CHAPTER-III

INTEGRATED RURAL DEVELOPMENT PROGRAMS IN THE STATE
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PRORGRAMMES IN THE STATE OF ORISSA

In recent years, persistence of economic and social backwardness in the States of Eastern India in general and Orissa in particular has drawn much scholarly attention besides that of planners as well as policy makers. It is being increasingly realised that there is a growing concern for the poor, the malnourished and the unemployed all over the country. Their numbers are increasing to alarming proportions over years. The problem of hunger and nutritional deficiencies has been largely a function of poverty and unemployment. According to the estimates of the expert group appointed by the Planning Commission for the year 1987-88, as much as 58 percent of Orissa's population live below the poverty line which constitute a sizable section belonging to the Scheduled Caste & Scheduled Tribe and other weaker sections of the society. In particular, the majority of the poor are found in rural Orissa. They are not only illiterate but also have no access to health and education. Their consumption of item of basic needs like nutritious food, fuel, clothing and shelter are
almost at minimal or at subsistence levels. Interestingly, while a negative co-relation between poverty and illiteracy is very much noticed, the positive co-relation between literacy and development is often not conclusively established for the State of Orissa.

Human Development (in a certain well defined sense of the term) no doubt does play a crucial role in promoting/facilitating equitable, efficient and sustainable economic development, but the non-correspondence between the level of human development on the one hand and the level of economic development on the other has provided the basis for theoretical analysis & empirical investigation with respect to different dimensions and determinants of human development in different contexts. In this context, though the broad conditions of successful human development have been quite well attended to, what has not been told adequately perhaps is about its failure particularly from the point of view of public policy. In this regard, Orissa provides an interesting picture compared to all other States relating to the incidence of poverty, which appears to be a very sensitive index as compared to all other poverty parameters, measured in terms of daily calorie intake. A wide inter-state variation in the level of poverty over a period of time for the sake of comparison with the help of CMIE data clearly characterises Orissa as the low human development state as compared to others.
Though Orissa had secured the dubious distinction of securing first position in 1973-74 & 1987-88 with regard to proportion of population below the poverty line followed by West Bengal, Madhya Pradesh & Bihar, the picture seems to have taken a different turn with Bihar securing the first position followed by Orissa in the year 1993-94. While during 1987-88 and 1993-94, it is noteworthy to state that Orissa achieved a marginal decline in the ratio of its people below the poverty line from 56.6 to 49.9 percent (CMIE, 1996), the programmes launched in recent years for poverty alleviation seem to have failed to achieve the desired results compared to other states like Andhra Pradesh. To be precise, the states of eastern India especially Bihar, West Bengal & Orissa seem to have failed to fare satisfactory performance in implementing varieties of poverty alleviation programmes compared to the poverty levels prevailing in many other states over the length and breadth of the country.

Efforts have been made during the last couple of decades under the successive Five Year Plans of the Country to eliminate poverty and to bring down the gap between the rich & the poor by reducing the socio economic inequalities to ensure social justice & economic well beings of the masses especially the rural poor. While the first three Five Year Plans were believed to have assumed that economic growth would percolate down and create spread
effects so that benefits of planning would reach the poorest of the poor, the Fourth Plan abandoned the broad based community development as well as sectoral approaches & initiated special target group and area oriented development strategy through a host of beneficiary oriented programmes to provide developmental benefits to the poorer sections of the people in general and the poor people in backward regions in particular. The fifth plan was more specific on developmental strategy and initiated therefore a couple of anti-poverty programmes as direct attack on poverty through massive transfer of resources from the top three deciles to bottom three deciles which was renewed in the Sixth Five Year Plan on the basis of the principle of trickle-down benefits of general development programmes. Accordingly, it was envisaged to devise a systematic local level planning for resource development and employment generation for alleviation of rural poverty.

The integrated Rural Development Programme (IRDP) was launched in 1978-79 for purpose of poverty alleviation as well as increasing production through a set of self-employment and wage-employment schemes. However, the Integrated Rural Development Concept by and large is associated with growth and equity. Accordingly, it was designed to integrate a number of components including credit, extension, input supply, marketing etc. But, in the Seventh Five Year Plan, the emphasis on income
distribution and asset was muted. The low growth of economy in general and the ineffective 'trickle down effect' in particular during last couple of decades of planning however, have no doubt failed to dent into economic distribution and to make serious inroads in to poverty. Keeping these in view direct measures through IRDP, NREP, RLEGP, JRY, ERBL, TRYSEM, IAY were designed and tried out for implementation in phases to raise income levels of poor. Besides, emphasis was given for development of the social sector to benefit poor rural people in general and targeted group of people in particular in the backward areas in terms of primary education, health care facilities, safe drinking water, low-cost housing facility and enlargement as well as efficient functioning of public distribution network for supply of essential goods.

Various Concurrent Evaluation Studies undertaken by the Ministry of Rural Areas and Employment and Studies undertaken by several agencies at different institutional as well as individual levels by and large suggest that the special anti-poverty programmes aimed at integrated rural development have grossly failed to raise the consumption levels of the poorest of the poor in rural areas – for participation rate of the poor in asset-based income/employment generating programmes is very low. While the better off poor are the actual beneficiaries and the targeted group of beneficiaries have not benefited much
in terms of increase in income, employment, asset formation and the like. Further, the development administration and the supporting institutions seem to have not shown much interest for successful implementation of such schemes from time to time. As a result, the scope of leakages in the programmes meant for upliftment of the poor has been widened and impoverishment and marginalisation of this group have continued to remain irreversible.

Despite several deficiencies and ineffectiveness of anti-poverty programmes their catalytic role in bringing out gradual socio-economic transformations in the rural India and to make it more egalitarian may not be ruled out. The attitudes of the beneficiaries towards self-help, capability for independent decisions on occupation and means of livelihood, risk bearing attitudes towards investments etc. in the changing socio-economic environment bear testimony to some of the positive effects of anti-poverty programmes. Besides, the gradual sanction of freedom from the grips of many leaders, feudal landlords, dominating rich due to host of such programmes on the one hand and development of infrastructure such as all weather roads, school buildings, health centers, irrigation network, farm forestry, drinking water facilities, etc. in the country side on the other hand, seem to have created/widened a sense of security in the minds of the rural people. Most importantly,
all these are the result of integrated rural development through implementation of various antipoverty Programmes in the countryside at regular intervals.

Admittedly, irrespective of methodological differences with respect to measurement of poverty, the fact remains that Orissa demonstrates highest level of mass poverty among all the States. The recent (1992) computation of rural families living below the poverty line (by the Panchayat Raj Department, Government of Orissa according to divided districts) in accordance with the poverty level of income of Rs. 11000/- shows that the incidence of rural poverty in Orissa is 78.7 per cent at the aggregate level. The disaggregated data further suggest that a large majority of these families belong to Marginal Farmers (MF), Agricultural Labourers (A.L.), Non-Agricultural Labourers (NAL) and Rural Artisans (R.A.). The majority of S.F. and M.F. identified under below poverty line (BPL) suggest that certain structural, institutional and marketing impediments such as failure of land reforms, inadequate consolidation, supply constraints in qualitative inputs, seeds and credit, irrigation, marketing of produce, small size of the cultivating units etc. put serious obstacles for not yielding a reasonable income to many even with assistance from various poverty ameliorative programmes of the Government. As has been rightly said, “equity oriented policies and programmes pursued within the cast-iron
iniquitous economic structure of ownership of assets will not only be self-defeating, but may prove counter-productive” (Preface to Seventh Plan by the Deputy Chairman, Planning Commission). Because, a direct attack on poverty without an equally direct attack on the structure which has bred poverty and continues to do so, is an illusion. Though, there have been profound discussion about poverty and its alleviation, a mention of unmerited affluence is carefully avoided, though we believe that poverty would not be eliminated without certain amount of affluence. This is indeed a paradox.

Needless to say that poverty is multi-dimensional. It manifests itself in a variety of socio-economic characteristics. However, it is indisputable to say that the failure of trickle-down effect of various poverty alleviation programmes including IRDP is possibly primarily due to the several changes in the rural development strategy over years with regard to its emphasis, strategies and programmes. All these changes seem to have created great upheaval and have exerted indeed profound influence on the society and economy in general and weaker section in particular. The distribution of cash/asset through different schemes has made people dependent on Government, as a result, the poor section of the community appear to remain far from the attainment of economic self-reliance since they turn to Government for everything.
That anti-poverty scheme including IRDP during 1978-92 have had witnessed a gross failure for raising income levels of 78.7 per cent of identified rural poor in Orissa, does very much bear testimony to non-attainment of self-reliance and steady growth of the Orissa's economy. Across the districts, the poverty situation no doubt shows great variations. As a result, the disadvantaged sections of the society are very much found in distress conditions despite the implementation of a host of anti-poverty programmes during last two and half decades.

Admittedly, the dismal performance of practically all special employment and income augmenting schemes implemented during last couple of years for the weaker sections of the rural population is fairly common. Most importantly, neither the beneficiary programmes nor the wage employment programmes have been chosen by the type of society and social relations we visualize as a consequence of plans and programmes. In particular, the beneficiary programmes have not been visualized according to the suitability and feasibility for poverty alleviation in many rural area in general and backward tribal regions in particular. What appears to be more important and pertinent at this critical stage is our gross incapability to unearth the root cause of failure and reorient the modalities of action, redesigning the institutions and organizations through which the strategy
could be made successfully operational. The gross failure of IRDP to raise substantial proportion of population living below the poverty level of income (Rs. 11000/-) in Orissa in 1992 stands testimony to this despite huge investment of funds during last few years in terms of loans and subsidies in favour of beneficiaries in primary, secondary and tertiary sectors.

IRDP is a major poverty alleviation programme and has been implemented as an ameliorative measure to raise poverty levels of income of substantial rural population in the State of Orissa since 1979-80. It has been implemented as a self-employment programme for rural poor in 314 blocks with effect from October 1980. The basic strategy of the programme is to help the identified rural families to cross the poverty line by providing productive assets and inputs through term credit and subsidy. The main focus of the programme has been to help the poorest of the poor on priority and in phases through proper identification of rural families. The programme includes all categories of weaker sections of rural households under the target group. These include SCs/STs, physically handicapped and women. The assisted families as per IRDP guidelines of the Central Government have been drawn from the above categories though, at the implementation level the norms prescribed for seem to have been grossly violated for some reason or the other. However, subsidies and bank credit to beneficiaries to take up self-employment activities have
been strictly followed with subsidy of 25% to S.F., 33% to M.F., A.L. and rural artisans, 50% for SCs/STs and physically handicapped persons.

Under the IRDP launched in the State since 1979-80, 11.04 lakh beneficiaries were covered by the end of the Seventh Five Year Plan out of which 5.58 lakhs belong to SC/ST. The total coverage of beneficiaries in 1990-91, 1991-92, 1992-93, 1993-94, 1994-95 and 1995-96 were 162832, 132938, 105083, 172899, 151725 and 141625 respectively out of which SC&ST beneficiaries covered were 84828, 64964, 53687, 93789, 77677 and 66657 respectively. However, the total number of IRDP beneficiaries till the end of March 1996 in Orissa were 29.04 lakhs out of which 18.0 lakhs have been identified during 1990-91 to 1995-96.

It is pertinent to point out that despite huge investments for creation of durable income generating assets through IRDP scheme, as much as 21.3 per cent of the beneficiaries covered by 1992 could cross the poverty line of Rs. 11,000/- in the State of Orissa. Further, the average per family investment (both subsidy and credit) in creation of income-generating assets shows that while it was Rs. 7,121/- in 1993-94, during 1994-95 and 1995-96, this has been increased to Rs. 8,678/- and Rs.12,732/- respectively. Precisely, it shows that there is a non-correspondence between the volume of investment per family and proportion of beneficiary families benefited in
crossing the prescribed poverty level income. Therefore, it is not simply investments on income generating assets but other than this, ability for preservation of assets, their maintenance and choice of asset that matter most.

Under the IRDP launched in the State, the subsidies realized by the beneficiaries during 1990-91 and 1995-96 show that the quantum of subsidies has increased from Rs. 30.79 crores in 1990-91 to Rs. 60.49 crores in 1995-96. Although, the number of beneficiaries and the amount of subsidy released so far appear to be appreciable, this has not put significant dent in to the reduction in the extent of poverty in the State of Orissa. More importantly, the sectoral distribution of subsidies during the above period shows that a very significant proportion of investment in terms of subsidy has gone in to primary sector followed by tertiary and secondary sectors. In this context, without restructuring land, credit and market structure and without integrating the schemes for rural development, generation of employment opportunities, and effective participation of beneficiaries themselves, the scheme possibly may fail to conceive to yield positive result. The increasing poverty ratio of the State over the years stands testimony to such continuing adverse situation and dismal performances of poverty ameliorative programmes in the State.