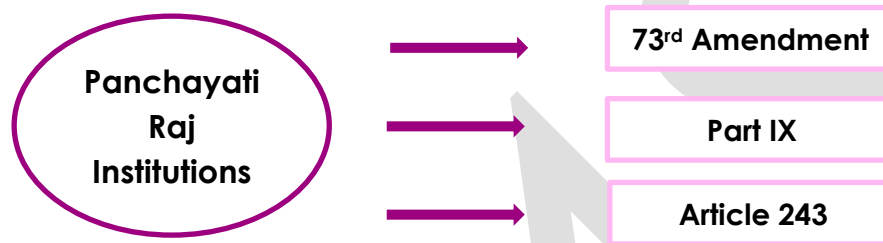
12.1.1 Introduction:

The government created Ministry of Panchayati Raj in 2004 to look into all matters relating to the Panchayati Raj Institutions (PRIs). It is looking after the ongoing process of decentralization and local governance in the States.

Vision: To attain decentralized and participatory local self-government through PRIs

Mission: Empowerment, enablement and accountability of the PRIs to ensure inclusive development with social justice, and efficient delivery of service.

- ❖ Most **primary unit** of our democratic system- that is village level governance model
- ❖ PRIs are the most important and potent tools provided by the Indian Constitution to empower the democratic values on the grass-root level.
- ❖ There are three level of PRIs in state or UT with **>20 lakh population**
- ❖ They are conceptualized with **bottom-up approach**
- ❖ They are the backbone of successful and good governance system



12.1.2 Some key facts:

Gram Panchayats	2.6 lakh
Villages	6.5 lakh
Total GP members	31.5 lakh
Women GP members	46%

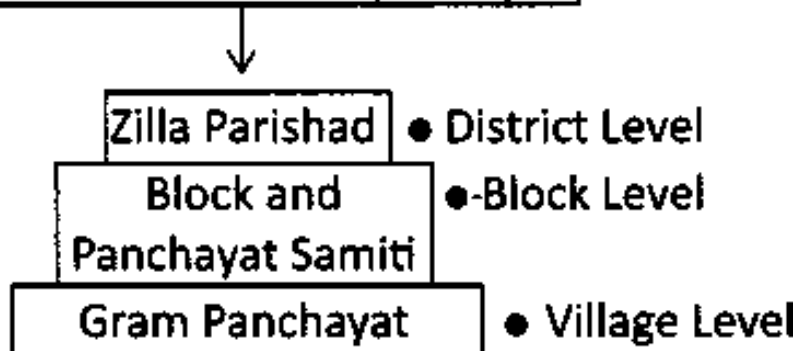
12.1.3 Gram

Panchayat and Gram Sabha:

Gram Panchayat	Gram Sabha
❖ Gram Panchayat is the lower element of Panchayati Raj that functions at the village level with the welfare and development of the village in mind.	❖ Gram Sabha is the legislative body that operates at the village level and takes into account the annual budget and audit reports of the Gram Panchayat.

❖ It is a temporary body, as the members of the panchayat are elected for a term of five years.	❖ It is a permanent body.
❖ The gram panchayat consists of ward members and sarpanch.	❖ The gram sabha consists of every person whose name is registered in the voter list of the respective village.
❖ The main objective of Gram Panchayat is to develop the village and focus on the welfare of the village.	❖ The main objective of Gram Sabha is to audit reports of Gram Panchayat and take into account the annual budget of the gram panchayat.
❖ The members of the gram panchayat are directly elected by the members of Gram Sabha.	❖ The members of Gram Sabha are not elected.

Structure of Panchayati Raj



12.1.4 Important Committees of Panchayati Raj

Committee	Remarkable features
Balwant Rai Mehta Committee (1957)	Three-tier Panchayati Raj system: Gram Panchayat, Panchayat Samiti and Zila Parishad.
Ashok Mehta Committee (1977)	The three-tier system should be replaced with a two-tier system: Zila Parishad (district level) and the Mandal Panchayat (a group of villages).

GVK Rao Committee (1985)	Zila Parishad to be the most important body in the scheme of democratic decentralisation. Zila Parishad to be the principal body to manage the developmental programmes at the district level.
LM Singhvi Committee (1986)	The committee recommended that the Panchayati Raj systems should be constitutionally recognised. It also recommended constitutional provisions to recognise free and fair elections for the Panchayati Raj systems.

- **Part IX** of the Indian Constitution is the section of the Constitution relating to the Panchayats
- Panchayati raj system was formalized and introduced in India in **April 1993** as the **73rd Amendment** to the Constitution.
- Currently, the Panchayati Raj system exists in all states except **Nagaland, Meghalaya, and Mizoram**, and in all Union Territories **except Delhi**
- The Panchayat Raj system was first adopted by the state of **Rajasthan in Nagaur district on 2nd October, 1959.**

12.1.5 Functions of PRIs:

1. Development of Village infrastructure through planning
2. Execution of SC/ST/OBC upliftment plans
3. Registration of births and deaths
4. Health centres / hospitals/ vaccination drives
5. Implementation of Central & State Rural schemes
6. Sanitation and drinking water
7. Conduct Census surveys

12.1.6 The schemes of PRIs are:

1. Gram Panchayat Development Plan (GPDP)
2. Rashtriya Gram Swaraj Yojana (RGSY)

3. SVAMITVA- Survey of Villages And Mapping with Improved Technology in Village Areas
4. e-Pachayat
5. Deen Dayal Upadhyay Panchayat Shashaktikaran Yojana (DDUPSY)
6. Swach Bharat Abhiyan

13 Points to know from Year end report of Ministry

1. Under **Pradhan Mantri Gram Sadak Yojana (PMGSY)** 39,413 Km road length and 1,394 bridges were constructed under various interventions/verticals of PMGSY with an expenditure of Rs. 23,364 crores, including State Share in 2022
 - a. Resonating with the Government of India thrust for 'Atmanirbhar Bharat', PMGSY has taken IT initiatives in Geospatial Technology and developed GIS applications such as Geospatial Rural Road Information System (GRRIS) & GeoSadak & Geo-PMGSY Mobile App.
2. **Deendayal Antyodaya Yojana** - National Rural Livelihoods Mission (DAY-NRLM) has its footprints in 6861 blocks of 723 districts across all States and UTs (except Delhi and Chandigarh) under its implementation strategy. It has mobilised a total of 8.71 Crore women from poor and vulnerable communities into 81 lakhs SHGs
3. **Mention about MGNREGA**

As on 15th December 2022, following achievements have been made during the current financial year 2022-23.

- a. The percentage of participation of Schedule Caste (SC) out of total person-days generated is **19.75 %**.
- b. The percentage of participation of Schedule Tribe (ST) out of total person-days generated is **17.47 %**.
- c. The percentage of participation of women out of total person-days generated is **56.19 %**.
4. GIS based Planning of Gram Panchayats (GPs): The Ministry has initiated an integrated holistic planning of the Gram Panchayats based on watershed development principles (ridge to valley approach) using the Geographical information system (GIS).
5. **Yuktdhara Portal**: GIS based planning through online portal Yuktdhara as developed by National Remote Sensing Center, ISRO, Department of Space.
6. **SECURE**: SECURE is an online application designed and developed specially for the estimate preparation and approval for Mahatma Gandhi NREGA works

7. **Implementation of Geo-MGNREGA:** Geo-MGNREGA Phase-I was rolled out on 1st September 2016 for geo-tagging of all completed works which started before 1st November, 2017, under Mahatma Gandhi NREGS.
8. **Skill Development:** The project “**UNNATI**” intends to upgrade the skill-base of the Mahatma Gandhi NREGS workers, and thereby improve their livelihoods, so that they can move from the current partial employment to full employment.
9. **Cluster Facilitation Project (CFP):** The Cluster Facilitation Project (CFP) has been rolled out in 300 blocks of the country, from 1st April 2020. It aims to ensure effective implementation of Mahatma Gandhi NREGA for accelerated Development in 250 blocks of 117 aspirational districts and 50 blocks of other backward regions through better planning, monitoring and coordination by providing thematic experts in various domains at National, State, District and Block level. CFP is operational in 29 States/UTs.
10. **Amrit Sarovar:** Hon'ble Prime Minister has called for the construction/renovation of at least 75 Amrit Sarovars (ponds) in each district of the country
11. **Jaldoot App:** Ensuring adequate water availability and supply in the rural parts of the country is a national priority. Taking the above into consideration, Jaldoot App was launched on 27th September, 2022 for measuring the water level in a Gram Panchayat through 2-3 selected open wells twice a year (pre-monsoon and post-monsoon).
12. **Ombudsperson:** Ombudsperson App was launched on 24th February, 2022 for the purpose for smooth reporting and categorization of grievances received from various sources viz. physical, digital and mass media related to the implementation of the Mahatma Gandhi NREG Scheme, easy tracking and timely passing of awards on each case as per the guidelines and easy uploading of quarterly and annual reports on the website.
13. **Mention about PMAY-G** - The Scheme is being implemented and monitored through end to end e-governance solution, AwaasSoft and AwaasApp.
14. The MRD has launched **the Area Officer Monitoring** Visit App on 21st May, 2021 with the purpose to make real time inspection & evidence based reporting of all the schemes of Ministry of Rural Development. Communication was issued to the States/UTs in the year 2022 to direct the field functionaries to use the App while conducting the monitoring visits of PMAY-G.
15. **Mention of DAY-NRLM** - Non-Performing Assets (NPA): The quality of the portfolio has also shown a marked improvement with NPA declining from 23% prior to the Mission to 2.22% in the current year. This is a result of sustained efforts made by the states to promote timely repayment of loans by the SHGs.
16. **Last mile service delivery through the Business Correspondent Agents (BCAs):** DAY-NRLM has initiated a novel process of engagement of women Self Help Group (SHG) Members as Business Correspondents (BC) for providing basic banking services in the

rural areas of the country. Under this initiative, one BC Sakhi will be deployed in around 1.25 lakh Gram Panchayats.

17. **Livelihoods under DAY-NRLM:** DAY-NRLM promotes sustainable agriculture, livestock and NTFPs in intensive blocks under the Farm interventions. The focus of the interventions is on training and capacity building, and promotion of agro-ecological practices as well as livestock practices to enhance crop and animal productivity.

18. Sanctioning of OD Limit to SHG members under NRLM - An overdraft facility of **Rs. 5000** has been approved for SHG members having PMJDY accounts. This will help the members in meeting their immediate emergency needs without any hassles.

19. Revision in the Interest Subvention Scheme under DAY-NRLM

The interest subvention scheme under DAY-NRLM was revised to ensure a common scheme all across the country. The revised provisions are as follows:

b. Banks will extend credit for loans up to ₹3 lakh @ 7% per annum; banks will be sub-vented at a uniform rate of 4.5% per annum

c. Banks will extend credit for loans above ₹3 lakh and up to ₹5 lakh @ interest rate equivalent to 1 year-MCLR; banks will be sub-vented at a uniform rate of 5% per annum

20. Amendments in master circular of RBI on DAY-NRLM

After a lot of follow up RBI agreed to raise the minimum levels of Bank linkage amount for SHGs w.e.f. 2022-23, as follows

a. Loan in First dose/ DP (in case of CCL): 6 times of the existing corpus or minimum of ₹1.5 lakh, whichever is higher

b. Loan in Second dose/ DP (in case of CCL): 8 times of the existing corpus or minimum of ₹3 lakh, whichever is higher

21. To drive the initiative a Steering Committee under the Chairmanship of Secretary, RD with the representatives from various divisions of the Ministry as members, was formed which is instrumental in reviewing the progress and develop various strategies, give advisory services and suggest course correction needed. **An initiative Rural Innovations and Service Enterprise (RISE)** has been initiated to foster partnership between Cluster level Federations and Private Sector Players for value chain interventions.

22. **Mention about DDUGKY** - Under DDU-GKY two special programs are being implemented. i.e; **ROSHNI** program is being implemented for 27 left wing extremist affected areas of 9 States with mandatory residential course with 40% coverage to women candidates and **Himayat**- All youth of the UT of Jammu & Kashmir and Ladakh are covered under this scheme with 100% central funding.

23. Mandatory coverage of socially disadvantaged groups, i.e for SC/ST-50%, Minorities-15%, and Women 33%) & Special focus on Manual Scavengers, PwDs and Women headed household

24. For mobilization of candidates **KAUSHAL PANJEE** app is used. 36.37 Lakh candidates are registered on this app and expressed a desire for training for wage employment and self-employment.

E-driven Program under DDUGKY

- Online Permanent Registration Number for partners registration
- Online Proposal appraisal system;
- Online assessment & certification process;
- Aadhaar enabled biometric attendance system for Trainee & Trainers attendance
- DDUGKY project monitoring - Kaushal Bharat ERP System;
- Geotagging of DDUGKY Training Centers;
- Online inspection through Inspection App
- KPI based Project Implementing Agency Ranking
- Chatbot for DDUGKY
- CCTV monitoring of Training center.

25. **Mention about RSETI** - In **1982, Canara Bank**, erstwhile Syndicate Bank, and SDME Trust, Dharmasthala pioneered the unique concept of Rural Development and Self-Employment Training Institute (RUDSETI) to address the problem of unemployed amongst the rural youth in the Country. Looking at the successful model of RUDSETI, the Ministry of Rural Development (MoRD), GOI took the initiative to replicate the RUDSETI model throughout the Country and advised Banks to establish one RUDSETI-type institution known as Rural Self Employment Training Institute (RSETI) in each of their Lead District in the Country and accordingly the responsibility of opening of RSETIs has been assigned the Lead Bank in the respective Districts.

26. **National Academy of RUDSETI (NAR)**, the Apex level organization established in the year 2008 entered into an MOU with MoRD in the year 2011 for conducting training and capacity building of the Directors and Faculty members for providing training to the candidates for making them self-employed. Further for Mentoring and monitoring RSETIs, a separate vertical known as the National Centre for Excellence of RSETIs (NACER) was established in the year 2011. Further for evaluation and certification of the trainees the separate vertical Assessment and Quality Assurance (Q&A) has been established for providing certificates to the successful trainees after completion of the training course.

27. Ministry has increased the grant for the construction of the RSETI building from Rs.1 crore to 2 crore

28. Mention About NSAP

Scheme	Amount of Assistance	Eligibility criteria
Indira Gandhi National Old Age Pension Scheme	Rs.200	BPL senior citizens in age group of 60-79 years
	Rs. 500	BPL Senior citizens of 80 years and above
Indira Gandhi National Widow Pension Scheme	Rs.300	BPL widows in age group of 40-79 years
	Rs.500	BPL widows of 80 years and above
Indira Gandhi National Disability Pension Scheme	Rs.300	BPL persons with 80% disability in age group of 18-79 years
	Rs.500	BPL disability pensioners in age group 80 years and above
National Family Benefit Scheme (NFBS)*	Rs. 20,000/-	To survivor head of BPL families on the death of primary breadwinner aged 18-59 years
Annapurna*	10 kg of food grains p.m.	To BPL senior citizens not receiving old age pension

* NFBS and Annapurna are demand based schemes.

29. The States/UTs have been requested to contribute at least an equal contribution under the three pension schemes. Presently, States/UTs are making contributions ranging from ₹50 to ₹3,300 per month. Presently, NSAP caters to 3.09 crore BPL beneficiaries with a scheme-wise ceiling/ cap for each State/UT on the number of beneficiaries. The scheme-wise assistance under NSAP is sanctioned up to the number of digitized beneficiaries or the State/UT cap, whichever is lower. During 2021-22, an amount of Rs.8152.54 Crore was released to States/UTs for implementation of NSAP schemes.
30. NIC, DoRD has developed a central MIS – National Social Assistance Programme- Pension Payment System (**NSAP-PPS**) which facilitates end to end transaction from originating point to disbursement point. It also provides the details of old age, widow and disabled beneficiaries.
31. To promote the use of technology, a citizen centric **mobile app 'Sambal'** has been developed to provide information to beneficiaries about (i) NSAP schemes along with state top-ups (ii) enrollment of new applicants, tracking of applications and status of sanctions and disbursement.
- 32. Mention about - Saansad Adarsh Gram Yojana (SAGY) -** Saansad Adarsh Gram Yojana (SAGY) is a unique scheme of the Ministry of Rural Development wherein, for the first time, the leadership, capacity, commitment and energy of the Members of Parliament is being leveraged directly for development at the Gram Panchayat level. Saansad Adarsh Gram Yojana (SAGY) was launched on 11 October 2014 with the aim of creating holistically developed model Gram Panchayats across the country. Primarily, the goal was to develop three Adarsh Grams by March 2019, of which one was to be achieved by 2016. Thereafter, five such Adarsh Grams (one per year) are to be selected and developed by 2024. These 'Adarsh Grams' serve as 'nucleus of health, cleanliness, greenery and cordiality' within the village community and

becoming schools of local development and governance, inspiring neighboring Gram Panchayats.

33. The role of Members of Parliament is that of a **catalyst**. They identify the Gram Panchayat to be developed as Adarsh Gram Panchayat, engage with the community, help propagate the values of the scheme, enable the initiation of start-up activities to build up the right environment and facilitate the planning process. The District Collector is the nodal officer for implementing SAGY. The District collector will conduct a monthly review meeting with representatives of the participating line departments. The Hon'ble Members of Parliament concerned chair the review meetings. The heads of the Gram Panchayats concerned also are invited for these monthly meetings.

Phase - VII (2022-23)

239

Phase - VIII (2023-24)

152

34. **Mention about Village Development Plan** - The Gram Panchayats adopted under SAGY prepare Village Development Plans (VDP) containing prioritised time-bound activities to achieve holistic progress of the village, through convergence of resources. Under SAGY, VDPs have been prepared for 2,538 GPs and works are under progress. In order to keep track of the progress of projects listed in the VDP, a tracking template has been developed and the progress is monitored online
35. A detailed online training module on SAGY was created and published on the Integrated Government Online Training (**iGOT**) platform, launched by the Department of Personnel and Training (DoPT)
36. CIRDAP - MoRD has participated in the following meetings of CIRDAP undertaken during the year: 23rd Governing Council meeting and 33rd Executive Committee meeting of the **Centre on Integrated Rural Development for Asia and the Pacific (CIRDAP)**, held from 19th-21st April, 2022, in virtual mode. Special Session of the Executive Committee Meeting of CIRDAP held on 10th October, 2022, Bangkok (virtual).

37. MoU in 2022

The Ministry has signed following MoUs during the year 2022:

MoU signed on 04.02.2022 between MoRD, NCDC and AARDO for the promotion of rural development models and rural areas through Cooperatives/ farmers Organizations in AARDO members' countries.

MoU signed on 09.03.2022 between MoRD, NCDC and CIRDAP for the promotion of rural development planning, models and rural areas through Cooperatives/ farmers Organizations in CIRDAP member countries.

MoU signed on 17.03.2022 between National Institute of Rural Development & Panchayati Raj (NIRD&PR) and University of Reading (UoR), United Kingdom (U.K.) for collaboration in the field of agriculture and rural development in developing countries.

MoU signed on 02.08.2022 between the Local Government Authority (LGA), Republic of Maldives and the National Institute of Rural Development & Panchayati Raj (NIRD&PR) on Capacity Building & Training (CB&T) of members of local councils & women development committee and staff of local Government Authority.

38. Dialogue with United Nations Environment Programme - Ministry has undertaken a Policy dialogue with UNEP for greening of rural economy. UNEP will be preparing a work package which includes 3 deliverables:

A policy approach paper with a time-bound strategy for integrating principles of environmental sustainability and inclusive green economy in our programmes.

Ecosystem System based Disaster Risk Reduction (Eco-DRR) **with MGNREGA.**

National and global best practices on environment & climate actions for sustainable rural development.

39. Mention about SPMRM - The interventions undertaken to improve livelihood are making an impact on the economic well-being of the local populace. Some of these include Dragon fruit cultivation, piggery and poultry activities, nature trail projects, **Rurban Eco Estate Phulpui and Nature Park. The Wholesale Market Sateek project** has helped the local population within and around the cluster to market their agri-products.

14 Key Facts from Year End Review of DoLR 2023

The Department of Land Resources is implementing the following two Schemes / Programmes:

- Digital India Land Records Modernization Programme (DILRMP) and
- Watershed Development Component of Pradhan Mantri Krishi Sinchayee Yojana (WDC- PMKSY)

Digital India Land Records Modernization Programme (DILRMP)

Digital India Land Records Modernization Programme (erstwhile National Land Record Modernization Programme-) was revamped and converted as a Central Sector Scheme with effect **from 1st April, 2016 with 100% funding by the Centre.** The objective of DILRMP is to develop a modern, comprehensive and transparent land record management system with the aim to develop an Integrated Land Information Management System

Achievements:

Substantial progress has been achieved under the DILRMP Programme. In terms of basic components, Computerization of Land Records i.e. 95.08 per cent Record of Rights (RoR)

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have been completed (6,25,062 villages out of total 6,57,396 villages in the country **Government has approved extension of DILRMP for a period of five years i.e 2021-22 to 2025-26.**

ULPIN	Unique Land Parcel Identification Number (ULPIN) system is a 14 digit Alpha-numeric unique ID for each land parce
NGDRS) or E-Registration	In order to have a uniform process for registration for deeds/documents, "One Nation One Registration Software namely National Generic Document Registration System (NGDRS)" is being implemented in States/UTs.
BHOOMI SAMMAN	Platinum Grading Certificate Scheme for DILRMP for States/UTs

15 Standing Committee's in Rural Development

15.1.1 Rural Employment through MGNREGA

The Standing Committee on Rural Development and Panchayati Raj (**Chair: Kanimozhi Karunanidhi**) submitted its report on "Rural Employment through Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)- An insight into wage rates and other matters relating thereto", on February 8, 2024. Key recommendations of the Committee include:

Financial gaps in budgetary allocation: The Committee noted that the budgetary allocation to MGNREGA Scheme was Rs 60,000 crore against the proposed demand of Rs 98,000 crore in 2023-24.

Delay in payments: According to MGNREGA, payment of wages should be done within fifteen days of closure of muster rolls

Revision of wage rates: Wage rates under MGNREGA are notified using Consumer Price Index for Agricultural Labour with 2010-11 as the base year. These rates are revised every year. The Committee noted that using 2010-11 as the base year is not coherent with the present inflation and cost of living.

Unemployment allowance and delay compensation: According to the Act, applicants who do not receive employment within 15 days of application, are entitled to an unemployment allowance. The Committee observed that states including Bihar, Karnataka and Rajasthan have not provided unemployment allowances between 2018 and 2023.

Technological Roadblocks: As of November, 2023, 14% of job card holders were not Aadhaar enabled. The Committee noted that beneficiaries face issues with KYC compliances, linking bank accounts with Aadhaar. Many were also unable to mark attendance on the National Mobile Monitoring System resulting in non-payment of the work done by them.

Job Cards and working days: The Committee recommended using smart cards or biometric cards to tackle the issue of fake job cards. It also recommended issuing a separate job card for differently abled persons. The Committee also recommended increasing the number of working days from 100 to 150 to incentivise workers.

Social Audits: The Act mandates gram sabhas to conduct regular social audits of projects under the scheme within the gram panchayat. The Committee observed that in 2023-24, only 32% of gram panchayats had been audited. States and UTs such as Goa, Andaman and Nicobar and Puducherry are yet to establish a Social Audit Unit. It also noted that the states are not receiving their 6% entitlement towards administrative expenditure

15.1.2 Report on PMGSY

The Standing Committee on Rural Development and Panchayati Raj (**Chair: Mrs. Kanimozhi Karunanidhi**) submitted its report on 'Pradhan Mantri Gram Sadak Yojana,' on July 27, 2023. Launched in 2000, Pradhan Mantri Gram Sadak Yojana (PMGSY) is a centrally sponsored scheme to provide road connectivity to eligible rural habitations. The scheme has four verticals, (i) PMGSY I, (ii) PMGSY II, (iii) Road Connectivity Project for Left Wing Extremism Areas (RCPLWEA), and (iv) PMGSY III.

15.1.3 Critical Evaluation of MGNREGA

The Standing Committee on Rural Development and Panchayati Raj (**Chair: Mr. Prataprao Jadhav**) presented its report on 'Critical Evaluation of Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA)' on February 8, 2022. MGNREGA was notified in September 2005. It guarantees at least 100 days of wage employment in a financial year to every rural household whose adult members volunteer to do unskilled manual work. Key observations and recommendations of the Committee include:

Increase in number of days of work: Under the scheme, state governments can ask for 50 days of work, in addition to the guaranteed 100 days, in case of exigencies arising from natural calamities. The Committee noted that the scheme should be revamped to meet the challenges in the wake of COVID-19. It recommended increasing the guaranteed days of work under the scheme from 100 days to 150 days.

Revision of permissible works: The Committee observed that the ambit of permissible works under the scheme requires frequent revision.

Uniform wage rate: Wage rates notified under MGNREGA range from Rs 193 to Rs 318 in different states/UTs. The Committee noted that this fluctuation in wage rates across states/UTs is not justified. It recommended devising a mechanism for a unified wage rate across the country.

Increase in wages commensurate with inflation: The Committee noted that beneficiaries of MGNREGA generally belong to poor and marginalised sections of society. It observed that the nominal wages under MGNREGA discourage beneficiaries and propel them to either seek more remunerative work or migrate to urban areas.

Delayed payment of wages: Wages under MGNREGA are paid by the central government. Beneficiaries become eligible for receiving wages within 15 days from the date of closure of muster rolls on completion of work.

Delay in compensation: In case of delay in payment of wages under MGNREGA, beneficiaries are entitled to compensation at the rate of 0.05% of unpaid wages per day for the duration of delay. The Committee noted that payment of delay compensation is not adhered to in most places in the country. It recommended the Ministry to ensure strict compliance in payment of compensation.

Unemployment allowance: Under MGNREGA, persons who apply for but are not provided with work within 15 days are entitled to a daily unemployment allowance. State governments determine the rate of this allowance. The Committee observed that in 2019-20 and 2020-21, only Rs 12,000 and Rs 3,000 respectively was paid as unemployment allowance. It urged the Ministry to ensure implementation of the provision regarding unemployment allowance.

Social audits: Under MGNREGA, the Gram Sabha must conduct regular social audits of all projects taken up within the Gram Panchayat. It recommended placing these reports in the public domain promptly after the audit exercise is over.

Appointment of ombudsperson: Under the Act, there should be an ombudsperson for each district who will receive grievances, conduct enquiries, and pass awards. The Committee recommended the Department of Rural Development to bring on board all state governments to comply with appointment of ombudsmen.

16 SELF NOTES

1. In India, the agriculture sector alone contributed approximately 39 per cent to the rural gross domestic product (GDP) in the financial year 2023.

Role of CSR in Rural Development – [Click to Read Article](#)

2. Saving through Direct Benefit Transfer (DBT) during FY22-23 crossed ₹63,000 crore as against ₹50,000 crore of FY22, the latest update on DBT portal shows. With this total saving since inception has exceeded ₹3.48 lakh crore.

Saving through DBT in FY23 rises to over ₹63000 crore – [Click to Read article](#)

3. **MGNREGA Wage Hike** - [Click to Read](#)

- Ahead of the general elections, the Centre has notified a 3-10 per cent increase in the wage rates for MGNREGA workers for the financial year 2024-25. The new wage rates will come into effect from April 1, 2024.
 - While Goa (10.56 per cent) and Karnataka (10.4 per cent) have seen the highest percentage increase, wage rates in Uttar Pradesh and Uttarakhand are set to see the lowest increase at 3 per cent for FY'24-25. Andhra Pradesh (10.29%), Telangana (10.29%) and Chattisgarh (9.95%) saw robust percentage increases.
 - The average MGNREGA wage increase across India is ₹28 per day. The average wage for 2024-25 will be ₹289 as against ₹261 for FY'23-24.
 - In absolute terms, Haryana will get the maximum wage of ₹ 374 per day. The lowest has been fixed for Arunachal Pradesh and Nagaland at ₹ 234 per day.
4. The National Bank for Agriculture and Rural Development (NABARD) and the National Rural Livelihood Mission (NRLM) have entered into a strategic alliance by inking a memorandum of understanding (MoU) to support rural women Self-Help Groups (SHGs).

The MoU, which covers a period of 3 years, seeks to harmonize NABARD's role as an enabler and facilitator in the SHG ecosystem

5. **Green Way Grameen Infra**

- The Asian Development Bank is providing a loan of \$6.5 million to Greenway Grameen Infra as a senior secured loan to produce and distribute 1 million improved cookstoves to rural households in Madhya Pradesh and Odisha.
 - The financing also includes a \$3.25 million first-loss liquidity reserve from the Climate Innovation and Development Fund (CIDF), administered by ADB. This project will subsidize the cost of new cookstoves to rural households using traditional, inefficient cooking methods.
 - Established in 2010, Greenway is a climate action and improved cookstoves enterprise. Its products are used by nearly 3 million households globally.
 - Greenway Smart Stove is priced at ₹2,199, and Greenway Jumbo Stove priced at ₹3,499. Its sales have risen from about 130,000 stoves in FY19 to about 500,000 stoves in FY23.
6. Promoting NPS in Rural Areas – [Read the article](#)
7. **Proxgy**, an innovative IoT solutions company, has launched **Kadi, a UPI watch** for hawkers and street vendors who work in less formal settings, often without electricity or even shelf space. Priced under Rs 1,000, Kadi promises to take digital transactions to far-flung and remote areas.

Role of SHG's in MGNREGA and DAY NRLM

8. Under MGNREGA, SHG members are involved in the planning of works through participation in Gram Sabha, play the role of Social Auditors and are also engaged as worksite supervisors (mates). In addition, efforts are being made to progressively engage Federations of Women Self-help Groups as Project Implementing Agencies (PIAs) at the Gram Panchayat / Block / District level.
9. Under DAY-NRLM, various sub-schemes like Mahila Kisan SashaktikaranPariyojana (MKSP), Start-up Village Entrepreneurship Programme (SVEP), National Rural Economic Transformation Project (NRETP), Deendayal Upadhyay Gramin Kaushalya Yojana (DDU-GKY), Rural Self Employment Training Institutes (RSETI) are being implemented for enhancing the income on sustainable basis of the rural poor. The mission seeks to achieve its objective through investing in four core components viz., (i) social mobilization and promotion of sustainable community institutions of the rural poor (Self Help Groups-SHG, Village Organisations -VOs, Cluster Level Federations-CLFs); (ii) financial inclusion, (iii) sustainable livelihoods; and (iv) convergence and entitlements. Accordingly, within the ambit of the mission and with the converging schemes of the other Ministries, SHG members are being facilitated for promotion of sustainable livelihoods, so that they may reach an aspirational goal of having minimum of one lakh rupee as annual income.

MoU MoRD and MSME

10. The Union Ministry of Rural Development (MoRD) and Union Ministry of Micro, Small and Medium Enterprises (MoMSME), today in the spirit of a whole-of-government approach, signed a Statement of Intent (Sol) to collaborate on formalizing and strengthening Self Help Group (SHG) women-led rural enterprises through MoMSME's flagship schemes.
11. Sol will strengthen the partnership between the two ministries to support and elevate SHG Didis in entrepreneurship, leveraging MoMSME's flagship initiatives such as Yeshaswini- Apna Udyam, Apni Pehchaan, Udyam Assist, etc.

JPAL

12. The Ministry of Rural Development, Government of India signed a MoU with Abdul Latif Jameel Poverty Action Lab (J-PAL), South Asia at IFMR. J-PAL, SA@ IFMR will act as a knowledge partner on inclusive development to put rural poor women on the path to self-sufficiency

State Credit Seminar

13. National Bank for Agriculture and Rural Development (NABARD) is all set to organise the much-anticipated State Credit Seminar (SCS) for the year 2024-25 in Sikkim, an annual event that plays a pivotal role to provide a boost to ground level credit flow (GLC) and marks the launching of credit planning exercise for agriculture and other

priority sectors in the State, under the Lead Bank Scheme (LBS). Furthermore, the seminar which is scheduled to be held on 23rd February, 2024 in Gangtok shall witness the release of the meticulously prepared "State Focus Paper" by NABARD.

Smart Gram Panchayat

14. In a significant step towards digital empowerment, the Union Minister of Rural Development and Panchayati Raj, Shri Giriraj Singh will inaugurate the pilot project titled **'Smart Gram Panchayat: Revolution towards Digitization of Gram Panchayat' on 13th February, 2024 at Paprour Gram Panchayat under Barauni Block of Begusarai District in Bihar** to extend PM-WANI (Prime Minister's Wi-Fi Access Network Interface) Service in Gram Panchayats. This path breaking initiative promises to mark a paradigm shift in rural connectivity and catalyze a digital revolution in the heartlands of Bihar. Begusarai is poised to lead this digital transformation in Bihar as the first District where all Gram Panchayats will be equipped with Wi-Fi services under the PM-WANI Scheme.
15. The pilot project, funded under the revamped **Rashtriya Gram Swaraj Abhiyan (RGSA) implemented by Ministry of Panchayati Raj, aims to extend the Prime Minister's Wi-Fi Access Network Interface (PM-WANI)** service to 455 Gram Panchayats across 37 Blocks in the Districts of Begusarai and Rohtas in Bihar for the Financial Year 2023-24. This initiative emphasizes the commitment to leveraging digital technologies to enhance access to online services in crucial sectors such as health, education and skilling, thereby elevating the quality of life in rural areas. The integration of technology and telecommunications into the daily operations of Gram Panchayats promises transformative outcomes in education, healthcare, skill development and livelihood sectors. This initiative will notably benefit students, farmers, artisans and Women Self-Help Groups (SHGs) among others.

17 Report on Finances of Panchayati Raj Institutions BY RBI

"Our Panchayati Raj in India is in need of funding empowerment" which was published in the Live Mint. Recently, the Reserve Bank of India (RBI) released its report titled "Finances of Panchayati Raj Institutions" for the years 2020-21 to 2022-23. It presents an assessment of their finances and their role in India's socio-economic development.

- **What are the Key Highlights of the Report?**
- **Revenue Composition:**
 - Panchayats **earn only 1% of their revenue through taxes.**
 - Majority of their revenue comes from **grants provided by the Centre and the States.**

- Data indicates that 80% of the revenue is from Central government grants, while 15% is from State government grants.

▪ **Revenue Statistics:**

- In the fiscal year 2022-23, panchayats recorded a total revenue of Rs 35,354 crore.
 - Only Rs 737 crore was generated through their **own tax revenue**. Panchayats can earn this through **taxes** on profession and trades, land revenue, stamps and registration fees, taxes on property, and service tax.
 - **Non-tax revenue amounted** to Rs 1,494 crore, primarily from interest payments and Panchayati Raj programs.
- Significantly, panchayats received Rs 24,699 crore in grants from the Central government and Rs 8,148 crore from State governments.

▪ **Revenue Per Panchayat:**

- On an average each panchayat earned just Rs 21,000 from its own tax revenue and Rs 73,000 from non-tax revenue.
- Conversely, grants from the Central government amounted to approximately Rs 17 lakh per panchayat, with State government grants totaling over Rs 3.25 lakh per panchayat.

▪ **State Revenue Share and Inter-State Disparities:**

- Panchayats' share in their respective State's own revenue remains minimal.
 - For example, in **Andhra Pradesh, revenue receipts of panchayats form just 0.1%** of the State's own revenue, while in **Uttar Pradesh, it forms 2.5%, the highest among states**.
- There are wide variations among states regarding average revenue earned per panchayat.
 - **Kerala and West Bengal lead with average revenues** of over Rs 60 lakh and Rs 57 lakh per panchayat, respectively.
 - The revenue was over Rs 30 lakh per panchayat in Assam, Bihar, Karnataka, Odisha, Sikkim, and Tamil Nadu.

- States like Andhra Pradesh, Haryana, Mizoram, Punjab, and Uttarakhand have significantly **lower average revenues**, less than Rs 6 lakh per panchayat.

▪ **Recommendations of RBI:**

- The RBI suggests promoting **greater decentralization and empowering local leaders and officials**. It advocates for measures to enhance financial autonomy and sustainability of Panchayati Raj.
- The report emphasised that PRIs can enhance resource utilisation by **adopting transparent budgeting, fiscal discipline**, community involvement in development prioritisation, staff training, and rigorous monitoring and evaluation.
- Additionally, it highlighted the **necessity of raising public awareness** about PRI functions and encouraging citizen participation for effective local governance.

Chart 1 | The chart shows the revenue receipts of panchayats in 2022-23. Figures in %

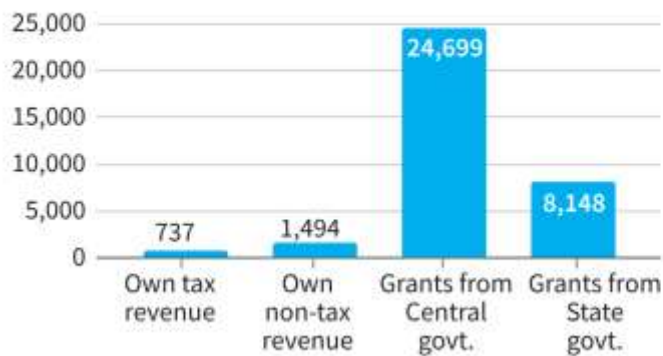


Chart 2 | The chart shows the average revenue per panchayat in 2022-23. Figures in ₹ thousand

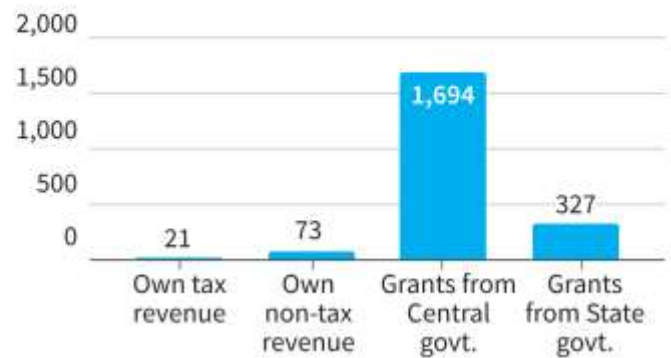


Chart 3 | The chart shows the revenue per panchayat in percentage terms in 2022-23.

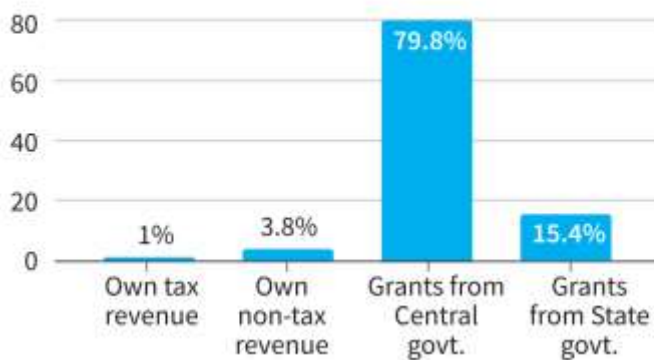


Chart 4 | The chart shows the average revenue per panchayat across States in 2022-23. Figures in ₹ lakh.

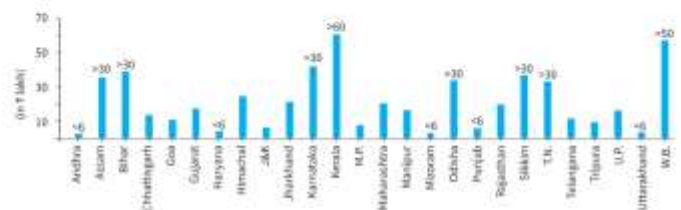
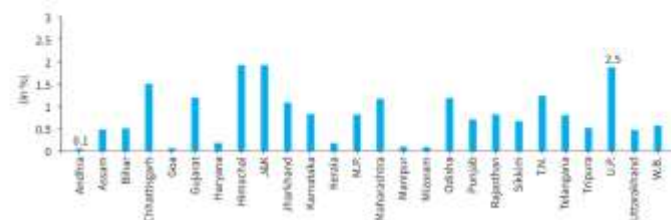


Chart 5 | The chart shows the revenue of panchayats as a share of the State's own revenue in 2022-2023. Figures in %



▪ Why do Panchayats Face Funding Related Issues?

▪ Limited Taxation:

- The PRI have **limited powers in respect of imposing cesses and taxes**. They have very little funds doled out to them by the State Government. Further, they are generally reluctant to raise necessary funds due to the fear of losing popularity with the masses.

▪ Low Capacity and Utilization:

- PRI's **may lack the capacity and skills** to generate their own revenue from various sources, such as fees, tolls, rents, etc.

- They also face challenges in utilising the funds efficiently and effectively, due to poor planning, monitoring, and accountability mechanisms.

- **Fiscal Decentralisation Issues:**

- Insufficient devolution of **financial powers and functions from higher levels** of government to panchayats hampers their ability to mobilise resources independently. Limited fiscal decentralisation **undermines local governance and community empowerment.**

- **What are the Repercussions of Panchayats' Financial Dependence?**

- Dependence on **external funding leads to interference from higher tiers of government.**
- Delayed release of funds by State governments forces **panchayats to use private funds.**
- Some regions have also reported non-receipt of funds under key schemes, impacting their functioning.
 - The **Standing Committee on Rural Development and Panchayati Raj in March, 2023** said that **19 out of 34 State/UTs did not receive any funds** under the **Rashtriya Gram Swaraj Abhiyan scheme** in FY23.

Q1. Local self-government can be best explained as an exercise in

- (a) Federalism
- (b) Democratic decentralisation
- (c) Administrative delegation
- (d) Direct democracy

Ans: (b)

Q. The fundamental object of Panchayati Raj system is to ensure which among the following?

1. People's participation in development
2. Political accountability
3. Democratic decentralisation
4. Financial mobilisation

Select the correct answer using the code given below

- (a) 1, 2 and 3 only
- (b) 2 and 4 only
- (c) 1 and 3 only
- (d) 1, 2, 3 and 4

Ans: c

