CHAPTER 1

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CHAPTER 1

INTRODUCTION

Since independence the proportion of the population living in poverty has reduced substantially but their number remains high. Removal of poverty is one of the declared objectives of planning in India. The rural development is a pre-condition for balanced economic development. During the last 50 years of planning, the benefits of development have accrued only to a limited large and medium size of farms. Whereas about 50 per cent of the population in rural areas live in absolute poverty, India has secured many notable social and economic achievements in eradication of significant levels of poverty in rural areas.

Since the majority of the population lives in rural India, poverty alleviation programmes have acquired special importance in rural areas and for these schemes alone the Government of India spends about Rs.9, 000 crore annually. Among several programmes, the Integrated Rural Development Programme (IRDP) was very significant and it was introduced in 1978-79 with the starting of the Sixth Five Year Plan on a selected area basis and later extended to the entire country in all the 5,011 blocks from October 2, 1980. It aims at lifting families of weaker sections - small farmers, marginal farmers, agricultural labourers, rural artisans etc., above the poverty line by providing them with productive assets and employment.
The concept of IRDP was originally drawn up by the World Bank based on the contributions of Nurkse and Hirschman towards initiating growth in backward regions. The main emphasis was on bringing forward and backward linkages, which are essential to bring out spatial and functional integration. At present, the IRDP is the single largest anti-poverty programme currently under way in all the blocks in the country.

India is essentially an agriculture-based country with about 70 per cent of the population living in villages. Mahatma Gandhi said, “India lives in its villages”. Literally and from the social, economic and political perspectives, the statement is valid even today and could well prove prophetic for years to come. The nation's economy has been agriculture-centered for centuries. And it continues to be so even after the unveiling of the Structural Adjustment Programme. Hence, rural development is an essential feature of Indian economy. Successive governments have taken stock of the situation at different points of time and endorsed an alternative course of action to create employment opportunities in rural areas through the formation of the Integrated Rural Development Programme (IRDP).

Mahatma Gandhi recognized it as a means to eradicate unemployment, underemployment and poverty in India. In his view, rural development programmes could be transitory means of employment and poverty eradication but they could not be a permanent means of achieving material progress. This necessitated a change of
outlook on the part of our government towards the development of rural programmes as an appropriate tool for generating employment opportunities for the rural mass.

1.1. EVOLUTION OF ANTI-POVERTY PROGRAMMES IN INDIA

Before independence, there were several experiments in rural development, which included the Marthandam Rural Reconstruction Experiment (1921), the Gurgaon Experiment on self-help, self-respect and mutual help (1921), constructive programmes of Gandhiji-Antyodya (1925), the Baroda Rural Reconstruction Movement (1932), the Firka Development Scheme, Madras (1946), the Mazdoor Manzil-Nilankheri Attempt (1947), the Etawah Pilot Project (1948) and so on.

Since independence, rural development has come to be considered synonymous with poverty alleviation. While the constructive programme of Gandhiji aimed at developing a wholesome pattern of rural life and work emphasizing the role of the people themselves, the first large-scale government-financed, intensive rural development programme was the Etawah Pilot Project (1948) in Uttar Pradesh. This project achieved a very respectable rate of change and caused a substantial increase in agricultural production. It evolved and demonstrated a new pattern of operation and it was widely replicated (Mosher, 1976).

During the first four years (1947-51) of independence, there was a large element of trial and error in public policies. There were three components of pre-
occupations to increase agricultural production, to expand industrial products and to control inflationary pressures (Singh, 1974). The First Five Year Plan (1951-56) started well with a reasonable emphasis in terms of resources allocation on areas which impinged on rural development. But there was a significant shift in the Second Plan (1956-61) reflecting a policy change towards industrial development and declining allocation to the social sector (education, health etc) This trend continued even in the Third Plan and the successive Annual Plans.

During these annual plans, significant developments took place in the livestock and animal husbandry sector in terms of extending loan facilities to the poor landless labour. For the first time, non-farm activities, like milk-animal rearing, dairying, sericulture, floriculture, vegetable vending, petty shop keeping, goat rearing, poultry etc. were started on a small scale as part of activities allied to agriculture.

1.2. THRUST ON ASSET ORIENTED RURAL DEVELOPMENT PROGRAMME

During the Fourth Five Year Plan, it was realized that the growth of the national economy would not be able to promote rural development. Further, the Green Revolution in particular, and White Revolution to some extent, have created regional imbalances and inequalities in income distribution. Therefore, the Fourth Five-Year Plan realized that the growth with social justice could be a dominant objective to correct the imbalances in rural development. It could be achieved by equitable
distribution of benefits (assets) through area specific and income specific programmes like the Small Farmers and Marginal Farmers Development Programmes

This was followed by National Rural Employment Programme (NREP), Drought Prone Area Programme (DPAP), Hill Area Development Programme (HADP) and many other rural development programmes. These programmes were started to create employment opportunities (in Mandays) for the labourers engaged in farm and non-farm occupations. However, all these programmes were multi-sided and aimed at a variety of objectives and hence could not have the desired effect on the rural economy. Therefore, in 1976, a new approach called Integrated Rural Development Approach was announced in the Budget speech of 1976-77. It was a pro-poor, pro-rural and an effective anti-poverty programme.

As analysed above, in the Fourth Five Year Plan, in 1969, Planning Commission observed that the ‘equity’ in regional development, could not be achieved through adopting ad hoc and ‘piecemeal’ approach. Therefore, the benefits of earlier programmes of small and marginal farmers and several new programmes like ‘Drought Prone Area Programme (DPAP) which were introduced in the mid-seventies have not achieved the targets. The Food for Work Programme (FWP) was launched in 1977, and during 1974-77 several sub-plans of development have also been introduced in less endowed or disadvantaged areas, like the hill and tribal areas, to substantiate the flows realized in the various rural development programmes mentioned above.
During the Fifth Five Year Plan, the area-specific and target-specific rural development programmes and asset oriented rural development programmes came to the focus in the initial years of the plan, especially by the introduction of the Green Revolution and other programmes like IADP (1968) and HYVP (1968) caused to correct the problems of regional imbalances and increased inequalities in income distribution.

Studies on rural development (Apte, 1980), (Misra, 1979) and poverty (Dandekar and Rath, 1969), (Pravat Bharathan, 1968) and (Minhas, 1969) have highlighted the shortcomings and failure of the previous rural development programmes to percolate into the rural households due to increase in absolute and relative poverty level and unequal benefits received between the landed rural households and landless agricultural labourer households.

For example, the study by Apte and Crotty (1980) pointed out considerable leakages in income generation and distribution of milch assets among the rural households. Further they identified these households which suffered from the problem of externalities. However, these studies could not think in terms of a large macro-economic package programme because they are micro-economic in nature.

Therefore, in 1969, the Govt. of India in consultation with the State Government and the planning commission initiated for a consensus in Integrated Rural Development Programme with 69 schemes in different sectors. Thus, the IRDP
formed as a package programme for providing all the critical inputs (cattle, credit and agricultural inputs) to initiate broad based rural development in the villages, across the chosen blocks in each of the 26 states and 9 union territories.

There were other supporting programmes such as Training of Rural Youth for Self-Employment (TRYSEM, 1979), National Rural Employment Programme (NREP, 1980), Rural Landless Employment Guarantee Programme (RLEGp, 1983) and Development of Women and Children in Rural Areas (DWCRA, 1983) to the IRDP scheme to have a balanced and equitable effect upon the rural household’s income generation. During the Seventh Five Year Plan, the Jawahar Rozgar Yojana (JRY, 1989) scheme was started in this plan to integrate the employment and income generation efforts of NREP and RLEGp programmes on a countrywide basis. The Seventh Five Year Plan aims to provide employment to all unemployed landless labour and seasonal small-hold agricultural farmers in the rural areas. Accordingly, it was expected that 45 per cent of employment accrued from the investment on agriculture and the rest from the specific programmes of NREP and RLEGp. As a result of it, the budget allocated Rs.1, 100 crores per annum, which generated 600 million man-days of employment each year of the plan period.

Keeping this in view, policy makers recognized the importance of infrastructure and gradually increased the investment outlay from plan to plan on more and more rural development programmes, with a view to build sound rural
development. It is in this context the FAO, ILO have stressed the need for rural development programmes to alleviate poverty, starvation, debt burden etc.

a) About 2/3 of the population in India live in rural areas and there is a high proportion of rural population in all poor countries of Asia.

b) The accelerated population growth had aggravated the serious social and economic problem in all the poor countries of Asia and South East Asia.

c) Despite increased growth in agriculture and food output in almost all regions, the plight of landless labourers and agricultural small farmers have not improved significantly and a sizable proportion of population are suffering without required quantity of food.

d) The recent evidence from India and intervention of judicial department into the distribution of excess buffer food stock by FCI endorses the fact that despite increased food production in the country, a sizable population suffers due to lack of food. Why does this condition prevails in India? Further, it has created the concentration of land in the hands of large farmers and landowners

e) The success of some developing countries to eliminate distribution and unemployment like India and China have attracted the policy makers towards these models of rural development programme

It is in this context, we appraise the successful attempts of the developmental theories in bridging the gap between the haves and the have-nots. Among various developmental programmes, as we stated in the preceding paragraphs, the IRDP forms
the focus of the present study and it is significant to trace its genesis in the Indian economic development.

1.3. GENESIS OF IRDP

As discussed earlier in this section, we attempt to study the genesis of IRDP. The preceding analysis is relevant in regard to understand the necessity and the factors warranted to launch the pro-poor programme – the IRDP. The IRDP was launched in all the blocks of the country on October 2, 1980, as a major credit linked self-employment programme for the alleviation of poverty.

The objective of IRDP is to identify rural resource poor families to augment their income and cross the poverty line through acquisition of credit-based productive assets, which would provide self-employment on a sustained basis. Assistance was given in the form of subsidy and term credit advanced by financial institutions (commercial banks, co-operatives and regional rural banks) for income generating activities in the primary, secondary and tertiary sectors. The programme was launched in all the blocks in the country as a centrally sponsored scheme funded on 50/50 basis by the central and the state governments.

In order to put an end to the socio-economic inequality, specific programmes were launched to reach out the targeted rural poor and backward regions, hitherto left out of the development process in the early 70’s. The target poor-disadvantaged
groups included five categories of rural workers: marginal farmers, small farmers, agricultural labourers, non-agricultural labourers and rural artisans. Similarly, the backward regions include drought-prone areas, hill areas, desert areas and other calamity prone areas.

Thus, special programmes launched during the seventies include Small Farmers Development Agency (SFDA), Marginal Farmers and landless Agricultural Labourers (MFAL), Special Livestock Production Programme (SLPP), Tribal Sub-Plan, Sub component Plan for scheduled castes, Antyodaya Scheme and Area Development Programmes like Drought Prone Area Programme (DPAP), Desert Development Programme (DDP), Hill Area Development Programme (HADP) and Command Area Development Programme (CADP). These programmes grew in size by the end of the seventies and at the beginning of the Sixth Plan; they blossomed into a full-fledged rural development strategy waging direct attack on poverty.

Among all the above rural development programmes, the IRDP is largely an asset endowment programme which provided a package of grant subsidy, credit and service support to manage the productive asset. It is based on the concept that the poor will be able to generate self-employment and thereby supplement their income through the asset. This has been in operation all over the country since 1980, periodically modified to bring about required policy changes in tune with the nation's commitment to rural development.
By the end of 1994, around 46 million rural families were assisted under IRDP from the year of its inception (Government of India, 1995) Besides, several developmental activities of an anti-poverty programme – the IRDP, the development of cattle economy form the basis for generating rural household’s income Thus, animal husbandry has a special status in it.

1.4. ANIMAL HUSBANDRY SCHEMES UNDER IRDP

Since the inception of IRDP, the milch animal scheme has been instrumental in bringing economic upliftment of rural masses This scheme network of IRDP became popular and has been spreading their activities in primary, secondary and tertiary sectors As a statistical evidence, it is noted that 44 per cent and 32 per cent of loans financed under the primary and tertiary sectors respectively and 39 per cent of total loans deployed among the three sectors were in favour of various livestock schemes like milch animals, poultry, bullock-cart etc, benefiting millions of poor households in rural India (Department of Rural Development 1990)

The scheme-wise distribution at national level shows that 14 per cent of beneficiaries were covered under agricultural sector, 2 per cent of beneficiaries under milch animal scheme of animal husbandry sector, 12 per cent of beneficiaries under other schemes of animal husbandry sector and the remaining 40 per cent of beneficiaries under various schemes in tertiary sector (Government of India, 1987)
This statistical information proves the fact that the milch animal scheme was found to be more popular than the schemes of agriculture, irrigation and secondary sector under IRDP. Moreover, the milch animal scheme has integrated the rural and urban poor in terms of generating income through milk and milk products. Thus, it is proved to be a real anti-poverty programme. This we study in the following sections.

1.5. MILCH ANIMAL SCHEME AS A COMPONENT OF RURAL DEVELOPMENT

The 1987 Livestock census revealed that in India there were around 200 million cattle and 77 million buffaloes. Cattle and buffaloes together constituted about one fifth of the total world bovine population (Department of Animal Husbandry and Dairying, 1993). It is also noted from the census that 53 percent of the world buffalo population is in India. This reveals the active role of bovine economy in India's economic development. It is in this context, we attempt in the following section to study the significant economic-income contribution of milch animal scheme of IRDP.

1.6. SIGNIFICANCE OF MILCH ANIMAL SCHEME

The total milk production in India was 17 million tones in 1950-51, 22 million tones in 1970-71 and 54 million tones in 1990-91 (Department of Animal Husbandry and Dairying, 1993). Over 53 per cent of the milk was produced by 31 million buffaloes, which formed only 36 per cent of the breedable bovine population. India is the second largest milk producer in the world. India has contributed immensely to the
global livestock development through supply of valuable germ plasm. It is important to note that the compound growth rate in milk production during the two decades preceding 1970 was between 1.0 to 2.0 per cent, while the growth rate during last two decades picked up to 4.8 per cent per annum (Patel, 1993). The total milk production has been increased to 78 million tones in 1999 – 2000.

Apart from providing employment to millions of rural masses, livestock contributes about 10 per cent of the Gross National Product (GNP) through outputs such as milk, dung, fibre, meat, skin and slaughter, all put together valued at Rs 50,000 crore annually. Animal power still continues to be the major source of energy for agriculture and transport in several areas, out of which Draught Animal Power (DAP) is the most significant source. 80 million bullocks and buffaloes contribute 40-million horsepower, for cultivating 100 million hectares (66 per cent of the area sown), and for hauling 25,000 km of freight in 15 million carts. (Ramaswamy, 1993).

Dairying in India is emerging as an independent enterprise with a bovine population of 204 million cows contributing 20 per cent in the gross milk production during 1989–90. India is endowed with the largest bovine population. Today, dairy sector is generating an estimated revenue of Rs 68,000 crore with an annual growth of 4.5 per cent. Thus, livestock sector in India is linked with the livelihood of some 70 million households. Livestock farming is critical for sustenance and supplementing the income of our farmers (Mudgal, 2000).
Every fourth farmer of the world is an Indian. Every fifth animal (Bovine) of the world is in India. The National Commission on Agricultural (NCA) estimated that 70 to 75 per cent of the households possessing milch animals belonged to the resource poor categories, namely, agricultural labourers, marginal and small farmers. The country’s largest enumeration survey in Dairy sector was conducted by National Dairy Development Board (NDDB) involving 6,02,900 households covering 20,386 villages spread over 108 milk sheds in the country.

1.7. PROBLEM SETTING

According to the estimation of the National Sample Survey’s of various rounds and various poverty studies (Dandekar and Rath, 1971 and Swaminathan, 1982), it was estimated that the top 20 per cent of the population shared about 85 per cent of the total wealth of the country, while the 80 per cent of the poor population shared only 15 per cent of the total wealth. The main reason attributed for such wide variation in sharing the resources of the nation might be due to the domination of the capitalistic landlords, zamindars and other feudal lords. Exploitation, perhaps the main tool which made the rural poor has “paupers” The illiterate farmers were only toiled the soil with their empty stomachs and made the rich into richer.

As a consequence, all endowments concentrated in a few hands. To all these evils, rural development activities were geared up to improve facilities in the rural areas. Similarly, there are number of poor and developing countries have taken a
special care to implement several rural development programmes for decades and achieved significant progress in their efforts (Mishra and Sharma, 1983). Similar strategies have found their place in the Indian rural development programmes.

A few studies revealed that 72 per cent of the families owning milch animals in the country comprised landless, marginal and small farmers and they possessed as much as 61 per cent of total buffaloes and cows in the survey area. Further, this study suggested that the overall distribution of milch animals was much more uniform and less skewed than the distribution of land (Khanna, 1989).

Ahluwalia (1978), Mishra and Hazel (1996) have clearly established an inverse relationship between agricultural growth and poverty. These studies also confirm the operation of the “trickle down” theory. However, a critical analysis of the situation in terms of pre and post Green Revolution situations indicates the weakening of the relationship between agricultural growth and poverty reduction, the results and experiences of such projects show that a more concerned and integrated approach is needed (Gaiha, 1991).

The failure of agricultural growth to make a sizeable dent on rural poverty in the eighties has led policy makers to focus their attention on the strategy of ‘direct attack’ on poverty through Poverty Alleviation Programme (PAP). In this process, the tendency to view agricultural development programmes as different from those of
poverty alleviation and vice versa became quite pronounced (Hanumantha Rao, 1992).

The outlays for rural developments and social services in the Union Budget between 1990-91 and 1995-96 have more than doubled and stood at 31.3 per cent in 1995-96. IRDP, which is considered a focal instrument of change in rural areas has, as various studies revealed, produced positive but small results. The ability of IRDP to make a long-term impact has always been limited. Though IRDP has created employment outside agriculture, it has not been able to diversify the rural economy to any significant extent as the activities selected by IRDP beneficiaries are not productive ones.

Gaurav Datta and Ravallion (1996) argue that reducing rural poverty requires both economic growth (farm and non-farm) and human resource development. They also point out that agricultural growth, higher per-capita non-agricultural output, high real state development expenditure, low inflation rate high female literacy, low infant mortality and irrigation intensity make a positive contribution towards poverty reduction in rural areas. Public spending in the social sector and infrastructure development is very important in poverty reduction. Thus, emphasis on improving the rural resources and infrastructure can have a strong positive impact on poverty reduction.
Lakdawala (1987) summarises the following conditions necessary for the success of the IRDP:

1. Elastic demand for the increased supply of products and services.
2. Elastic supply of inputs and services needed.
3. Reliability of technical function (estimates of input and output).
5. Availing of the entire credit intended for them
6. Proper use of the assets bought by them
7. From the point of view of the banks, the due discharge of debt servicing obligations.

From the preceding text, we arrive at the fact that rural development is the key and prime weapon for the developing countries like India, where abundant untapped resources are available to relieve the poor rural peasants from grim poverty. With this conceptual understanding, we attempt to analyse the impact of IRDP in India and Pondicherry.

1.8. STATEMENT OF THE PROBLEM

The major challenges before the independent India were acute poverty, unemployment, socio-economic inequalities, and shortage of food grain and low level of technology particularly in the rural areas. To meet these challenges, the
Government of India launched several socio-economic development programmes for improving living conditions of the rural people. Rural development means desired changes in socio-economic conditions of the rural people both in a quantitative as well as qualitative sense. It is a complete term, which integrates a variety of human life and activities. Thus, rural development is always an integrated one.

An important feature of the provision of income security to the poor in India has been the formulation and implementation of a large number of schemes to alleviate poverty. This was sought to be achieved initially through asset distribution programmes whereas in more recent years, the emphasis has been on employment generation programmes. The Integrated Rural Development Programme was launched in 1978-79 in 2,300 blocks, though it was quickly extended to the entire country during the Eighth Five Year Plan period. The IRDP is a self-employment programme with two other sub-programmes, viz., the programme for Training for Rural Youth for Self-Employment (TRYSEM) and Development of Women and Children in Rural Areas (DWCRA). An additional programme of distribution of tool-kits was added to the IRDP later on.

The main objective of the IRDP was to enable the poor households in rural areas with an annual income of Rs 11,000 or less to cross the poverty line. Financial assistance was given in the form of subsidies by the government and term credit advanced by financial institutions. The scheme also had specified norms of coverage of SC, ST and women. A total amount of Rs 137 billion was invested in the
programme since its inception till 1998-99, which benefitted about 54 million families. Of the total number of families assisted under the programme, 44.75 per cent were Scheduled Caste and Scheduled Tribes and 27.07 per cent were women. The pattern of subsidy has been fixed at 25 per cent for small farmers, 33.33 per cent for marginal farmers, agricultural labourers and rural artisans, and 50 per cent for scheduled castes and scheduled tribes and the physically handicapped. Within the target group, coverage of 50 per cent for Scheduled Caste and Scheduled Tribes, 40 per cent for women and 3 per cent for physically handicapped is required.

The concurrent evaluation of the IRDP in 1993 indicated that only 14.81 per cent of assisted families could cross the poverty line. Thus, the functioning of the IRDP has been considered to be unsatisfactory. The programme is widely perceived as one that has been plagued by ineffective implementation while the income earned from employment programmes has rarely been sufficient to lift the people above the poverty line.

The history of economic development reveals that with the increase in the pace of development, there is a decline in the proportion of agricultural workers as well as the share of agricultural income. Unfortunately, this has not happened in India. On the contrary, the proportion of the population dependent upon agriculture has remained almost constant during the last one century. The agricultural labour is economically the weakest and socially the most handicapped section of rural society. Steeped in age old misery and driven to destitution in times of natural calamity, a vast majority of
them continue to live on the verge of poverty. Until the conditions of this vital section of the society improve the economy cannot progress as a whole.

Several attempts to evaluate the performance of the IRDP have been made by the government, private organisations and the researchers. Among those, a few studies showed that the IRDP did not benefit much in terms of increase in income, employment and asset creations. Those studies have also revealed that there are significant leakages in disbursements of IRDP benefits. A few other studies have revealed the positive and dramatic role played by the IRDP in alleviating rural poverty. With this backdrop, the purpose of the present study is to analyse the impact of IRDP on the development of rural poor in the Union Territory of Pondicherry (with reference to milk animal scheme).

To fulfill the analysis of the present study, we investigate the following issues by undertaking a statistical survey in selected four blocks in the Union Territory of Pondicherry:

1. Whether the weaker sections are identified
2. Whether the identified weaker sections are provided with adequate assistance by IRDP
3. Whether the beneficiaries utilized the bank credit and subsidy for the productive purpose.
4. Whether the finance promoted the asset position and income of the beneficiaries.
5. Whether the beneficiaries made any significant improvement in their standard of living.

6. Whether the recovery percentage of the IRDP loans had fared better.

7. If the income level of the beneficiaries is increased, whether the additional income is spent on productive purpose or for consumption.

As stated above, though there are several studies available in analysing the impact of IRDP, still there is a dearth of empirical studies both at micro and macro levels with reference to milch animal scheme. The present study is an attempt to fulfill this gap. Thereby, this study highlights the significant role of milch animal scheme under IRDP in eradicating poverty and enhancing other benefits in the study area with the following objectives.

1.9. OBJECTIVES

The broad objective of the study is to examine the impact of Integrated Rural Development Programme (IRDP) on the development of rural poor in the Union Territory of Pondicherry (with reference to dairy scheme). More clearly, the specific objectives are

1. To analyse the functioning of IRDP and to examine the role of financial institutions and government departments in the implementation of the programme
2 To assess the impact of milch animal scheme under IRDP in terms of the level of income, employment, savings, assets and indebtedness of the beneficiaries.

3 To examine the factors affecting the pattern of repayment of beneficiaries and the problems thereby.

4. To identify the problems in implementing the programme and to bring out the measures to solve those bottlenecks.

5. To offer suggestions for a better and effective implementation of the programme.

1.10. HYPOTHESES

On the basis of the above objectives, the following hypotheses are framed for empirical analysis:

1. The increase in income and employment are due to milch animal assistance.

2. The intensity of poverty has declined among the target groups after getting the assistance from IRDP.

3. Savings and asset creations have a direct influence with milch animal scheme of the beneficiaries.
1.11. METHODOLOGY

1.11.1. SOURCES OF DATA

The required data have been collected from two different sources: primary and secondary. A detailed questionnaire has been designed to collect the required primary data from the respondent households. The questionnaire, thus framed, has details on socio-economic characteristics such as age, education, occupation, income and expenditure pattern, savings and indebtedness, asset position, economics of dairying and relevant information related to the problems faced by the farmers who primarily depend on milch animals for their livelihood.

The secondary data have been collected from different sources like the District Rural Development Agency (DRDA), Pondicherry, Directorate of Planning and Research Department, Pondicherry, Directorate of Economics and Statistics, Pondicherry, Animal Husbandry Department, Pondicherry, and Block Development offices of the four selected blocks, Karaikal, Villianur, Oulgaret and Ariankuppam. In addition to the above, the published and mimeographed reports and documents such as census reports, annual reports, plan documents of Central and State Governments and financial institutions and unpublished reports were consulted for this study.

11.11.2. SAMPLING PROCEDURE

Since this study is confined to the milch animal assistance under Integrated Rural Development Programme, it is necessary to consider an appropriate sample size.
at this stage. As per DRDA records, out of total 1,317 Integrated Rural Development Programme beneficiary families, about 945 families were assisted with milch animals during the reference year 1998-99.

As stated above, these beneficiaries were spread mostly in four selected blocks: Anankuppam, Villianur, Oulgaret and Karaikal. As mentioned earlier, Mahe and Yanam blocks with low coverage of milch animal scheme were deleted and only those blocks where the concentration was more than two per cent of total beneficiaries were considered. Thus, four selected blocks with 925 beneficiaries of milch animal scheme forms the universe of this study. Out of 925 beneficiaries distributed in the four selected blocks, 300 beneficiary households (32 per cent) were randomly selected, as the data set of this study.

On the basis of available data from the records of the DRDA, Pondicherry, block wise percentages of performance were calculated for all the six blocks. Subsequently, four blocks were selected on the basis of their highest performance.

a. Anankuppam block recording the highest percentage (37.57 per cent) of milch animal beneficiaries.

b. Karaikal block recording the next highest percentage (29.52 per cent) of milch animal beneficiaries.

c. Villianur block recording the third highest percentage (23.92 per cent) of milch animal beneficiaries.
d. Oulgaret block recording the fourth highest percentage (6.88 per cent) of milch animal beneficiaries.

Thus, these four blocks were selected to constitute the sample of this study. As a further step, a list of all beneficiaries of milch animal scheme for these four selected blocks in the reference year 1998-99 was prepared for each of the functional categories, agricultural labourers, marginal farmers, small farmers and others namely self-employed, business, non-agricultural labourers, rural artisans, etc.

Accordingly from the population universe, constituting a total of 925 beneficiaries, a sample of 300 beneficiaries forming the units of observation of the study were finally selected. In order to choose the sample units of observation scientifically, realistically and reliably, the proportionate random sampling technique was adopted for each block independently. Further, a structured questionnaire was circulated to the selected sample sizes.

In determining the sample sizes of the study, the following factors were taken into consideration:

a. Geographical location and existing infrastructural facilities
b. More loans were given to the sample blocks
c. Nearness of co-operative milk societies with tie-up arrangements with the implementing authorities
d. Familiarity of researcher with the sample blocks
1.11.3. SAMPLE OF THE STUDY

On the lines of discussion mentioned above, the final sample size is given in tables 1.1 and 1.2.

Table 1.1

BLOCKWISE DISTRIBUTION OF SAMPLE UNITS DURING 1998-99

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Block</th>
<th>No. of Villages</th>
<th>No. of IRDP Beneficiaries</th>
<th>No. of Milch animal Beneficiaries</th>
<th>Sample Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Ariankuppam</td>
<td>89</td>
<td>503 (38.19)</td>
<td>355 (37.57)</td>
<td>115</td>
</tr>
<tr>
<td>2.</td>
<td>Villianur</td>
<td>85</td>
<td>292 (22.17)</td>
<td>226 (23.92)</td>
<td>74</td>
</tr>
<tr>
<td>3.</td>
<td>Oulgaret</td>
<td>24</td>
<td>110 (8.35)</td>
<td>65 (6.88)</td>
<td>21</td>
</tr>
<tr>
<td>4.</td>
<td>Karaikal</td>
<td>121</td>
<td>340 (25.82)</td>
<td>279 (29.52)</td>
<td>90</td>
</tr>
<tr>
<td>5.</td>
<td>Mahe</td>
<td>13</td>
<td>27 (2.05)</td>
<td>4 (0.42)</td>
<td>N.S</td>
</tr>
<tr>
<td>6.</td>
<td>Yanam</td>
<td>10</td>
<td>45 (3.42)</td>
<td>16 (1.69)</td>
<td>N.S</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>342</strong></td>
<td><strong>1,317 (100)</strong></td>
<td><strong>945 (100)</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

**Source:** District Rural Development Agency, Pondicherry

**Note:** Figures in parentheses indicate the percentage to total

**N.S:** Mahe and Yanam blocks are not selected as the proportion of the milch animal beneficiaries is below 2 per cent of the total beneficiaries.
Table 1.2
COMMUNE WISE DISTRIBUTION OF SAMPLE UNITS
DURING 1998-99

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Name of the Block/Commune</th>
<th>No. of Milch Animal Beneficiaries</th>
<th>Sample Units 32 per cent</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>Arikankuppam Block</td>
<td>355 (38.38)</td>
<td>115</td>
</tr>
<tr>
<td></td>
<td>a. Arikankuppam Commune</td>
<td>142</td>
<td>46</td>
</tr>
<tr>
<td></td>
<td>b. Bahour Commune</td>
<td>179</td>
<td>58</td>
</tr>
<tr>
<td></td>
<td>c. Nettapakkam Commune</td>
<td>34</td>
<td>11</td>
</tr>
<tr>
<td>II</td>
<td>Villianur Block</td>
<td>226 (24.43)</td>
<td>74</td>
</tr>
<tr>
<td></td>
<td>a. Villianur Commune</td>
<td>80</td>
<td>26</td>
</tr>
<tr>
<td></td>
<td>b. Mannadipet Commune</td>
<td>146</td>
<td>48</td>
</tr>
<tr>
<td>III</td>
<td>Oulgaret Block</td>
<td>65 (7.03)</td>
<td>21</td>
</tr>
<tr>
<td>IV</td>
<td>Karaikal Block</td>
<td>279 (30.16)</td>
<td>90</td>
</tr>
<tr>
<td></td>
<td>a. Karaikal Commune</td>
<td>25</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>b. Kottucherry Commune</td>
<td>1</td>
<td>0</td>
</tr>
<tr>
<td></td>
<td>c. Nedungadu Commune</td>
<td>49</td>
<td>16</td>
</tr>
<tr>
<td></td>
<td>d. Neravy Commune</td>
<td>63</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td>e. T.R. Pattinam Commune</td>
<td>35</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>f. Thirunallar Commune</td>
<td>106</td>
<td>34</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>925 (100)</strong></td>
<td><strong>300</strong></td>
</tr>
</tbody>
</table>

Source: District Rural Development Agency, Pondicherry.

Note: Figures in parentheses indicate percentage to total

1.11.4. TOOLS AND TECHNIQUES OF THE STUDY

In addition to usual statistical measures such as ratios, percentages and averages, analyses are employed at appropriate contexts in the study. Various statistical tools are used in the study to analyse the data set and testing the hypotheses.
In order to analyse the trend and variability, the statistical measures like co-efficient of variation and linear growth rate are used. For finding the significance between two groups, the paired 't' test is used.

In analysing the inequalities in the distribution of income before and after the scheme of the beneficiaries, a Gini co-efficient of concentration ratio is used. To test the intensity of poverty among the target groups before and after the assistance under the scheme, A K.Sen's index of poverty has been applied. A comparability analysis on economic variables of the beneficiaries for an ex-ante and ex-post assessment of the scheme, a two way ANOVA seems to be much appropriate, hence, is used.

The relationships among socio-economic variables included in the analysis are identified by using lower triangular correlation matrices. In order to examine the impact of milch animal scheme on income, employment, savings, asset creation and repayment performance, a linear multiple regression models are estimated. However, a best fitted regression model is only considered for the analysis purpose.

1.12. LIMITATIONS OF THE STUDY

1. This study is restricted to the evaluation of the Integrated Rural Development Programme in terms of milch animal beneficiaries on the basis of pilot study observations.
2. It is a study of one year field data collected in regular intervals across chosen sample households.

3. The lack of maintenance of records relating to input, output, income and expenditure particulars by the sample beneficiaries are the basic limitations. However, excessive care has been taken to get actual data.

4. Part of the study is based on the expressed opinions of the respondents who may not be free from their individual biases and prejudices.

5. The study is confined to Pondicherry and Karaikal regions only and other regions Mahe and Yanam are outside the scope of study.

In spite of these limitations, the study is expected to be useful in examining to what extent an Integrated Rural Development Programme assistance scheme can generate income and employment among the beneficiaries. With this backdrop, we attempt to study the impact of Integrated Rural Development Programme on the development of poor in the Union Territory of Pondicherry (with reference to milk animal scheme).

1.13. ORGANISATION OF THE STUDY

The present thesis is organised in seven chapters. The first chapter deals with the introduction and design of the study which includes statement of the problem, objectives, hypotheses, methodology and limitations of the study. The second chapter contains a brief review of the earlier works on rural development, poverty and the
impact of Integrated Rural Development Programme in India on the eradication of poverty. The third chapter deals with the profile of the study area presenting the physical, agro-ecological setting and a gist of development perspective of the state, region and selected blocks. The fourth chapter analyses the structure and functioning of Integrated Rural Development Programme in the Union Territory of Pondicherry. The fifth chapter deals with a socio-economic profile of the respondents. In the sixth chapter, the impact of the Integrated Rural Development Programme on milk animal beneficiaries on the basis of the various economic variables is statistically tested with an econometric models and the results are interpreted. In the last chapter, a summary of the findings, conclusions drawn and policy implications are presented.