Many problems arise at the operational level in implementing massive poverty eradication programmes like IRDP, JRY and EAS and thereby difficulties occur in realising the basic objectives of the programmes. There are special problems that have arisen due to peculiar agro-climatic condition and socio-economic profile of the poor people in respective study areas. The schemes that have been formulated in each district or region have to match with the resource endowment of the district or the region. Such regional or local variations have to be taken into account in the implementation of the programmes as any mechanistic formula of implementation will prove to be counterproductive. Kamrup district in Assam is one of the most backward districts in terms of several indicators as indicated in chapter-VI. An investigation has been made to see whether the anticipated benefits of the schemes have reached the identified households and looked into the problems that have been encountered both by the beneficiaries and implementing authorities in this district.

We are familiar with the topography and socio-economic conditions of the district. We have held discussions at several levels such as the members of the beneficiary households, government officials both at block and district levels (DRDA) and the officials of the leading institutions - at several points of time to identify the major problems that have arisen in respect of the implementation of the programmes. We have made sufficient cross checks before arriving at conclusions and in presenting the views of the concerned people.

9.1 PROBLEMS FACED BY BENEFICIARIES

The basic objective of IRDP is to lift the poorest of the poor households belonging to the weaker and backward sections of the rural society above the poverty line and the basic objective of the programmes of JRY and EAS is to provide employment to the rural people who are below poverty line. The poorer sections of the rural society are mostly illiterate, besides being poor. Their illiteracy and ignorance prevent them from understanding the
intricacies of any rural development programme. Even if the poor are aware of the programmes, they face number of problems in getting them identified, in procuring a scheme which matches with their abilities and experiences, in obtaining government subsidy and bank loans, in procuring and maintaining assets, in marketing products and in repaying term loans. In addition to such genuine problems which they are likely to face, the beneficiary households resort to malpractice such as diversion of loans to other purpose, premature selling of the assets secured with bank loans etc. Problems also arise for them if the administrative machinery is not a committed one. It resorts to corruption and forced malpractices on beneficiaries.

Awareness of the Programme-Beneficiary Perception

Since most of the rural poor are uneducated and have little capacity to understand the intricacy of IRDP, JRY, EAS etc. as such the benefits available under the programmes have to be informed in details to the people by some other leading people or organisation mainly by DRDA authorities and to be motivated to participate in the schemes/programmes. Unless outside help is there, they cannot observe all formalities and follow the procedures in availing a scheme, subsidy, bank loans etc. As a matter of fact, there is nothing wrong, if there is an intermediary such as an extension worker or a village/political leader or a social worker, who educate the households with regard to the benefits of the scheme and the procedures to be followed in obtaining bank loan, subsidy, etc. If brokers act as middlemen between the beneficiaries and the officials of the banks and development blocks various malpractices such as misappropriation of subsidy, receiving grace money etc. by the middlemen arise. To know through whom the beneficiaries have to come to know about IRDP, JRY, and EAS schemes, we have collected information from the sample beneficiaries in the study area i.e in Kamrup District.

Nearly 90 per cent of the beneficiaries were dependent on outside sources of information regarding the schemes. Local leaders, MPs and MLAs have played a part in educating and motivating to the extent of about 30 per cent of households while the officials of the banks and development departments took part in introducing the schemes to another 20 per cent. Middlemen have been able to catch hold of another 30 per cent households. Historically, suppression of information to the poor people by the government
officials is the principal reason for exploitation by the middlemen. About 10 per cent of beneficiary households were aware of the scheme because they happen to be members of some leading organisations or institutions and they have come to know about the programmes by reading news papers and also through exchange of information with the other members of the organisations/institutions.

Identification of IRDP Beneficiaries

Identification of eligible beneficiaries is the first step in the implementation of the IRDP programme. The guidelines provided by the central authority that the final selection of families should be based on a comprehensive household survey to ascertain the income level. List of poor household families should be prepared on the basis of Antyodaya Principle (in case of IRDP) so that families with an annual income of less than 3500 are assisted first. But it is found that household survey was not done for about 88 per cent of the beneficiaries. Thus these beneficiaries were not identified as per guidelines.

As per the government of India guidelines, Gram Sabhas are to be involved in the process of selection of beneficiaries. Such a process seems to be desirable in the sense that it ensures public scrutiny of the selection made by government official and banks. Through the information from sample beneficiaries it was found that bank and block officials identified about 58 per cent. Gram Sabha identified only about 10 per cent beneficiaries, about 8 per cent got identified on self-effort and the remaining beneficiaries did not know how they were identified. It means that the IRDP guidelines were not strictly followed. Political interference played a vital role in the selection of beneficiaries. This means that Gram Sabha did not play vital role in selecting the beneficiaries as per guidelines.

The list of the selected beneficiaries has to be displayed, as per rules in the village at a common place and also in the block office. Most of the respondents reported that the list was not displayed at a common place in the block office. This gives rise to the suspicion in the minds of the people that there was something wrong in selection of beneficiaries.

There were some families (identified beneficiaries) whose annual income were more than Rs.4800 and above poverty line. As for example, some large farmers were selected whose annual income was above poverty
line. It means that the officials did not strictly follow the poverty line criteria in selection of beneficiaries. It was found that in their anxiety to achieve the target, officials selected some families well above the poverty line.

Formulation of Household Scheme

After identification of families, schemes have to be given to them on the basis of resources available, the skills and experience of the family members. Moreover, the families shall have the choice in accepting the scheme. Majority of the small and marginal farmers are given scheme in agriculture and animal husbandry sectors, which are suitable to their experience and these categories of farmers have been able to cross the poverty line. But in actual practice, detailed household plans are not prepared for the selected families due to non-availability of adequate expertise and manpower.

Obtaining Finance

The beneficiary households experience a number of difficulties in obtaining subsidy and term loans from the financial institutions. The credit camp method as suggested by IRDP guidelines has not been followed in the study area. The result was that the beneficiaries have to visit the bank offices and development officials before grounding of the schemes and in the process they have to loose some man-days employment besides spending money in visits.

Time-gap between identification and grounding of the scheme

The scheme could not immediately grounded due to the delay in providing financial assistance to the beneficiaries. Maximum number of beneficiaries (about 65 per cent) had to wait up to three months and 25 per cent had to wait for more than three months and less than six months. The rest had to wait for more than six months up to one year.

The procedure involved in granting loan should be simplified so that the time-gap is reduced between applying for and sanctioning of the loan.
Levels at which delay occurred in sanctioning of loan

The delay caused at different levels affect the beneficiaries. It has been found that in respect of 35 per cent beneficiaries delay has been caused at the bank level and in respect of 25 per cent delay took place at the official level. About 40 per cent beneficiaries were not aware of the reason for the delay. As per the rules loans should be sanctioned within a period of 15 days from the date of application.

Expenditure incurred and man-days lost

It was found that, the beneficiary households had to loose working days and also incur expenditures on account of visiting various officials and banks. It is estimated that, on an average, each family lost 2 man-days work (equal to Rs.280 wage income) and had to incur expenditure of Rs.300 on the average in making visit to banks and officials. The delays and losses have demotivated the beneficiary families in seeking the schemes.

In addition to the travel expenditure, the beneficiary households had reported that they had bribed officials (BDO/Bank/DRDA) through middleman. About 70 per cent beneficiaries reported that they had paid bribes. We have also gathered information that officials took a part of the subsidy from the beneficiaries on the plea that it was a free money need not be repaid.

Acquisition of Assets

For granting of the scheme the procurement of the required asset is the prerequisite. The present arrangement for the purchase of the assets under IRDP is through government agencies. For different assets, a list of authorised dealers is prepared by the DRDA. The beneficiaries are asked to purchase the sanctioned assets only from these approved dealers. Purchase committees have also been constituted at the block level for the assisting the beneficiaries in the acquisition of assets. For milch animals, bullock carts, sheep etc. are purchased through these committees. Though the idea with which purchase committees are constituted is mainly to avoid misutilisation of credit and subsidy, it was reported by the beneficiaries that all the members of the committee were not available for sitting together. There were also cases where no assets were purchased but purchase certificates were...
issued by the committee members to the people who did not purchase the assets. It is also found that about 20 per cent beneficiaries purchased the assets directly without the consent of purchase committees. There were also cases where the authorised dealer procured substandard assets at prices higher than the market price in collusion with banks. Items like sewing machines, pump sets etc. were procured on the basis of quotations and acceptance of the lowest tender, which resulted in procurement of substandard assets. Some beneficiaries tried to avoid our questions. This may be due to unwillingness to reveal the actual happenings.

**Procedural lacunae in getting benefits**

The beneficiaries faced several procedural problems in getting benefits of the project assistance. The individual beneficiaries who were interviewed expressed their opinion that the amount of financial assistance provided to them was inadequate. Although the assistance was in accordance with the unit cost fixed by DRDA, it was found to be inadequate to buy the quality animals, assets etc. About 67 per cent of the beneficiaries expressed the view that the amount of assistance was inadequate and they, therefore, borrowed the remaining amount from money lenders. About 30 per cent of the beneficiaries did not receive the subsidy amount along with the loan. The rate of interest charged by financial institutions was viewed to be high by as many as 50 per cent of the beneficiaries. The beneficiaries reported that they experienced considerable difficulties in producing no dues certificates from the banks. This condition was stipulated by the banks for releasing the loan. Finally credit delivery system was unsound and the attitudes of local bank functionaries was far from satisfactory. Often bank officials finance for assets having low value to generate continuous income flow. Despite clean instructions, banks at local level insisted on additional security.

**Infrastructural Facilities**

On the basis of our discussions with the beneficiaries in respect of availability of infrastructural facilities and on the basis of our personal observation also we found that infrastructural network had not been adequately developed especially in respect of Agriculture and Animal Husbandry sectors. Milk collection centres were either non-existent or not
functioning effectively. Village politics were mainly responsible for ineffective functioning of co-operatives etc. Hence, some of the beneficiaries were compelled to sell their products to private traders at lower price.

**Diversion and Misuse of Loans**

For realising the benefits of the scheme and to secure incremental income, the beneficiary households should spend the term loan (including the subsidy) for the purpose for which it was granted. They had to acquire the asset and maintain it. But some of the beneficiaries resort to fraudulent practices by showing assets belonging to others (animals, calves etc.) as purchased by them. They showed these assets to the government officials at the time of their inspections fraudulently. Diversion of loans to other purposes was resorted to meet the economic exigencies arising out of personal circumstances. Such misutilisation of loans will defeat the very objective and purpose of IRDP.

It was gathered information that at least about 9.7 per cent sample beneficiaries had misused the term loans. About 18 per cent households confessed that they had misused the cash part of the loans by diverting it for repaying past debts and for consumption purpose. About 8 per cent beneficiaries reported that they had used the amount for other purposes. About 12.6 per cent families found to have disposed of the assets prematurely and utilised the amount for other purposes. The reasons given by them were many, some were valid and some were fictitious.

**Follow up action and Monitoring**

With the grounding of the scheme, the anticipated benefits will not automatically flow to the beneficiaries. It is necessary to provide guidance and support to the beneficiaries on a continuous basis till the time they are able to make a reasonably good use of assets given to them in the sense that these assets generate employment and income over a period of time. The continuous supervision and follow up action are necessary to achieve the desired objective and this is what is called monitoring. Monitoring of beneficiary schemes has to be done before and after the implementation to find out economic impact and also to take necessary follow up remedial measures if any defects were found.

Monitoring in the implementation process requires the block and bank officials collectively to help the illiterate beneficiary households to complete
all formalities like filling up and forwarding loan applications to the banks, obtaining ‘no dues’ certificates and land holding certificates, etc. To discharge these functions, the officials were to keep close contact with the beneficiaries and monitor the process.

It is found that bank officials and village development officers at times BDOs also make visits to the beneficiaries. But all the visits by officials to the beneficiaries were not for follow up/monitoring purpose. When asked about the purpose of the visit, about 40 per cent of the beneficiaries reported that it was for the purpose of scrutiny and verification of the background of the beneficiaries, 11 per cent indicated as assessment of work and 7 per cent indicated that it was for certifying the work. About 24 per cent of the beneficiaries reported that the visits were of routine nature and about 10 per cent stated ‘other reasons’. The remaining households/respondents were unable to state the reasons. This indicates that the follow up action or monitoring had not been done properly.

Monitoring in the post implementation stage is done to see whether the desired impact is produced. The quantitative progress of each scheme in terms of incremental income, repayment of loans etc. could be monitored through Vikash Patrika. In this card all information regarding the beneficiary family, details of the scheme, investment, repayment of loans etc. are recorded. If it is properly and correctly filled it would serve as a source of information of monitoring the scheme. But about 30 per cent of the beneficiaries reported that copies of the Vikash Patrika were given but these were not updated. About 36 per cent of the beneficiaries reported that, in one year, none of the officials visited them to see the Vikash Patrikas. While 54 per cent reported that officials visited them once or twice in a year, other 10 per cent stated that they visited more than twice in a year for follow-up action after one year of providing the asset. About 88 per cent of the sample households were not satisfied with the number of visits, while the remaining 12 per cent got satisfied. These views of the beneficiaries showed that there was no effective follow-up action by the officials in the study area.

**Repayment of loan**

For the loans given under IRDP for various schemes the repayment schedule is fixed by the government in consultation with the financial institutions. The repayment schedule indicates the grace period allowed, the
period of the loan and the number of installments. Prompt repayment by beneficiaries depends on two factors
i) the psychological attitude of the borrower and
ii) the benefits in the form of incremental income.

From the point of view of the financial institution, repayment is absolutely essential for recycling of funds. When questioned why the repayment was not prompt, the reasons given by the beneficiaries were as follows: death of animals, meagre income, unanticipated family expenditure, failure of crops etc. The brokers who acted as middleman were found to promote a feeling among the beneficiaries that IRDP loans were freely given to the poor which need not be repaid. The beneficiaries were actually deceived by the middleman. The beneficiary households expressed the problems and difficulties that they had encountered in respect of repayments regularly. About 54 per cent of the beneficiaries stated that their repayment capacity was not taken into consideration while fixing the number of instalments and about 25 per cent felt that the repayment period of less than 3 years was very tight. It was also reported by 21 per cent beneficiaries that the insurance claims in the animal husbandry sector were not settled when the animals had died.

9.2 PROBLEMS OF FINANCIAL INSTITUTIONS : PROBLEMS OF THE BANK OFFICIALS

We interviewed bank officials and discussed with them the problems they have faced in the course of the implementation of various schemes under IRDP in the blocks in Kamrup district.

The bank officials including of those of lead bank complained that a development plan for the district with the details of schemes was lacking. The estimation of credit needs for various sectors was unrealistic as they were fixed arbitrarily.

Problems in Identification of Beneficiaries

There were some problems faced by the bankers in the matter of identifying the needy and genuine borrowers. It is reported by the bank officials that the Block/DRDA officials were more bothered about fulfilling physical and financial targets rather than identifying genuine poor
households. Due to political pressure from local leaders, sometimes some large farmers are included in the list of beneficiaries under the category of small farmers. Due to wrong identification of the beneficiaries for the schemes assistance was provided to the non-genuine borrowers.

The loan applications were being sponsored from different villages without taking into consideration the market potential or infrastructural facilities for the assets to be acquired in the scheme. The BDO/Officer himself decided the schemes for the beneficiaries and not the beneficiaries themselves (the scheme which will suit the beneficiaries), resulting in several cases mismatch between skills and proposed schemes.

Problems in granting loans

The applications submitted by the households were incomplete and were not supported by authenticated documents. This led to long time gap between the receipt of application and granting of loan and rejection of some applications. The branch officers of the Regional Rural Banks were not given authority to sanction loans. All the applications of the beneficiaries had to be forwarded to the head office and these resulted in delay in sanctioning loans. List of beneficiaries were supplied by the DRDA authorities at the fag end of the year and the banks did not find adequate time to process the loan applications in scheduled time.

Conducting of Credit Camps

The bank officials reported that the credit camps were conducted in a haphazard manner. The object of conducting a credit camp is to identify the needy and genuine borrowers and to know the purpose or activity for which they are borrowing and also find out whether they have the necessary skills and aptitude etc. It was reported by the bank officials that due to the short duration of holding the camps, mass selection of the borrowers was very difficult and absence of most of the govt. officials at the camps, the object of the credit camps was not fulfilled.

Sanction of Subsidy

The bank officials expressed their helplessness in the prompt sanctioning of subsidy due to the delay caused by the sponsoring
government agency, DRDA. The delay in the supplying of assets through purchase committees caused more delay to sanction the subsidies to the beneficiaries.

Training Facilities

All the bank officials opined that the training facilities provided to the beneficiaries were inadequate. They opined that an effective training and education of beneficiaries would have resulted in the banking habit for the beneficiaries.

Recovery of Loans

The bank officials reported that most difficulties they faced were relating to recovering of loans from the beneficiaries. They complained that the block officials failed to provide the required assistance for recovering the loans. Bankers wanted that sponsoring authorities should also share the responsibility of recovery.

Problems of Multiple Activities

Bank Managers, besides attending to the customers have other various duties to perform like mobilising deposits, verifying securities, realising bank dues, keeping the working of the branches up to date, keeping cordial relations with staff members, attending number of meetings, and sending replies to inspection authorities. It is unrealistic to expect the managers to attend the customers frequently during the working hours after disposing all the above mentioned duties. Besides shortage of staff particularly at lower levels, in almost all the banks as reported by the officers caused problems in disposing such works of the beneficiaries most effectively. In such circumstances, it will be too much to expect from bank staff.

The bank officials to whom we interviewed pointed out the ineffectiveness of the lead bank forums in shorting out problems of the banks relating to the provision of infrastructural facilities. The officials felt that dealing with IRDP beneficiaries was an irksome business for two reasons –

i) lack of freedom of choice of borrowers for the economic activities and
ii) the general fear that the beneficiaries will not make productive use of loans and repay them.

9.3 PROBLEMS OF GOVERNMENT OFFICIALS

The success of the IRDP depends mostly on the attitude and devotion of the implementing authorities. The DRDA, the main supervising authority at the district level is supposed to take care and support the functionaries at the block level in the effective implementation of the programme. In actual practice, the government officials are faced with certain problems in implementing the IRDP programme. Some of the problems are:

i) One major problem is the urban-orientation of the officials mainly at the higher levels. Bureaucratic approach in implementing the programme is the main drawback.

ii) At the block level, the staff was found to be inadequate even to attend to its normal work and properly trained personnel were not available for undertaking jobs like preparation of household plans, bankable schemes and also for effective follow-up and monitoring.

iii) The personnel deputed to DRDA hold office for a short period and, therefore, did not take adequate interest in their works. Sometimes, those not wanted in the 'other' departments were deputed to DRDA as that was a convenient way of getting rid of such functionaries at least temporarily as claimed by some officials. Some of those who really took interest in IRDP, got transferred within one or two years, a period too short to make any visible impact on the programme.

iv) The discussions held with the block officials made us to feel that they were taking the programme casually. They treated it as additional work for them. The main complaint was that the authorities at the District/State were fixing the targets unrealistically without consulting the local officials. This had made the local officials to select beneficiaries arbitrarily without any household survey and also without consulting bank officials.

v) When we questioned the DRDA officials whether they were satisfied with the present method of preparing IRD Plan, most of the DRDA officials were of the view that the plan could be improved with a meaningful dialogue with a sectoral officer in the district. The plan must be prepared in a balanced manner so that it can be a result-oriented one.
vi) There was political interference in day to day functioning of the programme, which created problems for the officials and for that they deviated from the prescribed norms and procedures of the department as claimed by the officials.

vii) The officials expressed the opinion that co-ordination among development departments was lacking not only in implementation level but also at the stage of undertaking follow-up measures. There was also lack of co-ordination between bank officials and District/Block officials with the result of blaming each other for any fault. Most of the problems had cropped up due to lack of co-ordination. Thus there is need for a change of administrative set up and in the attitude of administrators and bankers for successful functioning of the IRDP.

viii) Mobility was one of the major problems faced by the block officials. Under IRDP programme frequent contact among individual households, banks and block offices was necessity. Due to lack of transport facilities and inadequate allocation of resources they faced difficulties in mobilising the works. The supervisory staff at the block level and Assistant Project Officers (APO) at the DRDA level also faced difficulties on this account.

ix) Lack of promotional scope for the Village Development Officers (VDO) made them feel that there was no urgency in their functioning of such activities. Due to this apathy of such officials the activities under IRDP were neglected.

9.4 PROBLEMS IN THE IMPLEMENTATION OF JRY AND EAS

In JRY, the wage material ratio 60:40 was not sufficient to sustain the scheme. The reasons were: non-availability of materials locally, escalation of material costs etc. JRY is an 'asset building' scheme. Therefore, it is not viewed as an wage employment scheme which cannot provide sustainable employment from the assets created. JRY funds are the major source of resource for Panchayats. But the Panchayats are failing in mobilising resources out of them.

In EAS also the priority has been given to create assets rather than giving employment assurance to the rural people. The 'implementing agency' have been taking a compartmental approach towards the scheme. Block level
co-ordination is wholly missing. Mobilisation of resources for employment
generations are not taking place.

Works taken up under JRY and EAS are one time employment
generation programmes and they are not sustainable employment generation
programmes. These have become a relief operation than sustainable
employment generating instruments.

At the planning and execution level in the field, building works, which
entail higher material components, are given importance. On the other hand,
economically productive assets and social forestry, which are likely to provide
some sustainable employment is almost totally neglected. Roads and
buildings, which are actually parts of general development activities by state
plans become the parts of JRY and EAS schemes. Again under roads and
buildings schemes of JRY and EAS, instead of assigning works to the
unemployed and in generating employment, the works have been given in
most cases to contractors, for which the very objectives of the schemes go in
futile.

9.5 OTHER PROBLEMS

In addition to these, there are some general problems in implementing
these programmes for which they are not successful in achieving the goals or
realising the objectives. The problems have been stated as follows:

i) The approach of the government has been 'Target-oriented'/ 'Time-
bound' and 'Top-down' approach. The field machinery has been
bogged down with physical and financial targets given year after year
without having regard to the quality of the programmes. Lack of
people's participation in government sponsored programmes is often
quoted as the primary reason for failure of anti-poverty or employment
generating programmes.

ii) In the bureaucratic system, there is very little flexibility. Though the
nature of the problems differ from region to region and people to
people, the government officers resort to the same solution
everywhere. The present set-up simply cannot respond to the wide
diversity and magnitude of the problems being faced by the poor in the
countryside and the regions.
iii) Lack of commitment on the part of the Government machinery to implement these anti-poverty or employment generating programmes has led to non-realisation of the basic objective of the programmes.

iv) In the Govt. set-up, there are leakages in delivering goods and services. Out of the funds earmarked for poverty alleviation programmes/employment generating programmes, very little goes to the actual needy.

v) These Govt. sponsored programmes have been ‘personality-based’ rather than ‘institution-based’. In personality based programmes the success depends on the quality of the leadership. The moment there change in the leadership or the quality is lost in leadership the programme collapses. There should be institutional arrangements to ensure the continuity and success of the programmes.

vi) The ‘subsidy-culture’ being continued by successive governments has made the people totally dependent on Govt. support. People have lost the initiative to do things themselves. The dependency syndrome is responsible for making the people wait for the Govt. schemes/grants for years rather than doing the things themselves.

vii) Failure of certain Govt. departments to provide the necessary extension services in certain critical areas like agriculture, sericulture, horticulture, animal husbandry, fisheries etc. is responsible for failure of these programmes also. All the above departments are equipped with massive manpower to provide extension services in rural areas. But they fail to deliver the services to the rural people and the failure of delivery system is one of the main reasons for failure of these programmes. The delivery system fails especially in key areas like health, education and to provide the food for security.

viii) Though huge funds are earmarked for physical infrastructure, little attempt has been made to develop the capacity of the people. Therefore, little attention is paid to human resource development. This is one of the reasons for failure of such programmes/schemes. People are perceived to be object and not subject in development.

ix) The skewed and imbalance distribution of resources in different areas are also responsible for unequal development. While funds are made available in certain areas more than required, some other parts suffer
for want of funds. This happens because of lack of planning as well as other political considerations.

x) The agencies through which the various programmes are to be implemented have little or no capacity to implement.

The problems in implementing the schemes are endless. The fact remains that for having multiplicity of problems and hindrances, the programmes/schemes have not achieved the desired or expected level and have not realised the targeted goals.