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Research Article

## Impact of Rural Development Programmes on the Rural Households in Himachal Pradesh

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**Abstract:** *This paper examines the impact of rural development programmes on the rural households in Himachal Pradesh. Rural development and poverty alleviation have been the major areas of concern and thrust for the nation since independence. The Community Development Programmes consisting of various sets of schemes was launched on 2<sup>nd</sup> October, 1952 throughout the country with the objective of overall development of rural areas with the active participation of community. Development blocks were created and considered pivotal for planning and implementation of various rural development schemes. This study revealed that a number of development programmes, policies and projects have been introduced to improve the well-being of rural people, but the issue of rural development is still alive. It clearly indicates that we have achieved too less in this regard. In the present study the total amount of subsidy received, assistance received in various scheme, the value of assets created out of this assistance, as well as the income and employment opportunities generated under the various Rural Programmes has been examined.*

**Key words:** *rural, sample, development, employment, households*

### 1. INTRODUCTION:

In India Government has undertaken a number of programmes to reduce the poverty in rural areas. During last six decades, various centrally and state sponsored rural housing schemes have been implemented through Rural Development Department. Indira Awas Yojna (IAY) was launched as an independent and major housing device on 1<sup>st</sup> January, 1996 to provide assistance for the construction and up-gradation of the dwelling units for the BPL rural households. The selection of beneficiaries is done by the Gram Sabha. This scheme is being implemented in the ratio of 75:25 between Government of India and state Government. During the period of 11<sup>th</sup> Five Year Plan, Rs.11607.98 lakh have been released for the construction of dwelling in rural areas and 50,117 Houses were constructed under the scheme. In Himachal Pradesh, Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA) was made effective from 2<sup>nd</sup> February, 2006 in Chamba and Sirmour districts, and covered all district up to 1<sup>st</sup> April, 2008. The objectives of this scheme are to provide livelihood security to the households in rural area of the state by ensuring 100 days generated employment in each financial year to every household whose adult members volunteer to do unskilled manual work. During the 11<sup>th</sup> plan, 1076.26 lakh mandays have been generated.

### 2. OBJECTIVES AND METHODOLOGY :

The specific objectives of the present study are to analyses the impact of rural development programmes on the rural households in Himachal Pradesh. For the present empirical investigation Mandi district has been selected purposively mainly due to the reason that the topography of the district is more or less similar to that of the state of Himachal Pradesh. Further, the district-wise percentage of poor varies from 20 percent to 54 percent, whereas this percentage in district Mandi is 20 percent. Therefore both from the topography as well as from the percentage poor point of view this selected district can represent the economic activities of the rural household in the state of Himachal Pradesh as a whole. Mandi district has ten development block viz. Mandi Sadar, Rewalsar, Drang, Chauntra, Chachiot, Siraj, Dharampur, Gopalpur, Sunder Nagar and Karsog. With the help of multi-stage random sampling a sample of 300 households was selected from Dharampur and Gopalpur development blocks. Out of the total 300 sample households, 165 households fall in the category of marginal farmers, 75 households fall in the category of small farmers, 54 households fall in the category of medium farmers and the remaining 6 households fall in the category of large farmers. In order to achieve the objective of the present study, the required information has been collected from the 300 sample households with the help of pre-tested scheduled by conducting personal interviews.



### 3. ANALYSIS AND RESULT:

The findings about the impact of rural development programmes on the rural households in Himachal Pradesh are given below. The total amount of subsidy received, assistance received, the value of assets created out of this assistance, as well as the income and employment opportunities generated under the various Rural Programmes has been presented in Table 1. This table clearly indicates that the percentage share of subsidy on food-items to the total amount of subsidy has been worked out 98.54, 88.65, 82.53 and 78.26 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 93.46. The percentage amount of subsidy on food-items shows a decreasing tendency with an increase in the size of holding.

**Table 1 Impact of Rural Development Programmes on the Distribution of Household Assets Employment and Income in the Rural Area of District Mandi**

| S.N. | Items  | Marginal Holdings | Small Holdings | Medium Holdings | Large Holdings | All Holdings |
|------|--|-------------------|----------------|-----------------|----------------|--------------|
| 1    | Subsidy (Rs.)  |                   |                |                 |                |              |
|      | (I) Subsidy on Food Items  | 2869.09           | 2093.00        | 1933.33         | 1800.00        | 2485.33      |
|      |  | (98.54)           | (88.65)        | (82.53)         | (78.26)        | (93.46)      |
|      | (II) Subsidy on Fertilizers  | 42.42             | 268.00         | 409.26          | 500.00         | 174.00       |
|      |  | (1.46)            | (11.35)        | (17.47)         | (21.74)        | (6.54)       |
|      | (III) Total (I+II)   | 2911.52           | 2361.33        | 2342.59         | 2300.00        | 2659.00      |
|      |  | (100.00)          | (100.00)       | (100.00)        | (100.00)       | (100.00)     |
| 2    | Assistance From Govt. for construction of Houses Under Various Schemes   |                   |                |                 |                |              |
|      | (I) Total Amount Received (Rs.)  | 4072.73           | 3733.33        | 1037.04         | 0.00           | 3360.00      |
|      | (II) Assets (value in Rs.)(house)  | 4072.73           | 3733.33        | 1037.04         | 0.00           | 3360.00      |
|      |  | (94.38)           | (93.33)        | (100.00)        | (0.00)         | (94.38)      |
|      | (III) Income(Rs.)  | 4072.73           | 3733.33        | 1037.04         | 0.00           | 3360.00      |
|      |  | (42.53)           | (45.45)        | (36.36)         | (0.00)         | (42.57)      |
|      | (IV) Employment (Mandays )   | 2.55              | 2.67           | 0.93            | 0.00           | 2.23         |
|      |  | (4.52)            | (5.87)         | (5.15)          | (0.00)         | (4.86)       |
| 3    | Livestock  |                   |                |                 |                |              |
|      | (I) Total amount of loan(Rs.)  | 242.42            | 266.67         | 0.00            | 0.00           | 200.00       |
|      |  | (100.00)          | (100.00)       | (0.00)          | (0.00)         | (100.00)     |
|      | (II) Assets (value in Rs.)   | 242.42            | 266.67         | 0.00            | 0.00           | 200.00       |
|      |  | (5.62)            | (6.67)         | (0.00)          | (0.00)         | (5.62)       |
|      | (III) Income(Rs.)  | 121.21            | 133.33         | 0.00            | 0.00           | 100.00       |
|      |  | (1.27)            | (1.62)         | (0.00)          | (0.00)         | (1.27)       |
|      | (IV) Employment (Mandays )   | 1.52              | 0.67           | 0.00            | 0.00           | 1.00         |
|      |  | (2.69)            | (1.47)         | (0.00)          | (0.00)         | (2.17)       |
| 4    | Employment   |                   |                |                 |                |              |
|      | (I) Employment in MANREGA (Mandays )                                     | 52.30             | 42.13          | 17.04           | 20.00          | 42.77        |
|      |  | (92.80)           | (92.67)        | (94.85)         | (100.00)       | (92.97)      |
|      | (II) Income (Rs.)  | 5230.30           | 4213.33        | 1703.70         | 2000.00        | 4276.67      |
|      |  | (54.62)           | (51.30)        | (59.74)         | (66.67)        | (54.18)      |
| 5    | Other Assistance (old age pension, fee concession, and fellowships etc.) |                   |                |                 |                |              |
|      | (I) Total Amount (Rs.)   | 151.52            | 133.33         | 111.11          | 1000.00        | 156.67       |
|      | (II) Income (Rs.)  | 151.52            | 133.33         | 111.11          | 1000.00        | 156.67       |
|      |  | (1.58)            | (1.62)         | (3.90)          | (33.33)        | (1.98)       |
|      | (III) Assets (value in Rs.)  | 0.00              | 0.00           | 0.00            | 0.00           | 0.00         |
|      | (IV) Employment (Mandays )   | 0.00              | 0.00           | 0.00            | 0.00           | 0.00         |
| 6    | Grand Total (1 to 5)   |                   |                |                 |                |              |
|      | (I) Total Amount of Loan (Rs.)   | 242.42            | 266.67         | 0.00            | 0.00           | 200.00       |
|      |  | (100.00)          | (100.00)       | (0.00)          | (0.00)         | (100.00)     |
|      | (II) Assets (value in Rs.)   | 4315.15           | 4000.00        | 1037.04         | 0.00           | 3560.00      |
|      |  | (100.00)          | (100.00)       | (100.00)        | (0.00)         | (100.00)     |
|      | (III) Income (Rs.)   | 9575.76           | 8213.33        | 2851.85         | 3000.00        | 7893.33      |



|  |                            |          |          |          |          |          |
|--|----------------------------|----------|----------|----------|----------|----------|
|  |                            | (100.00) | (100.00) | (100.00) | (100.00) | (100.00) |
|  | (IV) Employment (Mandays ) | 56.36    | 45.47    | 17.96    | 20.00    | 46.00    |
|  |                            | (100.00) | (100.00) | (100.00) | (100.00) | (100.00) |

Note:- Figures in parenthesis indicate percentages.

The percentage amount of subsidy on food-items is the highest on the marginal and small holdings group mainly due to the reason that Government provide food-items on subsidies rate to the BPL families and maximum BPL families belongs to marginal and small holdings group. The percentage share of subsidy on fertilizers to the total amount of subsidy has been worked out 1.46, 11.35, 17.47 and 21.74 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 6.54. The percentage value of subsidy on fertilizers shows an increasing tendency with an increase in the size of holding. The percentage value of subsidy on fertilizers is the highest on the large holding groups mainly due to the reason that these farmers use more fertilizer as comparatively to small holdings.

The per household share of assistance received from the Government for the construction of houses has been worked out Rs.4072.73, Rs.3733.33, Rs.1037.04 and Rs. 0.00 on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this amount came out Rs. 3360.00. The percentage value of assets created out of this assistance to the total value of household assets under the Rural Development Programmes has been worked out 94.38, 93.33 and 100.00 per cent on the marginal, small and medium size of holdings respectively, whereas, among all the holdings together this percentage came out 94.38. The percentage increase in household income through assistance received from the Government for the construction of houses under Rural Development Programmes has been worked out to 42.53, 45.45, 36.36 and 0.00 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 42.57. The percentage of family human labour mandays utilization in gainful activities increased by 4.52, 5.87, 5.15 and 0.00 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 4.86. Thus, the percentage increase in the value of household assts, income and employment on the account of the assistance received from the Government for the construction of houses shows that under rural development programmes among the marginal, small, medium and large size of holdings group the least better-off household benefited the most and the better-off benefited the least. It happened mainly due to the reason that the Government provides assistance for scheduled cast, scheduled tribe and BPL families for construction of houses under various schemes.

The per household share of loans received under rural development programmes for livestock, i.e. mainly for the purchase of milch cattle, sheep goats etc. has been worked out Rs.242.42, Rs.266.67 on the marginal and small size of holdings respectively. The value of household assets increased on account of these loans to the total value of household assets created under these programmes has been worked out 5.62 and 6.67 per cent on the marginal and small size of holding respectively. The percentage of household income increased through livestock received under the integrated rural development programmes to the total household income increased through the different development programmes has been worked out 1.27 and 1.62 per cent on the marginal and small size of holding respectively. The percentage of family human labour mandays increased in livestock activities has been worked out 2.69 and 1.47 per cent on the marginal and small size of holdings respectively.

In the study area MANREGA plays an important role to provide employment opportunities to sample household. The percentage of family human labour mandays generated in MANREGA has been worked out 92.80, 92.67, 94.85 and 100.00 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holdings together this percentage came out 92.97.

The percentage amount of assistance received from the Government for old age pension as well as fee concession and fellowship to the total amount of income received under various rural development programmes has been worked out 1.58, 1.62, 3.90 and 33.33 per cent on the marginal, small, medium and large size of holdings respectively. Among all the holding together this percentage came out 1.98.

#### **4. CONCLUSIONS, SUGGESTIONS AND POLICY IMPLICATIONS :**

Thus, it can be concluded from the above empirical results that the percentage amount of subsidy on food-items shows a decreasing tendency with an increase in the size of holding. The percentage amount of subsidy on food-items is the highest on the marginal and small holdings group mainly due to the reason that Government provide food-items on subsidies rate to the BPL families and maximum BPL families belongs to marginal and small holdings group, whereas contrary to it, the percentage amount of subsidy on fertilizers shows an increasing tendency with an increase in the size of holding. The percentage value of subsidy on fertilizers is the highest on the large holdings group mainly due to the reason that these farmers use more fertilizer as comparatively to small holdings. The percentage increase in the value of household assts, income and employment on the account of the assistance received from the Government for the construction of houses shows that under rural development programmes among the marginal, small, medium and large



size of holding groups the least better-off household benefited the most and the better-off benefited the least. It happened mainly due to the reason that the Government provides assistance for scheduled cast, scheduled tribe and BPL families for construction of houses under various schemes. The percentage of assistance received from the government for old age pension, fee concession and fellowship received by the sample household shows an increasing tendency with an increase in the size of holdings. This clearly reveals that under the rural development programmes in case of employment scheme the poorest benefited the most and least poor benefited the least. Thus in the sample area, rural development programmes and employment scheme seems to have improved the socio-economic conditions of the poor rural households.

The rural development programmes has not been implemented successfully in the study area. The poorest benefited the least and least poor benefited the most under the Integrated Rural Development Programmes mainly due to the favouritism prevailing while preparing the list of the beneficiaries and distributing the benefits. The Poverty Alleviation Programmes (except the self-employment scheme) have fallen short of their expectations in the rural areas of district Mandi, because the empirical results of the present study clearly established the fact that through these programmes the better-off benefited the most and least better-off benefited the least. About 60 per cent of the sample households have said that they are satisfied with the facilities provided from Gram Panchayats. Nearly 75 per cent of the sample household has got the representation in the co-operative societies. The rural households of Mandi district are very firms in their faiths and belief. About 70 per cent of rural households of Mandi district are superstitious. They believe that the blessings of God can remove mental illness, ailments, misfortune and natural calamities. Dowry system is prevalent among the rural households of Mandi district. About 40 per cent of the households favoured the dowry system, but dowry is never demanded and never insisted upon. About 20 per cent of sample households favoured the joint family system mainly due to the reason that land is the mother and they don't want to divide it, whereas, 80 per cent sample households favoured the nuclear family system because of economic independence.

Therefore, in order to reduce the inequalities in the distribution of household productive assets, employment opportunities, household income and consumption expenditure between the rich and poor as well as to raise the socio-economic conditions of the poor rural households through increased availability of productive assets, skill formation and gainful employment opportunities, the planning strategy for rural development should be judicious mix of beneficiary oriented programmes, human resource development and infrastructure development. The emphasis should be placed on the minor irrigation, soil and water conservation, co-operation, rural roads and reforms in the infrastructure sector; drinking water supply, general education, technical education and health in the social service sector; horticulture, animal husbandry, dairy development, fisheries and forestry in the agricultural sector and small village and cottage industries in the industrial sector. Therefore, in order to raise the socio-economic conditions as well as to reduce the gap between the rich and poor, the planners, policy maker and administrator should implements the poverty alleviation programmes more effectively in the rural area in such a way so that most poor be benefited the most and the least poor be benefited the least.

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