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# Rural Development in Punjab: Issues and Policy Perspectives

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## ABSTRACT

*Rural Development is a process which aims at improving the well-being and self realization of people living in the rural area. Fast economic development in any country to a greater extent depends on the rural development and it assists the economy to grow at a fast rate and sustainable in the long run. The paper revealed that rural development does not means only increase in the per capita income in the rural settings, but also many improvements in their quality of life such as better health, education, housing, food and nutrition facilities, etc. Punjab is one of the highly developed states of Indian economy thanks to the success of green revolution strategy started in the mid-1960s and small scale industries. The state has become a leading contributor to the country food grain's basket. The basic objective of this paper is to analyze the various issues related to the development of rural areas of Punjab. It also suggests ways and means to overcome the challenges of rural development. It also suggests workable strategy to create new opportunities of gainful self-employment for the rural families, especially to the disadvantaged sections of society by ensuring sustainable livelihood, enriched environment, improved quality of life and human values. To achieve these goals, the paper states that there is a need for co-ordination among various government agencies and other institutions engaged in the rural development. This will also help in minimizing the rural-urban gap in terms of basic infrastructural facilities essential for 'sustainable rural development' of a region like Punjab.*

**Keywords:** Rural Development, Issues, Programmes, Sustainable Development.

## I. INTRODUCTION

Rural development is the process of improving the quality of life and economic well-being of people living in relatively isolated and sparsely populated areas. Rural development has traditionally centered on the exploitation of land-intensive natural resources such as agriculture and forestry. However, changes in global production networks and increased urbanization have changed the character of rural areas. Rural development as a concept suggests the overall development of the areas and sustaining improvement in the quality of life of rural people. It

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results in creating an environment conducive to improve people's capacity and to utilize it fully, without exploitation, on a sustainable basis. It is both the means and end of economic development of a country like India. Today, apart from governments, rural development has become a matter of interest to industrialists, financiers, bankers and philanthropists as well. In India, a country of villages, it means making the life of the majority, worth to live and thus paying back them the dividend of India's economic growth. There are predictions that if the current high growth continues, India will overtake Japan (pre-quake) by 2030 (Economic Outlook – India 2008 to 2010). Today India hosts 11 per cent of the world's richest (Forbes India Magazine 2010) and it is looking forward the fortunes to trickle down to the rural people. India has 6.4 lakhs villages with a population of 83.3 crores which is 68.84% of the whole India (Census India, 2011). Providing timely and adequate cheap credit to farmers, rural artisans, petty shop keepers, and micro and small entrepreneurs is of paramount importance. It is reported that rural India suffers from a more serious lack of finance than urban Indian (Bose, 2004, Shah et al., 2007, Mishra, 2008, Remesha, 2003). Rural development strategies are a critical component of an inclusive growth strategy for Punjab.

## **II. REVIEW OF LITERATURE**

J. Dean Jansma and Frank M. Goode, Rural Development Research: "Conceptualizing and Measuring Key Concepts" In this research paper the researcher explain the conceptual basis for rural economic development. He said rural economic development is assumed to be reflected by increase in employment and/or income. The major determinants of income and employment in a given economic space (a rural community) are the quantity of the goods and services sold to and inputs purchased from outside the community and the extent to which dollars entering the local area are "recirculated" within the local economy.

Kenneth L. Deavers," Social Science Contributions to Rural Development Policy in the 1980s".In this research paper author said, rural development policy involves deliberate action by federal, state, and local governments and private institutions and individuals to achieve three goals: (a) improved rural income levels and employment opportunities; (b) improved access by rural residents to adequate housing and essential community facilities and services; and (c) responsible use of rural resources and the rural environment to preserve the quality of rural life. In attempting to achieve these rural development goals, federal policy needs to be guide.

Clark Edwards," The Political Economy of Rural Development: Theoretical Perspectives". In this paper the author said that the rural and urban sectors of the economy are strongly interlinked. Growth in one sector impacts on the other. The growth process does not appear to

be an equilibrium one in which marginal adjustments to opportunity costs eliminates disparities. This rural-urban imbalance is of national concern. It appears to have resulted in relatively densely populated cities and sparsely populated countryside. Rural development can increase economic efficiency, add to the nation's goods and services, and enhance the social and economic well-being of both the rural and the urban sectors.

### **III. OBJECTIVES OF THE STUDY**

1. To upgrade the living standard of the rural people by providing ways to develop rural parts of Punjab.
2. To know various schemes made by government of Punjab for developing its rural areas.
3. To provide optimum measures for restricting rural- urban migration.

### **IV. RURAL DEVELOPMENT**

In the last thirty years Asia has experienced dynamic growth and structural transformation, and has achieved substantial poverty reduction. The incidence of people living in poverty fell from more than 50 percent in the mid-1970s to 18 percent in 2004, and the incidence of hunger fell to 16 percent. However, Asia is still home to more than half of the world's poor, the majority of whom live in rural areas. Agricultural and rural development thus remains a critical component of an inclusive growth strategy for the region. Punjab is a leading contributor to the country's production of food grain and milk. Agriculture is the leading occupation for the residents of the state; the flat arable land is irrigated by submersible pumps and an extensive canal system. Punjab contributed heavily to the Green Revolution in the 1960's, that made India self-sufficient in food production. According to census 2011, about 95.84% of Punjab population was living in rural area. Punjab has played a significant role in making the country self sufficient in food-grain production though it has been at the cost of its own natural resources. The state has been contributing about 50-60% of wheat and about 35-40% of rice procured by the Government of India for food security of the country for the last four decades. Government has taken various steps to improve the viability and sustainability of agriculture and also to promote diversification of crops. Land, the main asset in rural area, is concentrated amongst a few. The Population of Punjab according to the 2011 census stands at about 27 million. The state lies in the northern part of the country. The state is spread over an area of about 50362sq. km. The density of population per sq. Km. is about 551 which is above the national average. The state has a population growth rate of about 13.89% which is less than the national growth rate of about 17%. The population of the state is rising considerably due to rapid efforts towards development and progress. The literacy rate in the state is about 75.8% a

figure that has improved tremendously in the last few years due to the consistent efforts of the government. The sex ratio in Punjab leaves a lot to be desired as it lags behind the national average by 45 points. The statistics in the Punjab Census 2011 reveal facts that can be instrumental in planning for a better development plan for the state.

### **Rural Development Department, Punjab**

The Department of Rural Development through the District Rural Development Agencies is implementing Special Beneficiary Oriented Schemes, Wage Employment Programmes and Area Development Programmes. The Government of India from the year 1999-2000 has restructured/modified most of the Rural Development Schemes. Besides this, the Government of India has also changed the funding pattern of all the schemes from 50:50, 80:20 and 100% and most of the schemes are now being implemented on 75:25 and 90:10 sharing basis between the Central and State Governments respectively. The Special Beneficiary Oriented Schemes, Wage Employment Programmes and Area Development Programmes being implemented by the department of Rural Development. In an earnest endeavor towards rural rejuvenation of all 12673 villages, the Panchayati Raj Institutions are being involved by the government not only in asset formation and management, but also in the entire process of planning. The state government is committed to the provision of modern amenities and sanitation facilities in rural areas and also to the creation of employment opportunities for rural poor in the villages. 1186 rural health dispensaries, 5752 primary schools and 582 rural veterinary hospitals have been transferred to the Zila Parishads. 1160 medical service providers, 12551 primary school teachers and 369 veterinary service providers have been recruited by the Zila Parishads. ICDS centres are being run under the supervision of Gram Panchayats. Also, 876 rural water supply schemes have been transferred to the Gram Panchayats. Presently 888 medical service providers (RMO), 12227 primary school teachers and 389 (RVO) veterinary service providers are working through the PRIs. The training of panches/ sarpanches is being carried out on a large scale.

## **V. RURAL DEVELOPMENT SCHEMES/PROGRAMMES**

### **1. National Rural Livelihood Mission (NRLM)**

The Mission of NRLM is to reduce poverty by enabling poor (BPL) households to access gainful self-employment, skilled wage employment opportunities, resulting in appreciable improvements in their livelihoods on sustainable basis through building strong institution of the poor. NRLM will ensure adequate coverage of vulnerable sections of the society. Under this programme, the financing of the program will be shared between the centre

and the state in the ratio of 75:25. During the first phase 14 blocks in 5 districts namely Patiala, Sangrur, Ferozpur, Taran Taran and Gurdaspur have been selected for the implementation of NRLM in Punjab State. SRLM Punjab started since August 2011, has been able to put in place the required setup to implement the programme. The units at selected districts and blocks level have been established by recruiting the required staff and made the same operational since January 2012. An outlay of ` 1000.00 Cr as state share and 30000.00 Cr as central share has been provided in the 12th five year plan 2012-17. Against an outlay of ` 12.50 Cr an expenditure of 7.39 Cr was incurred during 2014-15. An outlay of ` 8.00 Cr including Center Share is provided for the annual plan 2015-16.

## **2. District Rural Development Agencies (DRDA's)**

District Rural Development Agencies (DRDA's) are established as nodal agencies for the implementation of centrally sponsored schemes especially anti poverty programmes as per guidelines of Government of India and a separate provision is being made for paying salaries to the staff of DRDA's and ADC (Development) working for DRDA's in the plan budget. This scheme was admitted in the year 1999-2000 and is being funded on 75:25 basis between the Centre and the State Government. Central share is released directly to the DRDA's in the form of grant-in aid. An outlay of `27.75 Cr as state share and ` 83.25 Cr as central share has been provided in the 12th five year plan 2012-17. Against an outlay of 23.40 Cr an expenditure of 13.59 Cr was incurred during 2014-15. An outlay of 25.73 Cr including Center Share is provided for the annual plan 2015-16.

## **3. Backward Regions Grant Fund**

It is a 100% Government of India funded scheme which is being implemented in the Hoshiarpur district. During 2015-16 GOI has delinked this scheme. Against an outlay of 27.20 Cr an expenditure of ` 14.87 Cr was incurred during 2014-15. An outlay of 0.01 Cr is provided for the annual plan 2015-16.

## **4. Integrated Watershed Management Programme (IWMP)**

This scheme has been admitted as a new scheme during 2010-11. Government of India has merged the existing 'Integrated Wasteland Development Project (IWDP)' with 'Integrated Watershed Management Programme (IWMP)' from April, 2008 and renamed it as "Integrated Watershed Management Programme (IWMP)". This scheme will be implemented on 90:10 sharing basis between the Centre and the State Government. The per hectare cost has been fixed at 12000/-. Assistance @ 11000/- per hectare will be provided by Government of India and 1000/- per hectare by the State Government. The objectives of the IWMP will be as under:-

1. Harvesting every drop of rainwater for purposes of irrigation, plantations including horticulture and floriculture, pasture development, fisheries etc. to create sustainable sources of income for the village community as well as for drinking water supplies.
2. Development of degraded/wastelands.
3. Promoting overall economic development and improving the socioeconomic condition of the resource poor and disadvantaged section in the Programme area.
4. Employment generation, poverty alleviation, community empowerment and development of human and other economic resources of the rural areas.
5. Mitigating the adverse effect of extreme climate conditions such as drought and desertification on crops, human and livestock population for the overall improvement of rural areas.
6. Restoring ecological balance by harnessing, conserving and developing natural resources i.e. land, water, vegetative cover especially plantations.
7. Encouraging village community towards sustained community action for the operation and maintenance of asserts created and further development of the potential of the natural resources in the Watershed.
8. Promoting use of simple, easy and affordable technological solutions and institutional arrangements that make use of and build upon, local technical knowledge and available materials. An outlay of 100.00 Cr as state share and ` 900.00 Cr as central share has been provided in the 12th five year plan 2012-17. Against an outlay of 30.00 Cr an expenditure of ` 11.98 Cr was incurred during 2014-15. An outlay of 14.95 Cr including Center Share is provided for the annual plan 2015-16.

### **5. Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGA)**

The main objective of the 'Mahatma Gandhi National Rural Employment Guarantee Scheme' is to enhance the livelihood security of the households in rural areas by providing at least one hundred days of guaranteed wage employment to every household whose adult members volunteer to do unskilled manual work. This work guarantee also serves other objectives like generating productive assets, protecting the environment, empowering rural woman, reducing rural urban migration and fostering social equity among others. Under this scheme a rural household can demand at least 100 days of guaranteed employment in a financial year. The household has to get itself registered with the gram panchayat. Names of all the adult members can be registered. Gram panchayat will issue a job card to the household. If employment is not provided within 15 days from the date the applicant seeks employment, a daily unemployment allowance in cash has to be paid. Un-employment allowance will be paid at the rate of ¼ of

the minimum wages for the first 30 days and at half of the minimum wage for the subsequent days of the financial year. The funding pattern of this scheme is as under:-

### **Central Government Share**

- (1) 100% unskilled wage component of the cost of the scheme.
- (2) Seventy five percent of the material component including the wages of skilled and semi skilled workers
- (3) Administrative expenses such as salary and allowance of programme officer and their supporting staff and capacity building of gram panchayats etc.

### **State Government Liability**

- (1) Twenty five percent of the material component including the wages of skilled and semi-skilled workers of the scheme.
- (2) Unemployment allowance payable under the provisions of the Act.
- (3) Administrative expenses of the State Council.

As per Government of India guidelines wages are to be paid according to piece rate or daily rate. Disbursement of wages has to be done on weekly basis and not beyond a fortnight in any case. At least one-third beneficiaries shall be women who have registered and requested work under the scheme. At least 50% of works will be allotted to gram panchayats for execution. Permissible works predominantly include water and soil conservation, afforestation and land development works. A 60:40 wage and material ratio has to be maintained. No contractors and machinery is allowed. Mahatma Gandhi National Rural Employment Guarantee Act is designed to offer an incentive structure to the states for providing employment as ninety percent of the cost for employment provided is borne by the centre. All the districts of the state are being covered w.e.f. 1/4/2008. **The wage rate has been revised from ` 202/- to ` 210/- w.e.f 1.4.2015.** Wages are paid to the workers through the post office saving accounts. A special MNREGA Cell has been established at State headquarter to coordinate the implementation of this programme all over Punjab. The Government of India has now decided to fix the wage rate under NREGA on the basis of consumer price index which will be implemented on 1st April every year and will be applicable for whole financial year. An outlay of 660.00 Cr as state share and 5940.00 Cr as central share has been provided in the 12th five year plan 2012-17. Against an outlay of 247.50 Cr an expenditure of 210.54 Cr was incurred during 2014-15. An outlay of 233.00 Cr including Center Share 212.00 Cr is provided for the annual plan 2015-16.



## **6. Indira Awaas Yojana**

This is a 75:25 sharing basis centrally sponsored scheme being executed between centre and state. Previously it was a sub-scheme of JRY but from 1996-97 onwards, it has been made an independent scheme which aims at providing houses to the members of SCs and Non-SCs free of cost in the rural areas. Beneficiaries are selected from the list of eligible BPL households. The houses under this scheme should normally be built on individual plots in the main habitation of the village, but can also be built on micro-habitat approach or in cluster within a habitation, so as to facilitate the development of infrastructure such as internal roads, drains, drinking water supply and other common facilities. Upto the year 2009-10 a grant of 35000/- per unit was provided in the plain areas and `38500/- in the hilly/difficult areas for construction of houses which has further been enhanced to 45,000/- in the plain areas and ` 48,500/- in the hilly/difficult areas from the year 2010-11. For conversion of unserviceable kutchha houses into pucca/ semi pucca houses, the maximum assistance is limited to 15,000/- per unit. All the dwelling units are provided with smokeless chullas and sanitary latrines. Unit cost has been enhanced from 45,000/- to 70,000/- w.e.f 1.4.2013 in Plain area. An outlay of 77.00 Cr as state share and `231.00 Cr as central share has been provided in the 12th Plan 2012-17. Against an outlay of 41.18 Cr an expenditure of 32.52 Cr was incurred during 2014-15. An outlay of 34.67 Cr including Center Share is provided for the annual plan 2015-16. As per latest household survey conducted as part of census operations, out of total 33.15 lac rural families, 7.9 % or 2.61 lac are without pucca houses.

## **7. OTHER RURAL DEVELOPMENT PROGRAMME**

### **(a) Grant for strengthening of infrastructural and institutional works (Discretionary Grant of Hon'ble CM)**

The State Government is committed to provide a responsive administration to the people. Towards this end, greater emphasis is being laid on the mass contact programme. In the course of such interactions the needs of the rural and urban areas are projected which require special attention. With this objective in hand this scheme was started during the year 1997-98. Under this scheme, funds are provided as discretionary grants of the Hon'ble Chief Minister Punjab and are released for the creation/development of specific projects as per the announcements of Hon'ble Chief Minister, Punjab. An outlay of 50.00 Cr and 10.00 Cr has been provided in the 12th Plan 2012-17. Against an outlay of 10.00 Cr an expenditure of 7.64 Cr was incurred during 2014-15. An outlay of 10.00 Cr is provided for the annual plan 2015-16.

### **(b) Constructions of Toilets in the Rural Areas (NABARD)**

For the welfare of the people living in the villages, Government of Punjab has admitted a new scheme to construct toilets for individual families with the assistance from NABARD in 85:15 ratios. As per latest household survey conducted by census department, 308 households are without toilet facility. There are about 10 lac families which are yet to be covered with facility of toilets. 1.56 lac toilets have been constructed during last five years at a cost of 150 Cr. Individual household beneficiaries would be provided with then facility of toilets. The selection would be made in such a way that the entire village is covered and made open defecation free for the entitlement of Nirmal Gram Pruskar. An outlay of 240.00 Cr and 100.00 Cr has been provided in the 12<sup>th</sup> Plan 2012-17. An outlay of ` 20.00 Cr was provided for the 2014-15. An outlay of ` 1.00 Cr is provided for the annual plan 2015-16.

**(c) Improvement/Remodelling and Rejuvenation of village Ponds and disposal of Sullage Water (OTACA)**

For improving village environment especially laying emphasis on disposal of liquid and solid waste the village ponds are required to be renovated and repaired so that the sullage water/rain water could be channelised and diverted to the village ponds. This will result in clean village environment and the ponds could be utilized for irrigation purposes and also encourage the fisheries. The survey for cleaning of village ponds has been completed according to which 10396 ponds in 141 blocks of the state need improvement/cleaning at an estimated cost of 775.47 Cr. An outlay of 5.00 Cr and 1.00 Cr has been provided in the 12th Plan 2012-17. An outlay of 100.00 Cr was provided 2014-15. An outlay of 2.00 Cr including Center Share is provided for the annual plan 2015-16.

**(d) Rajiv Gandhi Panchayat Sashaktikaran Yojana**

Under RGPSA for construction of 58 new Panchayat Ghars at a cost of 12 lac each. District Panchayat Resource Centre, Mansa and Fazilka shall be completed with a cost of 3 Cr. The state government has started a training programme of 5 days for elected representatives and officials of PRIs for their capacity building at a cost of 24 Cr. Against an revised outlay of 1.59 Cr, Against an outlay of 36.25 Cr an expenditure of 11.59 Cr was incurred during 2014-15. Token provision of ` 0.002 Cr is provided for the Annual Plan 2015-16.

## **VI. CONCLUSION**

Rural development strategies are a critical component of an inclusive growth strategy for Punjab. Developing a modern rural development strategy for poverty reduction in Punjab in the coming decades requires recognition of institutional and technological changes, as well as of the growing role of a broadly defined and diversified agricultural system Furthermore, the

rural poor need to participate in the development and implementation of the relevant policies and programs, which need to ensure gender equity, inclusion of minorities, participation of the poorest in markets and in the provision of services

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