

CHAPTER VI

Rural Development in Sikkim

The rural development as a concept has emerged at the top of agenda in national policies of third world countries. The first world countries have also recognised equally the needs and importance of rural development in meeting the minimum needs of the poor people residing in different part of the world. The international institutions like UN, World Bank etc. have also pledged its support in removing poverty and improving the living conditions of poor masses. Unlike in the past, the rural development today means not only the development of agriculture but of health, economic, social and human resources and hence encompasses a wide spectrum.

The term 'rural development' is comprise of two important words 'rural' and 'development'. The term 'rural' means an area which is characterized by non-urban style of life, occupational structure, social organisation and settlement pattern. The Census of India has defined the rural areas in the following words: 'In India, the smallest area of rural habitation is the village. It generally follows the limits of a revenue village that is recognised by the district administration. The revenue village need not necessarily be a single agglomeration of habitations. It may have one or more hamlets. But the revenue village has a definite surveyed boundary and each village is a separate administrative unit with separate village accounts' (Rajneesh 2002).

The development on the other hand means upholding, discovering or opening up something which is latent or hidden. Development being a multidimensional concept has no single universally acceptable definition. The Declaration on the Right to Development defines development as 'the right of every human person and all peoples to participate in, contribute to, and enjoy economic, social, cultural and political development in which all human rights and fundamental freedoms can be fully realised' (quoted in Evans 2001). There is vast literature on the subject of development that is presently available, yet there seems to be no clear unanimity regarding the meaning and definition of development due its multidimensional character. This multidimensional nature of the concept has been emphasised by many scholars. Todaro (1985), for instance, writes that development

... is not purely an economic phenomenon. In an ultimate sense, it must encompass more than the material and financial side of people's lives. Development should, therefore be perceived as multidimensional process involving the reorganization and reorientation of entire economic and social systems.

Rural development like development in general is multidimensional concept. Rural development, in broad sense of term, encompasses both agricultural and non-agricultural aspects of rural life. The World Bank (1975) defines rural development as 'a strategy designed to improve the economic and social life of a specific group of people-the rural poor-and involves extending the benefits of development to the poorest among those who seek a livelihood in rural areas. According to Robert Chambers (1983), rural development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural

areas to demand and control more of the benefits of rural development. Rural development to Lele (1975) is an improvement in the living standard of the masses of low income population residing in rural areas and making the process of self-sustaining.

It become clear from the above definitions that rural development is a comprehensive and multidimensional concept and hence encompasses both agricultural and non-agricultural activities, communication and transport, industries, education, health and et al.

The importance of rural development lies in the fact that majority of the people in the world still resides in rural areas. Further, in most of the third world countries, rural population often outnumber urban ones and hence there is a strong moral imperative to look the development of rural peoples and rural areas. The rural development therefore always remains the main concern of developing countries of Asia, Africa and Latin America and also to some important international institutions like, UN, World Bank and Food and Agriculture Organisation (FAO). The World Bank, for example, has recently popularized the problem of rural poverty and the concept of rural development and encouraged its introduction into the official development plan documents of almost all developing countries. Many of the third world countries after their independence also initiated different programmes and policy for rural development. The recent growing interest in rural development is largely the result of new perceptions and insight. Some of them according to Friedmann (1981) are the following:

1. The corporate (modern) production sectors are providing insufficient employment to absorb the growing numbers of non-productive rural labourers.
2. At present and foreseeable future rates of city-ward migration, there continues to be a positive rate of increase in the rural population and labor force.
3. Despite increases in agricultural production, physical living conditions for a very large number, possibly a majority, of rural people are deteriorating from levels, which are already close to, or below subsistence.
4. Increases in agricultural production occur preponderantly on larger farm holdings (defined as those lying above subsistence) leaving small farmers, who comprises the greatest majority, with a proportionately smaller share of the product.
5. In many countries of Asia, the number of rural people with either no landholding or with land holdings so small as to be inadequate for the sustenance of life are forced to work for wages in rural areas; but in many regions, real rural wages appear to be constant or actually declining.
6. The increase in rural population is substantially greater than the increase in cultivated land area, leading to a long-term and persisting decline in the ratio of population to land and to the absolute necessity of increasing the productivity of land.

The five broad objectives of rural development are as follows:

1. Creating the long-term economic, social and political viability of rural communities whose existence is based on a principle of self-reliance.
2. Expanding opportunities for productive work in rural areas, especially for young people and for women, including in extractive and processing industries and in services.
3. Continued upgrading and improvement of the natural environment of rural communities

4. Providing for the satisfaction of locally determined basic needs with respect to the entire population and as a matter of urgent priority, and
5. Achieving balanced rural-urban developments (Friedmann 1981).

The main focus of rural development, according to Lassey (1977), should be on:

- (1) preservation of ecological integrity with a view to providing continuing supply of life supporting resources;
- (2) efficient and appropriate land use;
- (3) healthy living conditions;
- (4) aesthetically pleasing environment;
- (5) effective social, economic and governmental institutions;
- (6) improved human welfare in terms of minimal economic and social level;
- (7) physical structures and adapted landscape of pleasing design;
- (8) comprehensiveness that is a full range of physical, biological and human factors in rural regions.

Rural development in the context of the developing countries is essentially an attempt at improving the living conditions of the rural poor (Lele 1975). Rural development emerged as a new force and become a top agenda in the national policies of many developing countries. The developed countries have also recognized this need and have directed their efforts towards meeting the basic needs of the poorest people in developing countries.

The rural development is more important in the country like India where the economy is predominantly rural in character. This is evident from the fact that, in 2001, nearly 75 percent of its population lived in 5.80 lakh villages and about two-third of its work force was engaged in agriculture and allied activities in rural areas. Thus, in a predominantly agrarian country like India, rural development is a sine qua non of national development, and agricultural development a prerequisite for rural development. It is why the desirability, rather indispensability of rural development has been emphasized in each successive plan document right from the first plan. Development of rural areas has always been one of the permanent concerns of the various five years plan. Several rural development programmes were launched in India especially to provide job opportunities and to raise their income. From the Third to the Eighth plan India has experimented with a number of rural development programme though with different goals, approaches and logistics at different point of time. But the Sixth plan marked a distinction in the way it evolved a new strategy for a frontal attack on poverty (Tiwari 1990). The Eighth Five Year plan (1992-97) continued the emphasis on poverty alleviation. It observed:

“Elimination of poverty continues to be a major concern of development planning. Expansion of employment opportunities, augmentation of productivity and income levels of both the under-employed and employed poor would be the main instrument for achieving this objective during the Eighth plan” (GOI 1992).

Government of India accorded a high priority to rural development and is accordingly launched a large number of programme aimed at sustainable holistic development of rural areas. The entire programmes are assumed to eradicate poverty in rural areas. These programmes are designed for getting following objectives: - (i) creation of socio-economic infrastructure, necessary for rapid development of rural areas and (ii) increasing income of individual rural people by providing productive job (Rastogi

2002). In the process, the large section of the society received a high priority. India's five-year plans for the last twenty years led explicit targets for reduction of poverty and related achievements in such fields as employment and other basic needs. The First Plan started in 1950-51 was dominated by the Community Development Programme (CDP), which reflected India's overriding concern with nation building and equity. The Second Plan accorded a high priority to the development of heavy industries. The Fourth, Fifth, Sixth, Seventh and Eighth plan laid the utmost emphasis on ameliorating the economic lot of small and marginal farmers and landless labourers. The Ninth and Tenth Plan continued the emphasis on rural development and poverty alleviation. The programmes launched by the government are classified into four categories – (i) programme of self-employment, (ii) programme of wage employment, (iii) programme for weaker sections and (iv) area specific programme.

In the first category of programme i.e. self-employment programme includes the schemes like IRDP (1978), TRYSEM (1979), DWCRA (1983), SITRA (1992), MWS (1988), GKY (1997), SGSY (1999).

The wage employment programmes are the JRY (1989), JGSY (1999), EAS (1993), NREP (1980), RLEGP (1993), PMRY (1993), SGRY (2001), Crash Scheme of Rural Employment (1971), Employment Guarantee Scheme (1972), Food for Work Programme (1977), NREGS (2005).

In the category of programmes for weaker sections, there are National Social Assistance Programme (1995), Balwari Nutrients Programme (1970), ICDS (1975), Kishori Balika Yojana (1985), National Maternity Benefit Programme (1994), Balika Samridhi Yojana (1997), Annapurna Yojana (1999), Indira Awas Yojana (1985). The Desert Development Programme (DDP) (1977), SFDA (1971-72), MFAL (1920), DPAP (1970), Hill Area Development Programme (1975), Tribal Area Development Programme (1972), Command Area Development Programme (1974) are all the area specific programmes aimed at attacking the problems of rural poverty and backwardness directly.

Rural Development in Sikkim

Sikkim with a total area of 7096 sq km. constitutes 0.22 percent of the total geographical area of India. According to the regional divisions defined by the Census of India, the State is one of the four micro regions of the north-eastern Himalayas (others being Darjeeling and Dooars areas of W.B, and Arunachal Pradesh) (Lama 2001). The State, according to the 2001 census of India, has the population of 540,851 person, of which nearly 89 percent (480,981) of population lived in some 447 villages. Agriculture is the main stay of state as 65-70 percent of state's population is dependent on agriculture for their livelihood and its produce caters to the basic necessities of the life of the people. Thus, the Sikkim's economy is predominantly rural in character.

According to the 2001 population census, 47.70 percent of the total workers in the state were engaged in agriculture, of which 38.99 percent were cultivators and 8.71 percent agricultural labourers. This means that agriculture is the main source of livelihood and employment for majority of state's population. The state has a total of 109068 hectare of cultivated area out of 7096 sq km.

Sikkim is a small state lying in the north-eastern part of the country. It has had distinct political history till it merged with India in 1975 as a 22nd constituent state. Till then it

was an independent Himalayan Kingdom and then a protectorate of Government of India. After its merger, this land locked Himalayan state has undergone various changes and these transformations have been recorded in every field that matters to the people of Sikkim and the country as a whole. The following Table (6.1) encapsulates the salient features of Sikkim's development vis-à-vis the country.

Table 6.1: Sikkim and India: Salient Feature of Development

Sl. No.	Particulars	Sikkim	India
1.	Area	7096 sq	3287263 sq km
2.	Population	540851	1025.2 million
	(a) Male	288,484	530.4 million
	(b) Female	255.774	494.8 million
3.	Sex Ratio	875/1000	933/1000
4.	Density of Population	76/ sq km	324/ sq km
5.	Literacy		
	(a) Male	76.73	75.9
	(b) Female	61.46	54.2
	(c) Total	69.68	65.38
6.	Infant Mortality	52/1000	71/1000
7.	Crude Birth Rate	21.9/1000	24.8/1000
8.	Crude Death Rate	5.0/1000	8.0/1000
9.	Population below Poverty Line	36.55 %	26.10 %
10.	Per Capita Forest Cover	0.61 (Hec)	0.08 (Hec)
11.	Per Capita Income	Rs.16143	Rs. 14,682
12.	Green Protection Index	0.903	0.425
13.	Per Capita GSDP (at current prices)	Rs. 23786	Rs. 23492

Agriculture

Agriculture is Sikkim's lifeline as more than 70 percent of Sikkim's population depends upon agriculture for their livelihood. The state, due to its hilly terrain has hardly any plain land for the cultivation. The total land under operational holding in 1991 was hardly 16 percent, while the remaining 84 percent was taken up by trees and groves, barren land (22 percent) and permanent pastures and grazing land (17 percent). There was, however, been a gradual increase in the total land area for utilization by over 32000 hectares during the fifteen years period between 1976-77 and 1991-92 i.e. after its merger to India. The increase in cultivable wasteland and land available for cultivation is led to increase in the total land area for cultivation. The land use pattern in the state during 1981 and 1991 was as follows: -

Table 6.2: Land Use Patterns in Sikkim

Sl. No.	Classification	1980-81		1990-91	
		Hectares	(%)	Hectares	(%)
1.	Net Sown Area	78381	11.04	63254	8.91
2.	Area under Current Fallow	4428	0.62	3906	0.55
3.	Other Uncultivated Area excluding Fallow Land	4560	0.64	10830	1.53
4.	Fallow other than Current Fallow	9474	1.34	9204	1.30
5.	Cultivable Wasteland	681	0.10	9807	1.38
6.	Land not available for Cultivation	11604	1.64	14300	2.02
Total Operated Land		109128	15.38	111301	15.69

Source: GOI (1991), State Report of Agriculture – Census 1991-92, Bureau of Economics and Statistics, Gangtok.

The Table (6.2) above shows that despite the increase in land use pattern, there was a decline in net sown areas between 1980-81 and 1990-91.

The state has made impressive strides on the agricultural front during the last three decades. Much of the credit for this success should go to the several initiatives taken by the state during post merger period. This covered land reforms, policy support, agricultural credit and marketing public investment in infrastructure, research and extension for crops and livestock and provisions of inputs like seeds, fertilizers, minor irrigation and encouragement to horticulture, floriculture and cash crops. As a result, the state has made a considerable progress in the agricultural development during the last three decades. The main factor for the all-round agricultural development have been; introduction of new crops, use of HYV seeds, increased use of fertilizers and pesticides, land reforms, expansion of area under multiple cropping system.

The total food grain production in the state has increased from 61870 tonnes in 1980-81 to 105600 tonnes in 2006-07 (Table 6.3).

Table 6.3: Food Production in Sikkim – 2006-07

Crops	1980-81	1990-91	2001-02	2006-07
	(In Tonnes)			
Rice	10630	25300	-	21450
Wheat	13310	21600	-	10360
Maize	28930	58810	-	64890
Barley	460	2860	-	3900
Buck Wheat	1380	2540	-	12700
Finger Millets	3840	7310	-	17900
Pulses	3320	15020	-	54500
Total	61870	133440	-	185700

Source: Govt. of Sikkim, Dept. of Agriculture & DESME.

Virtually all of the increase in the production resulted from yield gains rather than expansion of cultivated area. The agricultural sector thus recorded satisfactory growth due to improved technology, irrigation and inputs. However, industrial and service sectors in general have expanded faster than agriculture sector resulting in declining share of agriculture in national accounts. Despite the structural change, agriculture still remains a key sector, providing more than 70 percent of the country's population who live in rural areas. The public investment in agriculture has been low despite the increased importance given to agriculture after the merger. The Table 6.4 below indicates the investment in agriculture during 1975-76 to 1999-2000. And the public investment in different agricultural activities is also very low (Table 6.5).

Table 6.4: Budget Expenditure on Agriculture

Year	State Budget		Total Budget		% of Total		(Amount in Rs. 000) % Total
	Plan (in 000)	Non-Plan (000)	Plan (in 000)	Non-Plan (in 000)	Plan	Non-Plan	
1975-76	4128	3304	202400	372193	1.08	1.60	0.95
1980-81	2190	3247	413800	414255	5.87	1.94	3.91
1985-86	24300	8047	760000	906615	3.39	1.97	2.62
1990-91	25825	17885	1520000	4767808	1.67	0.49	0.77
1995-96	25440	23557	2500000	4145007	1.07	1.07	1.22
1999-2000	36400	44657					

Source: Govt. of Sikkim, Dept. of Agriculture, Gangtok.

Table 6.5: Plan Investment in Agricultural Activities

Heads	5 th Plan (%)	6 th Plan (%)	7 th Plan (%)
1. Research and Education	4.98	3.42	5.10
2. Crop Husbandry	92.14	91.55	81.77
3. Storage & Wove Housing	1.03	1.64	2.58
4. Agriculture Marketing & Quality Control	1.82	3.38	2.76
5. Soil & Water Conservation	7.30	3.90	7.76
Total Investment ('000)	404.40	1098.50	1890.20

Source: Various Plan Documents, GOS.

The Table above shows that the storage and marketing constitutes less than 6 percent of the total public investment in the sector. As Sikkim has been declared a food deficit state, there is no question of marketing food grains outside the state (Lama 2001).

Horticulture and Floriculture

The state due to its geographical location have well suited for cultivation of horticulture and plantation crops. They are also ideal substitutes for marginal and degraded lands, which are unsuitable for crop husbandry. They can help in diversification of agriculture. Being prominent crops after foodgrains and oil seeds, horticulture will be treated as a lead sector in agriculture and rural development. The range of horticulture products includes fruits, vegetables, spices, etc. The tremendous boost was given to development of the horticulture sector during 1990s, which resulted the growth in the horticulture production by nearly six times between 1975-76 and 1995-96 (Table 6.6).

Table 6.6: Horticulture Production from 1975-76 to 1995-96

Crops	1975-76	1980-81	1985-86	1990-91	1995-96
Fruits	4700	6350	8200	10500	12000
Vegetables	2000	3400	13900	15000	28000
Potato	5000	6646	16400	18000	24000
Cardamom	2300	3500	3900	2600	3600
Other Tubers (Potato, Yams)	100	200	400	600	1000
Turmeric				90	100
Ginger	2000	3200	10900	16000	24000
Total	16100	23296	53700	62790	92700

Source: Dept. of Horticulture, GOS, Gangtok.

The achievement of major horticulture crops during 2001-02 and 2006-07 is given in Table 6.7.

Table 6.7: Area, Production and Productivity of Major Horticulture Crops

Crop	2001-02			2006-07		
	Area	Production	Productivity	Area	Production	Productivity
Fruits	18.8719	9.0531	4859.33	9.003	13.413	1489
Vegetables	6.7900	30.1797	18471.67	9.838	45.064	4580
Cardamom	24.1613	4.3273	717.00	12.5	2.745	219
Ginger	4.8162	25.4057	16351.74	6.709	35.982	5363
Turmeric	0.4106	1.4441	12743.87	0.616	2.073	3365
Spices	29.3883	31.1771	4588.58	19.825	40.8	2058

Source: Horticulture & Cash Crops Development Dept.

Sikkim has tremendous potential for development of floriculture also. Efforts are being made to improve the quality of production of cut flowers and bulbs and plants in recent years. A model floriculture garden has been set up at Namli. There are however many constraints for development of floriculture products. There is high order perishability of floriculture produce leading to high degree of losses; lack of modern and efficient infrastructure facilities, poor arrangement for transport and marketing, multiplication through conventional method is very slow. Therefore, to remove the constraints, following strategy is require to strengthen floriculture sector.

1. Enactment of strong legislation to check outlaw of quality planting material from the state.
2. Induction of modern technologies including large scale tissue culture.
3. Large-scale demonstrations for transfer of technology to the farmers.
4. Strong budgetary support as floriculture is capital intensive.
5. Infrastructure facility for marketing, transport, packaging and handling.

Increased agricultural productivity and growth of some small scale industries in the recent years have contributed to a significant reduction in poverty level from 50.86 percent in 1973-74 to 36.55 in 2001-02. Despite the impressive growth and development in social sector, Sikkim is still home to the more than 36 percent of poor people. The persistent of poverty in this hill state is in stark contrast to its relatively high achievement in the social sectors as compared to the national average. According to the Planning Commission estimates based on the Expert Group Recommendations, except in 1973-74, 1983, 1987-88, the percentage of people below the poverty line in Sikkim has continued to be higher than the national average. The state has recorded a decline in the incidence of poverty in the decade 1977-87, it suddenly increased in 1993-94 moving from 36 percent in 1987-88 to 41.43 in 1993-94 and 36.55 percent in 1999-2000. In 1999-2000, 40.04 percent of rural population was below the poverty line, while in urban areas only 7.47 percent of the population was below the poverty line. In the national level, the percentage of population below the poverty line has decline from 54.88 percent in 1973-74 to 26.1 percent (Table 6.8) in 1999-2000 (GOI 2002).

Table 6.8: Percentage of families below the Poverty line in Sikkim

Year	Rural	Urban	Total	All India
1973-74	52.67	36.92	50.86	54.88
1977-78	59.82	32.71	55.89	51.32
1983	42.60	21.73	39.71	44.48
1987-88	39.35	9.94	36.06	38.86
1993-94	45.01	7.73	41.43	35.97
1999-00	40.04	7.47	36.55	26.10

Source: Tenth FYP vol. III

The above figures over a period of almost three decades show that Sikkim has achieved the considerable decline in poverty level. But its relative standing among the states has still very low and just above the three states of Madhya Pradesh, Bihar and Orissa. Interestingly, in the case of Sikkim, though the per capita ranking has been going up over the years, its poverty ranking has sharply gone down. The incidence of poverty in Sikkim in 1999-2000 was in fact the highest of all the north-eastern states and was only

better than Madhya Pradesh, Bihar and Orissa. The reason for such scenario in the incidence of poverty in the state is mainly because of three reasons: -

Firstly, the high per capita income vis-à-vis a very high poverty status implies that income distribution is very skewed in Sikkim. The co-existence of extremely affluent segments with the astonishingly poor overwhelming majority has been common to many states in the north-east.

Secondly, since most of the poverty stricken people are concentrated in rural areas, the urban-rural gap, in terms of both distribution of income and asset creation, could merge in a very precarious manner.

Thirdly, the syndrome of income concentration indicates a deviation in the fundamental principle of objective governance and management of the economy wherein the guiding philosophy has been to distribute national wealth across the state in an increasingly equitable manner (Lama 2001).

The Government of Sikkim attached a great importance on promotion of employment as a strategy against poverty. One of the main aims of government in Annual Plan 2001-02 was to strengthen the key sectors of the economy, which could progressively reduce unemployment, alleviate poverty and improve the quality of life of the people, particularly in rural and backward areas.

Rural Development and Planning

After independence, rural development formed important part of the planning process both at the national and state level. Various schemes were formulated after deliberations in various forums, involving the concerned in the planning process. The government of India was committed to formulate various plans on rural development. Since India is home to 22 percent of the worlds poor, such a high incidence of poverty is a matter of concern in view of the fact that poverty eradication has been one of the major objectives of the development planning process. Poverty eradication is considered integral to humanity's quest for sustainable development. Planning and development policies for the eradication of poverty in rural India have started since the inception of the Five Year Plans. The role of economic growth in providing more employment avenues to the population has been clearly recognised. The growth-oriented approach has been reinforced by focusing on specific sectors which provide greater opportunities to the people to participate in the growth process. The various dimensions of poverty relating to health, education and other basic services have been progressively internalised in the planning process. The importance of rural development was, thus recognised from very inception of Five Year Plan, but it was only from the Sixth Plan onwards due emphasis was laid on rural development. During the Seventh and Eighth Plan, the emphasis was on building up of rural infrastructure. The Ninth Five Year Plan attempts to make a serious effort to raise the level of agricultural and rural incomes. The main objective was to improve the living conditions of the poor and the various disadvantaged section of the rural society. Priority was accorded to agriculture and rural development with a view to generate adequate productive employment and eradication of poverty. The Approach Paper to the Tenth Plan set a target to reduction of poverty and creation of high quality gainful employment during the plan period.

The planning process in Sikkim dates back to 1945 when the Development Plan was drawn by then (Tashi Namgyal) Chogyal. The all round development of the country

was uppermost in the mind of the Chogyal and keeping this in view, the Development Plan was drawn up in 1945. However, this plan could not be put into effect for lack of fund (Sikkim 1963). It was during the course of Nehru's visit to Sikkim, Indian Government felt that economic growth was vital as Sikkim entered the modern world. Thus the idea of planned development to stimulate Sikkim's economy was the outcome of Indian Prime Minister Nehru's first visit to Gangtok in April 1952 (Coelho 1970). Nehru after discussing the problems of Sikkim with Maharaja directed the Indian Planning Commission to draft a development plan for this country. As a result, a number of experts of the Indian Planning Commission visited Sikkim during the years 1953-54 and drafted a Seven-Year Development Plans for the period 1954-1961. The Government of India undertook to provide the necessary financial and technical assistance in full for the implementation of the first plan (GOI 1954). A total sum of 32.369 million rupees was earmarked for this plan. The plan, though was originally timed to take effect from 1954, actual implementation commenced from 1955, as the first year was spent mainly in preparation and recruitment of personnel (Sikkim 1958). For the achievement of the plan objective, the guidelines were laid down. The main points of the first plan were:

1. The improvement of road communications: the opening up of northern and eastern Sikkim by extending the national highway to Lachen and Lachung in the north and to Nathu-la in the east; a second traffic artery to the east from Ranipul to Pakyong, Rhenock, and finally linking with Rangpo. These thoroughfares were to be the responsibility initially of the Indian Central Public works Department and later of the Indian Border Roads Organisation because of their strategic importance. The western part of Sikkim to be linked by a roadway running from Singtam through Namchi and Naya Bazar and circling back to Singtam via Geysing and Rabong-la.
2. The provision of additional educational facilities: more schools of both primary and secondary grades to be established throughout the country.
3. The reorganization and expansion of health services: more hospitals, clinics, dispensaries to be built in various parts of the country.
4. The completion of basic geological and forest surveys: fundamental data on Sikkim's mineral, timber and other resources was essential in determining the feasibility of setting up specific industries in the country.
5. The fostering of cottage and small-scale industries: this would revive Sikkim's traditional and exquisite arts and crafts- blanket weaving, wood carving, hand worked articles in silver and other metals in typical designs.
6. The improving of Sikkim's agriculture and horticulture: the expansion of irrigation facilities; setting up seed farms.
7. The building of hydro-electric projects: essential for the power requirements of new industries and for modern amenities in towns and villages.

The formulation of the Seven Year plan was hallmark in the history of Sikkim. It was the first time in the history of this tiny kingdom and its people that a concerted planning effort for the general advancement of the people was made, signifying Sikkim's aspiration for its economic progress and advancement (Grover 1974). The enthusiasm generated by the successful implementation of the First Plan encouraged the Maharaja of Sikkim to formulate an even bigger and more ambitious plan. Hence, a Second Five Year Plan was drafted and approved for the period of 1961-66. The plan emphasised on the all round improvement of living standards of the people, agricultural production, an expansion cottage and small-scale industries and a general increase in employment for young men and women of the state. The plan provided for a total outlay of Rs. 82.07

millions to be spent during the period 1961-66. The break up of the allocation for the plan was as follows:

Table 6.9: Plan Allocation

Sl. No.	Items	Indian Rs. (in millions)
1.	Agriculture	Rs. 04.62
2.	Minor Irrigation	Rs. 00.53
3.	Animal Husbandry	Rs. 02.45
4.	Dairying	Rs. 00.20
5.	Forests	Rs. 07.01
6.	Soil Conservation	Rs. 00.50
7.	Fisheries	Rs. 00.04
8.	Co-operatives	Rs. 00.93
9.	Power Projects	Rs. 05.00
10.	Cottage Industries	Rs. 01.15
11.	Other Industries	Rs. 03.00
12.	Roads (including Bridges)	Rs. 30.00
13.	Road Transport	Rs. 04.75
14.	Tourism	Rs. 00.75
15.	Education	Rs. 09.80
16.	Medical & Public Health	Rs. 07.20
17.	Housing	Rs. 00.70
18.	Publicity	Rs. 00.45
19.	Cultural Activities	Rs. 00.15
20.	Government Press	Rs. 00.60
21.	Marketing Centers	Rs. 00.20
22.	Others	Rs. 02.00
Total		Rs. 82.03

Source: Sikkim, Fact & Figure, 1963.

A Third Five Year Plan was drawn up in 1966 which cover the period from 1966 to 1971. The plan entailed a cost of Rs. 106.04 million. This figure included a special provision of Rs. 210 lakh for loans for industrial development, both major and small-scale. Among the revenue earning schemes, the plan included the establishment of tea garden of 1500 acres, expansion of Sikkim Nationalised Transport and construction of Lagyap Hydel Project. As in the earlier plan, the third plan also emphasised on (a) development and intensification of agricultural programme towards attaining higher outputs both of food and cash crops; (b) industrialization based on locally available raw material (agricultural, mineral and timber) resources and the utilization of specialised skills and (c) expansion of transport and power facilities.

The Fourth Plan (1971-76) was started in 1971 with a total outlay of Rs. 18.5 crores. The plan gave more emphasis on rural reconstruction programmes. The results of all these planned development are clearly discernible in the state of Sikkim. The revenue earning capacity of the state has increased from Rs. 41 lakh in 1960 to Rs. 120 lakhs in 1970. Besides, the state per capita income has also increased and was estimated at Rs. 700 per annum in 1970 which was higher than most parts of India. In all these plans special emphasis was laid on the development of infrastructures like road and communications for which about 48 percent of the total outlay was allocated. Agricultural development did not receive much attention for which only 16 percent was

allocated during the Second and Fourth plans. In the Third plan, 44 percent of the total outlay was allocated to the agricultural sector (Bareh 2001).

In the post-merger period there was a shift in the thrust of the state's plan. The Fifth Five-Year Plan Document (1976-1981), which was Sikkim's first post-merger plan, stated that:

“Sikkim has entered upon an era of intensive development after the historic constitutional change of April 1975, through which the state joined the mainstream of national life, becoming the 22nd state of the Indian Union. Switch over from a monarchial system to democratic government has naturally generated great enthusiasm and rising expectations in the people of the state. The back-log of development that has to be made up in order to reach the level of other similarly placed states in the Union has rendered the task of planned development extremely difficult and challenging but at the same time an exciting adventure... Nevertheless the rural population of Sikkim, who have fought bravely for the changing of the old order and who have sacrificed in the past, have to be provided at least the national minimum needs” (GOS 1976).

After merger, there has been a steady increase in the total plan outlay of Sikkim. In the Ninth Five Year Plan, as compared to Rs. 32.4 million in the First Plan, it increased to Rs. 16 billion (about 500 fold). This is also almost 122 percent increase over the Eighth Plan outlay of Rs. 7.2 billion (Lama 2001).

Besides, there has been significant increase in sectoral and sub-sectoral plan allocation. The Table (6.10) below shows the Plan wise sectoral allocation.

Table 6.10: Sectoral and Sub-Sectoral Plan Allocation in Sikkim (1954-2002)

Sectors	I Plan (1954- 61) %	II Plan (1961- 66) %	III Plan (1966- 71) %	IV Plan (1971- 75) %	V Plan (1974- 79) %	VI Plan (1980- 85) %	VII Plan (1985- 90) %	VIII Plan (1992- 97) %	IX Plan (1998- 2002) %
Agriculture & Allied Activities	21.5	20.0	15.0	14.2	15.9	26.0	21.1	13.6	17.1
Power	9.2	8.3	7.3	8.8	10.0	9.4	17.4	24.9	19.4
Industries	4.3	0.5	6.7	3.5	6.6	4.2	4.0	3.85	4.2
Roads & Bridges	42.8	40.5	43.4	36.3	26.1	22.3	6.4	14.8	9.6
Road Transport	5.2	6.9	4.1	3.5	3.1	4.9	3.2	1.85	0.8
Education	7.4	12.4	7.9	8.8	7.4	7.0	12.2	10.7	12.5
Health	7.1	7.2	9.4	4.1	4.5	3.5	2.5	1.11	3.1
Tourism	-	0.8	0.4	4.4	2.0	1.5	0.9	15.2	3.59
Others*	2.5	3.4	5.8	16	24.4	21.2	32.3	14.0	29.7
Total Outlay (Rs. Millions)	32.4	63.7	97.1	203.6	401.0	1478.0	2824.0	7245.0	16028.0

Source: Computed from Various Plan Documents, GOS, Gangtok.

Note: Other includes rural development, irrigation and flood control, communications and other social, general and economic services.

The above figure over a period of five decades show that agriculture and allied activities, which have been the main stay of the majority of the people, have received on an average 20 percent of the total plan outlay upto the Seventh Plan. Since then, this crucial sector's share has been shown a tendency to decline, being as low as 13.6 percent in the Eighth Plan. Similarly other vital infrastructural area of roads and bridges has fallen to less than 10 percent in Seventh and Ninth Plans. In the social sectors like education, the share was improved but in health, allocation has been very low. The expenditure on social services amounted to Rs. 2.0384 billion in 1999-2000, which represented 13.19 percent of the total revenue expenditure (Lama 2001). The same has been increased to Rs. 666.25 crores in the Tenth Plan (Table 6.11).

Table 6.11: Tenth Plan (2002-2007) Outlays – Sikkim State.

State	Sectors	Rs. in crore @ 2001-02 price
S	Agriculture & allied Activities	174.99 (10.6)
	Rural Development	74.00 (4.5)
I	Special Area Programme	30.00 (1.8)
	Irrigation and Flood Control	31.00 (1.9)
K	Energy	242.90 (14.7)
	Industry and Minerals	62.00 (3.7)
K	Transport	265.00 (16.0)
	Science, Technology & Environment	11.00 (0.7)
I	General Economic Services	40.40 (2.4)
	Social Services	666.25 (40.2)
M	General Services	58.20 (3.5)
	Grand Total	1655.74 (100.0)

Source: Tenth Five Year Plan. Vol. I. GOI.

Rural Development Programmes

Rural development has now come to be reckoned with as a sine qua non for over all development and social welfare. As majority of population of Sikkim i.e. 89 percent is living in rural areas, development of rural areas under such situation must receive much attention in the various schemes designed for the development of state's economy. Accordingly, rural development and alleviation of poverty have been accorded high priority in the plans for economic development. Every plan document, right from the First Seven Year Plan, has spelt out the philosophy, the programme content and the financial allocations for the different schemes, including those meant for providing the basic minimum service for the rural community.

A number of rural development programmes, which are oriented to overcome the various rural problems, have been launched in the various five-year plans in the post independent India. The first and the foremost rural development programme initiated in independent India was the Community Development Programme. The success of Extension or Advisory Service in USA and UK has prompted the Indian planners to launch this programme. The government latter on introduced a number of programme which includes both self-employment and wage employment programmes.

In pursuance with the central government policies and programmes on rural development, the Government of Sikkim has also launched various rural based development programmes after its merger to India in 1975. Though rural development programmes were initiated during the pre-merger period, they were limited to particular

areas and also confined to limited field. In order to cover the whole country by such programme, Sikkim launched its First Seven Year Plan (1954-61) in April 1954 with a total allocation 32.369 millions. The plan aimed at the all round development of rural areas which included improvement of agricultural techniques and communication, extension of minor irrigations, improvement of transport facilities, and provision of social services. Till merger, Sikkim had had four five year plan.

Since the Sixth plan onwards, various rural development programmes were introduced. Basing on the Five Year plans the government framed and implemented various rural development programmes in our country from time to time to achieved balanced development in the country. Sikkim, along with other states of the country also introduced various rural development programme which include Integrated Rural Development Programme (IRDP), Development of Women and Children in Rural Areas (DWCRA), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Indira Awas Yojana (IAY), etc. The government at present days has been taking every initiative to implement all the rural based programme throughout the state. The separate Department of Rural Management and Development was created and is run by the secretary. The Department was taken responsibility of enhancing rural livelihoods through a variety of programmes and projects. The emphasis is on building up of local resources through increasing the capability of the rural poor through self-employment programmes and through building up of critical infrastructure in the rural areas of Sikkim. The state government also constituted a State Planning Commission in 2000 with the Chief Minister as its chairperson. The commission helps the state in preparing the plan for development of rural areas in particular and the state as a whole in general. Some of the important rural development programmes launched and implemented in the state are as follows:

Integrated Rural Development Programme (IRDP)

The Integrated Rural Development Programme (IRDP), introduced in selected blocks in 1978-79 and universalised from 2nd October 1980 has provided assistance to rural poor in the form of subsidy and bank credit for productive employment opportunities. IRDP had several sub-programmes like Training of Rural Youth for Self-Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA), Ganga Kalyan Yojana (GKY), Million Wells Scheme (MWS) and Supply of Improved Toolkits to Rural Artisan (SITRA). However, these schemes were implemented as 'Stand alone programmes', an approach which substantially detracted from their effectiveness. The Mid-Term Appraisal of Ninth plan had indicated that IRDP together with the several sub-schemes presented a matrix of multiple programmes without designed linkages. These were implemented as separate programme without keeping in mind the overall objective of generating sustainable incomes. On 1 April 1999, the IRDP and allied programmes were merged into a single programme known as Swarnajayanti Gram Swarozgar Yojana (SGSY).

In Sikkim, the programme was introduced in 1980-81 with a view to assist selected families of below poverty line in the rural areas. The main objective of the programme has been the elimination of unemployment and the eradication of poverty in the rural areas by providing income generating assets/schemes including working capital through package of assistance comprising subsidy and other institutional credit. The target groups of the programme consist of small farmers, marginal farmers, agricultural labourer, rural artisans, scheduled castes and tribes and women. In the year of inception, total of 0.10 lakh families were assisted. Of which 25.65 percent were

families from SC and ST (Table 6.12). The Sikkim Rural Development Agency was the implementing agency in the state, as there is no any provision for District Rural Development Agency in the state which are the implementing agency in other part of the country.

Table 6.12: Sikkim: Number of Families Assisted under IRDP (1980-1999)

S I K K I M	Sixth Plan	Seventh Plan	Two Annual Plan	Eighth Plan	Ninth Plan	Mandays in 000
	1980-85	1985-90	1990-92	1992-97	1997-98	1998-99
	0.10	0.11	0.030	0.087	0.03	0.02
	(25.65)	(35.68)	(44.01)	(44.33)	(53.19)	(46.90)

Source: Ministry of Rural Development, GOI, New Delhi.

Note: Figures in parentheses indicate percentage share of SC & ST families assisted.

Training of Rural Youth for Self-Employment (TRYSEM)

Training of Rural Youth for Self-Employment (TRYSEM) introduced in 1979 in India and 1980 in Sikkim was one of the main sub-scheme of IRDP. The main aim of programme was to provide basic technical and entrepreneurial skills to the rural poor in the age group of 18-35 years to take up income-generating activities. The training is imparted in different trade like carpet, handloom, rari weaving, cutting and tailoring, knitting, carpentry, black smithy, cane and bamboo work, etc. The period of training is varies from three to twelve months. The trainees were provided stipend varying from Rs. 200/- to Rs. 300/- per month and provided raw materials and tool kits allowances. The trained artisans after the completion of training were provided with subsidised loan to start self or wage employment. The numbers of Youth trained under TRYSEM from 1995 to 1999 are presented below:

Table 6.13: Youth Trained under TRYSEM

Year	Total no. of Youth Trained
1995-96	456
1996-97	660
1997-98	396
1998-99	599

Source: RDD, GOS.

Development of Women and Children in Rural Areas (DWCRA)

Development of Women and Children in Rural Areas (DWCRA) was another sub-scheme of IRDP. The programme was launched in 50 districts in 1982-83 but expanded to cover all district by 1994-95. DWCRA was directed at improving the living conditions of women, and thereby of children by offering opportunities for self-employment and access to basic social services. The state under the guidance of the central government launched the programme in order to bring about change in the quality of life of women and children and also to strengthen the economic base for rural women by providing income-generating activities. The women in the age group of 18-35 were the target group under the programme. The children (0-5) of the women members were also entitled to receive children facilities. DWCRA sought to encourage collective work in the form of group activities, and therefore, the members has to form a group of 10-15 women for taking up economic activities suited to their skill, aptitude and the local condition. The expenditure is shared by central and state government in the ratio of 3:2. In Sikkim, the DWCRA has been control and supervised by the Social

Welfare Department and hence implemented by same department. The number of groups form under this programme is shown in Table below: -

Table 6.14: Groups formed under DWCRA

Year	No. of Group Formed
1995-96	135
1996-97	129
1997-98	126
1998-99	136
1999-2000	71
2000-2001	61

Jawahar Rozgar Yojana (JRY)

Jawahar Rozgar Yojana (JRY) was launched as a Centrally Sponsored Scheme on 1st April 1989 by merging National Rural Employment Programme (NREP) and Rural Landless Employment Guarantee Programme (RLEGP). The Programme was restructured as Jawahar Gram Samridhi Yojana (JGSY) w.e.f. 01.04.1999. The primary objective of JRY was the generation of additional gainful employment for the unemployment by strengthening the rural economic infrastructure and asset and improvement in the quality of life in rural areas. The people below the poverty line including the SC and STs and free bonded labourer were the target group. The programme was implemented by Rural Development Department in the state. Besides, the Zilla Panchayat and Gram Panchayat were also involved to implement the programme at the district and village level. The expenditure under the programme was shared between Centre and State in the ratio of 80:20. The total mandays of employment generated under JRY/JGSY during the plan periods are presented in Table 6.15.

Table 6.15: Mandays of Employment Generated under JRY/JGSY
(Mandays in '000)

Seventh Plan (1985-90)	Two Annual Plans (1990-92)	Eighth Plan (1992-97)	Ninth Plan (1997-2002)	
JRY (1989-90)	JRY (1990-92)	JRY (1992-97)	JRY (1997-99)	JGSY (1999-2002)
6.28	22.42	52.49	7.79	10.08

Source: Ministry of Rural Development, GOI, New Delhi.

The JRY was revamped from 1st April 1999 as the Jawahar Gram Samridhi Yojana (JGSY). It aimed at the creation of rural economic infrastructure with employment generation as a secondary objective. The programme has been implemented by the village panchayat with the approval of Gram Sabha.

Employment Assurance Scheme (EAS)

The Employment Assurance Scheme (EAS) was launched on 2nd October 1993. Initially the programme was in operation in 1772 backward blocks, but was later extended to all the blocks in 1997-98. The EAS was designed to provide employment in the form of manual work in the lean agricultural season. A maximum of two adults per family were provided employment and it extends to all men and women over 18 years and below 60 years of age residing in the villages. The expenditure under EAS was shared between the centre and the states on 75:25 basis. The physical and financial performance of EAS has been given below:

Table 6.16: EAS Fund Utilization & Mandays Generated

Year	Fund Utilisation (Rs. Lakh)	Mandays Employment Generated (Mndays in 000)
1993-97	1364.02	29.78
1997-2001	2119.81	30.10

Source: Ministry of Rural Development, GOI.

The District Development Officer (DDO) of each district of Sikkim was the overall in-charge of EAS as the implementing authority. He was responsible for allocating works and funds among various block in consultation with the respective Gram Panchayat.

Indira Awas Yojana (IAY)

The Indira Awas Yojana (IAY) was launched during 1985-86 with an objective of providing dwelling units free of cost to the members of Scheduled Castes, Scheduled Tribes and free bonded labourers living below the poverty line in rural areas. Its scope has been extended from the year 1993-94 to cover non-scheduled castes and non-scheduled tribes and also to the families of ex-servicemen of the armed and paramilitary forces killed in action. The ceiling on construction assistance under this programme was Rs. 20,000 per unit for plain areas and Rs. 22,000 for hilly/difficult areas. The ceiling has currently been increased to Rs. 25,000/- per unit in plain areas and 27,000/- per unit for the hilly and difficult areas from 1.4.2004. The Gram Panchayat is empowered to select the beneficiaries under the scheme. The president/sabhapati of Gram Panchayat forwarded the application of the identified beneficiaries to the District Development Officer who in turn scrutinised and submitted to the Assistant Project Officer (APO) for approval. The beneficiaries were given the money for construction of house which cost Rs. 27000/- and the total cost of construction of house is paid to the beneficiaries in two installments. The physical achievement under IAY in Sikkim from 1995-96 to 2000-01 are as under:

Table 6.17: Physical & Financial Achievement under IAY
(Rs. in Lakh)

Scheme	2002-03		2003-04		2004-05		2005-06		2006-07	
	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial	Physical	Financial
1. IAY (New Construction)	771 (Nos)	117.37	1448 (Nos)	249.67	981 (Nos)	276.33	817 (Nos)	216.04	1240 (Nos)	317.69
2. IAY (Upgradation)	378 (Nos)	37.80	593 (Nos)	59.3	603 (Nos)	69.75	479 (Nos)	59.65	314 (Nos)	70.16

Source: RMDD, GOS.

Rural Housing

The Rural Housing programme was first started by the state government during the year 1987-88. The main objective of the programmes was to provide shelter to rural poor by providing financial assistance and GCI sheet to build their house. Presently, the government provides the financial assistance of Rs. 20,000/- to the selected beneficiaries in two equal installments of Rs. 10,000/- each. The first installment is made at the time of allotment of work order and second installment is given only after the completion of 50 percent of work. The Rural Development Department is implementing directly the programme with the help of the Gram Panchayat. The total

number of families who were benefited from this scheme during the year 1995-2000 are shown in Table 6.18.

Table 6.18: Status of the district wise coverage of the Programme
(as on 31.08.2007)

Sl. No.	Programme	Unit	East	West	North	South	Total
1.	Rural Housing	No. of	24661	18551	6251	14392	63855
2.	GCI	Houses	8271	7641	2000	8058	25970

Source: RMDD, GOS.

National Old Age Pension Scheme

The National Old Age Pension Scheme was started in 1981 in Sikkim. This scheme is one of the main components of National Social Assistant programme. The main objective of this centrally sponsored scheme is to provide special social assistance benefits to families living below poverty line. Under this scheme, the central assistance is available as per the following criteria; (a) Age of the applicant (male or female) is 65 years or more; (b) The Applicant is a 'destitute' in the sense of having little or no regular means of subsistence from his/her own source of income or through financial support from the family members or other sources. The amount of Old Age Pension in the state has been increased from Rs. 100/- per month to Rs. 200/- per month with effect from October 2000. The district wise number of beneficiaries under this programme in Sikkim is presented in Table 6.19.

Table 6.19: District wise number of Beneficiaries under OAP

Year	East	West	South	North	Total
2000-01	4049	2851	2570	634	10104
2001-02	4048	2853	2570	633	10104
2002-03	4050	2852	2569	633	10104
2003-04	5628	3705	3227	869	13429
2004-05	5858	4332	3709	1070	14869
2005-06	5882	4332	3745	986	14869
2006-07	5885	4255	3740	989	14869
2007-08	5864	4220	3795	990	14869

Source: Social Justice, Empowerment & Welfare Dept. GOS.

The scheme is look after by Social Justice, Empowerment and Welfare Department and implemented with help of Panchayats.

Swarnajayanti Gram Swarozgar Yojana (SGSY)

A new self-employment programme viz, Swarnajayanti Gram Swarozgar Yojana (SGSY) has been launched in April, 1, 1999 by merging the IRDP and allied programmes such as TRYSEM, DWCRA, SITRA, GKY and MWS. The SGSY is a holistic programme of self-employment. It aims at covering all aspects of self-employment of rural poor, namely organization of rural poor into Self Help Groups (SHGs) and their capacity building, training, participatory approach to planning of self-employment ventures of key activities in clusters, and provision of infrastructure facilities, technology, credit and marketing support (Rajakutty 2004). SGSY has a definite objective of improving the family income of the rural poor and at the same

time, providing for a flexibility of design at the grassroots level to suit the local needs and resources. The basic objective of the programme is to bring the assisted poor families (Swarozgaris) above the poverty line by providing them income-generating assets through a mix of Bank Credit and government subsidy (Rastogi 2002).

The families below the poverty line in rural areas constitute the target group of the programme within the target group, special safeguards have been provided to SCs/STs, women and disabled person by reserving respectively 50, 40, and 3 percent benefit. The SGSY is financed on 75:25 cost sharing basis between the centre and the states and is being implemented by Sikkim Rural Development Agency with the active involvement of Panchayat and the Banks.

The financial and physical progress under the programme during 2003-04 and 2004-05 are as under (Table 6.20 & 6.21):

Table 6.20: Financial Progress under SGSY in Sikkim (2003-2005) (Rs. in Lakh)

Sl. No.	Item	2003-04	2004-05
1.	Total Allocation	141.68	184.60
2.	Central Allocation	110.76	138.45
3.	Central Release	110.76	138.45
4.	State Release	80.00	50.00
5.	Total Fund Utilised	230.30	99.20
6.	% age of Fund Utilised of Allocation	155.95	53.74
7.	Total Credit Target	294.90	332.28
8.	Total Credit Mobilised	197.48	84.87
9.	% age Credit Mobilised	66.97	25.54

Source: Ministry of Rural Development, GOI.

Table 6.21: Physical Progress under SGSY in Sikkim (2003-2005)

Sl. No.	Items	2003-04	2004-05
1.	No. of Self Help Groups (SHGs) formed	450	591
2.	No. of SHGs taken up Economic Activities	22	80
3.	Total Swarozgaris Assisted	2443	483
4.	% age of SC Assisted	6.79	3.93
5.	% age of Women Assisted	25.91	73.29
6.	% age of Disable Assisted	0.16	0.00
7.	% of ST Assisted	45.27	31.68

Source: Ministry of Rural Development, GOI.

Sampoorna Grameen Rozgar Yojana (SGRY)

The Sampoorna Grameen Rozgar Yojana (SGRY) was launched in September 2001 by merging the two schemes viz. JGSY and EAS with an annual outlay of Rs.10000 crore. Under the scheme, 50 lakh tonnes of foodgrains amounting to Rs. 5000 crore will be provided every year free of cost to the State Government and Union Territory administrations. The remaining funds will be utilised to meet the cash component of wages and material cost. The expenditure of the scheme is shared by centre and state government in the ratio of 87.5:12.5. The programme is being implemented in two streams. First stream will be implemented at the district and intermediate levels and the Second stream will be implemented at the village Panchayat level. Table 6.22 and 6.23 indicates the financial and physical performance of the SGRY. The statements of expenditure and physical achievement under the SGRY are shown in Table 6.24.

Table 6.22: Financial Performance under SGRY in Sikkim (2003-2005)

Sl. No.	Items	SGRY I (2003-04)	SGRY II (2004-05)
1.	Total Allocation	381.16	380.76
2.	Centre Allocation	285.87	285.57
3.	State Share	95.29	95.19
4.	Total Fund Release	485.87	375.68
5.	Fund Utilised/Expenditure	393.00	367.68
6.	Expenditure on SC/ST Activities	107.00	148.00
7.	% of Expenditure	58.80	70.40

Table 6.23: Physical Performance under SGRY in Sikkim (2003-2004)

Scheme	Mandays Generated (in Lakhs)				Status of Works (in number)		
	SC	ST	Women	Total	Work Completed	Work under Progress	Total Works
SGRY I (2003-04)	0.74	1.65	1.52	4.59	650	320	970
SGRY II (2003-04)	0.46	1.51	1.45	3.62	200	91	291

Source: Ministry of Rural Development, GOI.

Table 6.24: Statement Showing Expenditure & Physical Achievement under SGRY (Sikkim)

Scheme Year	Allocation Centre		State Share	Total	Expenditure		Mandays (in Lakh)
	Foodgrains	Cash			Foodgrains	Cash	
SGRY I & II (2005-06)	5411	824.44	200	1105.51	5411	1076.58	7.6
SGRY I & II (2006-07)	2626	612.01	200	831.19	2626	814.81	10.53

Source: RMDD, GOS.

Pradhan Mantri Gram Sadak Yojana (PMGSY)

The Pradhan Mantri Gram Sadak Yojana (PMGSY) launched in December 2000 as a 100 percent centrally sponsored scheme, aims at providing rural connectivity to unconnected habitations with population of 500 persons or more in the rural areas by the end of the Tenth plan period (Economic Survey 2004). In respect of the Hill States (North-East, Sikkim, Himachal Pradesh, J&K, Uttaranchal) and the Desert areas as well as the Tribal areas the objective would be connect habitations with population of 250 persons and above.

The PMGSY programme is presently funded through the rural roads share of Diesel Cess of Rs. 1 per litre on HSD imposed under the Central Road Fund Act. The following is the budget provided since the inception of the programme upto 2004-05 (Table 6.25).

Table 6.25: Budget Allocation

Year	Amount (in Rs. Crore)
2000-01	2500
2001-02	2500
2002-03	2500
2003-04	2325
2004-05	2148 (+ Rs. 320 Crore for ADB and World Bank project over & above cess)

Source: Ministry of Rural Development, GOI.

In the state of Sikkim, the Government has identified the Department of Rural Management and Development as the nodal department and Public Work Department (Roads and Bridges) as the executing agency for the execution of the programme. As in other states, Sikkim Government also set up Sikkim State Rural Road Agency which coordinate the execution of the programme in the field.

Table 6.26: Length and Cost of Rural Roads required for New Connectivity under PMGSY in Sikkim.

No. of Unconnected Habitation	Eligible Unconnected Habitation						Total Length to be covered (km)	Cost for Connectivity under PMGSY (Rs. Million)
	1000 +		500 – 999		250 – 499			
	No.	Length (km)	No.	Length (km)	No.	Length (km)		
410	16	78	138	541	164	488	1107	3280

Source: www.pmgysy.org.

Table 6.27: District-wise Status of Coverage of PMGSY programme (as on 31.8.2007).

Programme	Unit	South	West	East	North	State
PMGSY	Kms.	363.581	340.534	350.173	45.665	1099.95

Source: RMDD, GOS.

While completion of over 1099 km of roads under the scheme may appear impressive as compared to the past record in the rural road sectors. The status of habitation coverage so far under this scheme has been indicated in Table 27 above.

In the state of Sikkim many of the habitation are still to be connected with road links. Under PMGSY, all the states have been requested to prepare District Rural Road Plan (DRRP) as compendiums of all existing roads and those roads proposed for connecting the unconnected target habitation starting from Block Maps and identification of the Core Network (Mahapatra & Chandrasekhar 2007). Accordingly, the state prepared DRRP giving the details of habitation to be covered and length of road required for new connectivity under PMGSY (Table 6.26).

The Table 6.28 below shows the physical and financial progress of the PMGSY in Sikkim.

Table 6.28: Statement showing Physical & Financial Progress under PMGSY in Sikkim (Phases I to III+ADB/WB)

		(Rs. in Crores, Length in Kms)
1.	Value of Proposals cleared	298.37
2.	Amount Released (upto 25.05.06)	111.26
3.	No. of Road Works	182.00
4.	Length of Road Works	1912.48
5.	No. of Road Works completed (upto may 06)	59.00
6.	Length of Road Works completed (upto may 06)	1503.68
7.	% age of completed Road Works (upto may 06)	32.42
8.	% age of Length completed (upto may 06)	78.62
9.	Expenditure (upto may 06)	85.13
10.	% age Expenditure to Amount Released (upto may 06)	76.51

Source: www.pmgysy.org.

Rural Water Supply

Rural Water Supply is vital element in the overall programme for rural development. Availability of potable water in rural areas is strongly interlinked with rural development and growth and display direct positive results for human health and well being, especially for women and children (Bapat, et al 2007). The provision of drinking water supply in the rural areas is the responsibility of the state government. The Government of India supplement the efforts made by the states by providing financial and technical assistance under the Accelerated Rural Water Supply Programme (ARWSP). The Tenth Five Year Plan (2002-07) envisages provision of safe drinking water to all rural habitations. The plan accords the highest priority to providing the 'Not Covered' (NC) habitations with sustainable and stipulated supply of drinking water.

The State Government has made commitment to providing all the villages with safe drinking water supply all the year round. With a view to achieve this objective, the government, has revamped the programme which inter alia, aims at ushering in reforms by institutionalizing community participation in the scheme programme with a view to gradually replacing the government oriented, centralised and supply driven rural water supply programme by a people oriented, decentralised and demand driven programme. As a result of the implementation of Accelerated Rural Water Supply Programme (ARWSP), the state has able to provide the safe drinking water to 1679 habitation in the state. The coverage status as on 1st April 2005 is as under (Table 6.29):

Table 6.29: Status of Coverage

Type of Coverage	No. of Habitation	% age of Total
Not Covered (NC)	0	0
Partially Covered (PC)	74	4.4
Fully Covered (FC)	1605	95.6
Total	1679	100

Source: GOI. (2006).

Table 6.30: District-wise Status of Coverage of the Rural Water Supply Programme (as on 31.8.2007)

District	Status of Habitation			
	NC	PC	FC	Total
South	0	148	472	620
West	0	139	495	634
East	0	225	800	1025
North	0	48	171	219
Total	0	560	1938	2498

Source: RMDD, GOS.

Rural Sanitation

The Central Rural Sanitation Programme (CRSP) launched in 1986 in the Ministry of Rural Development was restructured in 1999 to introduce the Total Sanitation Campaign (TSC). The main objective of TSC is to provide sanitation facilities in households, schools, anganwadis and public places. The programme gives emphasis on Information, Education and Communication (IEC) for demand generation for sanitation facilities. The revised centrally sponsored scheme envisages a shift from allocation based programme to a demand-driven approach with greater household involvement, intensive IEC campaign and emphasis on school sanitation.

Recognising the impact of sanitation on public health, poverty reduction, economic and social development and the environment, United Nation has launched 2008 as 'International Year of Sanitation' to accelerate the progress of 2.6 billion people world wide that are without proper sanitation facilities. India is signatory to this resolution. The central objective of International Year of Sanitation is to put the global community in track to achieve Millennium Development Goals on Sanitation.

The state government is implementing this programme in all the districts with the active involvement of Panchayati Raj Institution, NGOs and CBOs. As a result of this initiative, 52585 latrines have been constructed of which 50050 are individual household latrines, 591 are institutional latrine and 1604 are school latrines. The rest (i.e. 340) are anganwadi latrine. The district-wise status of coverage under the TSC is indicated in Table 6.31.

Table 6.31: District-wise Status of Coverage of Total Sanitation Programme
(as on 31.8.2007)

Sl. No.	Items	Unit	SOUTH	WEST	EAST	NORTH	STATE
1.	Household Latrine	Nos.	8740	12830	23502	4978	50050
2.	Institutional Sanitary Latrine	Nos.	150	174	164	103	591
3.	School Latrine	Nos.	438	430	464	272	1604
4.	Latrine for Anganwadi	Nos.	82	159	36	63	340
5.	Total	Nos.	9410	13593	24166	5416	52585

Source: RMDD, GOS.

The above Table reveals that East district has the highest number of coverage i.e. 24166 and North district, lowest in rank has 5416 number of total latrine constructed under TSC.

Nirmal Gram Puraskar

The Ministry of Rural Development, Government of India started a Nirmal Gram Puraskar on 2nd October 2003 under TSC basically to motivate Panchayati Raj Institutions to promote rural sanitation on a mass scale. The Puraskar is both recognition and a reward for districts, blocks and Gram Panchayats that have achieved full sanitation coverage. The award includes a memento, a citation and a cash prize. The cash component of the prize ranges from Rs. 2 lakh to Rs. 50 lakhs for a PRI depending on the size of its population. The criteria for selecting the PRIs for award includes:

1. All households should have access to fully functional toilets, which are in use, and there should be no place for open defecation in the PRI.
2. All schools must have sanitation facilities, which are in use. All co-educational schools should have separate toilets for boys and girls.
3. All anganwadis must have access to sanitation facilities.
4. The village must have a clean environment. In January 2008, the Minister for Rural Development, Government of India, felicitated 43 Nirmal Gram Puraskar Awardees. Of these 43, two are from Sikkim. This award to the Gram Panchayats of Sikkim is the great achievement and recognition of the successful implementation of programme in the state by the PRIs.

National Rural Employment Guarantee Scheme (NREGS)

The National Rural Employment Guarantee Scheme (NREGS) was launched by the Government of India on February 2, 2006. This programme was the product of the National Rural Employment Guarantee Act 2005 which was passed by the parliament on 23rd August 2005 and was promulgated on 7th September 2005. The Act which is landmark in the history of Independent India, confer legal right to employment on the rural citizens. The scheme 'seeks to provide for enhancement of livelihood security of the households in rural areas of the country (except J&K) by providing at least one hundred days of guaranteed employment in every financial year of every household whose adult members volunteer to do the unskilled work with the schemes made under the Act.' Initially started in 200 backward district of the country, the programme at present spread all over the country. So far, nearly 216,48,117 households demanded employment to which 212,76,824 households have been provided with employment. Of the total available funds during 2007-08 amounting to Rs. 1,284,199.05 lakhs, Rs. 875,795.33 lakh were released till October 2007. Under NREGA, so far 6.399.55 lakh person days works have been taken up in the country as a whole (Kurukshetra 2008). In the state of Sikkim, initially the scheme cover only the north district but later on extended to all the district of Sikkim. As outlined in the Act, the focuses of the scheme are on the following works in their order of priority:

1. Water conservation and water harvesting;
2. Drought proofing (including afforestation and tree plantation);
3. Irrigation canals including micro and minor irrigation works;
4. Provision of irrigation facility to land owned by the SCs/STs;
5. Renovation of traditional water bodies;
6. Land development and
7. Rural connectivity to provide all-weather access.

The Panchayati Raj Institutions (PRIs) i.e. Gram Panchayat at the village level and Zilla Panchayat at the district level have been assigned a role of implementation of NREGS. The identification of projects and preparation of plan is decided at Gram Sabha. The Panchayat are responsible for execution and supervision and maintenance of records pertaining to works and employment. So far, 11695 households have been provided with employment. Under NREGS, 4.46 lakh person days works have been taken up for creating village assets (Table 6.32 and 6.33).

Table 6.32: Employment Generation under NREGA during 2007-08 in Sikkim

Sl. No.	District	No. of Household issued Job Card.				No. of Household provided Employment	No. of Women provided Employment	Person Days (in Lakh)
		SCs	STs	Others	Total			
1.	North	60	4681	220	4961	3327	1893	1.88
2.	East	3310	8217	10940	22467	3131	1296	1.63
3.	South	631	2491	6715	9837	5237	1790	0.96
Total		4001	15389	17875	37265	11695	4979	4.47

Source: <http://nrega.nic.in>

Table 6.33: Financial Performance under NREGA during the year 2007-08 in Sikkim
(Rs. in Lakh)

District	O.B.	Release of Fund			Total Availability	Cumulative Expenditure				% age of Exp. against Total avl. Fund
		Centre	State	Total		On Unskilled Wage	On Semi-Skilled & Skilled Wage	On Material	Total	
North	521.3	72.77	0	72.77	594.07	160.56	0	185.54	357.1	60.11
East	374.15	0	0	0	374.15	150.8	1.94	35.3	188.04	50.26
South	224.29	0	0	0	224.29	179.6	0.94	34.42	214.96	95.84
Total	1119.74	72.77	0	72.77	1192.51	490.96	2.88	255.26	760.1	63.74

Source: <http://nrega.nic.in>

Chief Minister's Self Employment Scheme (CMSES)

The Chief Minister's Self Employment scheme was launched by the chief Minister of Sikkim on 23rd March 2002 to provide self-employment opportunities to educated unemployed youth in the state. The scheme is come into effect from June 2002.

The scheme has been designed to provide employment for setting up micro enterprises by the educated unemployed youth. It relates to the setting up of self-employment ventures through service and business routes.

To be eligible for the assistance under this scheme, person must fulfill the following conditions:

1. S/he must be the age between 22 to 35 years
2. S/he must be Class X pass, ITI pass, Diploma holder, and Graduate/ Post graduate.
3. The applicant has to submit documents like copy of Sikkim Subject/Domicile Certificate/ Certificate of Identification.
4. S/he must be local Employment Card holder.

The assistance under the CMSES is provided to start the following enterprises.

1. Industries and service sector:
 - (a) Any industrial activity like manufacturing, processing or preservation of goods.
 - (b) Service sectors like computers, cyber cafes, software development etc.
2. Hotel, Guest House, Lodging, Restaurants.
3. Agriculture and allied: Agriculture production and related fields such as purchase of agriculture machinery and implements. Horticulture, floriculture, mushroom cultivation, cash crops like cardamom, orange, apples, ginger, potatoes etc.
4. Animal Husbandry: Animal breeding, poultry, piggery, dairy, bee keeping etc.
5. Artisans and traditional occupations which include handicraft, tailoring. Weaving, carpentry, jewelry, black smithy, beauty parlours etc.
6. Technical Trades: All self employment schemes such as electricians, plumbers, steel fabrication works, TV, Radio, Automobile repairs, motor mechanics, book binding, chemical labs, Xerox/fax/typing, lamination centre, STD/ISD PCO booths etc.

7. Small business like teashops, general provision shops, grocery/manihari shops, readymade garment shop. Newspaper/magazine shops etc.

A maximum of Rs. 3.00 lakhs per projects shall be sanction to the applicant to start the project. The loan shall be interest free for first two years and thereafter it shall bear interest @ 6 per cent per annum. The loan will be disbursed in 2-3 installments by an account payee cheque as per the requirement after utilization and verification. The SIDICO is the implementing agency of the scheme. The total number of beneficiaries under this scheme from 2002-03 to 2006-07 is presented in Table 6.34.

Table 6.34: Number of Beneficiaries

District	No. of Beneficiaries
South	766
West	913
East	1334
North	235
Total	3248

Land Bank Scheme

Land is the most important material resource. The people who hold large tract of land enjoy high position in the society. But all people cannot possess the land in their name. There are many landless people in the state. Thus to provide land to all the people, the Government of Sikkim launched a scheme called as Land Bank Scheme. Under this scheme, the Government has provided 0.05 acres of land free of cost to the poor landless citizen of the state. The land is registered in the name of the head of family. Since its inception to till date more than 500 people in the state were provided with land.

Mukya Mantri Antyodaya Annadan Yojana (MMAAY)

The State Government has launched a Mukya Mantri Antyodaya Annadan Yojana (MMAAY) on September 2003. The main objective of this scheme is to provide rice free of cost to the poorest of poor of the state. Though in Sikkim the people of BPL category are entitled to receive rice @ Rs. 4 per kg per family per month. However, considering the plight of poorer section of society, the State Government allotted rice to the beneficiaries of MMAAY free of cost from the Fair Price Shops and that entire burden on this count is borne by the State Government. The gram Sabha selects the beneficiaries for this scheme. As on 2005, there are 9994 MMAAY beneficiaries in the state.

Mukya Mantri Khadya Suraksha Abhiyan (MMKSA)

The State Government launched another pro-poor programme known as Mukya Mantri Khadya Suraksha Abhiyan (MMKSA) in September 2004. The programme aims at providing subsidized rice to the economically backward and marginal families and provides security to the needy poor in the state. The identified beneficiaries get subsidized rice in the scale of 35 kgs. per month per family @ Rs 4 per kg. The entire subsidy incurred under the programme is borne by the state government. The beneficiaries of the scheme are selected by the panchayats of respective area. At present more than ten thousand beneficiaries are under this scheme.

Rural Development and People's Participation

Participation is an indispensable ingredient of development process. Advocacy of people's participation in rural development has been growing in stridence in recent years in development countries (Lalitha 2004). The UNESCO has recommended that governments should adopt popular participation as a basic policy measure in national development strategy and should encourage widest possible active participation of all individuals such as women and youth organisation, in the development process in setting goals, formulating policies and implementing plans (Commission for Social Development 1975). The UNDP (1993) in its Human Development report commented, "peoples' participation is becoming central issue of our times". Thus now a days, the thinking of policy-makers, plan-maker, politician, administrators and international donor agencies like World Bank, IMF etc., moves around people's participation as a central component in any rural development programme.

People's participation in simple term implies participation at all stages of the programme viz. plan formulation, implementation, decision making, sharing of benefits of development, monitoring and evaluation (Mishra and Kumar 1983). Bhatnagar (1992) defines people's participation as a process by which, people, especially the disadvantaged, influence the decisions that affect them. The World Bank defines community participation as an active process by which beneficiary/client groups influence the direction and execution of development project with a view to enhancing their well being in terms of income, personal growth, self-reliance and other values which they cherish. According to Yadav (1980) participation means direct involvement of the people and not indirect involvement through representation and participation can not be imposed on the people from above, it should be voluntary and based on will to participate. To him peoples participation can be understood in terms of following four sense: (i) Participation in decision making; ii) participation in implementation; iii) participation in monitoring and evaluation of development programmes and project; and iv) participation in sharing the benefits of development.

The rationale for people participation is that the goals of our socio-economic development are not achievable unless the citizens actively involve themselves in the preparation, implementation and follow up of the developmental plans and programmes. Other rationale for people participation are given below:

1. Failure of the top-down approach has given way to bottom-up approach. Therefore apoplexy at the top and anemia at the bottom would be balanced.
2. It would provide an open forum to the people to discuss their problems and find indigenous solutions which may prove efficient and economical.
3. It would facilitate proper and effective mobilisation of local resources needed for rural development programmes.
4. Direct people's participation encourages faster action, reduces delays and shortens the red tape. As a result of which administrative and implementation cost is reduced (Dhaka and Dhaka 2005).
5. People involvement in planning for rural development helps to raise the level of their consciousness of their rights and responsibilities which in turn tends to facilitate social change (Prasad 1990).
6. Democratic government is inconceivable without effective people's participation. People's participation and coordination are essential for effective delivery of service and proper implementation of RDPs (Mishra 1989).

7. People's active participation makes officials aware of the problems of the community and ensures efficient and smooth implementation of various development schemes in the locality.
8. The direct participation of people in project implementation ensures transparency and accountability and reduces corruption.

Thus the main objective of people's participation are (i) better planning and implementations of rural development programmes; (ii) mobilisation of additional resources required for rural development programmes and (iii) empowering the people, particularly the poor people to play an effective role in rural development (Dhillon and Hansra 1995).

It becomes clear from the above mentioned rationale and objectives that peoples participation is a prerequisite for the success of any programme and it is more so in case of rural development programmes. Peoples participation in the rural development can be analyzed through four different kinds of participation which are discuss briefly in the following paragraph.

Participation in Planning and Decision-making

The rural development is mainly concern with the rural people hence their participation in the process of planning and decision making is sine quo non for development. No developmental projects would be successful unless the participation of people is ensured. And rural development can be successful only when the rural poor majority understand its problems, realises its responsibilities, exercises the necessary powers and maintains a constant vigilance on local administration (Deb 1986). People's participation in planning and decision making help in selecting the types of projects which are of direct benefit to them and will generate more gainful employment.

The participation in decision-making centres on identification of problems, generation of ideas, formulation of alternatives and assessment of options and putting selected options into effect (Cohen and Uphoff 1980 cited in Lalitha 2004). To involve the people in the planning and decision-making, the state government has decentralised the planning process thereby providing the ample opportunity to the people in the formulation of programmes according to their needs. The officials like District Development Officer (DDO) and District Planning Officer (DPO) at the district level and Block Development Officer (BDO) at the block level has been appointed to assist the local people in formulating the programme at the local level. The past experience however shows that people participation in the planning and decision making is very low as most of the programmes for rural development are actually prepared by the central government. The programmes like Community Development Project (1952), Drought Prone Area Programme (1970), Jawahar Rozgar Yojana (1989), Employment Assurance Scheme (1993), SGRY (2001), NREGS (2006) etc. are all centrally sponsored programmes. Thus it can be said that there is hardly any scope for the majority of people to participate in planning and decision making in the formulation of the programme for the development of rural areas.

Participation in Implementation

People's participation in the implementation of programmes and projects is another important criteria for rural development. According to Cerna (1992), historically the issue of participation is intrinsic to public programmes. He believes that in many developing countries the need for popular participation in the implementation of plan

projects, arose because of the following circumstances: (i) the enormously expanding role of public sector in launching development projects without a commensurate improvement of the mechanisms for the public involvement; (ii) the growth of international aid which amplifies financial resources, scope and number of government programmes while increasing the distance between the programme's "centre" and "periphery" and (iii) the traceability of recurrent failure in public programmes to alienation from their own intended beneficiaries. Hence, the need for popular participation has become an essential precondition for the successful implementation of a plan project. In the word of Norman Uphoff (1992) participation can be regarded both as a means and as an end. People taking responsibility for their own development is a better way to achieve improvement in economic and social conditions; it is more likely to be successful, more cost effective and more sustainable. The Government of Sikkim has taken effective measures to ensure people participation in rural development programmes through peoples representative like panchayat. The institution like gram Sabha has been strengthened by giving more powers and functions. This body is the only forum that provides direct participation of people in the formulation and implementation of need based programmes. The various rural development programmes like SGRY, RHS, NREGS etc. are now implemented by involving panchayats. The schemes that are of urgently required in the area is selected in the gram Sabha and implemented through local population. The beneficiary groups of the area are also involved in the implementation of projects. The basic information regarding the schemes, availability of funds etc. are made public by displaying signboards for each scheme.

Participation in Monitoring and Evaluation

Monitoring is the process of observing the progress and resource utilization and anticipating deviations from planned performance while evaluation is concerned with the progress of the projects in meeting its objectives (Lalitha 2004). Both these corrective measures help in identifying the problems and other obstacles in the implementation of programmes. Besides, the people can obtain the information relating to the progress of the programme by participating in the monitoring and evaluation. The completion certificate to be obtained compulsorily after the completion of work from the villagers is a very important mechanism adopted in the state which made both officials and people representative accountable to the people. Through this people can evaluate the performance of government officials in projects being executed in their area.

Participation in Benefit Sharing

The people can show their interest in the participation only when the benefits of development are shared equally among all the category of people. If people will not see any direct benefit from such participation they lose interest in the programmes and projects launched in their areas although they share the ultimate benefit. The material, social and personal are the three kind of benefit that people can get from any projects. The programme therefore has to formulate and implemented keeping in mind that how much benefit a poor people can get out of it. In most of the cases it has been observed that elite and rich and not the poor masses are benefited from the development programmes. And the majority of the populace who are poor, marginalized is always deprived from such benefits. The reason is that rural people are ignorant of their rights; they are illiterate and thus cannot speak out of their rights and privileges. As a result the benefit of the projects meant for the poor cannot reach to them. To ensure the equitable sharing of benefits of development, the state government formulates a strict rule under which benefit are distributed only to the poor people. Further to encourage

them to participate in the rural development programmes, all the benefits are distributed by convening the meeting of the gram Sabha in their respective panchayats.

Rural Development and Panchayat

The rural development has been one of the constant goals of the Five Year Plans of the government. It forms the crux of India's development strategy. Rural development programme aim at the improvement of the living standards of the rural poor by providing them opportunities for the fullest utilisation of their potential through active participation in the process of goal-oriented change (Prasad & Lalneihzovi 2003). The implementation of these programmes requires the establishment of institutions which are not only democratic but also close to the masses. Panchayati Raj Institutions (PRIs) are such organisations which are not only close to masses but also have adequate representation of women and marginalised sections at village, block and district level (MahiPal 2004). And it is generally accepted the programmes of rural development will become realistic and meaningful only if people's representatives are actively involved in the local level planning, design, formulation and implementation of these schemes and in selection of beneficiaries in the anti-poverty and employment programmes (GOI 1985). The World Conference on Agrarian Reform and Rural Development held in 1979 under the auspices of the FAO has recommended a programme of action which includes decentralisation of institutions and process of government decision-making and delegation to institutions of local government increasing responsibility for decision-making in rural development activities, in particular the planning, formulation and implementation of development activities and programmes relating of their regions and areas. The Balwantrai Mehta Committee (1957) in its report said, "Development cannot progress without responsibility and power. Community Development can be real only when the community understands its problems; realizes its responsibilities, exercises the necessary powers through its chosen representatives and maintains a constant and intelligent vigilance on local administration. It was with this objective that the team/committee recommended an early establishment of statutory elective local bodies and devolution to them of the necessary resources, power and authority (GOI 1957). The committee thus shows PR system as a means of involving people and their representatives in development programmes of the government. The Asok Mehta Committee appointed in 1977 to study the working of Panchayati Raj System also viewed that the Panchayati Raj System was not only meant for decentralisation of power and people's participation, but it was also for supporting rural development and strengthening the planning process at the micro level (GOI 1978). The Singhvi Committee (1986) which was set up to prepare the concept paper on Panchayati Raj also wanted Panchayati Raj Institutions to be closely involved in planning and implementation of rural development programmes at lower level (GOI 1986). It becomes clear from the above recommendation of different committees that the success of any programmes depends on effective steps for the decentralisation of planning and development administration on the one hand and involvement and participation of the people in the formulation and implementation process through elected grassroot level institution. The decentralisation and democratisation are thus the compulsion of rural development. There is no alternative to raising the awareness of the rural poor and activating and involving representative institutions from below (Village Panchayats, Panchayat Samities, Zilla Parishads) in the planning and implementation of rural development programmes in an integrated manner for optimal use of resources and for closer monitoring (GOI 1985).

With the passage of 73rd Amendment Act, 1992, the people's participation in the process of planning, decision-making, implementation and delivery system in rural India has been recognized. The Panchayati Raj bodies have been accorded the constitutional status and its involvement in the implementation of rural development schemes has been made compulsory. Article 243 G of the Constitution - introduced by the 73rd Amendment Act - deals with the question of powers, authority and responsibilities of Panchayat, says "Subjects to the provisions of this constitution, the legislature of a state may, by law, endow the Panchayats with such powers and authority as may be necessary to enable them to function as institutions of self-government and such law may contain provisions for the devolution of powers and responsibilities upon Panchayats at the appropriate level, subject to such conditions as may be specified therein, with respect to:

- (a) the preparation of plans for economic development and social justice and
- (b) the implementation of schemes for economic development and social justice as may be entrusted to them including those in relation to the matter listed in the Eleventh Schedule.

The Eleventh Schedule of the Constitution which relates to Panchayats contains 29 subjects like agriculture, minor irrigation, land reforms, education, health, rural housing, poverty alleviation and rural development programmes maintenance of community assets, and so on.

Following the 73rd Amendment Act (1992), the Sikkim Panchayat Act 1982 was amended and new Act came into force in 1995. The new State Act considerably enhances the responsibilities of the panchayat institutions to areas mentioned in the Eleventh Schedule. The state Panchayat Act besides (devolving some responsibilities and) making provisions for constituting Gram Panchayat and Zilla Panchayat at village and district respectively, also made provisions for forming Gram Sabha (Village Assembly) at the Gram Panchayat level. This institution is corner stone of the entire edifice of rural decentralisation as it gives opportunity to each and every adult eligible voter of the Gram Panchayat to participate in decision-making of decentralised governance, planning and development. The Gram Sabha is expected to meet and to make recommendation and suggestions on development programmes, identification of beneficiaries, etc. The function of the Gram Panchayat has been enhanced by adding the list of items included in the Eleventh Schedule of the Constitution. In 2003, the State Government transfers a major function of eight line departments to the panchayats in a measure to accelerate the speed of devolution in the state. These devolution measures undoubtedly increased the powers and responsibilities of the Gram Panchayat and Zilla Panchayat giving them a much greater role in the delivery of important social services such as primary school, public health, social security programmes like old age pension, and rural development/poverty alleviation programmes. To implement the designated programme the financial resources of the Panchayats were also augmented. In fact, financial resources transferred for programme implementation of the Rural Management and Development are still the largest source of funds for the panchayats. Thus since the 73rd Amendment Act and the Conformity Act of State, a change has been engineered in the democratic rules governing Panchayats which now have greater powers and resources to design and implement rural development programmes. The Act also reduces the political and bureaucratic interference in rural development programmes.

The Government of India has launched a various rural development programme that mainly aim at increasing the level of income and the rate of employment of the rural people. Worth mentioning of these programmes are Integrated Rural Development Programme (IRDP), Jawahar Rozgar Yojana (JRY), Employment Assurance Scheme (EAS), Indira Awas Yojana (IAY), Swarnajayanti Gram Swarozgar Yojana (SGSY), Sampurna Grameen Rozgar Yojana (SGRY), National Rural Employment Guarantee Scheme (NREGS). The Government of Sikkim is implementing these various rural development programmes through different Panchayats bodies such as Gram Panchayat and Zilla Panchayat. Besides, there are number of programme introduced and supported by the state government. Land Bank Scheme, Chief Minister Self Employment Programme, to name a few, is some of the important schemes. Earlier these schemes along with various other developmental programmes were practically implemented by the line departments through bureaucratic channels. At present, all the programme is implemented by the Panchayat with their required decentralised structure and the local level bureaucracy. In Sikkim, PRIs with their localised structure, have kept themselves busy with rural development. Every year crores of rupees are being spent in the name of rural development activities, the Panchayat have been getting a special scope to keep them alive. In fact so strong is the relation between panchayats and rural development that it is being questioned now a-days whether the panchayats will survive if the government withdraws the rural development schemes (Bhattacharya 2002).

The Panchayati raj institution is therefore integral part of the rural development programme. Since panchayats are most localised institutions, it was envisaged that they could best tackle the issue of rural development (Shah 1990). In Sikkim panchayat play an important role in shaping the process of rural development. They have done remarkably well in respect of implementation of the centrally sponsored beneficiary-oriented and employment generating anti-poverty programmes. Their role has been increased after the introduction of 73rd Amendment of the Constitution of India. Their primary task is to organize the developmental works, utilized allocate resources properly and co-ordinate programmes at local level to increase the well being of the rural masses. For the implementation of different programmes, they constituted a block level committee with the president (Sabhapati) as the chairman. Under the new legislation, the panchayats are expected to constitute the following committees to assist in the performance of their duties; the committee on agriculture; the committee on the education; the committee on welfare; the committee on development, etc. The preparation of list of beneficiaries and the identification of schemes are the two most important functions of Gram Panchayat. All the decisions in this regard are taken in the Gram Sabha. The Gram Sabha therefore has to guide and advice the Gram Panchayat in regard to the schemes for economic development and social justice undertaken or proposed to be undertaken in its area and may (a) identity the schemes which are required to be taken up on priority basis for economic development of the village and (b) identify the beneficiaries of various poverty alleviation programme. Gram Sabha meetings were held to examine the progress of existing programmes, suggest new ones, choose beneficiaries, and inspect account and budgets. The meeting and their recommendations had a legal status. In the context of infrastructure development, this would also mean that Gram Sabha have the power to undertake community contracting, both for construction of rural infrastructure projects and their maintenance (Raghuandan 2007). The Gram Panchayat thus takes every decision according to the recommendation of the Gram Sabha. The present government established the precedence of the people's elected representatives over the bureaucracy in the hierarchy. The local level bureaucracy in the state is made to work under the

supervision of the panchayats. Prior to 1990s, the rural development activities fell under the absolute charge of the bureaucracy in line with the tradition of India. India has been experimenting with rural development through the bureaucracy for over three decades and every programme has revealed a familiar pattern of bureaucratic neglect, defaults and distortions. The bureaucratic domination in administration of development programmes also alienates the people who become passive recipients (Dutta 1998). The devolution revolution of power (to the PRIs) has changed the system from bureaucratic domination to panchayat domination in the implementation of anti-poverty programmes. The present-day panchayats, therefore, have a larger space and responsibility in the field of governance.

The decentralisation of the task to lower level politicians may improve delivery and reduce corruption; it can also do so at lower cost (Rastogi 2007). Studies show that local public works and poverty alleviation schemes worked well when there was devolution of funds to the panchayat. This led to a large reduction in costs and leakages. The elected body was able to exercise control over the local administration (Ghatak and Ghatak 2002). Manor (1999), identifies a number of ways in which democratic decentralisation can promote rural development. Most important, he argues, is the impact it can have on local participation, government transparency and public accountability. Slightly less promising is the notion that decentralised and democratic arrangement can encourage more flexible government programmes and policies (in particular, one that move away from agricultural productivity), enhance government commitment to rural development and reduce economic disparities within regions (Manor 1999). It was thus revealed from the research study that there are two distinct advantages in utilizing PRIs as a delivery mechanism for rural development. First is the wide dissemination of knowledge about development schemes implemented by the panchayats in the field. The second is the absence of large-scale complaints regarding misuse of public funds. Local people generally felt that PRIs are better suited for delivering development benefits than the bureaucracy, especially in view of the better accountability of the PRIs to the people as against the bureaucrats (Meenakshisundaram 2005).

Panchayats, to a large extent, were successful in promoting social welfare, rural infrastructure, providing employment and improving overall conditions of the people of rural Sikkim. The implementations of rural development programmes through panchayats have produced desired results. At present majority of the rural development programmes are implemented by the PRIs. The employment generation programmes like SGSY, NREGS, etc. have benefited the rural people by creating some useful assets and tackling poverty. NREGS for example, alone provide employment to 4.46 lakhs rural people of the state till the year 2007-08. Under IAY scheme, total of 5257 new houses were constructed from 2002-03 to 2006-07. The timely releases of Funds meant for designated programme by the government enable the Gram Panchayat to execute and utilize the funds properly and also in time. It has been observed that in order to make more qualitative improvement in the programme attention should be concentrated in fewer projects in any particular year with more emphasis on long-term asset durability (Slater et al 1991).

The rural development programmes launched by the government has had many effect in the development of rural areas in particular and state as a whole in general. The economy of the state has also undergone a remarkable change. The growth rate has been relatively much higher than the national average. The Gross Domestic Product

(GDP) of the state has increased from Rs. 49 crore in 1980-81 to Rs. 1717 crores in 2005-06. Similarly, the per capita gross domestic product recorded over three-fold increase from a mere Rs. 1545 in 1980-81 to Rs. 29808 in 2005-06. This means, there was 3.5-fold increase in the per capita income of each people of Sikkim.

The incidence of poverty in the state is also decline. The National Sample Survey (NSS) data shows that the poverty rate of the state decline very steadily. According to the Planning Commission estimates based on NSS data the percentage of Sikkim's population below the poverty line declined from 50.86 percent in 1973-74 to 36.55 percent in 1999-2000. The figure is still much higher than all-India average of 26.10 percent in 1999-2000. The recently concluded State Socio-Economic Survey (2005-06), however show the drastic decline of below poverty line people. According to this, the present percentage of population below poverty line is only 19.33 percent.

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