

## The New Panchayati Raj System and Schemes

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**Abstract** - Typical rural areas have a low population density and small settlements. Agricultural areas are commonly rural, though so are others such as forests. Different countries have varying definitions of "rural" for statistical and administrative purposes. 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.

### 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 such as agriculture and forestry. However, changes in global production networks and increased urbanization have changed the character of rural areas. Increasingly tourism, niche manufacturers, and recreation have replaced resource extraction and agriculture as dominant economic drivers. The need for rural communities to approach development from a wider perspective has created more focus on a broad range of development goals rather than merely creating incentive for agricultural or resource based businesses. Education, entrepreneurship, physical infrastructure, and social infrastructure all play an important role in developing rural regions. Rural development is also characterized by its emphasis on locally produced economic development strategies. In contrast to urban regions, which have many similarities, rural areas are highly distinctive from one another. For this reason there are a large variety of rural development approaches used globally. E systematic use of scientific and technical knowledge to meet specific objectives or requirements. ... An extension of the theoretical or practical aspects of a concept, design, discovery, or invention. ... The process of economic and social transformation that is based on complex ...

In the time of the Rig-Veda (1700 BC), evidences suggest that self-governing village bodies called 'sabhas' existed. With the passage of time, these bodies became panchayats (council of five persons). Panchayats were functional institutions of grassroots governance in almost every village. The Village Panchayat or elected council had large powers, both executive and judicial. Land was distributed by this panchayat which also collected taxes out of the produce and paid the government's share on behalf of the

village. Above a number of these village councils there was a larger panchayat or council to supervise and interfere if necessary. Casteism and feudalistic system of governance under Mughal rule in the medieval period slowly eroded the self-government in villages. A new class of feudal chiefs and revenue collectors (zamindars) emerged between the ruler and the people. And, so began the stagnation and decline of self-government in villages. During the British rule, the autonomy of panchayats gradually declined with the establishment of local civil and criminal courts, revenue and police organisations, the increase in communications, the growth of individualism and the operation of the individual Ryotwari (landholder-wise) system as against the Mahalwari or village tenure system.

### II. DURING THE BRITISH RULE

The panchayati had never been the priority of the British rulers. The rulers were interested in the creation of 'controlled' local bodies, which could help them in their trading interests by collecting taxes for them. When the colonial administration came under severe financial pressure after the 1857 uprising, the sought was decentralisation in terms of transferring responsibility for road and public works to local bodies. However, the thrust of this 'compelled' decentralisation was with respect to municipal administration..

"The panchayat was destroyed by the East India Company when it was granted the office of Diwan in 1765 by the Mughal Emperor as part of reparation after his defeat at Buxar. As Diwan the Company took two decisions. The first was that it abolished the village land record office and created a company official called Patwari. The Patwari became the official record keeper for a number of villages. The second was the creation of the office of magistrate and the abolition of village police. The magistrate carried out policing functions through the Darogha who had always been a state functionary under the Faujdar. The primary purpose of these measures was the collection of land revenue by fiat. The depredations of the Patwari and the Darogha are part of our folklore and it led to the worst famine in Bengal. The effects of the famine lingered right to the end of the 18th century. These two measures completely disempowered the village community and destroyed the panchayat. After 1857 the British tried to restore the panchayat by giving it powers to try minor offences and to

resolve village disputes. But these measures never restored the lost powers of the village community.

From 1870 that Viceroy Lord Mayo's Resolution (for decentralisation of power to bring about administrative efficiency in meeting people's demand and to add to the finances of colonial regime) gave the needed impetus to the development of local institutions. It was a landmark in the evolution of colonial policy towards local government. The real benchmarking of the government policy on decentralisation can, however, be attributed to Lord Ripon who, in his famous resolution on local self-government on May 18, 1882, recognised the twin considerations of local government: (i) administrative efficiency and (ii) political education. The Ripon Resolution, which focused on towns, provided for local bodies consisting of a large majority of elected non-official members and presided over by a non-official chairperson. This resolution met with resistance from colonial administrators. The progress of local self-government was tardy with only half-hearted steps taken in setting up municipal bodies. Rural decentralisation remained a neglected area of administrative reform.

The Royal Commission on Decentralisation (1907) under the chairmanship of C.E.H. Hobhouse recognised the importance of panchayats at the village level. The commission recommended that "it is most desirable, alike in the interests of decentralisation and in order to associate the people with the local tasks of administration, that an attempt should be made to constitute and develop village panchayats for the administration of local village affairs". But, the Montague-Chemsford reforms (1919) brought local self-government as a provincial transferred subject, under the domain of Indian ministers in the provinces. Due to organisational and fiscal constraints, the reform was unable to make panchayat institutions truly democratic and vibrant. However, the most significant development of this period was the 'establishment of village panchayats in a number of provinces, that were no longer mere ad hoc judicial tribunals, but representative institutions symbolising the corporate character of the village and having a wide jurisdiction in respect of civic matters. By 1925, eight provinces had passed panchayat acts and by 1926, six native states had also passed panchayat laws.

The provincial autonomy under the Government of India Act, 1935, marked the evolution of panchayats in India. Popularly elected governments in provinces enacted legislations to further democratise institutions of local self-government. But the system of responsible government at the grassroots level was least responsible. D.P. Mishra, the then minister for local self-government under the Government of India Act of 1935 in Central Provinces was of the view that 'the working of our local bodies... in our province and perhaps in the whole country presents a tragic picture... 'Inefficiency' and 'local body' have become synonymous terms....

In spite of various committees such as the Royal Commission on Decentralization (1907), the report of Montague and Chemsford on constitutional reform (1919), the Government of India Resolution (1919), etc., a hierarchical administrative structure based on supervision and control evolved. The administrator became the focal point of rural governance. The British were not concerned with decentralised democracy but were aiming for colonial objectives.

The Indian National Congress from the 1920s to 1947, emphasized the issue of all-India Swaraj, and organized movements for Independence under the leadership of Mahatma Gandhi. The task of preparing any sort of blueprint for the local level was neglected as a result. There was no consensus among the top leaders regarding the status and role to be assigned to the institution of rural local self-government; rather there were divergent views on the subject. On the one end Gandhi favored Village Swaraj and strengthening the village panchayat to the fullest extent and on the other end, Dr. B.R. Ambedkar opposed this idea. He believed that the village represented regressive India, a source of oppression. The model state hence had to build safeguards against such social oppression and the only way it could be done was through the adoption of the parliamentary model of politics. During the drafting of the Constitution of India, Panchayati Raj Institutions were placed in the non-justiciable part of the Constitution, the Directive Principles of State Policy, as Article 40. The Article read 'the State shall take steps to organise village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government'. However, no worthwhile legislation was enacted either at the national or state level to implement it. In the four decades since the adoption of the Constitution, panchayat raj institutions have travelled from the non-justiciable part of the Constitution to one where, through a separate amendment, a whole new status has been added to their history.

### III. POST INDEPENDENCE PERIOD

Panchayat raj had to go through various stages. The First Five Year Plan failed to bring about active participation and involvement of the people in the Plan processes, which included Plan formulation implementation and monitoring. The Second Five Year Plan attempted to cover the entire countryside with National Extensive Service Blocks through the institutions of Block Development Officers, Assistant Development Officers, Village Level Workers, in addition to nominated representatives of village panchayats of that area and some other popular organisations like co-operative societies. But the plan failed to satisfactorily accomplish decentralisation. Hence, committees were constituted by various authorities to advise the Centre on different aspects of decentralisation.

### **A. The Balwantrai Mehta Committee (1957)**

In 1957, Balwant Rai Mehta Committee studied the Community Development Projects and the National Extension Service and assessed the extent to which the movement had succeeded in utilising local initiatives and in creating institutions to ensure continuity in the process of improving economic and social conditions in rural areas. The Committee held that community development would only be deep and enduring when the community was involved in the planning, decision-making and implementation process.<sup>[9]</sup> The suggestions were for as follows

1. An early establishment of elected local bodies and devolution to them of necessary resources, power and authority,
2. That the basic unit of democratic decentralisation was at the block/samiti level since the area of jurisdiction of the local body should neither be too large nor too small. The block was large enough for efficiency and economy of administration, and small enough for sustaining a sense of involvement in the citizens,
3. Such body must not be constrained by too much control by the government or government agencies,
4. The body must be constituted for five years by indirect elections from the village panchayats,
5. Its functions should cover the development of agriculture in all its aspects, the promotion of local industries and others
6. Services such as drinking water, road building, etc., and

The PRI structure did not develop the requisite democratic momentum and failed to cater to the needs of rural development. There are various reasons for such an outcome which include political and bureaucratic resistance at the state level to share power and resources with local level institutions, domination of local elites over the major share of the benefits of welfare schemes, lack of capability at the local level and lack of political will. It was decided to appoint a high-level committee under the chairmanship of Ashok Mehta to examine and suggest measures to strengthen PRIs. The Committee had to evolve an effective decentralised system of development for PRIs. They made the following recommendations:

1. The district is a viable administrative unit for which planning, co-ordination and resource allocation are feasible and technical expertise available,
2. Pris as a two-tier system, with mandal panchayat at the base and zilla parishad at the top,
3. The pris are capable of planning for themselves with the resources available to them,
4. District planning should take care of the urban-rural continuum,
5. Representation of scs and sts in the election to pris on the basis of their population,
6. Four-year term of pris,
7. Participation of political parties in elections,

8. any financial devolution should be committed to accepting

that much of the developmental functions at the district level would be played by the panchayats.

The states of Karnataka, Andhra Pradesh and West Bengal passed new legislation based on this report. However, the flux in politics at the state level did not allow these institutions to develop their own political dynamics.

### **B. G.V.K Rao Committee (1985)**

The G.V.K. Rao Committee was appointed by Planning Commission<sup>[12]</sup> to once again look at various aspects of PRIs. The Committee was of the opinion that a total view of rural development must be taken in which PRIs must play a central role in handling people's problems. It recommended the following:

- a. PRIs have to be activated and provided with all the required support to become effective organisations,
- b. PRIs at district level and below should be assigned the work of planning, implementation and monitoring of rural development programmes, and
- c. the block development office should be the spinal cord of the rural development process.

### **C. L.M.Singhvi Committee(1986)**

L.M. Singhvi Committee studied panchayati raj. The Gram Sabha was considered as the base of a decentralised, and PRIs viewed as institutions of self-governance which would actually facilitate the participation of the people in the process of planning and development. It recommended:

1. local self-government should be constitutionally recognised, protected and preserved by the inclusion of new chapter in the Constitution,
2. non-involvement of political parties in Panchayat elections.
3. The suggestion of giving panchayats constitutional status was opposed by the Sarkaria Commission, but the idea,

however, gained momentum in the late 1980s especially because of the endorsement by the late Prime Minister Rajiv Gandhi, who introduced the 64th Constitutional Amendment Bill in 1989. The 64th Amendment Bill was prepared and introduced in the lower house of Parliament. But it got defeated in the Rajya Sabha as non-convincing. He lost the general elections too. In 1989, the National Front introduced the 74th Constitutional Amendment Bill, which could not become an Act because of the dissolution of the Ninth Lok Sabha. All these various suggestions and recommendations and means of strengthening PRIs were considered while formulating the new Constitutional Amendment Act.

#### IV. THE 73<sup>rd</sup> CONSTITUTIONAL AMENDMENT ACT

The idea which produced the 73rd Amendment <sup>[15]</sup> was not a response to pressure from the grassroots, but to an increasing recognition that the institutional initiatives of the preceding decade had not delivered, that the extent of rural poverty was still much too large and thus the existing structure of government needed to be reformed. It is interesting to note that this idea evolved from the Centre and the state governments. It was a political drive to see PRIs as a solution to the governmental crises that India was experiencing. The Constitutional (73rd Amendment) Act, passed in 1992 by the Narasimha Rao government, came into force on April 24, 1993. It was meant to provide constitutional sanction to establish "democracy at the grassroots level as it is at the state level or national level". Its main features are as follows:

1. The Gram Sabha or village assembly as a deliberative body to decentralised governance has been envisaged as the foundation of the Panchayati Raj System. 73rd Amendment of the Constitution empowered the Gram Sabhas to conduct social audits in addition to its other functions.
2. A uniform three-tier structure of panchayats at village (Gram Panchayat — GP), intermediate or block (Panchayat Samiti — PS) and district (Zilla Parishad — ZP) levels.
3. All the seats in a panchayat at every level are to be filled by elections from respective territorial constituencies.
4. Not less than one-third of the total seats for membership as well as office of chairpersons of each tier have to be reserved for women.
5. Reservation for weaker castes and tribes (SCs and STs) have to be provided at all levels in proportion to their population in the panchayats.
6. To supervise, direct and control the regular and smooth elections to panchayats, a State Election Commission has The Act has ensured constitution of a State Finance Commission in every State/UT, for every five years, to suggest measures to strengthen finances of panchayati raj institutions.
7. To promote bottom-up-planning, the District Planning Committee (DPC) in every district has been accorded to constitutional status.
8. An indicative list of 29 items has been given in Eleventh Schedule of the Constitution. Panchayats are expected to play an effective role in planning and implementation of works related to these 29 items.

#### V. PRESENT SCENARIO

At present, there are about 3 million elected representatives at all levels of the panchayat, one-half of which are women. These members represent more than 2.4 lakh (240,000) Gram Panchayats, about 6,000 intermediate level tiers and more than 500 district panchayats. Spread over the length and breadth of the country, the new panchayats cover about 96% of India's more than 5.8 lakh (580,000) villages

and nearly 99.6% of the rural population. This is the largest experiment in decentralisation of governance in the history of humanity. The Constitution of India visualises panchayats as institutions of self-governance. However, giving due consideration to the federal structure of India's polity, most of the financial powers and authorities to be endowed on panchayats have been left at the discretion of concerned state legislatures. Consequently, the powers and functions vested in PRIs vary from state to state. These provisions combine representative and direct democracy into a synergy and are expected to result in an extension and deepening of democracy in India. Hence, panchayats have journeyed from an institution within the culture of India to attain constitutional status. This is one of the biggest democracies in the world where village level democratic structures are functioning for their development.

#### A. Functions

All municipal acts in India provide for functions, powers and responsibilities to be carried out by the municipal government.

These are divided into two categories - obligatory or discretionary.

#### *Obligatory Functions*

1. supply of pure and wholesome water
2. construction and maintenance of public streets
3. lighting and watering of public streets
4. cleaning of public streets, places and sewers
5. regulation of offensive, dangerous or obnoxious trades and callings or practices
6. maintenance or support of public hospitals
7. establishment and maintenance of primary schools
8. registration of births and deaths
9. removing obstructions and projections in public streets, bridges and other places
10. naming streets and numbering houses

#### *Discretionary Functions*

1. laying out of areas
2. securing or removal of dangerous buildings or places
3. construction and maintenance of public parks, gardens, libraries, museums, rest houses, leper homes, orphanages and rescue homes for women
4. public buildings
5. planting and maintenance of roadside and other trees
6. housing for low income groups
7. conducting surveys
8. organizing public receptions, public exhibitions, public entertainment
9. provision of transport facilities with the municipality
10. promotion of welfare of municipal employees

Some of the functions of the urban bodies overlap with the work of state agencies. The functions of the municipality, including those listed in the Twelfth Schedule are left to the discretion of the state government. Local bodies have to be bestowed with adequate powers, authority and responsibility to perform the functions entrusted to them by the Act. However, the Act has not provided them with any powers directly and has instead left it to state government discretion. Medieval technology refers to the technology used in medieval Europe under Christian rule. After the Renaissance of the 12th century, medieval Europe saw a radical change in the rate of new inventions, innovations in the ways of managing traditional means of production, and economic growth. The period saw major technological advances, including the adoption of gunpowder, the invention of vertical windmills, spectacles, mechanical clocks, and greatly improved water mills, building techniques (Gothic architecture, medieval castles), and agriculture in general (three-field crop rotation).

The development of water mills from their ancient origins was impressive, and extended from agriculture to sawmills both for timber and stone. By the time of the *Domesday Book*, most large villages had turnable mills, around 6,500 in England alone. Water-power was also widely used in mining for raising ore from shafts, crushing ore, and even powering bellows. European technical advancements from the 12th to 14th centuries were either built on long-established techniques in medieval Europe, originating from Roman and Byzantine antecedents, or adapted from cross-cultural exchanges through trading networks with the Islamic world, China, and India. Often, the revolutionary aspect lay not in the act of invention itself, but in its technological refinement and application to political and economic power. Though gunpowder along with other weapons had been started by Chinese, it was the Europeans who developed and perfected its military potential, precipitating European expansion and eventual imperialism in the Modern Era.

Also significant in this respect were advances in maritime technology. Advances in shipbuilding included the multi-masted ships with lateen sails, the sternpost-mounted rudder and the skeleton-first hull construction. Along with new navigational techniques such as the dry compass, the Jacob's staff and the astrolabe, these allowed economic and military control of the seas adjacent to Europe and enabled the global navigational achievements of the dawning Age of Exploration. At the turn to the Renaissance, Gutenberg's invention of mechanical printing made possible a dissemination of knowledge to a wider population, that would not only lead to a gradually more egalitarian society, but one more able to dominate other cultures, drawing from a vast reserve of knowledge and experience.

### **IRDP**

The Integrated Rural Development Programme signifies a programme for improving the living standards of the poorest of the poor living in rural areas and for making the process of rural development self-sustaining. Initiated in 1978-79, the programme was extended to all development blocks in the country in 1980-81. It is based on "the local needs, resources endowments and potentialities." Its objective is to enable selected families to cross the poverty line by taking up self-employment ventures in a variety of activities like agriculture, horticulture and animal husbandry in the primary sector, weaving and handicrafts in the secondary sector, and service and business activities in the tertiary sector.

IRDP employs the cluster approach to select villages for implementing various components of the programme, the antyodaya approach to select beneficiaries within the selected villages, and the package approach to assist the selected beneficiaries. The cluster approach ensures that the supporting infrastructure is either already available in the selected villages, or can be made available at a relatively low cost. The antyodaya approach makes sure that the poorest of the poor are selected first, and the package approach assures the beneficiary full benefits from the complementarity between various inputs and services. In this way, IRDP strategy represents a synthesis of the various approaches tested and found effective in India's rural development programmes.

The central and state government provides financial resources for the programme and lay down broad guidelines for its implementation. However, the main administrative unit of its implementation is the District Rural Development Agencies (DRDAs). At the Block level a number of extension officers are provided for programme implementation. IRDP has some drawbacks. They are cumbersome procedure involved in availing of this facility, widespread corruption, and lack of integration with development needs. Despite these drawbacks it cannot be denied that the Integrated Rural Development Programme has attained considerable success in terms of the number of beneficiaries covered and the amount of subsidies and loans disbursed.

### **NREP**

National Rural Employment Programme was launched in October, 1980 as a centrally sponsored scheme on 50:50 sharing basis between centre and states. Generating additional gainful employment opportunities, creating durable community assets and improving the overall quality of life in rural areas constitute the three-fold objectives of the programme. The programme is implemented through DRDA. It has been merged with the Jawahar Rozgar Yojna from April, 1989.

### **TRYSEM**

The scheme of Training Rural Youth for Self- Employment was initiated in August, 1979, with the primary objective of providing technical skills to the rural youth to enable them to seek employment in fields of agriculture, industry, services and business activities. Only youth in the age group of 18 – 35 and belonging to families living below the poverty line are eligible for training. Priority is given to persons belonging to SCs and STs, ex-servicemen and women. The effectiveness of the scheme is affected by several factors such as inadequate coverage, low level of skill, inadequate stipend given to the youth etc.

### **RLEGP**

Rural Landless Employment Guarantee Programme was launched on 15th August, 1983 to generate additional employment in rural areas particularly for the rural landless workers. Under this scheme employment is given to at least one member of every landless family upto 100 days in a year. So far as this programme is concerned, preference in the employment is given to the landless labourers, women, SCs and STs. Financed exclusively by the Central Government, the programme undertakes several activities such as construction of wells, roads, houses, social forestry etc. Several factors like absence of systematic selection of workers, failure to guarantee minimum of 100 days of employment to workers and malpractice by the contractors stand in the way of the successful functioning of this programme. Like NREP this programme has now been merged into the JRY.

### **JRY**

Jawahar Rozgar Yojna was launched in April, 1989. It is pre-eminently a wage employment programme. Under the scheme, it is expected that at least one member of each poor family would be provided with employment for 50 to 100 days in a year at a work place near his / her residence. About 30 per cent of the jobs under this scheme are reserved for women. The scheme is implemented through Village Panchayats. It covers 46 per cent of our population. So far as the impact of JRY is concerned, Ruddar Datt and K.P.M. Sundharam rightly opine, "The overall impact of the JRY in generating employment has been much below the target laid down. JRY has helped the weaker sections to acquire a house or provided access to drinking water or improve sanitation, but yet much remains to be done to make a perceptible improvement in the quality of life. Obviously, this necessitates larger devolution of resources – both financial and human." At present Jawahar Rozgar Yojana is not in operation.

### **JGSY**

The Jawahar Gram Samridhi Yojana is the restructured form of Jawahar Rozgar Yojna. This scheme is in operation from 1999. It is implemented only at the village level to create village infrastructure and generates employment

opportunities to alleviate poverty. The cost of this programme is shared between the centre and the states in the ratio of 75: 25.

### **Antyodaya Programme**

Antyodaya means the welfare of a person standing at the end of the queue. In other words, the programme is oriented to uplift the poorest of the poor in the countryside. The scheme was introduced during the regime of Janata Government in 1978. So far as the operation of this programme is concerned, every year five poorest families of every village are identified and selected. Efforts are made for the economic betterment of these families.

### **DPAP**

The Drought-Prone Area Programme was launched at the time of the mid-term appraisal of the Fourth Five Year Plan for drought prone areas. Reducing the severity of the impact of drought, stabilising the income of the weaker sections of the rural community and restoring the ecological balance constitute the basic objectives of the programme. During the Fourth Plan, DPAP was purely a central sector scheme with 100 per cent financial assistance from the centre. From the Fifth Plan onwards, this scheme has been operating with funds being shared between the centre and the states on a 50: 50 ratio. As of 1996 – 97, the programme was in operation in 947 blocks of 155 districts in 13 states.

### **DDP**

The Desert Development Programme was launched in 1977 – 78 on the recommendation of the National Commission on Agriculture in the hot desert areas of Rajasthan, Haryana and Gujarat, and the cold desert areas of Jammu and Kashmir and Himachal Pradesh. It was a central sector scheme with cent per cent financing by the centre. However, with effect from 1979-80, it has been operating as a central sector scheme with funds being shared between the centre and the states on a 50: 50 ratio. As of 1996- 97, the programme was in operation in 227 blocks of 36 districts in seven states.

### **FFWP**

The Food for Work Programme was launched in April, 1977. It aimed at making wage payment in food grains at subsidised prices to the ruralites living below the poverty line. FFWP was implemented by the development administration, without any help from labour contractors. Huge buffer stock of food grains at the disposal of the government prompted it to start this scheme. FFWP continued till 1980.

### **DWCRA**

The scheme of Development of Women and Children in Rural Areas was introduced in 50 districts in 1982-83. The major thrust of DWCRA is to improve the socio-economic

status of rural women through the creation of income-generating activities in a district on a self-sustaining basis.

### **EAS**

The Employment Assurance Scheme was launched in 1983 and expanded in phases to cover the whole country in 1996. It aims at providing 100 days of employment to two members of a rural family in a year. The secondary objective is the creation of economic infrastructure and community assets for sustained production and employment generation. The expenditure under EAS is shared between the centre and the states on an 80: 20 basis.

### **SGSY**

The Swarnajayanti Gram Swarozgar Yojana was launched in April 1999 replacing earlier programmes like the IRDP, the TRYSEM etc. This programme is instrumental in the setting up of a large number of industries through bank credit and subsidy. It plays an important role in enabling the poor families to rise above the poverty line in three years.

### **PMRY**

The Prime Minister's Rozgar Yojana is a self-employment programme for the educated unemployed youth. This programme has been implemented since October 2, 1993 to provide employment opportunities to the educated unemployed youths in the country. The minimum qualification required under the scheme is matriculation (passed or failed) or having undergone a government sponsored technical course for a period of six months or ITI passed. In this scheme the youth between the age of 18 and 35 belonging to families having income less than Rs. 25,000 per annum are provided assistance. The educated unemployed entrepreneurs are given subsidy of 15 per cent subject to a ceiling of Rs. 75,000 each for starting small projects. They are required to bring 5 per cent of the project cost as margin money. Each entrepreneur is eligible for a loan upto Rs. 1 lakh. A reservation of 22.5 per cent for SC/ST and 27 per cent for Other Backward Classes has been provided. Preference is given to women.

### **JPRGY**

The Jai Prakash Rozgar Guarantee Yojana has been launched in 2002 to provide employment guarantee to the unemployed in the most distressed districts of the country.

### **NSAP**

The National Social Assistance Programme was conceived by the central government to provide social assistance to poor households. The programme came into force from 15th August 1995 and includes three schemes as its components such as National Old Age Pension Scheme, National Family Benefit Scheme and National Maternity Benefit Scheme.

### **Rural Housing Scheme**

Indira Awas Yojana was launched by the government in 1985. Under this scheme house is given free of cost to SC/ST families and free bonded labourers. The cost norms under IAY have been changed from time to time. With effect from 1st August 1996, the ceiling of assistance for house construction under IAY is Rs. 20,000 per unit in the plains, and Rs. 22,000 per unit in hilly and other difficult areas. The scope of IAY has been extended to include non-scheduled rural poor. Under the Ninth Five Year Plan, Samagra Awas Yojana has been launched to ensure integrated provision of shelter, sanitation and drinking water to poor rural households.

## **VI. CONCLUSION**

The first sign of a healthy democracy decisions are made by the people who are most affected by them. Decentralization is a prime mechanism through which democracy becomes truly representative and responsive. The strength of participation, in turn, depends on the ability of the people to participate, their willingness to involve themselves in the change-process, and the opportunities provided to them to participate in the process of self-governance. India lives in the villages. It is rural development in the broad sense of the term that holds the key to all economic progress, industrial or agrarian or rural. Thus we see that a number of Programmes have been introduced for the development of rural areas. However, any strategy of development can succeed only with the help of an active participation of the population for which such a strategy had been conceived and put forth. Such participation of the people has to be organized, continuous and active for the continued success of the various programmes.

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