

## **POVERTY ALLEVIATION PROGRAMME**

### **(Item No. 16)**

01. Poverty Alleviation Programmes intend to generate additional income for the poor by employment through two types of schemes (a) Beneficiary oriented and (b) Community asset creation schemes. Integrated Rural Development Programme (IRDP), Jawahar VelaI Vaippu Thittam (JVVT) and a few related programmes such as DW CRA, TRYSEM, IJY, and EAS constitute the major elements of Poverty Alleviation Programmes. IRDP aims at improving the incomes of families living below poverty line through provision of loan-cum-subsidy. JVVT is mainly intended to generate employment opportunities during the lean season in rural areas for the agricultural labourers and unskilled workers.

02. These programmes are implemented at the district level by District Rural Development Agency (DRDA), an agency registered under Tamil Nadu Societies Registration Act 1975. The Collector of the District is the Chairman of DRDA and the Project Officer is the Member-Secretary. The governing body of the DRDA include a large number of district level Government officials, People's representatives and representatives of Co-operative and Commercial Banks. The schemes implemented by DRDA are all Centrally sponsored programmes, for which the Ministry of Rural Areas and Employment provide detailed guidelines. The financial allocation to the State/District are determined at the Central level. The cost sharing arrangements for implementation of the poverty alleviation programme is 50% by the Centre and 50% by the State in respect of IRDP and 80% by the Centre and 20% by the State for JVVT. Noteworthy feature of the scheme is that delivery process has so far been officers dominated at the District, Block and Village level. Involvement of people's representatives is basically limited at the level of identification of persons to be assisted.

03. During the Eighth Five Year Plan a total of Rs.1,161.00 crores has been spent on IRDP and allied programmes in Tamilnadu and nearly 9 lakh families were assisted. For employment generation schemes Rs.208.55 crores were spent. Employment generation during the Eighth Plan is estimated to be around 400 lakh mandays. The District Rural Development Agencies were created during 1981, when the need for institutional arrangement at the district level for effective implementation of poverty alleviation and employment generation schemes was keenly felt. It may be mentioned that the PRIs were dormant in Tamilnadu as well as in many other States since seventies. The DRDAs were conceived to fill the vacuum created by the absence of people's representative institutions at the district level for formulation and implementation of development programmes. DRDA functions within the framework of guidelines provided by the Government of India and the State Government.

04. The emergence of District Panchayat - a democratically elected Local Self-Government Institution at district level necessitates a review of the role of DRDA in the preparation and implementation of development schemes. According to the provisions in the Tamilnadu Panchayat Act, 1994, District Panchayat and District Planning Committee are expected to play a crucial role in the preparation of development plan for the district, review and monitoring. It needs to be explained that the DRDA is more of a nodal agency than an executing agency. It plans, it receives programme funds, it entrusts actual execution to Panchayat Unions etc., and provides technical guidance. At the bottom it takes the help of Grama Sabha for identification of poor households. The District Panchayats even more than the DRDAs would be functioning as planning, enabling and nodal agencies and rely on Grama Panchayats, Union Panchayats, Coopertives etc. for execution.

Besides, it is neither necessary nor envisaged that District Panchayats while taking over the DRDA activities have to adhere to the DRDA system of functioning. Thus even where DRDA may have had to itself execute certain schemes it does not necessarily follow that District Panchayats will act likewise. District Panchayat in fact has available to it autonomous institutions in the field which would be the executing agencies. This is also explicit from the decision made by the Chief Minister's Conference relating to Centrally Sponsored Schemes that 80% of the Poverty Alleviation Programme funds will go to Gram Panchayats; only 20% have been assigned to District Panchayats for overall support. Thus merger of DRDAs with District Panchayats will not necessarily make the latter an executive body.

Nevertheless, nothing stands in the way of the Government from entrusting any development function to anyone or more of the 3 tier Local Self-Government Institutions. Article 243 G of the Constitutional Amendment contemplates

devolution of powers and responsibilities upon Panchayats at appropriate levels with respect to (a) Preparation of plan for Economic Development and Social Justice; and (b) Implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matters listed in the Eleventh Schedule. This has been reiterated in Section 257 of Tamil Nadu Panchayat Act, 1994. Poverty alleviation programme is included in the Eleventh Schedule (Item No.16).

05. Historically district is an unit of administration below the State level has gained wide acceptance. In any scheme of decentralised governance district level representative institution should be assigned a key role. Decision making powers in respect of formulation and implementation of development schemes of local nature should be vested with the democratically elected body at the district level, in our case, the District Panchayat. The institutional options at the district level for entrusting the functions relating to poverty alleviation are confined to District Panchayat and DRDA. The constitutional mandate to establish three tier PRIs and to endow them with powers and responsibilities so as to enable them to function as institutions of self governance enjoins the State to make the District Panchayat function effectively with adequate powers.

06. Therefore, the SPC Group is of the view that the District Panchayat should be vested with powers to formulate and implement poverty alleviation programme. In Tamilnadu, the percentage of people below poverty line according to National Sample Survey (1987-88) is 32.8%. As many as 1.77 crore persons were reported to be living below the poverty line. The unemployment levels in Tamil Nadu is also fairly high. The NSS report on unemployment reveals that 11.87 percentage of the population is unemployed in the State at the beginning of the Eighth Five Year Plan. The nature and extent of poverty, level of unemployment, resource endowment, socio economic problems vary from district to district. It is essential that in tackling these vital problems, local leadership and Panchayat Raj Institutions are given an important role.

07. The official dominated DRDA, does not fit in with the scheme of democratic decentralisation. We cannot have a weak democratic institution at the district level and an official dominated strong executive agency (DRDA) functioning side by side. In our view, the DRDA has become redundant with the emergence of PRIs at the district level. The continuance of DRDA with its present composition and functions will undermine the working of District Panchayat and relegated it to the background. The State Planning Commission Group therefore, recommends the dissolution of District Rural Development Agency and entrustment of all the functions hitherto discharged by the DRDA to the District Panchayat. Because the Collector is the Chairman of DRDA, he would thus be replaced by the Chairman of the District Panchayat. A large number of schemes are implemented at the district level which can be brought under the umbrella of poverty alleviation programme. There are also area oriented programmes like Hill Area Development Programme (HADP) & Drought Prone Area Programme (DPAP). The Tamil Nadu Panchayat Act envisage preparation of development plan by the village panchayat for the village and preparation of development plan for the panchayat union area by panchayat union. It is essential that the poverty alleviation programmes are properly integrated with the other development programmes implemented in the district by various agencies. The District Panchayat and the District Planning Committee working in close co-ordination would be in a position to prepare an integrated development plan and implement it effectively.

08. The Group took note of some decisions taken/announced by the Government regarding secretarial support to District Panchayat and entrustment of statutory and obligatory functions. The Project Officer of the DRDA, has been appointed as the Chief Executive Officer of the District Panchayat. Some officials working in the Panchayat Development wing of the Collectorate as well as from DRDA have been deputed to work under the District Panchayat. The Government in their G.O.Ms.No.226, Rural Development (C1) Department, dated 15-10-1996 have also indicated the list of schemes over which the Panchayats will have a say in the implementation and review. These are steps in the right direction and must be carried forward to the logical end making the District Panchayat an effective body. The District Panchayat should be equipped with adequate number of technical and administrative personnel commensurate with its functions. With the dissolution of DRDAs all the officers and staff working in the DRDA could be transferred to District Panchayat. In the above background, SPC group recommends the following powers and functions to be entrusted to the rural local bodies.

**I. VILLAGE PANCHAYAT**

<i>ACTIVITY</i> (1)	<i>ENTRUSTMENT OF POWERS</i> (2)
1. Planning and Implementation of IRDP, TRYSEM, and DWCRA (Self-Employment Programme).	<ul style="list-style-type: none"> <li>i) Assist in identification of beneficiaries and the preparation and publication of the list of below poverty line families.</li> <li>ii) Assist PUC in the implementation of beneficiary schemes.</li> <li>iii) Assist in construction of workshed/work place for DWCRA/ TRYSEM beneficiaries.</li> <li>iv) Allocation/lease of Village Panchyat vested lands and other common property resources for the use of beneficiaries for production purposes.</li> <li>v) Assist PUC/Banks in the recovery of loans.</li> <li>vi) Assist in monitoring and supervision of beneficiary oriented schemes.</li> <li>vii) Report to PUC against the misuse of the assets/subsidy and loan.</li> </ul>
2. Tool-kit programme	<ul style="list-style-type: none"> <li>i) Assist in identification of beneficiaries for tool-kit programme.</li> </ul>
3. Wage Employment Programmes (JRY/IJRY/EAS)	<ul style="list-style-type: none"> <li>i) Assist in identification of labourers in Panchayat the village requiring wage employment listing them &amp; providing employment cards to the beneficiaries.</li> <li>ii) Formulating projects and approval through Village Panchayat and seeking technical approval from PUC.</li> <li>iii) Constituting Works Committee for execution of the works/projects.</li> <li>iv) Ensure that all eligible families get employment in the village.</li> <li>v) Assist in monitoring and supervision of works, assets creation and mandays generation.</li> </ul>
4. Million Well Scheme (MWS)	<ul style="list-style-type: none"> <li>i) Identification of beneficiaries.</li> <li>ii) Approval and sanction of funds for on—farm development under JRY/IJRY for individual SC/ST beneficiaries.</li> <li>iii) Assist in transfer/leasing of the land under MI Scheme (in case the source is outside the lands of the beneficiaries.)</li> <li>iv) Assisting beneficiaries for on-farm development under JRY/IJRY/EAS</li> <li>v) Monitoring, supervision, and reporting to PUC.</li> </ul>
5. Area development programmes (DPAP, ITDP/WGDP/IAIP).	<ul style="list-style-type: none"> <li>i) Assisting PUC in the formulation of projects.</li> <li>ii) Assist in identification of user beneficiaries/groups of people for various schemes under these programmes.</li> <li>iii) Assist to execute the projects assigned to it or where the participation of village people is essential.</li> <li>iv) Supervise the quality of work and report progress to the PUC.</li> </ul>
6. Decentralised District Planning (DDP)	<ul style="list-style-type: none"> <li>i) Identification of felt and perceived needs of the people in the area and report to PUC/DP for inclusion of such works in DDP</li> </ul>

**II. PANCHAYAT UNION**

<i>ACTIVITY</i> (1)	<i>ENTRUSTMENT OF POWERS</i> (2)
1. Planning and Implementation of IRDP, TRYSEM, and DWCRA (Self-Employment Programme).	<ul style="list-style-type: none"> <li>i) Selection of beneficiaries through Village Panchayats and formulation of IRDP/TRYSEM and DWCRA Plan.</li> <li>ii) Processing applications of the beneficiaries for subsidy and loans through banks.</li> <li>iii) Arrange for sanction of bank loans.</li> <li>iv) Assist in formulating viable projects and implementation of beneficiary schemes.</li> <li>v) Sponsoring candidates/beneficiaries for TRYSEM.</li> <li>vi) Post training assistance and follow-up of TRYSEM beneficiaries.</li> <li>vii) Organising DWCRA groups, arrange training for them, formulation and implementation of projects.</li> <li>viii) Supply of quality assets/equipments/machinery for IRDP/DWCRA beneficiaries.</li> <li>ix) Assist in marketing of goods produced by the IRDP/DWCRA beneficiaries.</li> <li>x) Providing beneficiary specific infrastructural facilities.</li> <li>xi) Integrating other programmes for support of IRDP/DWCRA beneficiaries.</li> <li>xii) Monitoring and supervision of the IRDP/TRYSEM/DWCRA schemes.</li> <li>xiii) Submitting quarterly reports/returns to DP.</li> <li>xiv) Assistance in evaluation of beneficiary schemes.</li> </ul>
2. Tool-kit programme	<ul style="list-style-type: none"> <li>i) Selection of beneficiary artisans and distribution of tool-kits through Village Panchayats.</li> </ul>
3. Wage Employment Programmes (JRY/IJRY/EAS)	<ul style="list-style-type: none"> <li>i) Formulating projects with PUC funds.</li> <li>ii) Scrutiny and technical approval of Projects sponsored by Village Panchayats.</li> <li>iii) Procurement and supply of material for projects and schemes.</li> <li>iv) Technical Assistance to VPs for executing projects and schemes.</li> <li>v) Inspection of employment registers, quality of works and assets created, and mandays generated by projects executed by PUC and VPs.</li> <li>vi) Submitting quarterly returns and utilization certificates to DP.</li> </ul>
4. Million Well Scheme (MWS)	<ul style="list-style-type: none"> <li>i) Selection of beneficiaries, sites for well/MI scheme through Village Panchayats and construction of wells through beneficiaries.</li> <li>ii) Payment of cost, inspection of works, and certification for completion.</li> <li>iii) Prepare schemes for energisation of the wells, releasing subsidy and loans through banks and procurement, supply and installation of the pumps.</li> </ul>

<i>ACTIVITY</i> (1)	<i>ENTRUSTMENT OF POWERS</i> (2)
	iv) Coordination with Tamil Nadu Electricity Board, for power connection.
	v) Monitoring of progress and reporting to DP.
5. Area development programmes (DPAP, ITDP/WGDP/HADP).	i) Formulating projects under these programmes, seeking technical and financial approval from DP
	ii) Implementation of the project in close co-ordination with Village Panchayats.
	iii) Integrating other poverty alleviation programmes with the area programmes and projects.
	iv) Maintaining data base on the ecological and environmental aspects of the project areas.
	v) Monitoring and supervision of the quality of works/projects.
	vi) Monitoring and reporting progress to District Panchayat.
6. Decentralised District Planning (DDP)	i) Execution of works under DDP through Village Panchayats.

### III. DISTRICT PANCHAYAT

<i>ACTIVITY</i> (1)	<i>ENTRUSTMENT OF POWERS</i> (2)
1. Planning and Implementation of Poverty Alleviation Programme (e.g.)	i) Overall planning and strategy for Poverty Alleviation in the District.
(a) IRDP TRYSEM, and DWCRA (Self Employment Programme)	ii) To provide planning technical guidance/assistance to Panchayat Unions and Village Panchayats for formulation of schemes at their levels.
(b) Million Well Scheme (MWS)	iii) Examination of plans under these programmes, approval and allocation of funds, including release of subsidy funds to banks for adjustment.
(c) Tool-Kit Programme	
(d) Wage Employment Programmes (JRY/IJRY/EAS)	
(e) Area Development Programme (DPAP, ITDP/WGDP/HADP; and Decentralised District Planning (DDP) Scheme.	
2. Review of all schemes on Poverty alleviation monitoring & evaluation	i) Periodic review of programmes and schemes of poverty alleviation etc. monitoring and evaluation.
	ii) Review of all other departmental programmes not entrusted to Panchayats, operating in the district, under section 114 (2) of the Tamil Nadu Panchayat Act.

#### Administrative Implications

09. Two statutory bodies namely District Panchayat and District Planning Committee have come into existence with the recent enactment on Panchayat Raj Institutions (Tamilnadu Panchayat Act 1994). District Panchayats have already been constituted. There is a provision for constitution of a District Planning Committee and this committee will be constituted soon. In addition to these bodies there is a District Development Council established under the District Development Council Act 1958. District Rural Development Agencies have been set up in all the Districts under the

Tamilnadu Societies Registration Act of 1975. Thus there are four agencies at present at the District level which are responsible for formulation, implementation and review of development schemes in the district. There are similarities in the composition of some of the agencies and their functions also overlap. The functions of District Panchayats are the same as the DDC. Multiplicity of agencies is likely to hinder the development process in the district. In our recommendations regarding entrustment of functions to the PRIs, State Planning Commission group have suggested that the District Panchayat should be entrusted with the formulation, integration and overall direction of poverty alleviation programmes and a review of other development schemes operating in the district. Since the District Panchayat will take over the functions of the DDC, the District Development Council will become redundant. The State Planning Commission therefore recommends the abolition of DDC and the State Government may repeal the DDC Act, 1958. As we have recommended entrustment of functions presently being done by DRDA relating to poverty alleviation programme to the District Panchayat, the Group recommends the dissolution of DRDA and transfer of all assets and liabilities including staff to the District Panchayat.

### **Financial Implications**

10. In view of the recommendation of the SPC Group for abolition of the District Development Council and merger of District Rural Development Agency with District Panchayat, routing of funds from Government of India and State Government for implementation of poverty alleviation schemes and other schemes will have to be done through the District Panchayat. Government will have to issue detailed guidelines for maintenance of accounts, auditing of the expenditure. The Tamil Nadu Panchayat Act provides that District Panchayat will submit annual report to the Government which are to be placed in the Legislature. The SPC Group recommends that auditing of the District Panchayat accounts should be done regularly by the Local Fund Audit for finalisation of the Annual Accounts and Annual Report.

11. With regard to the channelisation of funds, Government of India has been releasing its share directly to the District Rural Development Agency, by-passing the State Government. It would be appropriate, in the context of federal principles that the Government of India routs its financial assistance through the State Government. The State Government will release the Government of India's assistance and its share to the District Panchayats for implementation of Poverty Alleviation schemes and programmes through Panchayat Unions and Village Panchayats.

### **Legal Implications**

12. The SPC Group suggests that repealing of the Tamil Nadu District Development Council Act, 1958 and also suggest winding up of all District Rural Development Agencies registered under the Societies Registration Act. It also recommends early constitution of the District Planning Committee as per section 241 (1) of the Tamil Nadu Panchayat Act and to provide appropriate supporting technical unit for preparation of Village level, Block level and District level planning. As per the statutory provision, it is mandatory for a Village Panchayat to formulate plan for the area to be associated at the higher levels by the Panchayat Union and the District Panchayat, to be placed before the District Planning Committee. Implementation of section 241(1) is therefore pivotal to the whole scheme of decentralisation and decentralised planning process.