

Rural Development ministry proposes to spend ₹2 lakh crore on rural roads, skills training

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THE rural development ministry has drawn out a plan to spend as much as Rs 2 lakh crore on two of its major schemes — Pradhan Mantri Gram Sadak Yojana (PMGSY) and the Swarna Jayanti Gramin Swarozgar Yojana (SGSY). The ministry, however, has left it to the government and the plan panel to decide the timeline over which these funds should be spent.

The plan panel has indicated that it wants to focus on providing connectivity to rural habitats with 500 or more population in the 12th plan period as far as the PMGSY is concerned. According to estimates prepared by the rural development ministry, this would require an investment of Rs 1.8 lakh crore on the basis of

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the 2011 prices and the rural census of 2001.

“If the idea is to complete the programme by the end of the next plan, then the ministry would need a gross budgetary support (GBS) of Rs 30,000 crore a year from next year,” a senior government official associated with the development said.

The ministry has already completed the construction of 3.28 lakh km of rural roads at an investment of Rs 83,800 crore covering habitats with population of 2,000 or more. About 2.5 lakh km of rural roads still need to be constructed to cover other habita-

tions as indicated by the Planning Commission, the official said. In the second phase, the plan is also to cover hilly region and left wing extremism affected habitations with population of 250 or more.

The SGSY and the National Rural Livelihoods Mission (NRLM) seeks to train and place about one crore youth living below poverty line (BPL), at an estimated investment of Rs 24,000 crore during the 12th Five Year Plan. “The World Bank has already agreed to provide funding of \$1 billion and the balance would be sought from GBS,” the official said.

The placement-linked skill development initiative is proposed to be executed in public private partnership (PPP) mode and will provide training in various sectors such as private security, health care, apparel, retail services and construction.

The outlay by the ministry, however, does not include the Mahatma Gandhi National Rural Employment Guarantee Scheme (MGNREGS) for the coming years.

Officials say that the scheme has raised wage rates by over 20 per cent and employment seekers under the scheme are returning to their original jobs, which is why it seems demand under the scheme has plateaued.

It is estimated that sustaining the scheme at current levels would need about Rs 35,000 crore a year from GBS.