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TRACKING THE CHANGING INDIA IN ITS VILLAGES

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A road under construction in a Bihar village. The states recording highest road construction are Madhya Pradesh (63,548 km), followed by Rajasthan (58,462 km), Uttar Pradesh (45,905 km), Bihar (35,510 km) and Odisha (35,019 km). Prashant Ravi

RURAL ROADS

Connecting the unconnected

Not many programmes have impacted the Indian hinterland the way Pradhan Mantri Gram Sadak Yojana has

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NEW DELHI, FEBRUARY 24

IN 1998, the NDA government under Atal Bihari Vajpayee launched a massive National Highways Development Project for building a four/six-lane expressway network connecting the four metros (Delhi, Mumbai, Chennai and Kolkata) along with four corners of the country (Srinagar, Porbandar, Kanyakumari and Silchar). The impact of it is well-documented.

Not as known and celebrated, however, it is a parallel programme that his government initiated on December 25, 2000 — the Pradhan Mantri Gram Sadak Yojana (PMGSY) for providing all-weather road connectivity to every rural habitation with a minimum population of 500 in the plains and 250-plus in hill states, tribal districts and desert areas.

The fully centrally-sponsored scheme covered a total of 1,78,184 habitations as per the criteria laid down. The fact that 1,14,540 or 64 per cent of these eligible habitations

actually have roads today — with projects being cleared for another 30,501 — can be considered a reasonable achievement. Since its inception, PMGSY has provided connectivity of over 4,66,044 km — including upgradation of 1,57,577 km of existing roads — at an aggregate cost of Rs 1,41,822 crore as on January 2016. But the real story is not how much, but where these roads have got built.

The states that have recorded the highest road construction — Madhya Pradesh (63,548 km), followed by Rajasthan (58,462 km), Uttar Pradesh (45,905 km), Bihar (35,510 km) and Odisha (35,019 km) — are the ones which were the least connected at the turn of the century. Bihar alone had 34,637 habitations originally eligible under PMGSY. Of these, 15,048 now have road connectivity, with work on another 12,136 habitations receiving clearances. Even more impressive is the connectivity for MP (14,085 out of 18,404 eligible habitations), Rajasthan (13,587 out of 16,694), UP (11,228 out of 13,984), Chhattisgarh (8,592 out of 10,191) and even West Bengal (12,141 out of 18,641). Simply put, PMGSY represents a rare pub-

lic programme that qualifies as a success in terms of achieving both equity and efficiency objectives. The latter is measurable by way of connectivity targets being reasonably met, as well as the quality of assets created: The roads built under PMGSY are required to meet the technical specification and geometric design standards in the Rural Roads Manual, specially brought out in 2002 by the Indian Roads Congress. All PMGSY roads are also covered by a five-year maintenance contract. This is in addition to the construction contract to be entered with the same contractor, as per a Standard Bidding Document.

Yet, strangely, this programme has not attracted the attention of either mainstream 'reformists' — for whom the high-profile NHPD holds greater appeal — or even MGNREGA-obsessed NGOs. This, notwithstanding its arguably superior record in targeting poorer states than MGNREGA (see 'A more effective antidote to poverty?').

"The biggest impact has been on productivity. Once there is connectivity, hitherto isolated hamlets become part of larger clusters of 200-300 villages with 50,000-100,000

consumers, against 1,000-2,000 previously. This allows for economies of scale, specialisation and flourishing of microenterprises", says Neelkanth Mishra, India Equity Strategist at Credit Suisse.

PMGSY has made it possible for producers of perishable produce such as milk, fish and vegetables to sell these to a wider base of consumers. Equally, it has enabled companies to distribute their products through rural retail stores. "These stores were earlier unviable both for their owners and the companies wanting to replenish stocks. But with motorable roads today, you have more efficient supply chains and lower inventory costs. Also, the village residents themselves no longer need to go to nearby towns for buying their bar soap", adds Mishra.

An important factor behind the PMGSY's success is that it did not suffer for lack of funding for most of the time. Initially, it was financed largely through a 50-paise-per-litre cess on diesel, which was raised to 75 paise in the 2003-04 Budget. The UPA, which came to power a year later, did not undermine the programme, despite it being an NDA flag-

ship. On the contrary, it enhanced allocations, unlike what the present NDA government has done to MGNREGA, a UPA baby.

Thus, between 2000-01 and 2003-04, a cumulative expenditure of Rs 6,60,783 crore was incurred under PMGSY, with 51,511 km of roads getting built during this period. In subsequent years, both expenditures and road construction rose substantially, reaching a peak in 2009-10. That single year saw 60,117 km of rural roads construction.

It was only under UPA-2, especially from 2011-12, that the programme suffered cutbacks (see table). The current NDA government under Narendra Modi has sought to put PMGSY back on rails, increasing allocations significantly. "This year, we will spend Rs 25,000 crore, which also includes the 40 per cent share from states. In 2016-17, this would go up to Rs 27,000 crore and our target is to achieve 45,000 km", says a Rural Development Ministry official.

A clear picture of what the government plans to do with PMGSY would emerge on Monday, when Arun Jaitley presents what is expected to be a 'rural-focused' Budget.

PMGSY: ACHIEVEMENT AND SPENDING

	Road Length (in km)	Expenditure incurred (₹ crore)
2004-05	15,464	3,077.45
2005-06	22,891	4,100.39
2006-07	30,710	7,304.27
2007-08	41,300	10,618.69
2008-09	52,405	15,161.99
2009-10	60,117	18,832.92
2010-11	45,109	14,910.98
2011-12	30,995	10,946.41
2012-13	24,161	8,386.75
2013-14	25,313	13,095.29
2014-15	36,337	16,538.05
2015-16	37,000*	19,200.00*

*Projection based on current trends.