



Impact of Government Schemes in Rural Areas of Haryana: A Case Study of Nuh District

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Abstract

The present research work was taken up to evaluate the impact of government schemes in rural areas of Nuh district of Haryana. Nuh is one of the least developed districts in the state with a significant rural population. The impact of government schemes has been measured on household assets, income and consumption expenditure by seeking information from random 240 households out of which 190 came to be beneficiaries and 50 households were non-beneficiaries of government schemes. All the sample households have been categorised into four landholding groups i.e., landless, marginal, small and medium households. It has been observed that government schemes have helped the beneficiary households by analysing the values of assets, income and consumption expenditure before and after the implementation of such programmes. A significant difference has been found in the living standard of beneficiary and non-beneficiary households as well. However, some shortcomings were also identified in the implementation of government schemes like wrong identification of beneficiaries, lack of adequate monitoring and evaluation processes, delay in the distribution of benefits and insufficient amount of transferred benefits. Therefore, it becomes important for the administration and policy makers to keep a check on such irregularities so that needed benefits reach the poorer households on time.

The study has concluded that wealthier households are non-beneficiaries of government schemes and disadvantaged households are beneficiaries of government schemes.

Keywords: government schemes, rural areas, assets, income, consumption expenditure

Introduction

The central objective of planning in India has been to initiate the process of development which will raise living standards and open out to the people new opportunities for a richer and more varied life. The problem of development of an underdeveloped economy is one of utilizing more effectively the potential resources available to the community and it is this which involves economic planning. In planning for a better economic order, the close interrelation between the technical and social aspects of the process of development has to be continually kept in view. The urge to economic and social change under present conditions comes from the fact of poverty and of inequalities in income, wealth

and opportunity. The elimination of poverty can't obviously be achieved merely by redistributing existing wealth. Nor can a program aiming only at raising production remove existing inequalities. The two have to be considered together, only a simultaneous advance along both these lines can create the conditions in which the community can put forth it's best efforts for promoting development.

Rural areas play a significant role in the development of under-developed countries, as a significant proportion of the population resides in these areas. However, the living conditions in rural areas are often challenging, with limited access to basic amenities such as education healthcare, etc. Such issues in rural areas indicate the need for government assistance for the fulfilment of basic needs. Governments around the world have implemented various schemes and policies over the years for the well-being of the masses. The schemes aim to improve the standard of living in rural areas by providing better access to essential services and resources. They range from initiatives focused on increasing assets, direct benefit transfers, improving access to education, healthcare and providing free and subsidised food to people. Various studies in past have found that impact of these government schemes in rural areas has been significant which has led to improvement in the quality of life as well as economic development of the region. While, some studies have observed the complete failure of such schemes due to lack of proper implementation. It is important to note that the schemes can have differential impact depending on factors such as level of implementation, the extent of coverage and the overall effectiveness of the administration. To know the impact of various government programmes, one must recognize the ground realities and the experiences of the beneficiaries. The present study was conducted in one of the prosperous states in India, Haryana which has 65.12 per cent of its people living in rural areas. The state has witnessed a remarkable economic growth during the last three decades, on average better than the national level. Based on Human Development Index calculated by Government of Haryana, the most backward district of the state i.e., Nuh (HDI value: 0.27) was selected for the study. Schemes launched by both central and state governments have been implemented in the district. Main features of these schemes include providing food at subsidised rates, giving direct benefit transfers and income support to farming families, mid-day meals in schools, etc. Pradhan Mantri Kisan Samman Nidhi (PM-KISAN), Antyodaya Anna Yojana (AAY), Pradhan Mantri UJJWALA Yojana, Pradhan Mantri Awas Yojana (PMAY), etc. are the examples of such schemes. The main aim of the present study is to assess the impact of various government schemes on household assets, income and consumption expenditure of random beneficiaries and to compare the same with non-beneficiaries in rural areas of Nuh.

Review of Literature

There have been several studies conducted on the impact of government schemes in rural areas of India. The rural areas have seen a significant improvement in the standard of living due to implementation of various government schemes. Bhagat and Bandyopadhyay (2013) found that government schemes have had a positive impact on the rural economy, with an increase in the income of farmers and rural households. Grewal et.al. (1985) ^[4], Pamecha and Sharma (2015) ^[9], Shettar (2016) ^[4], Hwang et.al. (2018) ^[5] revealed in their study that various Government schemes have helped

the beneficiary households to increase their consumption levels, increased income led to improvement in living conditions, most of the beneficiaries were thankful for such schemes and they believed that such development programmes should be promoted for the improvement of socio-economic status. Whereas, some studies also found that government schemes haven't been implemented as needed. Subbarao (1985)^[15], Bagchee (1987)^[2], Raheja (2015)^[11], Kumar (2022) found that schemes were not being implemented properly. Various problems like wrong identification of beneficiaries, favouritism prevailing while preparing the list of the beneficiaries and distributing the benefits, lack of conceptual clarity, inadequate funds and inadequate understanding of complex environment, etc. led to failure of such schemes. In designing such development programmes, means of providing a range of services—from distribution of benefits to aftercare advice and support—should be assessed and measures should be taken to overcome the limitations.

Data and Methodology

Both primary and secondary data have been collected for the study. The secondary data has been collected through reports and publications from government agencies and other relevant sources. The primary data has been collected with the help of pre tested interview schedule of the sample households for the year 2021-22. A stratified multistage sampling technique has been used for the survey. In the first stage, district Nuh has been selected out of twenty-two districts of the state based on lowest HDI value i.e., 0.27. Then in the second stage, two blocks have been randomly selected and in the third stage, four villages from each block have been randomly selected. Thus, a total of eight villages have been surveyed for the study. Finally, a random sample of 240 respondent households has been chosen from sub-strata of different land categories (landless, marginal, small and medium). In the present study, a household with no land has been termed as landless household. The household having up to 1.00 hectare of land is considered as marginal household. A household with 1-2 hectares of land is termed as small household. For the study purpose, semi-medium (2-4 hectares) and medium (4-10 hectares) households have been taken together i.e., a household with 2-10 hectares of land is considered as a medium household. Further, the households availing any type of government scheme are termed as beneficiary households and the households who don't avail or are not eligible for any government scheme are termed as non-beneficiary households.

For analysing data, simple statistical tools such as average, percentage and *t* statistic have been used.

Results and Findings

1. Out of the total 240 households selected randomly, 190 are beneficiaries and 50 are non-beneficiary households. Table 1 shows the number of beneficiary and non-beneficiary households among the different strata of selected households. Among beneficiary households, 101 fall in the category of landless households, 68 marginal, 15 small and 6 fall in the category of medium households. Among non-beneficiaries, 17 are landless households, 18 marginal, 6 small and 9 are from medium land-holding households.

Table 1: Number of Beneficiaries and Non-Beneficiaries among Sample Households

Nuh District	Landless Households	Marginal Households	Small Households	Medium Households	All Households
Beneficiary Households	101 (85.59)	68 (79.07)	15 (71.43)	6 (40.00)	190 (79.17)
Non-Beneficiary Households	17 (14.41)	18 (20.93)	6 (28.57)	9 (60.00)	50 (20.83)
Total	118 (100)	86 (100)	21 (100)	15 (100)	240 (100)

Note: The figures in the parenthesis show the percentage to the column total.

Source: Field survey 2021-22

2. Table 2 shows the details of dependent and independent variables for Logit analysis and Table 3 shows the probability of being beneficiary household in Nuh district with the help of Logit analysis. The dummy variables of marginal, small, medium households are statistically significant as shown by the respective p-values. Values of coefficients decline with an increase in the size of landholdings i.e., landless and smaller landholding households are the major beneficiaries of government schemes. Therefore, it can be said that the probability of availing government scheme is more in weaker sections of the study area. It declines for marginal, small and medium households as compared to landless households. The area under ROC is 0.6348 which signifies that the model is reasonably good fit to explain the behavior of dependent variable in Nuh district.

Table 2: Details of Dependent and Independent variables for Logit analysis

Independent Variables	Definition
Marginal Household	Dummy variable = 1, if the households belong to marginal category, = 0 if otherwise (Landless for the present analysis)
Small Household	Dummy variable = 1, if the households belong to small category, = 0, if otherwise (Landless for the present analysis)
Medium Household	Dummy variable = 1, if the households belong to medium category, = 0 if otherwise (Landless for the present analysis)
Dependent Variables	Definition
Beneficiary Household	Dummy variable = 1, if the household is beneficiary of any government scheme, = 0 if the household is non-beneficiary of any government scheme.

Table 3: Determinants of being Beneficiary Household in Nuh District: Logit Analysis

Variable	Coefficient	Std. Error.	P-value	Odds Ratio
Marginal	-0.45	0.37	0.01	0.64

Small	-0.86	0.55	0.00	0.42
Medium	-2.18	0.59	0.00	0.11
Constant	1.78	0.26	0.00	5.94
N	240			
Pseudo R ²	0.41			
Area under ROC	0.6348			

Source: Field survey 2021-22

3. Table 4 shows that the percentage increase in the value of total assets of beneficiary households is worked out as 32.31, 3.04 and 0.75 per cent among landless, marginal and small holding households respectively. No increase in assets have been found in sample medium holding households in Nuh district. The percentage increase in income due to implementation of government schemes decreases with an increase in the size of holdings i.e., 28.40, 15.90, 7.90 and 2.44 per cent among landless, marginal, small and medium holding households respectively. The percentage change in consumption expenditure due to implementation of government schemes registered 46.75, 39.80, 22.77 and 15.15 per cent among landless, marginal, small and medium holding households respectively. The results indicate that government schemes have the greatest positive impact on households with no land or only a small amount of land, as they are the most vulnerable and economically disadvantaged groups in rural areas. On the other hand, households with moderate or large amounts of land, as well as access to credit, technology and other resources, are better positioned to take advantage of market opportunities. Despite this advantage, households may face difficulties such as low productivity or lack of knowledge regarding best practices. Consequently, while government initiatives also assist moderate and larger holding households, they offer greater benefits to landless or marginal land holding households.

Table 4: Average values of Household Assets, Income and Consumption Expenditure before and after implementation of Government Schemes (Value in Rupees)

Sr. No.	Items	Landless Households	Marginal Holding Households	Small Holding Households	Medium Holding Households	All Households
1. Household Average Assets Before and After Implementation of Government Schemes						
1.1	Before	70623.12	438672.27	1094624.53	2879700.00	1120904.98
1.2	After	93446.21	451995.04	1102835.2	2879700.00	1131994.11
1.3	Net change	22823.09 (32.31)	13322.77 (3.04)	8210.67 (0.75)	0.00 (0.00)	11089.13 (0.99)
2. Household Average Annual Income Before and After Implementation of Government Schemes						
2.1	Before	174278.47	240892.76	322956.24	729342.92	366867.60
2.2	After	223769.69	279191.11	348485.33	747110.00	399639.04
2.3	Net Change	49491.22 (28.40)	38298.35 (15.90)	25529.09 (7.90)	17767.08 (2.44)	32771.44 (8.93)

3. Per Capita Average Monthly Consumption Expenditure Before and After Implementation of Government Schemes						
3.1	Before	1324.68	1517.33	1889.06	2467.52	1799.65
3.2	After	1944.01	2121.17	2319.23	2841.47	2306.47
3.3	Net change	619.33 (46.75)	603.84 (39.80)	430.17 (22.77)	373.95 (15.15)	506.82 (28.16)

Note: The figures in the parenthesis show the percentage of net change.

Source: Field survey 2021-22

4. Table 5 presents the results of a comparative analysis of the household assets, income and consumption expenditure between beneficiaries and non-beneficiaries. The calculated t values for the overall difference in household assets, income and consumption expenditure between beneficiary and non-beneficiary households are 3.47, 3.90 and 3.94 respectively. These values are found to be statistically significant at $\alpha = 0.01, 0.05$ and 0.10 significance level. The results show that non beneficiary households are better off and have higher assets value, higher income and higher consumption expenditure as compared to beneficiary households. The reason for this difference maybe that government schemes aim to assist the most marginalized groups in society access to essential resources and assets. Additionally, non-beneficiary households may not meet the eligibility great criteria for these schemes due to their stable financial situation, suggesting that they are already economically better off. The findings suggest that government schemes are having a positive impact on the standard of living of the beneficiary households.

Table 5: Assets, Income and Consumption Expenditure among Beneficiary and Non-Beneficiary Households: Comparative Analysis (Value in Rupees)

Sr. No.	Items	Landless	Marginal Holding Households	Small Holding Households	Medium Holding Households	All Households
1. Household Assets						
1.1	Beneficiary Households	93446.21	451995.04	1102835.20	2879700.00	1131994.11
1.2	Non-Beneficiary Households	115166.87	597518.89	1281500.00	3094940.00	1272281.44
1.3	t-statistics (p-value)	3.47 (0.00) ***				
2. Household Annual Income						
2.1	Beneficiary Households	223769.69	279191.12	348485.33	747110.00	399639.04
2.2	Non-Beneficiary Households	287407.65	365790.22	524731.67	812276.22	497551.44
2.3	t-statistics (p-value)	3.90 (0.00) ***				
3. Per Capita Monthly Consumption Expenditure						
3.1	Beneficiary Households	1944.01	2121.17	2319.23	2841.46	2306.47
3.2	Non-Beneficiary Households	2285.42	2592.0	3497.17	3778.87	3038.39
3.3	t-statistics (p-value)	3.94 (0.00) ***				

Note: ***Significant at 1,5 and 10 per cent significance level.

Source: Field Survey 2021-22

Conclusion

The findings of the study demonstrate that government schemes have a positive impact on assets, income and consumption expenditure of beneficiary households. The statistically significant difference between beneficiaries and non-beneficiaries in terms of all the three parameters suggests that non beneficiary households are economically better off and do not require much government assistance. On the other hand, beneficiary households are typically more vulnerable and in need of assistance. Some shortcomings were also identified in the implementation of government schemes like wrong identification of beneficiaries, lack of adequate monitoring and evaluation processes, delay in the distribution of benefits and insufficient amount of transferred benefits. Therefore, it becomes important for the administration and policy makers to keep a check on such irregularities so that needed benefits reach the poorer households on time.

Further, to promote the overall development of rural areas and uplift the socio-economic status of marginalized population, it is recommended that the government implement population targeted schemes.

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