

Neo-Developmental Model : Marching Towards Greater Glory

Nirendra Dev



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Under the present Government, the agri-sector, farmers' welfare and uplift of rural areas and creation of jobs have been always given prime importance. The efforts to bring about improvement in these areas have only got further push in this year's Budget.

It is a true that notwithstanding its potential, the agro-economy and rural development - as analysed by many - have not seen the expected results in India. But the Budget 2017-18 is expected to be a game changer in more ways than one. The enhanced allocation and identifying right projects and drawing out a crystal clear roadmap will help look at the broad canvas of the farm sector and the need for removal of various natural and even man-made impediments in rural development. The biggest strength of this year's Budget lies in its right balance. A balanced synthesis has been about rural focus, helping the agrarian community and also helping the consumers in urban India.

First, marking a significant 24 per cent higher allocation than last year, the total allocation for rural, agricultural and allied sectors for fiscal 2017-18 now stands at a staggeringly high Rs 1,87,223 crore.

It will be imperative here to understand that in order to enhance the

growth of the country and in order to achieve inclusive growth as envisaged in the slogan 'Sabka Saath-Sabka Vikas (With all-Development for all), rural infrastructures in agriculture and allied sectors ought to be made the vital areas of attention.

Over the decades, there have been issues of inefficient price discovery and price realisation for farmers. The fragmented nature of the markets is attributed for the same. Now, it is felt that the government has drawn plans on the integrated spot and derivatives market and thus, some of the prevailing gaps vis-à-vis providing marketing avenues will be plugged.

Better Value for Agri products:

To help farmers get better value for their produce, the Finance Minister also shared government's vision on preparing a Model Law on contract farming to be circulated among the states. It goes without stating that the government has also reiterated its earlier goal of bringing in more regulated agriculture markets on the electronic National Agriculture Market (e-NAM) platform.

"The coverage of National Agricultural Market (e-NAM) will be expanded from the current 250 markets to 585 Agriculture Produce Marketing Committees (APMCs)," the Finance Minister said in his budget speech

The Author is a Special Representative with The Statesman, New Delhi. He has authored many books including 'Rainbows and Misty Sky: Windows to North East India' and 'The Talking Guns: North East India'

adding, assistance up to a ceiling of Rs 75 lakhs will be provided to every e-NAM market for establishment of cleaning, grading and packaging facilities.

The electronic trading platform e-NAM launched in 2016 is rightly touted as a “big game changer”.

e-NAM will actually be an answer to price volatility farmers often face. Officials in the agriculture ministry say they are aware of some of the challenges faced by farmers, and one issue that needs to be tackled is about the middle-men. Thus, the government initiative is to end the middlemen role and bring transparency in pricing. The government is keen that there is a benchmark price across the country and thus e-NAM platform will go a long way in this.

In fact, last year itself, the Union Agriculture ministry said e-NAM is an online platform that should not be mistaken as a parallel marketing structure. “It is a tool to create a national network of physical *mandis* (Markets) which can be accessed online,” explained a senior official.

e-NAM helps leverage the physical infrastructure of *mandis* through an online trading portal, enabling buyers situated even outside the state to participate in trading at the local level.

The programme was aimed at integrating 21 *mandis* in eight states – Uttar Pradesh (six), Gujarat (three), Telangana (five), Rajasthan (one), Madhya Pradesh (one), Haryana (two), Jharkhand (one) and Himachal Pradesh (two).

However, there are few areas – that need to be looked yet again. Essentially the farmers need to do away with the procurement agents whom the government wants to cut off from the ecosystem for having a transparent system.

In the right perspective and sharing a right roadmap, Finance Minister also said in the budget speech that ‘market reforms’ will be undertaken and the

states would be urged to denotify perishables from APMC.

“This will give opportunity to farmers to sell their produce and get better prices,” he said.

The budget proposals, rightly again, also targeted to “integrate” farmers who grow fruits and vegetables with agro processing units for better price realisation and reduction of post-harvest losses.

For the farming community, the Government has declared that dedicated micro-irrigation fund will be set up by NABARD to achieve the goal of ‘Per Drop-More Crop’. The Government also earmarked a corpus fund of Rs

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5000 crore for this. NABARD will also set up dairy processing infrastructure fund with Rs 8,000 crore. So far, only states like Gujarat, Maharashtra and Karnataka have done well in dairy farming.

The Budget, this year, also provided an ‘additional incentive’ of 3 per cent to be provided to farmers for prompt repayment of loans within due date.

The Finance Minister has also noted that the agriculture sector will register a growth rate of 4.1 per cent during the current fiscal. To make things more feasible in this respect if not easier, it may be mentioned here that the sowing

of both Kharif (Summer) and Rabi (winter) crops has been higher.

In yet another indication that the government is serious about helping the farmers when they are in dire condition, the Budget 2017-18 has mentioned that the allocation for new crop insurance scheme ‘*Pradhan Mantri Fasal Bima Yojana*’, which was launched last year, has been increased to Rs 13,240 crore this fiscal from Rs 5,500 crore. Notably, the allocation for the next fiscal has been earmarked at Rs 9,000 crore. “The coverage of this scheme will be increased from 30 per cent of the cropped area in 2016-17 to 40 per cent in 2017-18 to 50 per cent in 2018-19,” the Finance Minister has said.

The government’s decision to provide enhanced fund allocation for *Fasal Bima Yojana* also earned appreciation from government’s political detractors – both within Parliament and outside.

Box 1:

Rural Electrification:

The Budget 2017-18 also makes it clear that the government is laying top most priority to rural electrification. Despite Rajiv Gandhi Gramya Vidyutikaran Yojana (RGGVY), several parts of rural India do not get electricity. In this context, Power Minister told Lok Sabha during Question Hour on Feb 9, 2017 that “28 out of 29 states have agreed to work with the central project” to ensure 100 per cent electrification. The rural electrification in a massive manner has been getting priority under the present Government. The Rural Development ministry in 2014-15 had also mooted a proposal to re-utilise waste water and drain water for generating electricity on the lines being implemented in Delhi.

The government could also try to change the power map of India through extensive use of solar energy.

The *Pradhan Mantri Krishi Sinchai Yojana*—focusing on irrigation programme - was another project that got thrust in this year's Budget.

Referring to the Soil Health Cards, another innovative idea of the present Government, Finance Minister said in his budget proposals that the real benefit to farmers would be available only when the soil samples are tested quickly and nutrient level of the soil is known".

The government will, therefore, set up new mini labs in *Krishi Vigyan Kendras* (KVKs) and ensure 100 per cent coverage of all 648 *kendras*. "In addition, 1000 mini labs will be set up by qualified local entrepreneurs," he said.

Moreover, he said a Long-Term Irrigation Fund has already been set up in NABARD.

The Agriculture ministry officials say that infrastructure development in rural areas and agrarian fields will also mean impounding of rainwater in ponds and using it for critical irrigation, particularly in low rainfall areas. While many states have enacted legislation to ensure water harvesting both in urban and rural areas to supplement irrigation water supplies, the *Pradhan Mantri Krishi Sinchai Yojana* started in 2014 by the present Government is rightly seen as another path breaking venture.

It may be mentioned that the Union Budget for Fiscal 2016-17 also had pledged steps to be taken to reorient its interventions in the farm and non-farm sectors to double the income of the farmers by 2022.

Spend More in Rural Areas

It is true that that the taste of the pudding is in its eating. Thus mere talk of bringing in improvements in rural India, would have little meaning if the expenses in rural areas are not raised. Finance Minister, in his budget proposals - his fourth since 2014 - has spoken about the attempts to spend more in rural areas. But

having underlined the focus to improve infrastructures, rural roads and rural electrification, he has rightly shared the determination to bring about poverty alleviation also. He has also rightly said, "I have also kept in mind the need to continue with economic reforms, promote higher investments and accelerate growth".

It goes without saying that Rs 3 lakh crores are spent in rural areas every year. Having said so, the government has also underlined that with a clear focus on improving accountability, outcomes and convergence, it will undertake a Mission Antyodaya to bring 1 crore households out of poverty and to make 50,000 Gram Panchayats poverty free by 2019. The timing has been linked to the 150th birth anniversary of Mahatma Gandhi - and also the vital fact that villages were part of 'Gandhi Darshan' - the Gandhian vision to change the face of India.

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The government also proposes to utilise the existing resources more effectively along with annual increases. "This mission will work with a focused micro plan for sustainable livelihood for every deprived household. A composite index for poverty free Gram Panchayats would be developed to monitor the progress from the baseline," the Finance Minister has said.

Box 2: Highlights of Budget Announcement for Agriculture:

- Farmer credit fixed at record level of Rs 10 lakh crore.
- Expand Soil health cards base; Govt to set up mini-labs in *Krishi Vigyan Kendras*
- Long-term Irrigation Fund in Nabard— corpus at Rs 40,000 crore
- Model law on contract farming to be circulated for states
- Dairy processing infra fund with corpus of Rs 8,000 crore
- Mission Antyodaya to bring 1 crore households out of poverty
- A record highest ever Rs 48,000 crore allocated for MGNREGA
- *Prime Minister Gram Sadak Yojana*: Rs 19,000 crore allocated; along with states, Rs 27,000 crore will be spent
- Rs 23,000 crore allocated: *Pradhan Mantri Awas Yojana*
- Targets 100 per cent village electrification by May 2018

With regard to the much talked about rural job scheme, MGNREGA, Finance Minister has said, the Government has made a "conscious effort" to reorient MGNREGA to support the resolve to double farmers' income. It has underlined in no unambiguous term that while providing at least 100 days employment to every rural household, MGNREGA should create productive assets to improve farm productivity and incomes.

The target of 5 lakh farm ponds and 10 lakh compost pits announced in the last Budget from MGNREGA funds will be fully achieved. In fact, against 5 lakh farm ponds, the government is now hoping that about 10 lakh farm ponds would be completed by March 2017. During 2017-18, another 5 lakh farm ponds will be taken up. This single measure will contribute greatly to drought proofing of Gram Panchayats.

It is also significant to note that the participation of women in MGNREGA has increased to 55 per cent from less than 48 per cent in the past.

In his budget document, Finance Minister explained that the budget provision of Rs 38,500 crores under MGNREGA in 2016-17 has been now increased to Rs 48,000 crores in 2017-18. "This is the highest ever allocation for MGNREGA," he said.

The initiative to geo-tag all MGNREGA assets and putting them in public domain will further establish greater transparency.

The Finance Minister also has laid down that the Government will continue to work closely with the farmers and the people in the rural areas to improve their life and environment. "This is a non-negotiable agenda for our Government," the Finance Minister said.

Among a series of old and new programmes as enunciated by the Government, this year's Budget also talks about strategies for imparting new skills to the people in the rural areas, mason training for about 5 lakh persons by 2022 and immediate target of training at least 20,000 persons by 2017-18.

Panchayati raj institutions still lack human resources for implementing development programmes. A programme of "human resource

reforms for results" will be launched during 2017-18 for this purpose, he said.

In terms of helping the rural and agrarian community, it is also imperative to refer to the government's slogan - *Sabka Saath Sabka Vikas*. On this, Finance Minister's Budget approach for the fiscal 2017-18 begins with the girl child and women.

A number of 'Mahila Shakti Kendras' are to be set up at village level with an allocation of Rs 500 crores in 14 lakh ICDS Anganwadi Centres. This will provide one stop convergent support services for empowering rural women with opportunities for skill development, employment, digital literacy, health and nutrition.

A nationwide scheme for financial assistance to pregnant women has already been announced by Prime Minister on 31st December, 2016. Under this scheme, Rs 6,000 each will be transferred directly to the bank accounts of pregnant women who undergo institutional delivery and vaccinate their children. This will help people in rural areas also.

Apart from these, it is worth mentioning that the government has made an allocation of Rs 19,000 crore for the *Pradhan Mantri Gram Sadak Yojana* or PMGSY—aimed at connecting all rural habitations in the country. It is understood that along with spending by state governments,

PMGSY may result in a capital expenditure of Rs 27,000 crore. The Finance Minister said the pace of road construction was 133 km per day under PMGSY in 2016-17 as compared with 73 km per day in 2011-14. Moreover, it is also being underlined that the allocation for *Pradhan Mantri Awas Yojana*, a housing scheme for the poor, has been raised by 44 per cent to Rs 23,000 crore for 2017-18 to go toward building 10 million houses. Similarly, for *Deen Dayal Upadhyay Gram Jyoti Yojana* – the rural electrification programme, the allocation has been raised by a whopping 43 per cent to Rs 4,814 crore for 2017-18 from the amount that was a year ago.

Conclusion:

It goes without saying that the uplift of rural infrastructure and helping Indian farmers is one of the most important factors for the overall growth of the Indian economy. The plans relating to basic rural infrastructures with focus on agro-development thus ought to be addressed in a rather cohesive and more direct manner than before. Steps have been accordingly taken and schemes tailored in last two-and-half years to ensure creation of gainful employment in villages and small towns to generate a resource base at the household level, improve agriculture and allied sectors and, ultimately, usher in rural happiness and prosperity. □

(E-mail: nirendev1@gmail.com)

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DIGI DHAN MELA HELD AT JAMMU

The Digi Dhan mela, which is a Government of India initiative aimed at incentivizing digitally enabled transformation in the country following the recent demonetization, was held in Jammu.

As there is need of digitization in the country for easy transfer of money. Digitization will pave way for a new revolution in which, paper currency will be replaced by digital transactions thus proving beneficial to curb black money. In the wake of this, the Union Government is contemplating to merge Jan Dhan, Aadhar and Smart Phones for boosting the economy of the country and for the easy transfer of money. In a few years, the mindset of the common masses would have a drastic change to adopt the digital technologies. A huge public participation was seen thronging different stalls put up by various banks, telecom companies, Aadhar and different departments of the State Government to gather first hand information about various Digital Schemes of the Government of India.