CHAPTER - II
OBJECTIVES AND METHODOLOGY OF THE STUDY

The objectives of the chapter are twofold. First, to present the objectives and methodology of the study and secondly to present a brief survey of literature pertaining to the subject under consideration, namely Integrated Rural Development Programme.

OBJECTIVES

The principal aim of this study has been to evaluate the performance and problems of the Integrated Rural Development Programme (IRDP) in Guntur district of Andhra Pradesh, during the study period 1997-'98. However, the study is based on the following specific objectives

i) to apprise the progress and performance of the District Rural Development Agency (DRDA) of Guntur district, with particular reference to its assistance rendered to Scheduled Caste and Scheduled Tribe Communities through IRDP;

ii) to review the Socio-economic profiles of the sample beneficiaries in the study area, with an object of assessing whether the IRDP assistance was rendered to the really eligible and the needy;

iii) to test the hypothesis that the IRDP assistance was directly responsible for uplifting the people from below the poverty line, through generation of fresh income and employment;

iv) to find out whether the repayment performance of the beneficiaries was adversely affected because of the administrative reasons or lapses;
v) to elicit the opinions and perceptions of both the beneficiaries and the related administrative officials, with an intent to perceive the strengths and weaknesses involved in the policy and procedure of IRDP; and thereby, vi) to forward certain suggestions on the policy and functioning of IRDP, for the consideration of the policy-makers.

Methodology and Sources of Data

The study basically is empirical in nature. However, secondary data have also been collected and utilized wherever appropriate. Primary data were collected by the interview method through face to face association with the beneficiaries in the study mandals. For this purpose a comprehensive schedule was prepared and canvassed by the researcher in three or four visits. Pre-testing of the schedule was done in certain of the sample villages. After pre-testing was conducted, the shortcomings and limitations of the schedule were removed and a revised schedule was canvassed. The data pertaining to the socio-economic profiles were collected from the sample beneficiaries, along with the data relating to the employment and income generation and the repayment performance. Opinions were also collected not only from the beneficiaries but also from the officials of DRDA, Banks and Mandals.

Secondary data were collected from the officers of the DRDA, and the financing banks. Besides, necessary information has also been collected from the published sources of related journals and research works.

The sample survey was undertaken during the months of January and March 1998, from the sample beneficiaries of IRDP, who got the assets of IRDP grounded
with them during the year 1994–'95, thus allowing a performance gap of three years.

Scope of the Study

Guntur district of Andhra Pradesh State has been purposively selected for the present study. The researcher has been employed in and got lot of familiarity with this district. Moreover, Guntur district has been on par with the other leading districts of the state, so far as the coverage of IRDP assistance is concerned.

Entire Guntur district, which is spread over three Revenue Divisions (RDs), has been covered by the study. The District Administrative authorities have divided this district into three RDs – Guntur Revenue Division Tenali Revenue Division and Narasaraopet Revenue Division – Which represent divergent agro-climatic and developmental conditions.

Two prominent and widely covered schemes of IRDP throughout the district were purposively taken up for this study. They are a) Milch Cattle Scheme, and b) Minor Irrigation Scheme. All other schemes of IRDP were left out from the purview of this study, since they got poor coverage of beneficiaries.

Selection of Sample

A two-stage stratified random sampling technique has been employed for the selection of sample beneficiaries. At the first stage, two mandals from each of the three Revenue Divisions have been selected at random. In the second stage, from each of these six sample mandals, 10 per cent of the total number of beneficiaries under both the schemes have been selected at random for survey. The sample beneficiaries are distributed as follows:
Thus, the present study covers all the three revenue divisions of the district, and covers 306 beneficiaries under both the Milch Cattle Scheme (175 beneficiaries) and the Minor Irrigation Scheme (131 beneficiaries) representing six sample mandals. Incidentally, this sample size is more or less equivalent to 10 per cent at the district level also.

Limitations of the Study

The present study basically aims at evaluating the performance of IRDP in Guntur district. However, because of the time and money constraints the present study could not cover all the schemes that are being offered under DRDA. For example a significant chunk of resources of IRDP have been invested in the district on Industry and small business category. However, this category comprises
of a large number of scattered sub-schemes which cannot be taken into the consid-
eration by the studies like this. Therefore the present study has confined to only
two largest covered schemes, namely Animal Husbandary and Minor Irrigation
Schemes.

An other potential limitation of this study has been the non-availability of re-
quired secondary data from the DRDA on specific aspects and functioning of IRDP
in the district. The DRDA could supply the researcher data relating to 1993-94
onwards. The records for the previous year were not prepared and made avail-
able to the researcher. Hence the present study is forced to restrict its scope of
evaluation of DRDA in the study district between 1993-94 and 1998-99 only. Simi-
larly the DRDA people have also grossly failed in monitoring and conducting the
feedback surveys of IRDP from time to time either on their own or through the
voluntary organisations. Hence the evaluation reports on various aspects of IRDP
in the district were not utilised by the present study which were otherwise useful
as the counter check reports.

The present study is also limited by the non-coverage of the performance of
non-beneficiaries engaging with similar occupation, for the purpose of making a
comparative assessment between the beneficiaries and non-beneficiaries for income
and employment generation aspects.
Technical Terms Used:

Agricultural Labourers: A person without any land other than homestead and deriving more than 50% of the income from agricultural wages is an agricultural labourer.

Anthyodaya approach: An anthyodaya approach is a strategy for rural development with an aim to uplift the poorest of the poor by providing them subsidiary occupation.

Base line survey: A comprehensive household survey to be conducted under the scheme of Area Planning for full employment.

Block Plan: Block Plan is a micro-level plan prepared for the purpose of implementing various developmental programmes at the block level.

Credit Camps: Camps organised to identify the weaker section to provide them with loans under IRDP.

District credit plan: A plan of estimated credit requirement prepared by the ‘Lead Bank’ in each district.

DRDA: A district level agency charged with direct responsibility for the implementation of Integrated Rural Development Programme.

Gram Sabha: It is the traditional village assembly in which all the adult members of the village can attend and deliberate on matters concerning the whole community or its members. This institution is a common heritage in most parts of the country.
| Grounding | : Grounding in the actual purchase and handing over of the scheme—asset to the beneficiary under IRDP. |
| IRDP | : IRDP is a special developmental programme taken up during the Sixth Five Year Plan to evolve an operationally integrated strategy for the purpose of lifting the weaker sections above the poverty line. |
| Lead Bank | : A constitution leader-bank at the district level entrusted to take the 'lead' in surveying the potential banking development. |
| Marginal Farmer | : A person with a land holding of 2.5 acres or below is a marginal farmer. In the case of class I irrigated land, the ceiling will be 1.25 acres. |
| Poverty Line | : Poverty line has been defined in terms of annual income of a family. A family having an annual income of Rs. 11,000 or less is considered to be a family below the poverty line. |
| Programme | : Programme is a broader frame-work of the strategy or plan of action specially aimed at targeted areas or individuals. |
| Scheduled Castes and Scheduled Tribes | : The constitution empowers the president of India, after consulting the heads of the different states, to notify by an order certain groups as Scheduled Castes. Thus, officially the Scheduled Castes are the groups that are named in the Scheduled Castes order of the president of India. Tribes are believed... |
to be the earliest settlers in the Indian peninsula. They all known as the Adibasis, meaning the original inhabitants. They are ethnically distinct from the Hindu majority. Being a socially disadvantaged group the constitution was granted preferential consideration to them after independence. For this purpose tribals are defined in the orders issued and amended from time to time by the president of India.

<table>
<thead>
<tr>
<th>Scheme</th>
<th>A scheme is an approach adopted in implementations the programme.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scheme-asset</td>
<td>Assets provided to the beneficiaries under subsidy cum-loan scheme.</td>
</tr>
<tr>
<td>Small Farmers</td>
<td>A cultivator with a land holding of 5 acres of below is a small farmer. Where a farmer has class I irrigated land, as defined in the state land ceiling legislation, with 2.5 acres or less he will also be considered as small farmer. When the land is irrigated but not of class I variety, a suitable conversion ratio may be adopted.</td>
</tr>
<tr>
<td>Special developmental programmes</td>
<td>The programmes of the government of India which aim at village development, community development and the development of weaker sections of the society.</td>
</tr>
<tr>
<td>Target Group</td>
<td>The target group of the programme consists of small farmers, marginal farmers, agricultural labourers, rural artisans and others whose annual family income is below the cut-off line.</td>
</tr>
</tbody>
</table>
Survey of Literature:

The following is a brief survey of literature done by the researcher in respect of various issues relating to the IRDP in India.

Impact – Income Generation

The Kerala Planning Board survey (1981) shows there was generation of no additional income in case of 31 per cent of beneficiaries. This percentage was even higher in case of goat and poultry enterprises, as also for wells, crop loans and loans for land development.

Muthayya et al (1983) reported that the incremental income of the IRDP beneficiaries of two blocks of a district each from Karnataka, Kerala and Andhra Pradesh ranged from less than Rs.200 to more than Rs.800 and the average annual household incremental income was Rs.836. They referred that despite increase in income, the beneficiaries could not cross the poverty line.

The State Bank of Hyderabad survey (1983) in Andhra Pradesh, Karnataka and Maharashtra showed that 38 per cent increase in income in these animal husbandry enterprises was in current prices; adjusted for price rise and repayment, no real increase in incomes may be left.

It is interesting to note that in case of loans for Minor Irrigation leakage was as high as 50 per cent; wells were either not sunk or only a pit dug, and subsidy collected.


Balishter and Roshan Singh (1984)\(^4\) in their study on the IRDP financed by the State Bank of India in Bichpuri block of U.P reported that 75 per cent of the beneficiaries were able to cross the poverty line due to the IRDP assistance and the increase in income was 67.47 per cent.

Jain (1984 a.b)\(^5\) studied the IRDP in two taluks of Surat districts, Gujarat in the developed taluk Bardoli shows that half of the households with dairy animals had registered some increase in real income (calculated by adjusting for price changes), while the other half had suffered a decline. Even though that gained in income would show a much poorer result of the repayment of loan is deducted from the increment of income. The survey shows that it is the middle income recipients among the poor who gained. The poorest could not; instead, their numbers swelled.

In the backward forest-clad taluk of Uchchal, 61 per cent of the beneficiaries suffered a loss in terms of real income, while 39 per cent had gained some; but very small proportion of households could rise above poverty in terms of real income.

George (1984)\(^6\) analysed the data collected from Alwaye District of Kerala to examine the impact of IRDP and found that the average per beneficiary from all

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sources was Rs.2856.87 before the implementation of IRDP, it was Rs.3821.19 after implementation.

George et al (1984)\textsuperscript{7} in their survey conducted in Karnataka State reported that only 8.8 per cent of the beneficiaries had crossed the poverty line after eliminating the beneficiaries that were already above the poverty line before the project period itself.

Gupta (1984)\textsuperscript{8} found that the IRDP schemes had a positive impact after their operation during one year on the basis of data collected in a sample survey by United Bank of India Nadal Nadia and Midnapore districts of West Bengal. He indicated that there was a high percentage change in income for the people identified in the lowest income brackets, but this achievement appeared to be on a much lower side when compounded not only with the all India per capita income at current prices but also with the poverty line as defined by the planning commission in rural areas.

Kutty Krishnan (1984)\textsuperscript{9} reported that 39 per cent of the participants in IRDP schemes in his study village in Kerala did not have any change in their income. Another 29 per cent of the families got incremental incomes of less than Rs.400


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per family. It was observed that the three households which crossed the poverty line adopted dairying under the programme. Finally he concluded that most of the assets created under the programme were unable to provide the desired incremental income.

The NABARD (1984)\textsuperscript{10} based on the study of 100 IRDP beneficiary households in each of the 15 states in India, reported that the average income per beneficiary was above the poverty line in six states viz., Punjab, Maharashtra, Haryana, UP., Gujarat and West Bengal and marginally above it or at the same level in three states (i.e., Kerala, Orisa, and M.P). It also reported that for 10 per cent of the beneficiary households per household incremental income from IRDP in different states was upto Rs.500. For another 13 per cent it ranged from Rs.501 to Rs.1500. It was concluded that the states with low average incremental income were, by and large, found to be those which had placed relatively greater emphasis on financing animal husbandry activities, particularly dairy schemes and ISB activities showed greater promise in a few states like West Bengal and Gujarat.

Lakshmi Devi (1985)\textsuperscript{11} in her study on IRDP in Trichur district of Kerala indicated that the utilization of assistance under IRDP resulted in increased income for 28.33 per cent of beneficiaries, whereas it did not change in income or resulted in decline of income for the remaining beneficiaries.

\textsuperscript{10} NABARD, Survey (1984).

According to programme Evaluation Organisation (1985)\textsuperscript{12} study, the per household incremental income from IRDP schemes ranged from Rs.1069 to Rs.2770. However in several areas the incremental income from different schemes was less than or around Rs.600 per family. Nearly 95 to 100 per cent of the households in the pre-intervention income bracket of Rs.2,500-Rs.3,500 crossed the threshold level with IRDP intervention in all the seven situations. Of the households belonging to the lowest income group, the proportion crossing the poverty line income in negligible, irrespective of the seven situations considered in the report.

Prakash Naidu (1985)\textsuperscript{13} noticed a change in per capita income among the women beneficiaries of IRDP in Bilaspur district of Madhya Pradesh. This change in per capita income was due to IRDP and was Rs.265 in the industry sector, Rs.300 in the business sector, Rs. 313 in the service sector and Rs.413 in agricultural sector. He concluded that the beneficiaries in the agricultural sector were thus able to cross the poverty line.

Raghavan and Varadarajan (1985)\textsuperscript{14} found that the 24 per cent of the women headed household who were beneficiaries of the IRD Programme, crossed the poverty line with an additional income of Rs.702 per year in Kudrathur block of Tamil Nadu.

\begin{enumerate}
\item \textit{Programme Evaluation organisation, Evaluation of Integrated Rural Development programme, planning commission, Govt. of India, 1985.}
\item Raghavan, A.V., and varadarajan, S., “Impact of Rural Development as economic status of women”, \textit{Indian J. Agri., Econ., XL (3) : 276 – 81, 1985.}
\end{enumerate}
Aziz (1986) evaluated the IRDP in Karnataka state. He reported that though 24 per cent of the beneficiaries had crossed the poverty line after the project implementation, the net impact of IRDP was that it enabled only 17 per cent of the assisted families to cross the poverty line.

Dhanasekharan et al (1986) conducted a study in Periyar district of Tamil Nadu and noticed that the percentage of households living below poverty level was higher in backward region than the affluent regions of the block. The study revealed that farm and non-farm enterprises should be diversified through effective implementation of IRDP.

The study conducted by Jain (1986) in Jabalpur district of M.P brought out the fact that out of the beneficiaries covered 65 per cent crossed the poverty line, 20 per cent remained below the poverty line and 15 per cent lend to slip down at any time below the poverty line, if the second dose of assistance is not provided.

Khatkar et al (1986) reported in their study in Rawari Block of Mahendragarh district, Haryana, a fairly good impact of IRDP on income consumption of properly identified beneficiaries. With the increase in income the marginal propensity to consume declined and it showed the relevance of the application of Engel’s law.


of consumption in the rural areas. On the whole, the increase in income for beneficiaries worked out to Rs. 1,746.45. They identified that among beneficiaries who could comfortably cross the poverty line were small farmers, marginal farmers and land less labourers in that order.

Rama Chandraiah (1986)\textsuperscript{19} in his study on impact of IRDP and NREP in Uttar Pradesh reported that an overall IRDP has generated a fairly good impact on the total assets position on the beneficiaries accounting for 20 to 30 per cent of the value of their total assets.

Sarawgi et al (1986)\textsuperscript{20} attempted to assess the impact of IRDP on the beneficiaries of Jabalpur district (M.P). It was revealed that overall, 71 per cent of the families crossed the poverty line; on the other hand, 69 per cent of the marginal farmers could cross the poverty line. Between the social groups, 74 per cent of the non-SC/ST crossed the poverty line as against 69 per cent of the SC/ST.

Satyanarayana (1986)\textsuperscript{21} conducted a survey in Adilabad district of Andhra Pradesh and the study revealed that on an average, the additional income generated was Rs.1,157 for a small farmers household, for a marginal farmer it was Rs.600 and for an Agricultural labour it was Rs.408 due to the impact of SFDA.

\textsuperscript{19} Ramachandraiah, G., "Impact of IRDP and NREP in UP – A study", Kurukshetra, 36(5) : 10 - 13, 1986.


Singh (1986)\textsuperscript{22} reported no significant impact of IRDP on the incomes of the beneficiaries of Banda District of UP. Only 65 per cent of the total beneficiaries have crossed the poverty line. He also noted that the additional income accruing to small farmers was very low, while in the case of non-agricultural labourers, it was the highest.

Singh (1986)\textsuperscript{23} while analysing the impact of IRDP in terms of income generation noticed that only 8.33 per cent of the households of Palamav District, Bihar were able to cross the poverty line and 41.67 per cent could increase their income on the adoption of IRDP.

According to investigation undertaken by Dahiya, Y.S., (1990)\textsuperscript{24} on IRDP in Haryana revealed that among the four schemes under review Milch Animal Scheme has the highest return per unit of investment (0.48) and cottage crafts scheme the lowest (0.09). To put it differently we can say that each additional rupee invested in Milch Animal Scheme yields an additional income of 49 paise whereas it yields an additional income of 49 paise whereas it yields only an increase of 9 paise in case of cottage crafts scheme. This increase in case of petty shops scheme and animal driven carts scheme has been estimated to be 36 and 34 paise, respectively. Thus, Milch Animals scheme, in comparison to other schemes of IRDP taken into account in the present study has been found the most productive.


A case study (1990)\textsuperscript{25} conducted by Thippaiah, P., and Davendra Babu, M., in Kolar district in the Southern Karnataka state reveals that there is a movement towards higher income slabs after the introduction of schemes. But the movement of income remained confined to the middle level slabs. Out of the total 70 beneficiaries, 18 were in the income slab of Rs.875 before implementation of the scheme, and no single beneficiary remained in the same income slab after the scheme, implying that it earned more income for the beneficiaries. However, this does not mean that they earned more income, instead only 17 have moved above Rs.3,500 income ranging between Rs.876 to Rs.3,499.

Saxena, N.C. (1993)\textsuperscript{26} the Concurrent Evaluation done by the Ministry of Rural Development, Government of India 1993 found that only 15 per cent of the poor assisted under IRDP were estimated to have risen above poverty line. Further, 'although some poor have made moderate gains', not more than one in five have succeeded in crossing the poverty line as direct result of IRDP.

The micro level field survey conducted by Amar Chand Kaushik (1993)\textsuperscript{27} in three districts of Haryana reveals that income generation per beneficiary was found

\begin{itemize}
  \item Thippaiah, P., and Davendra Babu, M., "Impact of IRDP on agricultural labourers" a case study, Kurukshetra, June; 1990.
\end{itemize}
to be satisfactorily significant in non-agricultural activities and the total sample. It was found to be significant in agricultural activities. The mean income per beneficiary which was Rs.8,813 prior to IRDP assistance increased to Rs.10,422 in the post-assistance. Income generation was found to be 27.4 per cent on an average beneficiary.

Syed Ali (1994) conducted a survey in Nalgonda district of Andhra Pradesh to analyse the income and employment generation through IRDP. It was observed from the study that the average incremental income for all the sectors together was Rs.1,728.94, which amounts to 51.48 per cent. It is the highest in service sector, which was 100 per cent. It was the lowest in agriculture sector, which was 37.27 per cent. The industry sector stood second in this respect with 49.26 per cent.

Sumita Dawra (1995) conducted an evaluation study on IRDP in Warangal district of Andhra Pradesh reveals that, though, in the overall, 41.98 per cent of beneficiaries seems to have crossed the poverty line, how far they can sustain being above poverty line is an important question that cannot be answered at this stage.


EMPLOYMENT GENERATION

The study conducted (1981)\textsuperscript{30} by Kerala planning Board showed an increase in employment in the case of 60 per cent of the beneficiaries. The highest average increase employment was 207 man days per year for road transportation, followed by 153 man days for small scale industry, 85 man days for professional and self employment schemes, etc., and 79 man days for dairy units. In other cases, the employment generation was negligible.

George (1984)\textsuperscript{31} analysed the impact of IRDP on employment in two blocks of Atwar district Kerala. It was found that the average employment generation per beneficiary household was to the extend of 125.22 man days after the implementation of IRDP. It worked out to 118.70 and 136.86 man days respectively in Kishangar and Kot-Karim blocks.

Kutty Krishnan (1984)\textsuperscript{32} studied the impact of IRDP in Edakkad village of Cannanore district in Kerala. The survey data revealed that on the adoption of the programmes, employment had increased by 3,410 man days which was equivalent to 11 man years, taking an average of 300 working days in a year. Among the sample households an amount of Rs.1,00,931 have been channeled and as per the target, the employment generation should have been 31 man years as against only 11, meaning thereby that the targets are unrealistic.


Grewal et al (1985)\textsuperscript{33}, in their study in Bhivani district of Haryana, noticed that the IRDP beneficiaries recorded an additional employment generation of 135 days (professional tailoring beneficiaries) and 15 days (domestic tailoring beneficiaries).

The evaluation study (1985)\textsuperscript{34} undertaken by the programme evaluation organisation of the planning commission reported that 90.7 per cent expressed the view that as a result of IRDP their family employment had increased. Another 8.9 per cent of the households reported that there has been no change in their employment position due to IRDP. The study concluded that the increase in employment of the households coverage under the tertiary sectoral schemes was the highest followed by primary sectoral schemes and secondary sectoral schemes respectively.

Raghavan and Varadha rajan (1985)\textsuperscript{35} analysed the impact of rural development programme on economic status of women in Kudrathur block of Tamil Nadu. They reported that the beneficiaries households were able to get an additional employment of 180 days per year.

Ramachandraiah (1986)\textsuperscript{36} estimated that due to the IRDP schemes in Uttar Pradesh self-employment ranged between 16.4 per cent to 32 per cent of the total


\textsuperscript{34} Programme Evaluation Organisation, Evaluation of Integrated Rural Development Programme, Planning Commission, Govt. of India, 1985.


self-employment of the IRDP beneficiaries. He also compared the IRDP beneficiaries with beneficiaries of IRDP + NREP and found that the self-employment was as high as 31.3 per cent among IRDP beneficiaries.

Saikia (1986)\textsuperscript{37} attempted to examine the role of National Rural Employment Programme (NREP) on the alleviation of unemployment, underemployment and poverty based on a study of two districts in Assam. It was found that the additional employment potential under NREP schemes as meagre (12.9 per cent and 17.8 per cent) in Jorhat and Lathimpur districts on an average).

Syed Ali (1994)\textsuperscript{38} studied the impact of IRDP on employment in Nalgonda district of Andhra Pradesh. The study data revealed that the man-days of employment generation in all the sectors together has increased after the implementation of IRDP. The man-days of average employment generated has increased from 166 man-days before the implementation of IRDP to 262 man-days after the implementation, generating an additional employment to the extent of 95 man-days on an average i.e., 57.23 per cent.

Lingarajamma (1997)\textsuperscript{39} analysed the performance of Jawahar Rozgar Yojana in Mysore district. The total expenditure incurred on JRY increased from Rs.861.9 Lakh in 1989-90 to Rs.1,558.4 Lakh in 1995-98. With regard to employment 29.9 lakh man-days were achieved as against the target of 30.04 lakh man-days in 1989-


\textsuperscript{39} Lingarajamma, "Reformance of Jawahar Rozgar Yojana in Mysore district", Southern Economist, Annual Number - May, 1997.
Moreover, 25,258 works were undertaken of which 12,769 were completed of the total man-days created the share of SCs STs, minorities and other were 29.05 per cent, 7.77 per cent, 0.82 per cent and 62.36 per cent respectively.

**REPAYMENT BEHAVIOUR**

Jain (1980) reported that selected borrowers of Panna district repaid about 43 per cent of total amount of loans and the balance was overdue during a year. Thus, the results showed that about 57 per cent of the loan amount was overdue among both small and large farmers. He concluded that crop failure and social expenditure were the main causes for non-repayment of loans by defaulters.

Sikka et al, (1980) analysed the impact and performance of Antyodaya programme in Himachal Pradesh and indicated that three sample families repaid the full amount by them, while 19 were repaying instalments regularly and 19 sample households were found to be irregular in their repayments.

Sinha and Prasad (1980) evaluated special programmes for weaker sections in Mushari block of Bihar. The study revealed that 9.80 per cent of the beneficiaries were prompt in repayment of loans while 43.13 per cent were irregular in repayment and the remaining 32.36 per cent had not paid any instalment.

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40. Jain, H.C., “A study into certain aspects of loans provided to small farmers by the State Bank of India in Pawsí block of Panna district”, *Agricultural Banker*, 3(1) : 9-16, 1980.


Chinnappa Reddy (1981)\textsuperscript{43} studied the socio-economic factors influencing overdues among the defaulters of Srinivasapura block of Kolar district and reported that the overdues position was highest among small farmers compared to marginal and large farmers. However, in absolute terms and overdues were highest among the large farmers.

Nagaraj (1982)\textsuperscript{44} in his study on credit requirement estimates and repayment performance among the farmers in Chintamani Taluk of Kolar district analysed the socio-economic factors associated with the overdue. He found that the age and farm business income exhibited a negative relationship whereas size of holding, family size and non-farm expenditure had positive relationship with the overdues.

Muthayya et al. (1983)\textsuperscript{45} conducted a study on IRDP in two blocks of a district from Karnataka, Kerala and Andhra Pradesh and found that 70 per cent of the beneficiaries were able to repay the loans borrowed under the programme.

Apte (1983)\textsuperscript{46} in his study of a large financing project for purchase of milch animals by farmers and others shows that while 84 per cent of the loans had been repaid to the banks – a very creditable achievement – more than 80 per cent of the

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\textsuperscript{45} Muthayya, B.C., Naidu, K.K., and Aneesuddin, M., "Receptivity and reaction to IRDP a case study in three states", Journal of Rural Development, 2(3) : 318 – 50, 1983.

\textsuperscript{46} Apte, D.P. : "Evaluation of an Integrated Dairy Development Scheme (Warnagar)", Gokhele Institute, Pune, 1982.
beneficiaries had wound up their business by selling the animals and repaying the loan, because they did not find it worthwhile.

George (1984)\textsuperscript{47} while studying the Rural Development Programme in Alwaye district of Kerala analysed the repayment performance separately for all the three types of schemes. It was observed that most of the beneficiaries did not strictly adhere to the revocery schedule.

The NABARD (1984)\textsuperscript{48} conducted a survey on implementation of IRDP and based on limited information available during 1982-83 reported that the recovery was around 69 per cent of the demand, though it was relatively lower in the earlier two years. Among the banks, the performance of commercial banks was better than that of Regional Rural Banks and Co-operative Banks. About 57 per cent of the sample beneficiaries were found to have been regular in repayment.

Gurubachan Singh et al. (1985)\textsuperscript{49} conducted a study in Punjab on repayment performance of borrowers. They indicated that the economic and social characteristics like households and farm assets, consumption expenditure and repayment capacity which affected the repayment of loans were certainly favourable to defaulters than non-defaulters.

\textsuperscript{47} George, P.T., Ramachandraiah, G., Prasada Rao, D.V.L.N and Jaya Kumar, C., Employment and income generating under IRDP and NREP/DRM – A study in Karnataka, NIRD., Hyderabad, 1984.

\textsuperscript{48} NABARD, study of implementation of Integrated Rural Development Programme (Mimeograph), Bombay, 1984.

Balister and Roshan Singh (1986)\textsuperscript{50} reported that the IRDP beneficiaries of Bichpuri block of Agra district, Uttar Pradesh had shown a satisfactory repayment performance in all the categories of families, thus falsifying the common impression that advancing of loans to weaker sections of the rural society by the banks leads to accumulation of bad debts. In contrast to this study Dangat et al. (1986) reported that there was no significant relationship between the amount of overdues and the total land holding as well as the total irrigated area in both the regions of Ahmednagar district of Maharashtra. The authors suggested very careful pre-sanction scrutiny of the loan applications by the financing institutions.

A study conducted by Hanumanthaiyah and Venkateswarlu (1986)\textsuperscript{51} in Karimnagar district of Andhra Pradesh clearly established that small farmers were more conscious of their debts when compared to the medium and large farmers.

Mishra et al. (1986)\textsuperscript{52} in their study conducted in Narasignhpur district of Madhya Pradesh indicated that the overdues were to the tune of 54.67 per cent. The factors responsible for the repayment of loans were the size of holdings, percentage of irrigated area, cropping intensity and per capita income.

\textsuperscript{50} Balister and Roshan Singh, "Role of lead bank in implementing IRDP in Bichpuri. Block of Agra, District, Uttar Pradesh", Agricultural situation in India, 1986.


The study (1990)\textsuperscript{53} conducted by Thippaiah, P. and Davender Babu, M. reveals that the repayment of loans was not encouraging. The average repayment of loans by the beneficiaries were only Rs.889 out of the average loan assistance of Rs.2526. Only 38 per cent of the total loan amount was repaid. Across the schemes, more repayment had been taken place from amongst the beneficiaries of the Animal Husbandry scheme followed by agriculture scheme. It was lowest in ISB scheme.

Chidambaram, K. and Sankarasubramaniam, V. conducted a study (1995)\textsuperscript{54} reveals that, out of 600 beneficiaries only 4.17 per cent repaid IRDP loan, 20.83 per cent paid part of the loan and the remaining 75 per cent of beneficiaries did not pay the loan at all. It is observed from the study that beneficiaries with income ranges of Rs.6,400 and above are higher in percentages of paid in full and partly paid compared to other two categories of income upto Rs.4,800 and Rs.4,800 to Rs.6,400.

**PROBLEMS WITH DAIRY PROGRAMMES:**

The Kerala planning Board survey (1981)\textsuperscript{55} shows, in the case of dairy animals, the main problem of marginal farmers and the landless was the availability of fodder and the high cost of purchases.

\textsuperscript{53} Thippiah, P. and Davender Babu, M., "Impact of IRDP on agricultural labourers", Kurukshetra, June, 1990.


\textsuperscript{55} State planning Board Kerala (1981)
The Jaipur study (Ahuja, et al, 1984)\textsuperscript{56} shows that the real problem with the dairy programmes was poor availability of common grazing land, inadequate supply of fodder and feed, particularly in case of landless and the high cost of maintaining the animal during its dry period.

The survey by Punjab National Bank (1984)\textsuperscript{57} in Alwar district shows that the landless found maintenance of Milch cattle during their dry period very difficult. Half of the sheep had perished, mainly due to lack of shelter from very hot winds in summer.

The NABARD (1984)\textsuperscript{58} survey shows in regard to animal husbandry, it says that except in Punjab, Haryana, UP and Gujarat the Milch Cattle supplied were of relatively poor quality and poor yielders. The difficulty was that animals of better breed and yield were not available in such large numbers. As a result, the price of the poor cattle purchased under IRDP loan went up. Veterinary support was poor in most states. Sheep and goat were susceptible to climatic variations and inappropriate breeds led to heavy mortality in some areas. Inadequate availability of green and dry fodder, particularly to the landless, who were main receivers of Milch Cattle, was another serious problem, especially in unirrigated and low rainfall regions, though even in other regions the problem was not unimportant.


\textsuperscript{57} Punjab National Bank : "Impact of IRDP Advances in Rajasthan (An Evaluation Study)", New Delhi, 1984.

\textsuperscript{58} NABARD : "Study of Implementation of Integrated Rural Development Programme", (Mineograph), Bombay, 1984.
IDENTIFICATION OF BENEFICIARIES

The State Bank of Hyderabad (1983)\(^59\) carried out a survey in Karnataka, Andhra Pradesh and Maharashtra to assess the contribution of IRDP in eradication of poverty. The findings revealed that the loan recipients for Milch Cattle, sheep, goat, bullock with or without cart constituted a major percentage of the beneficiaries. The leakage of loans was as high as 32 per cent in the blocks studied. The study also revealed that in most of the cases already existing assets were utilized to receive subsidy as if they were acquired with the bank loan.

The central Bank of India (1983)\(^60\) found 28.3 per cent in Chindwara district (M.P) misclassified as poor. NABARD (1984) found this percentage to be 20.4 in districts of Bhopal and Satna in MP.

Tripathy et al (1983)\(^61\), in their survey of SFDA/IRDP in Puri district of Orissa that 13 per cent of the sample beneficiaries were clearly ineligible under the scheme, in terms of their landholding, partly due to faulty land records. "In a large number of cases persons do secure subsidy and bank credit although their known sources of income from farm and non-farm activities would make them totally ineligible for such assistance". On the other hand, the NABARD (1984) survey in two districts in Orissa puts the percentage of ineligible beneficiaries at 1.5.


\(^{60}\) Central Bank of India, Economic Intelligence Department, "Integrated Rural Development in Chindwara District of Madhya Pradesh", Bombay, 1983.

Adhikari (1983) evaluated the impact of IRDP in a remote and backward block of Kumaon region in Uttar Pradesh. The programme covered only 1.38 per cent of the total families of the block. He found that the implementing authorities were more concerned with the number of families to be assumed income to the beneficiaries.

A survey by Krishnan (1984) in a Calicut Village (Kerala) showed that on total household income basis only 20 per cent were poor; on per capita basis 36 per cent were poor; the rest, 64 per cent were not poor in terms of their pre-IRDP income.

The NABARD Survey (1984), however, showed that among the sample beneficiary households in Mallapuram and Trivandrum districts hardly 2 per cent had been misclassified.

In Rajasthan, Ahuja and Bhargav (1984) reported 14.7 per cent as misclassified in Jaipur district; and NABARD (1984) reported 21.4 per cent misclassification in Jodhpur district.

In Surat district of Gujarat, Jain (1984, July and September) found in two talukas 10 per cent of the beneficiaries having income above the poverty level at the time of the identification survey.

NABARD (1984)\(^{67}\) found in two districts of Junagarh and Valsad in Gujarat 47 per cent of the sample beneficiaries with higher pre-investment income than the maximum stipulated.

In the Canara Bank (1984)\(^{68}\) study in two Tamilnadu districts, 25 per cent of the beneficiaries were found to have higher per capita income than stipulated.

The NABARD (1984)\(^{69}\) survey shows the percentage of beneficiaries wrongly classified to be 42 per cent in Assam, 17.76 per cent in Haryana, 35 per cent in the Punjab, 19 per cent in MP and 13 per cent in Maharashtra. As against this, the survey showed 11 per cent misclassification in the surveyed districts of Tamil Nadu and Karnataka, 7 per cent in AP and hardly one per cent or less in Orissa, Bihar and Uttar Pradesh.

The NABARD (1984)\(^{70}\) survey of 30 districts of 15 states shows that while in the selected districts of Kerala, Madhya Pradesh, Maharashtra, and Rajasthan, only 20 to 30 per cent of the identified poor had been helped with loans, some of these beneficiaries belonged to the highest income bracket (Rs.3,000-3,500), in some cases in significant proportions.


Kutty Krishnan (1984)\textsuperscript{71} analysed the impact of the programme in Edkkad village of Connannore district in Kerala and observed that the majority of the beneficiaries to the extent of 80 per cent (based on annual family income of less than Rs.3,500/-) and 63.25 per cent (based on monthly per capita income of less than Rs.76/-) were not eligible for assistance under the programme. Targets are fixed without realistically understanding the magnitude of poverty in a specific region resulting in benefits being liberally passed on to well-off sections.

Lal Das (1984)\textsuperscript{72} attempted to evaluate the performance of IRDP in a backward block of Sitamarthi district of Bihar. He reported unsatisfactory performance of the programme, covering only about a third of the target group households and utilising around 40 per cent of the allocated funds. Taking section wise performance, it was reported to be somewhat better in agricultural schemes, and very poor in the service sector schemes. He observed that the programme suffered from biases in the identification of beneficiary families, lack of co-ordination between the Block Development Officer and the financing agencies and the politicisation basis.

National Bank for Agriculture and Rural Development (NABARD) (1984)\textsuperscript{73} based on the sample data observed that there had been cases of wrong identifica-

tion to the extent of 15 per cent of total number of assisted beneficiaries. In the selected district of Bihar and West Bengal no case of wrong identification was observed while in the selected districts of Kerala, Maharashtra and Uttar Pradesh, the number of such cases was negligible. Among the remaining states, the proportion ranged from 7 per cent in Andhra Pradesh to 47 per cent in Gujarat. This occurred because of the non-inclusion of income of all the members of the family while ascertaining income of the family for the purpose of identification.

Sankaranarayana (1984)\(^74\) made an impact study in IRDP in Kottayam District, Kerala and found that the household survey for identifying families to be assisted under the programme was not conducted carefully and systematically. Consequently, around 40 per cent of the house holds selected for assistance happened to be already above poverty line.

Khatkar et al (1986)\(^75\) analysed the impact of IRDP in Mahedragarh district of Haryana observed that only 37.1 per cent of the beneficiaries were properly identified while as many as 48.6 per cent of them were misidentified.

An evaluation of IRDP by the comptroller and Auditor General of India for the period (1985-93)\(^76\) has revealed that about 11,000 families which were not eligible to the benefits under the scheme were aided to the extent of more than Rs.3 crores.

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\(^74\) Sankaranarayana, IRDP evaluation and impact study, Kottayam district. Dept of applied Economics, University of Cochin, Cochin, 1984.


The Evaluation (1995)\textsuperscript{77} conducted by Dhillon, D.S. in three districts of Punjab “Found that twenty eight per cent of the beneficiaries were ineligible for getting benefit under the programme. In 76 per cent cases, the household survey was not carried out to identify the beneficiaries.

Sumitha Dawra (1995)\textsuperscript{78} made an attempt to evaluate the implementation of Integrated Rural Development Programme (IRDP), in Warangal district of Andhra Pradesh. The study reveals that the beneficiaries eligibility was attempted to the assessed by inclusion of four criteria in the evaluation report, namely Income (pre-investment), Land Holding, Ration Card (White/Pink) and Dwelling Unit (Pucca/Thatched). One can be sceptical of these results, since claims of income/land can be underestimated and lot of well-of persons possess white cards. However, one has to keep in mind that these are all cases certified as eligible, as per income land holdings, by the concerned mandal parishad Development officers (MPDOs).

The Concurrent Evaluation of IRDP (1995)\textsuperscript{79} indicated that as per the official records, 77 per cent of the IRDP assisted families were in the annual income range of Rs.4,000 or below, 21.11 per cent in the income range of Rs.4,001 to 6,000; and balance 1.89 per cent were near the poverty line of Rs.11,000. But when we see the income of the beneficiaries, as assessed by the investigators who did the field study of Concurrent Evaluation of IRDP found that only 38.52 per cent of

\begin{itemize}
  \item \textsuperscript{77} Dhillon, D.S., “IRDP in Punjab: An Evaluation study on Milch Animal Scheme,” Kurukshetra, April 1999.
  \item \textsuperscript{79} Concurrent Evaluation of IRDP (1995) Government of India, Ministry of Rural Development.
\end{itemize}
the beneficiaries were in the income range of Rs.4,000 or below. The percentage of beneficiaries in the income range of Rs.4,000 to 6,000 though, has gone up to 35.91 per cent and 21.88 per cent of them were near the poverty line in fact 3.69 per cent were already above the poverty line (non-eligible ones).

**CROSSING POVERTY LINE**

The NABARD (1984) survey shows an overall leakage of 20 per cent. The percentage of beneficiaries whose income had risen above the poverty line Rs.3500 came to 47 per cent of all eligible beneficiaries (i.e., excluding the 15 per cent who were not poor) or 40 per cent of all beneficiaries. There was considerable variation among states. But these are in current prices. When adjusted for price changes between 1979-80 and the survey period it was found that only 22 per cent of the eligible beneficiaries, or 18.7 per cent of all beneficiaries had been able to cross poverty line. The selected districts in states like Punjab, Haryana, Uttar Pradesh and Maharastra showed a better performance with more than 40 per cent rising above poverty line, while Rajasthan, Tamil Nadu and Andhra Pradesh showed 10 per cent or less performance.

In Jaipur district in Rajasthan (Ahuja, et al, 1984) 23 per cent of all beneficiaries had crossed the poverty line. In Bardoli Taluka only 16 per cent of the beneficiaries could cross the poverty line. In the relatively backward Taluka Uchchal there was no rise in real income for most (Jain, 84, a, b).

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Thippaiah, P. and Devendra Babu, M., in their study (1990) reveals that not many have crossed the poverty line after the IRD assistance. Out of 70 beneficiaries, only 17 crossed poverty line (i.e., Rs.3,500 and above), which includes beneficiary who was already above the poverty line. Thus 24 per cent of the beneficiaries crossed the poverty line. The majority of the beneficiaries, who crossed the poverty line, were all for an animal husbandry and lone beneficiary from the ISB sector.

Amar Chand Kaushik (1993) studied Income Generating Effects of Rural Credit: A case study of IRDP in Haryana. The field data reveals that out of 109 assets acquiring beneficiaries, 86 beneficiaries (nearly 79 per cent) were found to be below the poverty line (Rs.6,400). Out of these 86, 20(nearly 23 per cent) beneficiaries crossed over the poverty line. Poverty alleviation rate was found to be higher in case of beneficiaries engaged in non-agricultural activities than that of agricultural activities (31 per cent > 17 per cent).

According to Concurrent Evaluation of IRDP (1994) Government of India, stated that, there was no uniform relationship between the incidence of poverty in different states of India and the number of IRDP assisted families crossing the poverty line. Though, in states like Punjab where all the districts are almost uniformly developed in terms of infrastructure (commodity market), this relationship

seems to exist and found low per cent of poor (7.21 per cent, lowest among all states) and high per cent of IRDP assisted families crossing the poverty line (53.46, the highest among all states).

**STATUS OF THE ASSET:**

NABARD (1984)\(^85\) survey shows that 40 to 50 per cent of the investment, as also of the beneficiaries, related to dairy, goats and sheep. Bullocks, camels, with or without carts accounted for another 20 per cent, minor Irrigation accounted for 13 or 14 per cent and non-form activities (ISB) for nearly a quarter.

The Jaipur study (Ahuja, et al, 1984)\(^86\) shows that less than half (45.7\% per cent) of the recipients of loans for the purpose were left with the asset at the end of two years; the others had either sold it or the animal was dead. An even smaller per cent of agricultural labour households, 34 per cent was left with the animals.

A survey by the State Bank of Bikaner and Jaipur (1984)\(^87\) in Bikaner district showed that most of the beneficiaries, who were mainly landless, had acquired camel carts, cows or buffaloes, or sheep and goats. However a large proportion was without these at the time of survey: 28 per cent had sold the assets or these were dead, and another 22 per cent were unwilling to show the assets, leading to suspicion of non-existence.

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85. **NABARD (1984) Survey**


The survey by Punjab National Bank (1984)\textsuperscript{88} in Alwar district showed that nearly 30 per cent of the Milch cattle and 64 per cent of the camels with cart had been sold or were dead.

Jain (1984 a.b)\textsuperscript{89} studied the IRDP in two taluks of Surat districts, Gujarat, where the scheduled tribe households were the main beneficiaries and Milch Cattle accounted for the overwhelming proportion of investment. In the developed irrigated taluke of Bardoli, nearly 22 per cent of the beneficiaries were without their assets at the end of the two years. Half of the households with dairy animals had registered some increase in real income.

In the backward forest - clad taluk of Uchchal, 17 per cent receipts of assets, mainly cattle, were not in possession of these at the end of the two years.

The Canara Bank study (1984)\textsuperscript{90} in the two Tamil Nadu districts of Tirunelveli and periyar shows the IRDA was for only three purposes, dairy, bullock (including carts) and sheep. But only 28 per cent of the beneficiaries showed any improvement in their asset position at the time of survey. The rest had either sold the animals or replaced their earlier animals with these. Drought conditions had led to distress sale of animals.

\textsuperscript{88} Punjab National Bank, "Impact of IRDP Advances in Rajasthan (An Evaluation Study)", New Delhi, 1984.

\textsuperscript{89} Jain, SC, "Impact Study of Integrated Rural Development Programme, Uchchal Taluk, Surat (Gujarat)", South Gujarat University, 1984, Sep.

\textsuperscript{90} Canara Bank (CB), "Impact Study on IRDP in Tirunelveli and Periyar District (TN)", Bangalore, 1984.
The concurrent Evaluation of IRDP (1995)\(^9\) indicates that 21 per cent of the assets provided to the beneficiaries under IRDP were not intact.

Dhillon, D.S., (1996)\(^9\) conducted an Evaluation study on Milch Animal Scheme of IRDP in Punjab state. It was found in the study that in about 37 per cent cases, the assets were found to be not intact. Again it was found that in 6 per cent cases, the Milch Animal died within two years and in another 31 per cent cases the assets were disposed of due to inadequate income generation, high maintenance cost or defective condition of the Milch Animal.

Sumita Dawra (1996)\(^9\) conducted a study to evaluate the implementation of Integrated Rural Development Programme (IRDP) in Warangal district Andhra Pradesh. The study indicates that 50 per cent of the assets are missing due to diversion of assistance to other purposes. This diversification could be due to consumption needs not being satisfied. If we compute these cases on total sample size, we get a figure of 11.60 per cent of cases of misutilisation of assistance, in total number of cases studied. In most of these 39 cases, the beneficiary has used the assistance for consumption purpose and felt the assistance given was too meagre to help him.

