CHAPTER – II

AN OVERVIEW OF INTEGRATED RURAL DEVELOPMENT PROGRAM – It’s Objectives & Scope
2.1 The Integrated Rural Development Programme (IRDP), which was launched during the 6th Five Year Plan with the aim and objective to eradicate poverty from the rural areas of the country, was conceived and designed by the Government of India and implemented by the State Governments. The IRDP is a family based, beneficiary-oriented and asset building programme with an accent on self-employment. It is a unique experiment in the field of poverty alleviation covering the rural areas all over the country. The main objectives of the programme are,

(i) *To raise the standard of living of the families of the identified target group in rural areas to cross the poverty line;*

(ii) *To create substantial opportunities for economically backward families to have durable self-employment schemes and wage employment opportunities for sustainable earning in the rural sector.*

From the above objectives it can be seen that the families have been taken as units for getting assistance under IRDP. Further, this programme has fixed some criteria to identify some target groups living below the poverty line. These
groups include (i) the small farmers having 2 hectares or less agricultural land holdings (ii) the marginal farmers having 1 hectare or less agricultural holdings (iii) agricultural labourers having no agricultural land and deriving more than 50% of their income from agricultural wages. Within this target group there are some sections of rural people such as families belonging to STs and SCs and women for whom special safeguards have been guaranteed in the programme. Under IRDP, the poverty line has been defined in terms of annual income of a family. A family having annual income of Rs. 11,000/- or less is considered as a family below the poverty line. The objective of the programme is to assist the families of the target group to reach an annual income level of Rs. 11,000/- or more. The programme is basically aimed at achieving the objectives by creating self employment and wage employment opportunities in rural sector.

The poorest of the poor families of the rural areas are selected by the Gramsabha for getting assistance under the programme so as to enable them to raise their annual income above the poverty line through self employment or wage employment opportunities derived from the programme.

The Integrated Rural Development Programme is a loan linked and subsidy oriented programme. The assistance to the beneficiaries under IRDP has two components i.e. loan
and subsidy. The major part of the investment comprising the loan portion comes through institutional credit. Lending to beneficiaries is to be made on a project basis to be phased according to the nature of the project and the size of loan & this is determined on the basis of the requirement for the project. Subsidies are granted on these loans, which are provided for undertaking different activities. Funds for the expenditure on subsidy are provided in the budget of the center and the state. The rate of subsidy varies from beneficiary to beneficiary basing on the group and area to which the beneficiary belongs. The loan so received by beneficiaries under IRDP are treated as medium term loans and its repayment period ranges from 3 to 5 years.

**LOAN:**

As has been stated in preceding paragraphs, "the programme aims to achieve its objectives by providing income generating assets including working capital, where necessary to the target group of families through a package of assistance including subsidy and institutional credit." Under the strategy it is required to formulate a block plan keeping in view the available infrastructure and potential for development in different sectors of activity and to link up with other development programmes to improve effectiveness of IRDP. The criteria for identification of families to get assistance under IRDP was fixed at Rs. 4800/- per annum income during the 7th Plan Period. With a view to assist the poorest of the poor first, the preference
was given to the families having annual income range up to Rs.3500/-. After all such families have been assisted in Gram Panchayat Level, the families with the annual income range of Rs.3501 to 4800/- were decided only to be assisted in the second phase. However this restriction does not apply for coverage of the beneficiaries who require grant for 2nd dose to the families, which received inadequate assistance in the 6th Plan. The eligible beneficiaries are to be enlightened by the VLW/Block Staff and the list of beneficiaries so prepared is to be approved by the Gram Sabha consisting of local people, block officers, Bank Officers, non-officials and volunteers. The eligible beneficiaries, as per the final list are to be given assistance for different schemes for undertaking income generating activities under primary, secondary and tertiary sector. The important schemes under IRDP are Agriculture, Minor Irrigation, Horticulture, Land Development, Rural Industries, Animal Husbandry and Business etc. The assistance is provided in shape of income generating assets and supplied with bank loan and subsidy from DRDA.

SUBSIDY:
The Subsidy pattern under IRDP shows that the SC and ST beneficiaries are entitled to get 50% of the project cost as subsidy subject to a maximum of Rs.5000/- per family. For others the pattern of subsidy is 25% including for small farmers and 33.5% for marginal farmers, agricultural
labourers, non-agricultural labourers and rural artisans subject to a maximum of Rs. 3000/- per family in non-DPAP area and Rs. 4000/- per family in DPAP areas. However there is no limit of subsidy in individual irrigation projects. The above pattern of subsidy also applies to the groups of women from families below the poverty line formed under Development of Women and Children in Rural Areas (DWCRA) Programme. The subsidy is given in kind except for the working capital component in exceptional circumstances.

**Rate of Interest on Loan:**
Credit available to beneficiaries under IRDP carries a concessional rate of interest of 10% per annum. The participating credit institutions are provided automatic refinance from NABARD for the activities under IRDP.

**Security cover for loan:**
The beneficiaries are not required to give collateral security for investment loans up to Rs. 10,000/- in the agriculture and allied sector under IRDP. They are only required to hypothecate the assets created by the loan. In the Industry/Services/Business (ISB) sector, the limit for security free loan is Rs. 25,000/-. 
Allied programmes under IRDP

(1) Training to Rural Youth for Self-Employment (TRYSEM)

For providing technical skill to rural youth from families below poverty line to enable them to take up self employment schemes, such as industries, business, agriculture and allied activities under the scheme “Training of Rural Youth for Self-Employment” (TRYSEM) a centrally sponsored scheme was launched by Government of India on 15th August 1979. It is a facilitating component of the Integrated Rural Development Programme.

The target group for providing training under this programme comprises rural youth between the age group of 18 to 35 from families living below the poverty line. However, the age limit for carpet weaving activity is 14 to 35 years. As per the norm, out of the total number of trainees 30% should belong to SCs/STs and 33.33% should be women. The cost of the training, which includes stipend etc., is met out of the fund provided for infrastructure under IRDP. Under this scheme, the identified youth are to be provided training either in a training institution or under a master craftsman to provide necessary technical and entrepreneurial skills. The duration of the training course is normally for a period of six months. During the period of training, the trainees are paid stipend ranging from Rs.100 to 250/- per month depending on the duration of training and area where the training is to be imparted.
On successful completion of training, the trainee is to receive a combination of subsidy and institutional credit under IRDP, the acquisition of an income-generation asset for taking up any self-employment scheme. The main problem faced under TRYSEM and subsequently when the trained youth goes for self-employment, is the absence of infrastructural support and backward and forward linkage. This has to come from sectoral departments. To overcome this problem the DRDA is to coordinate/provide backward and forward linkage by maintaining contact with all the concerned departments/institutions.

(2) **Development of Women and Children in Rural Areas (DWCRA)**

A midterm review of implementation of IRDP revealed that flow of assistance to women members of target group households had been very marginal. With a view to improve the quality of life of rural families living below the poverty line, a sharper focus on providing assistance to women as part of IRDP strategy was considered essential and hence Development of Women and Children in Rural Areas (DWCRA) was formulated as a sub-scheme under IRDP.

This programme aims at ‘providing income generation activities to women and an organisational support in terms of receiving system for the assisted women so that they can become effective recipients of goods and services available in that area’. Initially
the programme was launched in 50 selected districts in 1982-83. The programme is being extended to more districts in phased manner every year.

The target group of DWCRA is the same as IRDP but in this programme assistance is being provided to a group of beneficiaries. In other words the financial provisions under DWCRA are available only for the group whereas the individuals are financed on IRDP pattern from IRDP budget.

The scheme envisages formation of group of 15-20 women who come together for the activity of mutual interest to all the members. The entry point for the groups may not be income-generation activities, but it must be an essential ingredient of the total gamut of activities in which the group is involved.

Each group is provided with Rs. 15,000/- as one-time grant contributed in equal proportion by GOI, State Government and UNICEF for using it as revolving fund to purchase raw materials, infrastructure support (like seed), for income generation activities, one time expenditure on child care facilities and honorarium to group organiser.

All viable economic activities are under taken by DWCRA groups. The Gram Sevika, Mukhya Sevika and APO (WD) are to assist the group in identification of suitable activities and to ensure the backward and forward linkage for selected projects which are feasible in that area and identified institutions such as
Khadi and Village Industries Commission, Khadi and Village Industries Board, District Industries Center and State Owned Corporation etc. are able to provide supportive services as well as infrastructure facilities.

The groups, if registered one, can also avail loan from the bank as a group for economic activities. In this case, individual women member will be entitled to subsidy as per IRDP norms and each member will be equally liable for repayment of the loan. In case the group is not a registered one, no loan can be availed from any bank as a group and this composite loan, which can be disaggregated, into individual loans and subsidies with the group guaranteeing the entire loan amount.

For effective implementation of economic activities by a group, the programme gives much stress on training of the beneficiaries to improve their skill. TRYSEM is expected to cater to fulfilling the skill requirements for the beneficiaries of DWCRA. Funds for training are coming from UNICEF on reimbursement basis to the State Government/DRDA directly. Funds are also available from UNICEF for holding district level workshops/seminars.

In keeping with the overall objective of DWCRA, the group is expected to develop into a receiving system, which will be effective in obtaining benefits meant for the target group. The
group must, therefore, be enabled to take up facilities available for its members.

The aforementioned paragraph gives us an overview of the IRDP and its general scope & objective.