

IAS PARLIAMENT

A Shankar IAS Academy Initiative

KURUKSHETRA - MARCH 2017

BUDGET 2017-2018

RURAL DEVELOPMENT



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1. Redefining Agricultural Growth and its Challenges

- Indian agriculture has come a long way since independence, with chronic food scarcity giving way to grain self sufficiency despite a two and a half fold increase in population
 - Although agriculture share in the GDP is about one-fifth, agriculture and allied activities remain the major sources of livelihood for about half of the population.
 - The Government policies for the last two years from launching of different farm centric programmes to enhanced allocations under different agriculture related schemes, reaffirm the commitment work under the farm sector.
- Some Highlights**
- Despite the increase in number and coverage of financial institutions in the country, the truth is that most of the farming community is still outside the framework of these institutions. In the budget 2017-18, the fiscal allocation increased to 10 lakh crores for the settlement of farming community.
 - To ensure the flow of credit to small farmers, Government to support NABARD for computerisation and integration of all the functional Primary Agricultural Credit Societies (PACS) with core banking system of District co-operative banks. This will ensure the seamless flow of credit to small and marginal farmers.
 - The Farmers should feel secure against the natural calamities at the time of sowing. The Pradhan Mantri Fasal Bima Yojana (PMFBY) is a step in that direction. The target of 50% from 30% coverage aims to bring more farmers under safety net.
 - The new budget has made a provision of soil testing mini labs in all Krishi Vigyan Kendras across the country. Farmers will get their soils tested by these centres which are run by rural entrepreneurs, with the assistance of the Government.
 - The increased allocation of upto Rs.40,000 crores to the already established long term irrigation Fund and the 5000 crores to the micro irrigation Fund will help to achieve the goal of “Per crop more drop”.
 - The coverage of National Agricultural Market (e-NAM) to be expanded from 250 marks to 585 APMCs. Assistance upto Rs.75 lakhs will be provided to every e-NAM market for establishment of cleaning, grading and packaging facilities. This will lead to value addition of farmer’s produce.

- Market reforms will be undertaken to denotify the perishables from APMCs and allow farmers to sell such items directly to consumers to get better prices.
- A proposal was made in the budget to integrate farmers who grow fruits and vegetables with agro processing units for better price realisation and reduction of post harvest losses.
- NITI AAYOG recommended for enacting a model law on contract farming on the pattern of Punjab. The Government had made a draft and will send it to various state Government for the opinion before making into a final act.
- Dairy and Infrastructure Development fund under NABARD with Rs.8000 crores for the next three years has been set up. This will create an additional milk processing capacity and additional income to farmers.
- The increased allocation of funds under in MGNREGA which is about 48,000 crores is the highest allocation ever made. This provides a great thrust to rural India.
- Many face insecurity of tenure and the growing threat of land alienation and pressures from urbanisation, industrialization and powerful interests.
- They often lack access to sufficient productive resources, such as land, water, fertilizers and seeds as well as to markets information and technology.
- Problem of lack of timely access to credit from formal institutional sources small holdings need credit for both consumption and investment purposes.
- Low level of formal education limits public dissemination of knowledge and information on Agriculture. This can further result into lack of training and capacity building to acquire and adequate skills.
- In the wake of depletion of ground water, in many areas, the marginal and small farmers are going to face more problems regarding water in future.

Focussing on Skill Development and Education

Education is a major source of productive human capital which results in overall economic growth. As a subject of education is in the concurrent list, the policy and implementation initiatives of both the central Government and State Government are important to impart education. There is a 10% increase in budget allocation to this sector this year.

Challenges

- Small size of land reduces the farmer's ability to invest in lumpy inputs, or gain from economies of scale and favourable agribusiness opportunities or have the necessary bargaining power in markets and service agencies.

Primary and Secondary Education

- The flagship central scheme - Sarva Siksha Abhiyan for universalisation of school education has been given the increment of 1000 crores this year.
- The teacher training, adult education and the mid day meal scheme also had a hike in allocation when compared to last year.

Higher Education

- Allocations were made to improve the salary scale of university and college teachers by revising the pay scales.
- The budget allocates 250 crores for capital expenditure for setting up of higher education financing agency. The Government had declared to come up with 20 world class institutes for which 50 crores are allocated.
- Research is one of the important component of the higher education and for this, Prime Minister Research fellowship has been created, under this scheme 1000 fellowships will be provided each year.
- Proposed to set up on Innovation fund for secondary education which will help in encouraging local innovation for ensuring universal access, gender parity and quality improvement.
- Central Government has also taken initiatives for improvement in the medical higher education and plan to increase post-graduate seats for medical science in different existing medical institutions.

- New thrust is being given to Unnat Bharat Abhiyan UBA is to enable higher educational institutions to work with the people in rural India in identifying development challenges and developing appropriate solutions for accelerating sustainable growth.

Initiatives for Digital Rural India

- The digital literacy scheme “Pradhan Mantri Gramin Digital Sakshatra Abhiyan” (PMGDISHA) was launched for covering six crore additional rural households to make from computer literate.
- Under this scheme, each of the 250,000 gram panchayats would be expected to register on an average 200 to 300 candidates.
- The massive online open platform “SWAYAM” is launched within aim to create to skill development and employment generation.

Emphasis on skill development

- The setting up of Pradhan Mantri Kaushal Kendras which enables the skill promotion and penetration to the youths is a major step in making the skill India.
- The Central Government will launch Skill Acquisition and Knowledge Awareness Programme (SANKALP) at a cost of Rs.4000 crores and aims to provide market relevant training.
- The next phase of Skill Strengthening for Industrial Value Enhancement (STRIVE) will be launched at the cost of Rs.2,200 crores.

- The special attention and impetus given to the schemes of ministry of minority affairs which promotes skill development schemes like “seekho aur kamao”, ‘Nai manzil’, Nai Roshini’, “Garib Nawaz Skill Development centre”, and “Begun Hazarat Mahal Scholarship for Girls”.

Digigaon : Connecting Rural India

Majority of the Indian population dwells in its village (Gaon) and the dream of a developed India cannot be a possibility without true integration of the marginalised.

Since Gaon in India are disconnected from the mainstream urban services, an increased digital connectivity will come in handy in providing better healthcare, education and skill sets in rural areas through “Digigaon” initiative

The “Bharat Net” project is a way to achieve the goal of digital India and fulfill DigiGaon initiative. Bharat project is the backbone of Digital India in various ways to establish data Highways.

The two basics of growth in any society is the level of education and the health of its citizens and therefore, Digigaon initiative primarily focuses on these basics of Education and Health through digital means.

However lack of infrastructure, poor electricity access, and low internet penetration in the semi urban and rural areas have held back development of digital services so far.

Telemedicine

- Rural area residents often have substandard health care because majority of speciality physicians are likely to be located in the concentrated urban areas.
- The lack of experience in health care providers in rural areas, late discovery of diseases also adds upto the worsening health problems.
- Telemedicine has the potential to bridge this geographical distance between the urban and rural and can facilitate health care in these remote areas.
- As the country goes digital, Telemedicine can be seen as perfect solution. The quality and affordable health care can be achieved through this initiative.
- The Telemedicine model village of Aragonda, Andhrapradesh should be taken as example and further villages should be developed.
- The Telemedicine projects like “SEHAT” which was launched under PPP mode should be encouraged and further strengthened.

Digital Education and skill

- The quality of education in Rural India has always been questionable but with the arrival of Broadband Highways, Digital education will break the barrier which prevented students from receiving quality education.

- There is a focus on developing massive online open courses (MOOC) and portals like Swayam to help rural students study any course of their choice from Institutions all over the country and abroad.
- Pradhan Mantri Gramin Digital Saksharta Abhiyan (PMGDISHA) will promote the digital literacy and the rural entrepreneurship.
- In keeping with skill India initiative, soft skill courses regarding computer literacy are being planned at rural centres. This would gradually develop students learning in these centres as future instructors, improving rural digital education through own human resources.

Possible Impacts

- With DigiGaon, the distances will become immaterial and will also impact migration.
- Connectivity will bring jobs to the villages and so will be the services.
- With connected devices a farmer can now monitor his crops and keep a track on health of his harvest and in case of any need can directly consult expert and labs.
- A digitally connected farmer can self learn new agri tech on internet at no or minimal cost and increase the harvest.
- In case of diseases of field or cattle he can seek opinion of an academic or veterinary doctor and resolve problems in no time; can order the equipment, seeds, fertilizer, medicines etc in online, that too cashless.
- The increased allocation of funds for PMGSY, will help in transport of farm produce to nodal villages. Infrastructure of storage, processing and distribution of produce can be developed along these roads to facilitate farmers.
- The Swachh Bharat mission coverage went up to 60% from 42%. This will save lot of funds, as the villages will be healthy and lesser medical expenditure is required.
- The proposed micro irrigation fund will promote micro irrigation, which will help in reducing depletion of water due to optimal use.
- NABARD being a specialized organisation, which has the spread and know-how of

Social Security for Better Health

The recent budget aimed at overall development of the nation with focus on full-filling the dreams of every section inducing the poor, the farmers and the under privileged.

Initiatives and Allocations

- The increased allocation in PMFBY will support the farmers and cover that risk, for long they have been facing many adversities because of risks that were not covered.
- Participation of women in MGNREGA has increased to 55% and the increased allocation to 48,000 crore will empower more women.

ground level realities and needs has been given importance in this budget. This further strengthens the rural credit system.

- Government will set up minilabs in Krishi Vigyan Kendras, which will have employment opportunities. Village level understanding of soil and research work will be an enabler to maximize from farms.
- The proposed dairy development fund will propel the dairy industry and inturn it will benefit the women as they are majority in tending to cattle in villages.
- The schemes like Janani Suraksha Yojana, National Rural Health mission, Janani Sishu Suraksha Konyakam, etc have been addressed well in the budget and the outcomes of these schemes the also in the positive note.
- Agencies implementing health programmes must induce gram panchayats in planning and monitoring the implementation of all health relaxed programs.
- More optimum utilisation of the rural health infrastructure already created including human resource to yield expected results.
- Print and electronic media have a responsibility to identity the gaps in the successful implementation of the programs in the rural areas.
- There should be continuous studies by independent accredited institutions to identify the factors inhibiting the progress in rural areas as compared to urban areas with in the block, district and state.
- The elected state legislators and parliamentarians must be involved in the half-yearly review of the progress of each health program in their constituencies and necessary improvements must be made accordingly.

