CHAPTER-III

SURVEY OF LITERATURE
INTRODUCTION
IRDP has been undertaken as a major research work by many organisations. The research works carried on by institutions like NIRD (National Institute of Rural Development, Hyderabad) outnumber the works done by others.

This chapter aims at studying IRDP from three angles: (i) concepts and theoretical aspects; (ii) the operational aspects of the programme; and (iii) its impact on the rural economy.

3.1. STUDIES ON CONCEPTS AND THEORETICAL ASPECTS

Among the welfare programmes aiming at alleviation of poverty in rural India, IRDP occupies a significant place. Though it is a well-planned, well-designed and by far the largest poverty alleviation programme, yet it is criticised on many grounds by different economists, sociologists and academicians from time to time.

The main criticism of the programme is that while planning the programme no attention is paid to the socio-cultural values of Indian social system.
Prof. S. Janakiraman, Head of the department of Sociology, Gandhigram Rural Institute, Gandhigram, focuses his observation on four areas, namely, (i) Diversification of occupation or economic activity for better income; (ii) Occupational mobility for higher income; (iii) Educational and Trade Skills and (iv) Tribal development under IRDP. He found that the conservative outlook, rigidity of caste boundaries, and strong belief in traditions and customs do not allow the rural folk to lead a better life by their conscious involvement in various economic activities of the government. Therefore, while striving for the development of a group or an area, due emphasis has to be given to their traditional values and historical experience." (1)

Apart from socio-cultural aspects, Prof. M.L. Dantwalla, Prof. N.J. Kurian and Prof. S. Guhan have given emphasis on the economic and political power structure of the Indian society. According to Prof. Dantwalla, "a direct attack on poverty without an equally direct attack structure, which has bred poverty and continues to do so, is an illusion at best, fraud at worst." (2) He suggested that "the first
step should be to change the caste belief and inequitious structure of ownership of assets; otherwise the success of any welfare programme is nothing but a day dream". (3)

Prof. Kurian (4) while highlighting these viewpoints comments, "A good part of what is given to poor through IRDP will be taken away through the social process and market operations dominated by the rich and powerful".

Prof Guhan, in the similar manner, analyses the programme and states that "land reform should play the primary and secondary roles and the role of these direct programmes should be tertiary, otherwise in the existing economic and political structure, the return from these programmes will be always marginal". (5)

He suggested to expand the package of IRDP "to include social security package for old and handicapped". (6)

On the otherhand, Prof. N.Rath and Prof. Indira Hirway are of the opinion that IRDP will yield very poor result due to its weak planning aspect and improper
linkage facilities with other programmes". Prof. N. Rath argues that IRDP does not integrate the resource-based or sectoral planning with household planning. It is merely a household-based plan, the central attention of which is on identification of rural poor and on preparing plan for these individual beneficiaries. Prof. Indira Hirway holds the view that "the major weak links in rural development planning are absence of a total approach at the strategy level, lack of co-ordinated planning at the programme level and weak planning component of individual programme". Again, she finds two major weaknesses of the IRDP planning. First, though the household-based planning is done well considering the skill and endowment of beneficiaries, this is not linked with the resource-based planning and special planning at the micro-regional level. Secondly the facility provided through household planning is not sufficient to maintain and operate the assets.

Rural development in India is a long, unending endeavour over the years which contains several changes in its emphasis, strategies, and programmes. IRDP is
a new born baby in this process since the 6th Five Year plan. According to M.L. Sharma, T.M. Dak and O.P. Verma (10) one of the major criticisms against IRDP is its sole emphasis on the distribution of cash or assets and thereby making the rural communities dependent on the government. The rural communities which in the past looked after themselves well are now taught to turn to the government for everything. Moreover, the current strategy of rural development has also another drawback in its overemphasis on one sector. There has been concentration of beneficiaries on the primary sector with relative shifting of emphasis on secondary and tertiary sectors.

Dr. K.M. George (11) is one of the eminent economists who has led positive milestones regarding the performance of IRDP considering various concrete steps taken by the government for its effective implementation and the evaluation reports made by different organisations. He argues that, the performance of IRDP has been impressive in terms of financial and physical parameters.
Analysing the Kurian evaluation he added that "the fact therefore remains that IRDP has really done a good job in creating ripples in an otherwise unconscious vast multitude of the rural poor about their rights for development and better quality of life".

Another study was conducted by Gyanendra Sharma and K.C.Tyagi (12) who have ascertained that due to improper identification of beneficiaries by DRDA officials, the ray of hope which should have been visible was missing. They further added that "A very serious problem being faced in the camps is a biased selection. In some of the villages the Sarapanch, or a landlord wants a specific section of the people to benefit, whether they are genuinely poor or not. This category of otherwise ineligible poor obtains benefits through fraudulent practices and turn into wilful defaulters by the instruction of local political activists.

Taking into consideration the PEO (Programme Evaluation Organisation) report of the planning Commission, May 1985, the author Mr. Inderjeet Khanna (13) appears to be quite ambitious regarding the impact of
IRDP. He asserts that the programme has imparted dynamism to the rural sector helping the very poor households to climb the income ladder even if they have not been able to cross the poverty line.

Mr.M.V.Rajasekharan (14) observes that the programme has been operated mechanically without considering the diversity of socio-economic conditions, background, and management capabilities of the beneficiaries. Due to poverty and illiteracy, the beneficiary households can not avail proper linkage between finance, production and marketing systems which gives rise to the emergence of middle-men between the beneficiaries and the development administration who squeeze away a major portion of the finance flowing to the beneficiaries. According to the same author many other related or even remotely related programmes have to be effectively executed. Under this category, programmes of land reforms, rural roads, drinking water, rural housing, rural education rural health care etc. require emphasis for the success of IRDP.

A detailed study is conducted by Prof. Rakesh Upadhyaya (15) in Rajasthan State. He identifies some
major defects of the programme such as (i) the members of the family selected for assistance are more than five prescribed in the guideline and in 82 percent cases the assistance is inadequate. The percentage of wilful defaulters comes to 48 percent. He suggests the creation of a strong all India Cadre monitoring cell for continuous monitoring and supervision. States must be given more autonomy in case of planning and implementation of IRDP schemes, he adds.

The study of J.S. Sodhi (16) brings out some more genuine shortcomings of IRDP. He points out that non-preparation of perspective plans by the block authority, lack of proper supervision, lack of affectionate attitudes of the block and village level machinery towards the poor obstructs the progress of IRDP. Of course he derives satisfaction from the minimum time for providing assistance and the substantial increase of average family income which comes to Rs.1523 per annum.

3.2. STUDIES ON OPERATIONAL ASPECT

Thapliyal (17) clearly analyses the mechanism, magnitude and coverage of the programme at the block
level along with its linkage with block machinery and sectoral departments at the district level. The study was conducted in 1982 in Rajpura block of Meerut district in UP. The field survey covered 74 government officials including 35 block level officials and 50 beneficiaries under the IRDP.

It was found that there was no district plan for IRDP. It was merely a combination of financial allocation of different sectors for 5 years. It was neither integrated nor comprehensive. Lack of capacity, delay in the release of grants, inadequate infrastructure, political interference were the reasons for failure of the programme. The suggestions were for revitalising block organisation, proper mobilisation of resources and people's participation for the success of the programme.

In order to measure the flow of credit and subsidy into IRDP a study was undertaken by NIRD covering five states during 1982-83. The states were Bihar, Uttar Pradesh, Madhya Pradesh, Orissa, Karnataka. The study included the survey of co-ordination of activities of banks, DRDA and block officials.
and management of subsidy and organisational arrangement for credit flow to the household beneficiaries under IRDP. The findings of the study revealed that there was under staffing of DRDA, lack of motivation on the part of credit institutions to mobilise credit to remote areas, improper role of credit organisations in case of identification and selection of schemes. Due to the above drawbacks, target of credit flow, of area coverage and number of beneficiaries to be assisted could not be achieved. In many cases the credit was not put into productive uses. Therefore, the suggestions made by the study emphasised active involvement of lead banks, recruitment of trained and experienced personnel at block and district levels by systematic clusterisation of villages, appointment of recovery officers at the block level, introduction of Vikash Patrika etc.

Another study was conducted by A. Mukhopadhya and S. Das (19) covering the period from 1975-76 to 1979-80 to analyse the total flow of funds. The objective of their study was to assess the public investments and credit in a block under different special development programmes specially under IRDP
and the output thus created as a result of that flow. As a case study they had taken Atmakur block of Mohabooobnagar district in Andhra Pradesh to ascertain the impact of these programmes during 1975-76 to 1979-80. The organisations responsible for creation of credit facilities in the block are two co-operative banks, two commercial banks, District Backward Classes Service Co-operative Society and the state government machinery. Nearly 40 percent of the total funds were spent in crop production, construction of wells, minor irrigation projects and soil conservation etc.

It was observed that, some of the villages without roads and transport facilities had not received any credit and public funds. Since irrigation was the pressing need of the area, the study recommended vigorous efforts and liberal credit flow towards building up of minor irrigation projects in the block. They further suggested that the DPAP and IRDP agencies should give more attention to and provide finance for irrigation. The study also emphasized the full involvement of banks for allround success in the block.

Regarding the implementation of IRDP Damodar
Sharma (20) made a study of Ganganagar district of Rajasthan in 1989. The period of study was 10 years i.e. from the commencement of the programme in 1978-79 to 1989. As the district is agro-based, IRDP beneficiaries were provided with assets pertaining to agriculture and transport. It is observed by the author that the selection of beneficiaries was done according to the central guidelines. Coverage of SC and ST beneficiaries was found satisfactory. All the assets were purchased through purchase-committee from registered firms. Selection of schemes was made taking into consideration a wide variety of local economic activities.

The findings of the study revealed a few defects in the implementation of IRDP Schemes.

(a) Planning is not done according to the gravity of the programme, rather it is pursued as a routine work by DRDA and Bank officials.

(b) Planning for infrastructural support has not been properly done.

(c) The performance of co-operative banks is very poor.
(d) In some cases, the assets are sold on account of poor financial capacity of the beneficiaries.

(e) Inadequacy of staff is felt in each process of the programme.

Another study known as poverty alleviation programme in Rural India was done by A.K. Rajula Devi. The study draws our attention to some particular issues of the programme in different states. It is revealed that the all India average of the impact of the programme differed from the state's average. She argues that the procedures for selection, sanction and implementation of IRDP for all the states may not be uniform. Two states differ from each other in incidence of poverty, types of population, infrastructural development, and resource endowment etc. Therefore, instead of uniform guidelines, each state should consider its problems separately and manage the programme with its own administrative machinery. Allocation of resources should be done on the basis of the requirements of the state. Dr. Balishta and Dr. Umesh Chand point out as to how the programme became ineffective
due to rampant corruption at the implementation stage. The study was conducted in each district of Uttar Pradesh. Sakit, a leading block comprising 165 villages is taken as a sample. Out of 2405 sample beneficiaries, 79 percent of the families belong to weaker section. During the 6th plan, 57 families received 49 percent of the total finance. Some important findings of the study are as follows:

(1) Out of the total loans advanced to the weaker sections, 49 percent was advanced to ST families as against their proportion of 33 percent of the total families of weaker section;

(2) Scheme-wise analysis shows that purchase of bullocks and milch animals was profitable among other schemes;

(3) About 38 percent increase in the income was due to IRDP with Non-agricultural activities generating much higher income of 74 percent as compared to agricultural activities;

(4) 66 percent of the families selected crossed
the poverty line of Rs.3500/- per annum which included 10 percent of the families who were already above the poverty line; and

(5) The problems reported by the beneficiaries were the poor quality of assets, delay in releasing subsidy, lack of working capital loans and lack of co-operation from other sectoral departments.

The success of the IRDP is adversely affected by the inadequacy of assistance and poor implementation. This is reflected in the study by Dr. N.S. Sandhu and Dr. D.S. Dhilan. (23) The study was conducted in the state of Punjab. Out of twelve districts, three, namely Jalandhar, Ferozepur and Ropar were selected for the study. Five beneficiaries in each village, five villages in each block and four blocks in each district were chosen as sample. In all, there were 300 beneficiaries from whom data were collected.

The objectives of the study were to examine the appropriateness of selection, methods of procurement of assets, the extent of benefits derived and the procedure followed for IRDP.

The findings were as follows:
(1) 76 percent of the beneficiaries reported that household survey was not conducted according to the guideline;

(2) The income of 72 percent of the beneficiaries was less than Rs.3500 and 28 percent of the beneficiaries had already crossed the income level of Rs.3500 at the time of selection;

(3) In all cases the assets were procured through the purchase committee according to the choice of the beneficiaries. Though the assets were insured, in some cases only the insurance policy was handed over to the beneficiaries;

(4) Of the total number of respondents, 8.67 percent reported that they had sold their assets due to inadequate income generation, 10 percent of them reported high maintenance cost and 12.68 percent reported unsatisfactory performance due to weak condition of animals;

(5) On an overall basis, in 27.67 percent cases, the increase in income was upto Rs.500. The reasons for low rate of growth in income were ascribed to poor
quality of animals, lack of veterinary support etc.;

(6) In three districts, 53 percent of beneficiaries crossed the poverty line of Rs.3500;

(7) 92 percent of the beneficiaries stated that the loan for the second milch animal was not sanctioned and bank people insisted on production of guarantee for finance which is contrary to the guidelines;

(8) 49.33 percent of the beneficiaries reported that the amount of assistance was inadequate, 55 percent reported that the rate of interest was high and 46.33 percent reported that the capacity for their repayment was not taken into consideration;

(9) Due to tight repayment schedule, 28.33 percent of the beneficiaries ran into trouble; and

(10) In majority of the cases the time gap between submission of application for loan after final selection and disbursal of the loan varied from one to eight months.

Therefore, the study suggested comprehensive household survey, final selection of beneficiaries by
Grama Sabha, adequacy of assistance, simplification of loaning procedure and strict supervision regarding selling of assets, repayment of loans etc.

3.3. STUDIES ON IMPACT ASPECT

To know the impact of IRDP in detail an evaluation study sponsored by the Central Government was conducted by R.N. Tripathy, O.N. Srivastava and others (24) in South India covering four states namely Andhra, Tamilnadu, Karnataka and Kerala in 1985. Two districts from each state, four blocks from each district and 10 percent villages from each block were selected for study. Respondents were beneficiaries, non-beneficiaries, officials and non-officials. The income generation at two stages, i.e. before and after getting the assets was taken into consideration.

It was observed that the average income of the beneficiaries in the base year, i.e. 1980 was Rs.2514 which increased to Rs.3824 in a period of five years indicating 52.11 percent rise in the income taking all the schemes together. Andhra Pradesh recorded 61.95 percent increase in income
followed by Tamilnadu with 51.96 percent. The increase in income in Kerala and Karnataka was 48 percent and 45.6 percent respectively. In terms of individual scheme for the region milch animal and sheep/goat rearing accounted for the highest increase of income.

Social impact of IRDP is also worth mentioning. There was an increase in the standard of living in terms of food consumption, better clothing, better medical facilities, providing education to children etc. The evaluation study revealed that on the whole the standard of living of 90 percent of beneficiaries improved their social status which was one of the desired achievements of the programme.

However, the major drawback of the programme was that it did not benefit all the rural poor due to the following reasons:

(i) As maximum preference was given to scheduled caste and scheduled tribes, a large number of eligible beneficiaries from other sections of the community were deprived of this benefit;

(ii) The major cause of loss was death of animals.
Poor income generation in case of animal husbandry sector was due to lack of veterinary services provided to the beneficiaries;

(iii) The training imparted to TRYSEM beneficiaries was utterly inadequate and its quality was poor.

(iv) Due to wrong identification procedure, in some cases, ineligible households got the assistance under IRDP.

(v) Improper selection of schemes led to increase in the expenditure of the scheme which washed away the additional income of the beneficiaries and thus the very purpose of the programme was defeated;

(vi) In some cases the beneficiaries had no alternative but to accept the schemes decided at a higher level. In some other cases when the schemes were decided by block officials or by the beneficiaries themselves, they were not accepted by bank officials; and

(vii) Due to inadequacy of credit component in certain cases, the supply of inputs were of sub-standard quality, which, in turn, affected the income generation.
The study conducted by R.Subramaniam (25) revealed that inspite of administrative deficiencies and operational weaknesses, significant increase in the income of the beneficiaries was possible. He selected two villages, namely, Ayyampalayam and Devarappanpathy of Athoor block in Madurai district. The inhabitants of these two districts belonged to backward caste families.

The main objective of the study was to assess the impact of IRDP in generating income and employment. A well-structured interview schedule was prepared for field data collection.

The findings of the study revealed that after the implementation of IRDP in 54 percent of cases the income from land as well as from occupation has significantly increased in backward caste families. An increase of 33 percent of the family expenditure was also noticed. The repayment of loan by the beneficiaries was also found satisfactory. But the schemes had no effect on increasing the number of work days within the families and employment generation was left outside the purview of IRDP objective.
The effect of IRDP was examined by R.N. Tripathy and others (26) in Puri district in 1982. The sample blocks were Odagoan, Khandapara, Ranpur, Bhapur, Daspalla, Khurda and Jatni. The study covered 500 beneficiaries of various schemes. It was found that in some cases beneficiaries were covered under more than one scheme. The popular scheme was minor irrigation.

It was also found that the financing agencies were reluctant to supply the second cow as the recovery of 1st loan was not more than 60 percent. Production of false utilisation certificates were very common in the case of the sheep and goat rearing programme. Employment and income generation was possible to a satisfactory extent through implementation of artisan activities. 50 percent of beneficiaries under bullock and Bullock-cart scheme, did not purchase the assets as they had the same assets before identification. Hence, the study recommended the process of selection of beneficiaries through sectoral authorities and selection of various schemes by both sectoral as well as bank authorities.
A favourable impact of IRDP is seen in the study of Harikumar, S. (27) To evaluate the implementation of IRDP, Kurubalam village in Vytila Block in Ernakulam District of Kerala was selected. The data were collected on the basis of structured questionnaires. 75 beneficiaries were selected at random out of a sample of 1400 beneficiaries. An amount of Rs.2,01,832 was distributed among 75 beneficiaries for purchase of assets. Out of the above amount credit portion was Rs.1,33,721.33 and the subsidy portion was Rs.68,110.67. The average amount per beneficiary was Rs.2691.

The findings of the study revealed that 20.6 percent of families selected for assistance were already above the poverty line. After getting assistance, nearly 43 percent of the families crossed the poverty line of Rs.2500 PA. Out of 83 percent of the beneficiaries who were repaying the loans regularly, 54 percent had no difficulties, the remaining beneficiaries faced difficulty due to high instalment amount fixed by the bank. Out of 75 beneficiaries, 3 percent had very good opinion about IRDP, 5 percent were indifferent about IRDP 62
beneficiaries were interested to avail themselves of the second loan. Some of the drawbacks of IRDP according to the author were (i) high importance to physical target fulfilment, (ii) biased selection procedure, (iii) Selection of schemes by implementing agencies, (iv) high rate of price charges by the authorised dealer in case of purchase of assets, (v) Demand of security for IRDP loans by the bank people, and lastly, (vi) reluctance of the implementing authorities in selecting SC and ST who had no lands.

Therefore, the study suggested that the income range would expand if a proper selection of beneficiaries is done. Though study of beneficiaries as well as schemes would be encouraged at block and district level, coverage of insurance to all assets of the beneficiaries is needed. Finally, through credit camps, awareness towards IRDP would be created in rural areas.

The income generation process of the beneficiaries under IRDP schemes is reflected in another study conducted by Sri K.M.Satpathy (28) in Orissa on the
basis of concurrent evaluation of the central government and the Panchyat Raj Department of Government of Orissa. The state evaluation was based on 16,374 samples spread over all the districts. The findings of the study were as follows:

(1) Out of 78 percent of the beneficiaries who had retained the assets, about half of them faced a lot of difficulties in their maintenance;

(2) Only 32 percent of the beneficiaries were of the opinion that the existing infrastructural facilities were adequate; and

(3) As per the concurrent evaluation of the central government spanning from Jan, 89 to December, 89, 10.5 percent of the beneficiaries had crossed the poverty line of Rs.4600.

The suggestions made in the study for the success of the programme are, efficient maintenance of the system at the grass-root level, timely solution of the problems faced by the beneficiaries and establishment of proper forward and backward linkages at the block and village levels.
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