Chapter II

Integrated Rural Development Programme in India
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INTEGRATED RURAL DEVELOPMENT PROGRAMME IN INDIA

2.1 Introduction

Rural Development has come to be realised as the sine qua non for the economic development of India. The need for rural development was emphasised even during the struggle for Independence. After Independence our Constitution, in its preamble, set forth the national objective of securing to the citizens of India justice and quality of status. To achieve these aims the country adopted planning as a policy of development.

Ever since the introduction of economic planning in India various programmes and approaches have been adopted for rural development with a special emphasis on improving the living conditions of the rural people. A comprehensive account of the programmes has already been given in Chapter I. The experiences gained have shown that the sectoral approach is not adequate for an overall development of the area nor for the percolation of the benefits among the rural population, particularly the weaker sections of the society. Furthermore, in spite of massive investment made in the rural areas over the successive plan periods, the pace and gains of development has remained disparate between areas, some of the areas continuing to lag behind. What is even of greater concern is that very large number of those who are economically weak and disadvantaged still remain in poverty zone. There has been, in fact, an increase in their numbers.

It is also realised that "a mere project approach or a sectoral approach is not adequate to lead to an overall development of the area and distribution of benefits to the local population, particularly the weaker sections of the society.
The distribution of unemployment and poverty and the potential for development vary from region to region and also within the region. The efforts will now be to make the programmes area specific and utilise the local endowments for growth for social justice. It is, therefore, considered necessary to plan the integration of various rural development programmes so as to achieve growth with social justice.

2.2 Genesis an Evaluation of IRDP

According to FAO, Integrated Rural Development is a concept and an approach to planned progress in rural areas. It is based on the assumption that economic and social progress are mutually reinforcing, that all natural, technical, economic, social and institutional inter-relationships, and their changes are taken into account and that they are combined in such a way as to serve the well being of men with social integration as the ultimate goal. IRDP is an important programme in India and is being implemented in all blocks since the sixth five year plan.

The concept of Integrated Rural Development emerged at the annual conference of the Indian Science Congress held at Waltair in January 1976. In March 1976, the Union Finance Minister presented a special paper on 'Strategy of Integrated Rural Development' which gave details of a rural development programmes directed towards making optimum use of available resources through purposive use of inputs of science and technology for the benefit of rural people. Later on a working group consisting of the representatives of the departments of Rural Development, Agricultural Research and Education (DARE), Science and Technology (DST), the Planning Commission and the
Council of Scientific and Industrial Research (CSIR) was set up in May 1976 to suggest norms and select one district in each State for taking up Integrated Rural Development Projects. Following the criteria suggested by the group, the IRDP was initiated in 1976-77 on a pilot basis with an adhoc budget provision of Rs. 15 crores in 20 selected districts representing different socio-economic and ecological conditions so that the experience gained in these districts could be used in other parts of the country. Later on, in 1978-79 the programme was extended to 2,300 development blocks in the country. Out of these, 2,000 blocks were already covered by SFDA, MFALDA, DPAP, CADP, etc. It was decided that every year the programme was to be extended to 300 blocks. On October 2, 1980, it was extended to cover all the 5,011 blocks in the country, and as a part of nation-wide Twenty Point Programme. The earlier programmes of CDP, SFDA, MFAL and CADP were merged into the IRDP. The national scheme of TRYSEM and the DWCRA are also associated with the IRDP. The IRDP is also a comprehensive self-employment programme, which is also complemented by the wage employment programmes. The IRDP was implemented through a single agency known as District Rural Development Agency (DRDA) at the district level. Up to 1978-79, IRDP was a Central sector scheme and 100 per cent funds were provided by the Central Government. Since 1979-80, this programme was made a Centrally sponsored scheme in which funding was to be shared on 50:50 basis between the Centre and the States. In the case of Union Territories, however, 100 per cent funds are to be provided by the Centre. The underlying idea of integrated development is that the development package should contain co-ordinated programmes in different sectors which are appropriately linked and spaced out. It involves several categories of integration, i.e.,
i) integration of sectoral programmes: agriculture, off-farm activities, industry, etc., with forward and backward linkages;

ii) spatial integration, i.e., integration between areas;

iii) integration of economic development with social development;

iv) integration of total area of approach with target group approach;

v) integration of human resources development with manpower needs by devetailing education and training programmes;

vi) integration of income generating schemes with minimum needs programme of education, rural health, water supply and nutrition, and

vii) integration of credit with technical services.

2.3 Objectives

The IRDP has been conceived as essentially an anti-poverty programme. The motivation for the programme arose out of a feeling that the earlier anti-poverty policies were piece meal and needed consolidation and that they were working mainly as subsidity schemes on which the poor were likely to get chronically dependent. The basic aim of IRDP was, therefore, to promote self-employment of the poor households so that with the transfer of productive assets, they might earn incomes that help them cross the poverty line. The main objective of the IRDP is to evolve an operationally integrated strategy for the purpose, on the one hand, of increasing production and productivity in agriculture and allied sectors, and on the other, of the resource and income development of vulnerable sections of the population in all the blocks of the country. Any development strategy which aims at improving the lot of rural poor must aim at creating new productive assets for them. Improving the productivity of land by
providing access to inputs like water, improved seeds, and fertilisers would be an essential means to help those categories of the rural poor, who have some land asset. Diversification of agriculture through animal husbandry, dairying, forestry, fishery, sericulture, etc., will benefit both the landless and the landholders and this would form an important plank of the programme. Processing and manufacturing activities based on local resources will also have to be identified and fully exploited. Post harvest technology will have to be improved so that both producers and consumers benefit from enhanced production. According to the Draft Sixth Five Year Plan (1978-83), the main objectives of the IRD Programme are (i) to identify the poorest of the poor families in rural areas, (ii) to assist them in raising their income above the poverty line, and (iii) to create substantial additional opportunities of employment in the rural sector.

2.4 Approach

The approach of IRDP represents the synthesis of (i) cluster approach, (ii) antodaya approach, and (iii) package approach, which were tried and found successful in earlier rural development programmes in India. The cluster approach which is based on India’s experience with development programmes such as DADP and CADP is employed for the selection of a cluster of villages for the implementation of the programme. The antodaya approach, which is based on Rajasthan’s experience, is used for selecting the poorest of the poor for assistance. The package approach requires that each identified and selected beneficiary family is provided with a complete package of necessary inputs, raw materials and services.
2.5 Target Group

The target group comprises small and marginal farmers, agricultural and non-agricultural labourers, rural craftsmen and artisans, SCs and STs and in fact, all such families of five persons with an annual income of Rs.3,500/-. The programme takes 'family' and not 'individual' as a unit for development purposes. In order to ensure that the poorest of the poor families get the assistance first families with an annual income level up to Rs.3,500/- are to be assisted on priority basis in each Gram Panchayat. The Seventh Five Year Plan (1985-90) revised the poverty line to Rs.6,400/- per annum for family and the cut off line for identification of families at Rs.4,800/- with the stipulation that all families below Rs.3,500/- income will be taken up first so as to keep the focus on the poorest of the poor. During the Eighth Five Year Plan period families below Rs.11,000/- per annum are treated as below poverty line, while families with Rs.8,500/- will be assisted on priority basis. The Ninth Five Year Plan revised the poverty line to Rs.13,000/- per annum per family in view of increasing cost of living.

Out of the assisted families, at least 30 per cent (Sixth Plan) should belong to Scheduled Castes / Tribes. It was revised to 50 per cent from April 1, 1990. To ensure better participation of women in the development process, the coverage of women beneficiaries has been increased to 30 per cent in August 1985, from 20 per cent fixed for the first time in June 1985. It was further decided to increase it to 40 per cent from April 1, 1990 onwards. At least 3 per cent of the beneficiaries assisted should be from the category of physically handicapped
persons. Priority in assistance was also given to the families belonging to the assignees of ceiling surplus land, Green Card Holders covered under the Family Welfare Programme and freed bonded labourers.

2.6 Identification of Beneficiaries

Appropriate identification of beneficiaries is the foundation of the IRDP and any flaw in this process will undoubtedly vitiate its core. The identification of the eligible families out of the target group requires a detailed household survey to assess the income, which is undertaken by the village and block/mandal functionaries. Thereafter a list of the poor families is prepared by the block/mandal development authorities for being placed before the village assembly (Gram Sabha), for approval of, what are called, the families below poverty line. The meeting of the village assembly is attended by the local people, bank and block / mandal officials and representatives of prominent voluntary action groups. Further, the list of beneficiaries thus selected is required to be displayed on the notice board of the village panchayat and the block/mandal office. The forum of Village Assembly is utilised to explain the benefits of different schemes so that beneficiaries can be motivated to adopt a suitable scheme depending upon their ability and experience.

2.7 Formulation of Household Plans

For each selected beneficiary, a detailed household plan is to be formulated by the VLW as per the instructions of the Government of India. The plan format provides for inclusion of such details of each of the schemes proposed to be executed by the household as estimated cost, subsidy and loan to
be provided, loan repayment period, amount of loan instalment and estimated net income over a period of time.

2.8 Selection of Cluster Villages

Under the operational guidelines for the implementation of IRDP, it laid down that a cluster approach should be adopted. The cluster approach requires, inter alia, the existence, in the villages to be selected, of programme-specific supporting infrastructure including credit institutions. The following are the criteria for selection of village clusters, viz., (1) Existence of programme-specific infrastructure; (2) Availability of credit institutions; (3) Present level of development and capacity to absorb credit; (4) Concentration of SCs and STs population and other weaker sections living below the poverty line; and (5) Any other specific criteria which will facilitate optimum utilization of available resources. The cluster of villages selected are then allotted to the nearest Commercial Banks, Regional Rural Banks and Co-operative Banks. The cluster of villages allotted could be adopted by the concerned bank branches not only under IRDP but also under other schemes.

2.9 Selection of Schemes

Depending on the local resource profile, schemes broadly falling in the area of agriculture and allied activities, village and cottage industries and service sector are identified for each block / village. The main schemes are divided into seven groups: agriculture, animal husbandry, minor irrigation, fisheries, social forestry, and industries, services and business. They are further divided into several sub-groups.
It is essential that specific income generating scheme is entrusted to each identified beneficiary family. The identification of a scheme is done in full consultation of the beneficiary household concerned so that the scheme is appropriate to its inclination and management capability. If the scheme is to generate adequate net income to enable the household to cross the poverty line, it must be location-specific with forward and backward linkages.

2.10 District and Block-Level Planning

Identification of income generating schemes requires intensive exercise of local resource analysis and planning. Two types of plans—one for the District and the other for Blocks—are required to be formulated for a meaningful implementation of the programme. The first is 'the perspective or indicative plans' and the second 'The Annual Action plans'. The role of the perspective plan is to give indications about the local resource profile for preparation of annual action plans. The perspective plans are required to be prepared at the block level which should be aggregated at the district level. These plans should ordinarily contain the following information:

i) An inventory of local resources which may include the following information: (a) demographic trends and human resources; (b) areas and location-specific resources data; (c) economic activities with details of institutions engaged in these activities; and (d) social and institutional infrastructure including the status of voluntary action groups.
ii) Information regarding the ongoing programmes, both under plan and non-plan schemes. It should contain an analysis of the potential of these programmes in terms of offering opportunities for economically viable activities either through generation of direct employment opportunities or through provision of backward and forward linkages and infrastructural support.

iii) Assessment of the likely activities under the programmes of the development departments in the next five years.

iv) Impact of the IRDP activities so far undertaken on the economic environment.

The information is sought to be analysed to give broad indications regarding sectors of the economy which are capable of throwing up further employment opportunities. It may also be used to identify gaps in infrastructure and the departments and the programmes to fill up these gaps.

Annual Action Plan is an exercise which should succeed the perspective plan and the identification of beneficiaries. This plan has to match with the resource profile and the needs of the beneficiaries to provide them income generating activities. The Annual Action Plan has to contain the following details:

i. economic profile of the block / district spelling out the sectors proposed to be adopted giving reasons for the same.

ii. the beneficiary family profile, broadly categorising them according to their aptitudes and choices for the income generating schemes and the
scheme actually prepared for them. It should also give reasons if schemes different from their preferences, if any, are assigned.

iii. the areas of coordination with the other departments and the extent of the involvement of other agencies and departments.

iv. sources and mechanism for procurement of raw materials and disposal of finished goods.

v. linkages with the DPAP, DDP, RLEGP, NREP, Land Reforms, MNP and SC component and Tribal Development plans and the infrastructural support drawn from these programmes.

vi. an overall assessment of the impact of the proposed activities on the incomes of the families and the economy of the area.

2.11 Implementation Machinery

The administrative set up of IRDP at different levels is stated briefly as follows. At the Central level, the Department of Rural Development in the Ministry of Agriculture, Government of India has the overall responsibility for policy formulation, monitoring and evaluation of the programme. At the state level, the Department of Rural Development (or any other department which looks after the Rural Development) is responsible for planning, implementation, monitoring and evaluation of the programme. A state Level Co-ordination Committee with 12 members has been provided to assist this Department.

At the District level, the programme is implemented by the DRDA with District Collector as Chairman and a full time project officer who is responsible for planning, project formulation and implementation of the programme. This
agency is provided with a team of administrative monitoring and accounting staff besides Assistant Project Officers related to relevant fields in the area.

In the Sixth Plan the DRADs were required to submit the annual plans to the State Level Co-ordination Committee for approval, these powers have been delegated in the Seventh Plan to the governing body of the DRDA. The DRDAs are required to approve their annual plans by February and to start implementation from 1st April each year. This delegation has enabled the DRDAs to more effectively plan and implement the programme. At the Block Level, BDO (Now in Mandals, Mandal Development Officer-MDO) is responsible for the implementation of the programme. He is assisted by a number of Extension Officers and Village Development Officers (VDOs) in the block. At the gross root level, the VDO/VLW/VAO is responsible for proper implementation of the programme.

2.12 Provision of Subsidy and Credit

The beneficiary households are assisted, as has already been stated, through economically viable and technically feasible schemes which are financed partly by subsidy and partly by institutional credit. The amount of subsidy depends on two factors: the nature of the scheme and the category of the beneficiary household. Subsidy for individual families vary from 25 per cent to 50 per cent of the capital cost of the project. Small farmers are eligible for subsidy of 25 per cent of the total cost of the scheme. All other categories of beneficiaries, i.e., marginal farmers, agricultural labourers and rural artisans are eligible for subsidy of 33 1/3 per cent. A family could be provided a maximum of Rs. 4,000/- by way of subsidy, but the beneficiaries selected in DPAP and DDP
areas will get a maximum subsidy of Rs.5,000/-. Scheduled Castes, Scheduled Tribes and Physically handicapped beneficiaries are now made eligible to receive 50 per cent (30 per cent in Sixth and Seventh Plan) subsidy under IRDP subject to a maximum of Rs.6,000/-. There is no monetary ceiling on subsidy (though percentage ceilings apply) for minor irrigation projects under the programme.

The balance of the project cost has to be provided by the financial institutions-Commercial Banks, Regional Rural Banks and Cooperatives - as term loans. The effective implementation of IRDP depends largely on the smooth flow of credit from financial institutions, since credit is a key input in creation of productive assets, for promotion of self-employment and in achieving rapid diffusion of benefits of new technology. Subsidy granted by the Government is released to the financing institution which provides the balance of the project cost. The disbursement of subsidy and loan to the beneficiaries is made in kind. However, a pilot scheme of disbursement in cash is introduced in April 1987 in 22 blocks. Subsequently, the scheme is extended to 50 blocks from January 1990. After evaluating now all the blocks were covered under this system. With the launching of direct poverty alleviation programme for the rural poor, the banking policy is reoriented to make it supportive of the IRDP and other allied poverty eradication programmes.

Some important changes have been introduced in the procedure of financing by banks in 1987. Earlier, various banks used to have different application forms for IRDP loans. Some times, the same bank had different forms for activities. This created a lot of confusion and difficulty. To overcome this, with effect from 1st April 1987 a simplified application -cum-appraisal form for
all banks and all activities under IRDP has been introduced. Earlier banks were not permitted to obtain mortgage of land in respect of agricultural advances up to Rs.15,000/- where movable assets were created and up to Rs.5,000/- where movable assets were not created. In the case of ISB sector the cut-off point for not obtaining mortgage has, however, been fixed at Rs.25,000/-. Considering the state of land records in several parts of the country, the problem arising out of joint land holdings and differentiation against the beneficiaries seeking agriculture related loans, the Mehta Committee recommended that the limit for not obtaining mortgage should be uniformly fixed at Rs. 25,000/- for all activities under the IRDP. For loans under the IRDP exceeding the cut-off limit of Rs. 25,000/- normal banking terms such as obtaining of mortgage / margin etc. may be followed without however, asking for collateral security in cases where the loan amount does not exceed Rs.50,000/-.

In order to provide social security to the IRDP families, a Group Life Insurance Scheme has been started from 1st April 1988 through Life Insurance Corporation (LIC) of India. Under this scheme, every IRDP beneficiary assisted after 1st April 1988 will be insured for a period of three years. As per the revised rules all IRDP beneficiaries of not less than 18 years and not more than 60 years will be covered. The age of beneficiaries as registered in records of the DRDA shall be admitted by LIC for this purpose. In case of death, the family would receive a sum of Rs. 3,000/- with double benefit in the case of accidental death. The entire premium for this scheme is being shared equally by the Central and State Governments and the beneficiaries need not have to pay towards premium cost.
2.13 Follow-up and Monitoring

The Ministry of Rural Development has rightly laid great stress on adequate follow-up action and monitoring of the programme for its effective implementation. Monitoring provides the necessary information through an effective feedback process to enable the management of the project to know how the programme is running and to take corrective measures for effective programme implementation. It helps to know whether (i) the inputs of the programme are properly delivered; (ii) the use of inputs are according to programme intentions; and (iii) the inputs are able to produce initial impacts as desired.

The programme is monitored by the DRDA. Monitoring is an internal tool for controlling and supervising the programme. The identity-cum-monitoring card called 'Vikas Patrika' will be issued to the beneficiaries. The duplicate copies of the Vikas Patrika will be given to the bankers and are also maintained at the block and DRDA level. A Monitoring Cell will be operating in DRDA under the incharge of Assistant Project Officer (APO). As per the schedule drawn, the monitoring officers will be visiting the areas to supervise the grounding of the schemes and to suggest the proper maintenance of the unit for longer retention.

At the State level, there is a Coordination Committee to provide guidance to DRDA in monitoring the IRDP and to secure inter-departmental coordination and linkage for the programme. At Central level, the Department of Rural Development in the Ministry of Agriculture is responsible for policy planning, training and periodic revision of the programme and for ensuring effective implementation of the programme through out the country. Thus, the planning
and implementation of IRDP machinery is working in four stages viz., Central, State, District and Block / Mandal levels.

2.14 Review of Progress of IRDP

The quantitative spread of the programme has been significant. The performance of IRDP during the Sixth Plan period is shown in Table 2.1.

Table 2.1 shows that at the national level the targets have been achieved in respect of all the quantitative parameters set out in the programme guidelines.

Table - 2. 1 : Performance Of IRDP In The Sixth Plan (1980-85)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Items</th>
<th>Unit</th>
<th>Targets</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total allocation</td>
<td>Rs. Crores</td>
<td>1500.00</td>
<td>1766.81</td>
</tr>
<tr>
<td>2.</td>
<td>Central allocation</td>
<td>Rs. Crores</td>
<td>750.00</td>
<td>901.08</td>
</tr>
<tr>
<td>3.</td>
<td>Central releases</td>
<td>Rs. Crores</td>
<td>750.00</td>
<td>788.39</td>
</tr>
<tr>
<td>4.</td>
<td>Total expenditure</td>
<td>Rs. Crores</td>
<td>1500.00</td>
<td>1661.17</td>
</tr>
<tr>
<td>5.</td>
<td>Total term credit mobilized</td>
<td>Rs. Crores</td>
<td>3000.00</td>
<td>3101.61</td>
</tr>
<tr>
<td>6.</td>
<td>Total investment</td>
<td>Rs. Crores</td>
<td>4500.00</td>
<td>4762.78</td>
</tr>
<tr>
<td>7.</td>
<td>Total number of beneficiaries covered</td>
<td>Lakh Nos.</td>
<td>150.00</td>
<td>165.82</td>
</tr>
<tr>
<td>8.</td>
<td>Number of SC / ST beneficiaries covered</td>
<td>Lakh Nos.</td>
<td>50.00</td>
<td>64.63</td>
</tr>
<tr>
<td>9.</td>
<td>Per capita subsidy</td>
<td>Rs.</td>
<td>1000.00</td>
<td>1103.00</td>
</tr>
<tr>
<td>10.</td>
<td>Per capita credit</td>
<td>Rs.</td>
<td>2000.00</td>
<td>1873.00</td>
</tr>
<tr>
<td>11.</td>
<td>Per capita investment</td>
<td>Rs.</td>
<td>3000.00</td>
<td>2876.00</td>
</tr>
<tr>
<td>12.</td>
<td>Subsidy - Credit Ratio</td>
<td>—</td>
<td>1:2</td>
<td>1:1.87</td>
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</tbody>
</table>

The total allocation of funds for the programme during the period was Rs.1,766.81/- crores as against the target of Rs. 1,500/- crores of which the allocation of the Centre was Rs. 901.08/- crores. The total expenditure incurred was Rs. 1,661.17/- crores as against the target of Rs.1,500/- crores. The total credit provided by financial institutions amounted to Rs. 3,101.61/- crores. The Sixth Plan target was to cover 150 lakh beneficiaries over the period. The actual number of families covered was 165.82 lakhs which surpassed the target. The SC/ST beneficiaries covered were 64.63 lakhs as against the target of 50 lakhs, i.e., 39.02 per cent. It thus exceeded the stipulated percentage of 30 per cent. The per capita subsidy provided was Rs.1,103/- while the per capita credit given was Rs. 1,873/-. As can be seen from Table 2.1 the performance of the programme was satisfactory during the Sixth Plan Period. The Department of Rural Development, Government of India, estimated that 40 per cent of the beneficiaries assisted during the Sixth Plan period had crossed the poverty line. Among the beneficiaries who have not crossed the poverty line, majority of them gained substantial additional income and assets which are intact in most of the cases. There has also been a diversification in the occupational structure as more and more people switched over to activities other than agriculture and allied sectors. The percentage of projects in the non-land based sectors (secondary and tertiary) has increased from 6.4 in 1980-81 to 46 in 1984-85. To this extent one of the basic objectives behind this programme has been achieved.9

The assessment of IRDP at the end of the Sixth Plan Period revealed several shortcomings. Keeping this in view and the feed-back received from the
State Governments, suitable changes were introduced in the guidelines for the IRDP in the Seventh Plan. In the Seventh Five Year Plan the poverty line for the rural areas was enhanced to Rs.6,400/- from Rs. 3,500/-. By keeping the cut off point for identification at Rs.4,800/- the plan emphasized giving priority to those families with an annual income of Rs. 3,500/-. The programme guidelines for the Seventh Plan emphasized a higher investment by each family than that of Rs.3,339/- in 1984-85, the last year of the Sixth Plan. Unless the average level of investment was more than Rs. 5,000/- the families could not cross the poverty level. But this level was not attained in the Seventh Plan period. Although some beneficiaries assisted during the Sixth Plan period derived incremental from the asset, that income was not sufficient to enable them to cross the poverty line. Hence, a supplementary dose of assistance was provided to such families during the Seventh Plan, provided they were not wilful defaulters. Another defect of the Sixth Plan approach was a uniform target of 600 families to be assisted each year in each block and uniform outlay of Rs. 35 lakhs per block which was changed in the Seventh Plan. The incidence of poverty was taken into account when allocating financial resources for each block. For the first time in June 1985, a separate target of 20 per cent women was fixed which was raised to 30 per cent in August 1985.

The data given in Table 2.2 enables one to understand the progress achieved during the Seventh Plan Period. The Seventh Plan provided a larger
public sector allocation for this programme as the planners seemed to feel that a revamped programme would be a very significant device for poverty alleviation in rural areas. The achievements in respect of total allocations and central release of funds exceeded that target. The total allocation of funds for the programme was Rs. 3,000.27 crores as against the target of Rs. 2,358.81 crores. The total expenditure incurred was Rs.3,315.81 crores and the term credit mobilised was Rs. 5,372.53 crores. In quantitative terms, the physical achievement of about 181.77 lakh households fell short of the original target of 200 lakhs households. The SC/ST families assisted during the plan period had exceed the stipulated percentage of 40. The percentage of women beneficiaries assisted (18.89) fallen short of the stipulated percentage of 30. The sectoral composition indicates that, of all the schemes selected under IRDP, 44 per cent were in the primary sector, 18.5 per cent in the secondary sector and 37.5 per cent in the tertiary sector.10 There has been about 10 per cent increase in the coverage of families and about 71 per cent increase in investment during the Seventh Plan over the Sixth Plan.

The per capita investment was Rs.4,780/-. The per capita subsidy provided was Rs.1,824/- while the per capita credit given was Rs.2,956/-. This level of investment also proved to be insufficient to enable the poorest of the poor to cross the poverty line. The Public Accounts Committee therefore suggested in April 1987 an average assistance of Rs.7,000/- to Rs.9,000/- per family.
TABLE 2.2: Performance of IRDP in the Seventh Plan (1985-90)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Items</th>
<th>Unit</th>
<th>Targets</th>
<th>Achievements</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total allocation</td>
<td>Rs. Crores</td>
<td>2358.81</td>
<td>3000.27</td>
</tr>
<tr>
<td>2.</td>
<td>Central allocation</td>
<td>Rs. Crores</td>
<td>1186.79</td>
<td>1513.84</td>
</tr>
<tr>
<td>3.</td>
<td>Central releases</td>
<td>Rs. Crores</td>
<td>-</td>
<td>1465.26</td>
</tr>
<tr>
<td>4.</td>
<td>Total expenditure</td>
<td>Rs. Crores</td>
<td>-</td>
<td>3315.81</td>
</tr>
<tr>
<td>5.</td>
<td>Total term credit mobilized</td>
<td>Rs. Crores</td>
<td>-</td>
<td>5372.53</td>
</tr>
<tr>
<td>6.</td>
<td>Total investment</td>
<td>Rs. Crores</td>
<td>4000.00</td>
<td>8688.34</td>
</tr>
<tr>
<td>7.</td>
<td>Total number of families covered</td>
<td>Lakh Nos.</td>
<td>200.00</td>
<td>181.77</td>
</tr>
<tr>
<td>8.</td>
<td>Number of SC / ST beneficiaries covered</td>
<td>Lakh Nos.</td>
<td>-</td>
<td>81.97</td>
</tr>
<tr>
<td>9.</td>
<td>Number of women beneficiaries covered</td>
<td>Lakh Nos.</td>
<td>-</td>
<td>34.33</td>
</tr>
<tr>
<td>10.</td>
<td>Per capita subsidy (Gross)</td>
<td>Rs.</td>
<td>-</td>
<td>1824.00</td>
</tr>
<tr>
<td>11.</td>
<td>Per capita credit (Gross)</td>
<td>Rs.</td>
<td>-</td>
<td>2956.00</td>
</tr>
<tr>
<td>12.</td>
<td>Per capita investment (Gross)</td>
<td>Rs.</td>
<td>-</td>
<td>4780.00</td>
</tr>
<tr>
<td>13.</td>
<td>Subsidy - Credit Ratio</td>
<td>1:2</td>
<td>1:1.98*</td>
<td></td>
</tr>
</tbody>
</table>

Note: *Net subsidy - credit ratio

The findings of the concurrent evaluation suggests that the IRDP was quite successful in terms of providing incremental income to poor families. However, the number of households able to cross the poverty line was relatively small. It may be partly due to low levels of initial investment. On the other hand, it was also difficult to except banks to raise the per capita loan assistance to beneficiaries, given the excessive overdues pending.
Table 2.3 provides the details of the performance of IRDP during 1990-91, 1991-92 and the Eighth Five Year Plan.

For the year 1990-91 and 1991-92 the total allocation was Rs. 747.31 crores and Rs. 703.65 crores respectively. During the two annual plans an amount of Rs. 809.49 and Rs. 481.24 crores was incurred as total expenditure and mobilised Rs. 1190.03 and Rs. 681.13 crores as term credit during the period. Total investment incurred was Rs. 1,999.52 and Rs. 1,162.37 crores for the years 1990-91 and 1991-92. The total number of families assisted was 28.98 and 25.38 lakhs and the coverage of SC/ST beneficiaries was 49.91 and 51.10 per cent for this period. With regard to the women beneficiaries the coverage was 30.89 and 33.15 per cent respectively.

The data given in the Table 2.3 reveals that the larger amounts were allocated for IRDP during the Eighth Plan keeping in view the experience and the success during the Sixth and the Seventh Five Year Plans and it was viewed that the IRDP would become an effective device to alleviate poverty in rural areas. During the Eighth plan, the total allocation under IRDP was Rs. 5,050.29 crores and the total investment amounted to Rs. 10,212.88 crore. An amount of Rs.3,623.32 crores was incurred as total expenditure and mobilized Rs.6,589.56 crores as term credit which was higher than the previous plans. In quantitative terms, 107.36 lakh families covered under the programme. Of the families covered, 59.81 per cent were Scheduled Castes / Scheduled Tribes and 40.3 per cent were women.

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Items</th>
<th>Unit</th>
<th>Achievement 1990-91</th>
<th>Achievement 1991-92</th>
<th>Achievement VIII Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total allocation</td>
<td>Rs. Crores</td>
<td>747.31</td>
<td>703.65</td>
<td>5050.29</td>
</tr>
<tr>
<td>2.</td>
<td>Central allocation</td>
<td>Rs. Crores</td>
<td>374.56</td>
<td>352.91</td>
<td>2528.26</td>
</tr>
<tr>
<td>3.</td>
<td>Central releases</td>
<td>Rs. Crores</td>
<td>346.59</td>
<td>222.30</td>
<td>1876.92</td>
</tr>
<tr>
<td>4.</td>
<td>Total expenditure</td>
<td>Rs. Crores</td>
<td>809.49</td>
<td>481.24</td>
<td>3623.32</td>
</tr>
<tr>
<td>5.</td>
<td>Total term credit mobilized</td>
<td>Rs. Crores</td>
<td>1190.03</td>
<td>681.13</td>
<td>6589.56</td>
</tr>
<tr>
<td>6.</td>
<td>Total investment</td>
<td>Rs. Crores</td>
<td>1999.52</td>
<td>1162.37</td>
<td>10212.88</td>
</tr>
<tr>
<td>7.</td>
<td>Total number of families covered</td>
<td>Lakh Nos.</td>
<td>28.98</td>
<td>25.38</td>
<td>107.36</td>
</tr>
<tr>
<td>8.</td>
<td>Percentage of SC / ST beneficiaries covered</td>
<td>—</td>
<td>49.91</td>
<td>51.10</td>
<td>59.81</td>
</tr>
<tr>
<td>9.</td>
<td>Percentage of women beneficiaries covered</td>
<td>—</td>
<td>30.89</td>
<td>33.15</td>
<td>40.3</td>
</tr>
<tr>
<td>10.</td>
<td>Per capita subsidy (Gross)</td>
<td>Rs.</td>
<td>2793</td>
<td>1896</td>
<td>3375</td>
</tr>
<tr>
<td>11.</td>
<td>Per capita credit (Gross)</td>
<td>Rs.</td>
<td>4106</td>
<td>2683</td>
<td>6137</td>
</tr>
<tr>
<td>12.</td>
<td>Per capita investment (Gross)</td>
<td>Rs.</td>
<td>6899</td>
<td>4579</td>
<td>9512</td>
</tr>
<tr>
<td>13.</td>
<td>Subsidy - Credit Ratio</td>
<td>—</td>
<td>1:1.47</td>
<td>1:1.42</td>
<td>1:1.82</td>
</tr>
</tbody>
</table>


The per capita investment was Rs. 9,512.00 and the per capita credit and subsidy were Rs. 6,136/- and Rs. 3,375/- respectively. The subsidy-credit ratio was 1:1.82. There has been a dramatic increase in investment per family over the years. On the whole, the performance and implementation of IRDP in the Eighth Plan could be considered to be a success. The major constraint in the implementation of IRDP has been sub-critical investments which have adversely affected the incremental Capital Output Ratio levels and thereby undermined the viability of the projects. Though the average per family investment has been rising steadily in monetary terms, in real terms the increase has been inadequate and in some cases sub-critical due to the inflationary trends and increase in the cost of assets.11
In the Ninth plan, the IRDP continued as a major self-employment programme, targeted towards families below the poverty line in the rural areas. The Mid-Term Appraisal of the Ninth Plan indicated that these sub-programmes "presented a matrix of multiple programmes without desired linkages". The programme suffered from sub critical investments, lack of bank credit, overcrowding in certain projects, and lack of market linkages. The programme was basically subsidy driven and ignored the processes of social intermediation necessary for the success of self-employment programme. A one time provision of credit without follow-up action and lack of a continuing relationship between borrowers and lenders also undermined the programme's objectives. The marginal impact of self-employment programmes led to the constitution of a committee by the Planning Commission in 1997 to review self-employment and wage-employment programmes. The committee recommended the merger of all self-employment programmes for the rural poor and a shift from the individual beneficiary approach to a group-based approach. It emphasised the identification of activity clusters in specific areas and strong training and marketing linkages. The Committee's recommendations were accepted by the Government. On 1st April 1999, the IRDP and allied programmes, including the MWS, were merged into a Single Programme known as SGSY. Table 2.4 shows the performance of IRDP and SGSY during the Ninth Plan Period. The rable reveals that in the first two years of the Ninth Plan, the subsidy expenditure on
Table - 2.4 : Performance of IRDP / SGSY During Ninth Plan (1997-2002)

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Items</th>
<th>Unit</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Total allocation (Centre + State)</td>
<td>Rs. Crores</td>
<td>1133.51</td>
</tr>
<tr>
<td>2.</td>
<td>Total expenditure</td>
<td>Rs. Crores</td>
<td>1109.54</td>
</tr>
<tr>
<td>3.</td>
<td>Total credit mobilized</td>
<td>Rs. Crores</td>
<td>1894.88</td>
</tr>
<tr>
<td>4.</td>
<td>Total investment</td>
<td>Rs. Crores</td>
<td>3004.42</td>
</tr>
<tr>
<td>5.</td>
<td>Total number of families covered</td>
<td>Lakh</td>
<td>17.07</td>
</tr>
<tr>
<td>6.</td>
<td>Percentage of SC / ST beneficiaries covered</td>
<td></td>
<td>45.92</td>
</tr>
<tr>
<td>7.</td>
<td>Percentage of women beneficiaries covered</td>
<td></td>
<td>33.42</td>
</tr>
<tr>
<td>8.</td>
<td>Per capita subsidy (Gross)</td>
<td>Rs.</td>
<td>6499</td>
</tr>
<tr>
<td>9.</td>
<td>Per capita credit (Gross)</td>
<td>Rs.</td>
<td>11100</td>
</tr>
<tr>
<td>10.</td>
<td>Per capita investment (Gross)</td>
<td>Rs.</td>
<td>17600</td>
</tr>
<tr>
<td>11.</td>
<td>Subsidy-Credit Ratio</td>
<td></td>
<td>1:1.70</td>
</tr>
</tbody>
</table>

Source:  
IRDP was Rs. 2,771.82 crores. The total investment including the institutional credit amounted to Rs. 5,808.67 crores. The number of families covered was 33.84 lakhs. The percentage of SC/ST beneficiaries covered were 46.16. The per capita subsidy provided was Rs. 6,715/- while the per capita credit was given Rs. 10,446/-. The implementation of SGSY programme between 1999-2000 and 2001-2002 has highlighted many areas of the concern. The table reveals that the central releases were substantially lower than the allocation as the field offices were not in a position to organise self-help groups which could be provided financial assistance. Credit mobilisation also suffered in the process. Against a target of Rs. 9,611 crore of credit, the achievement during the last three years has been only Rs. 3,235 crore, i.e. 33.66 per cent of the target.

During the last three years of the Ninth Plan the total allocation of funds for the SGSY programme was Rs. 3,579.34 crores. The total subsidy expenditure incurred was Rs. 2,631.29 crores. The total credit provided by financial institutions amounted to Rs. 3,235 crores. The number of families covered under SGSY was 25.89 lakhs. The per capita subsidy provided was Rs. 9,998.33 while the per capita credit given was Rs. 6,930.66. Physical performance of IRDP beneficiaries from 1980-81 to 2000-2001 is shown in Figure 2.1.
Fig. 2.1: Coverage of Total Beneficiaries under IRDP
(1980 - 2001)
The extent of coverage of SC/ST (1980-81 to 2000-2001) and women (1985-86 to 2000-2001) beneficiaries under IRDP are given in Table 2.5.

It may be observed from Table 2.5 that the coverage of SC and ST beneficiaries under IRDP had increased from 28.64 per cent in 1980-81 to 47.71 per cent in 1987-88. There was a small decline during 1987-88 and 1989-90 and again an increase was noticed from the year 1990-91 and it went up to 53 per cent in 1993-94. Again there was a decrease to 44.79 per cent in 2000-2001. However, the achievement was higher than the target fixed for them. The coverage of women beneficiaries gradually increased from 9.89 per cent in 1985-86 to 43.23 per cent in 2000-2001. These achievements indicate the importance given to SCs/STs and also women to improve their levels of living conditions. Fig. 2.2 illustrates the physical achievements of SC and ST and women beneficiaries.
Table - 2.5 : Coverage Of SC & ST And Women Beneficiaries Under IRDP

<table>
<thead>
<tr>
<th>Sl.No.</th>
<th>Year</th>
<th>Total Beneficiaries (in lakhs)</th>
<th>% of SC &amp; STs in the total</th>
<th>% of women in the total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1980-81</td>
<td>27.27</td>
<td>28.64</td>
<td>-</td>
</tr>
<tr>
<td>2</td>
<td>1981-82</td>
<td>27.13</td>
<td>36.90</td>
<td>-</td>
</tr>
<tr>
<td>3</td>
<td>1982-83</td>
<td>34.55</td>
<td>40.69</td>
<td>-</td>
</tr>
<tr>
<td>4</td>
<td>1983-84</td>
<td>36.85</td>
<td>41.71</td>
<td>-</td>
</tr>
<tr>
<td>5</td>
<td>1984-85</td>
<td>39.82</td>
<td>43.65</td>
<td>-</td>
</tr>
<tr>
<td>6</td>
<td>1985-86</td>
<td>30.60</td>
<td>43.23</td>
<td>9.90</td>
</tr>
<tr>
<td>7</td>
<td>1986-87</td>
<td>37.47</td>
<td>44.84</td>
<td>15.13</td>
</tr>
<tr>
<td>8</td>
<td>1987-88</td>
<td>42.47</td>
<td>47.71</td>
<td>19.54</td>
</tr>
<tr>
<td>9</td>
<td>1988-89</td>
<td>37.72</td>
<td>46.39</td>
<td>23.17</td>
</tr>
<tr>
<td>10</td>
<td>1989-90</td>
<td>33.51</td>
<td>46.11</td>
<td>25.63</td>
</tr>
<tr>
<td>11</td>
<td>1990-91</td>
<td>23.70</td>
<td>48.74</td>
<td>30.88</td>
</tr>
<tr>
<td>12</td>
<td>1991-92</td>
<td>25.37</td>
<td>51.10</td>
<td>33.15</td>
</tr>
<tr>
<td>13</td>
<td>1992-93</td>
<td>20.69</td>
<td>51.42</td>
<td>33.39</td>
</tr>
<tr>
<td>14</td>
<td>1993-94</td>
<td>25.39</td>
<td>53.00</td>
<td>33.64</td>
</tr>
<tr>
<td>15</td>
<td>1994-95</td>
<td>21.15</td>
<td>49.77</td>
<td>34.48</td>
</tr>
<tr>
<td>16</td>
<td>1995-96</td>
<td>20.89</td>
<td>48.52</td>
<td>33.43</td>
</tr>
<tr>
<td>17</td>
<td>1996-97</td>
<td>19.24</td>
<td>48.19</td>
<td>33.14</td>
</tr>
<tr>
<td>18</td>
<td>1997-98</td>
<td>17.07</td>
<td>45.92</td>
<td>33.42</td>
</tr>
<tr>
<td>19</td>
<td>1998-99</td>
<td>16.77</td>
<td>46.41</td>
<td>34.37</td>
</tr>
<tr>
<td>20</td>
<td>1999-2000</td>
<td>9.33</td>
<td>44.32</td>
<td>44.22</td>
</tr>
<tr>
<td>21</td>
<td>2000-2001</td>
<td>10.30</td>
<td>44.79</td>
<td>43.23</td>
</tr>
</tbody>
</table>

Source:
Fig. 2.2: Coverage of SC & ST and Women Beneficiaries under IRDP (1980-81 to 2000-2001)
Critical Analysis of IRDP

IRDP has been in operation long enough to be realistically evaluated. It has channeled an unprecedented amount of funding to the poor to enable them to obtain non-land assets. Since inception of the programme up to March 1999 about 5.77 million families were assisted through an investment of Rs. 5,655.90 per family, or Rs. 32.6 billion in total. There has been a dramatic increase in investment per family over the years. For instance, the average level of investment per family rose from Rs.1,642/- in 1980-81 to Rs. 16,721/- in 1998-99 showing a qualitative improvement. Sectoral coverage also shows an increasing trend of tertiary and secondary sectors and a declining trend of primary sector activities. More and more people from the poorest of the poor and destitute groups have access to credit and they have had an opportunity to try to cross the poverty line. It is creditable that the rural population below the poverty line has come down to about 23.6 per cent in 1999 from about 45.2 per cent in 1977-78. Credit for this should go to IRD Programme.

Most assessments of the IRDP by the government have been favourable, but micro-economic studies have been more equivocal. However, the divergence between macro-economic indicators and microeconomic performance seems to have narrowed in recent years. IRDP has provoked a debate in the past about its efficacy. On the one hand it has generated dissent in favour of a wage employment-based strategy. On the other some supported the approach of IRDP as an instrument of eradicating poverty. Concurrent reviews of IRDP show that the programme has been quite successful in providing incomes to poor
families and other disadvantaged groups like SCs and STs. There has been a steady progress and perceptible impact of this programme in alleviating rural poverty. This massive programme, however, suffers from a number of deficiencies.

On the basis of the important evaluation studies having on all-India coverage the following serious shortcomings of the IRDP came to light.

1. The financial allocation and physical targets under the programme were determined on a uniform basis per block, without regard to the incidence of poverty, or even the size of population, which in some cases resulted in selection of ineligible families.

2. The extent of wrong identification was quite high at around 15-20 per cent. The main reasons for wrong identification were: (a) reliance in lists of households identified under the SFDA where the identification was based on land holding rather than income; (b) non-involvement of people's institution in the survey and selection process; (c) better bank ability of those having an asset base; and (d) collusion between the government functionaries and vested interests in some cases.

3. There have also been complaints of outright leakages through corruption and malpractices which, however, have not been qualified by any of the studies. Some factors which could have promoted this are: (a) non-involvement and lack
of awareness among the beneficiaries; and (b) methodology of administration of subsidy; and (c) insufficient in terms of project cost norms resulting in purchase of sub-standard assets.

4. The selection of schemes under the programme has shown an overwhelming bias towards animal husbandry, more particularly milch cattle. While this activity has considerable employment and income generation potential, this was vitiated by: (a) the shortage of good quality animals; (b) artificial increase in the prices of animals; and (c) absence of linkages and support structure for feed, health cover and marketing on the other hand the predominance of this activity can be explained by factors such as the familiarity of the beneficiaries and block functionaries alike, and absence of expertise in projectisation with respect to secondary and tertiary activities.

5. While the programme guidelines stipulated that 33 per cent of the beneficiaries involved in tertiary sectors, the actual percentage in earlier years was much lower. Though there has been a distinct improvement in the later years, there has been a tendency even now to concentrate on petty business activities. While these can yield quick returns with relatively low project investment levels, the life of the investment is likely to be short and in many cases they may not become self-sustaining.

6. A disturbing distinction between the so-called production programmes and beneficiary - oriented programmes has been noticed. Even the banks have
sometimes referred to IRDP loaning as credit at the expense of priority production sectors, although most of the activities taken up under IRDP would fall within that category.

7. A major problem has been found to lie in the absence of backward and forward linkages. It appears that no real steps have been taken to provide institutional support for the supply of raw materials and more particularly, for marketing, which has an important component of total Sixth Plan strategy for Rural Development. Back-up support from sectoral departments was also found to be largely missing.

8. Inadequacy of banking infrastructure in certain areas, particularly in the North-East, has affected credit flow adversely; shortages of staff, almost everywhere, have resulted in insufficient scrutiny and delayed disposal of loan applications, and absence of supervision and follow up, insistence on security inspite of instruction to the contrary, has resulted in the exclusion of the poorer among the target group; prescription of unrealistic loan repayment schedules has resulted in non-productive use of assistance; and non-availability of loan passbooks with the adversely affected repayments.

9. Another weakness of IRDP which has been discovered during the implementation is non-adoption of the cluster or group approach.
10. An important bottleneck has also been found to lie in administrative weaknesses both in terms of the qualified staff required at the block/mandal and district levels and in respect of vertical and horizontal co-ordination and integration between different departments.

Before this chapter is closed a brief account of the supportive programmes of IRDP and wage employment programmes which are intended to benefit the rural poor is presented in the following sections.

2.15 Supportive Programmes to IRDP

The three supportive programmes of IRDP, namely, (i) Training of Rural Youth for Self-Employment (TRYSEM), (ii) Supply of Improved Tool Kits to Rural Artisans (SITRA) and (iii) Development of Women and Children in Rural Areas (DWCRA).

2.15.1 Training of Rural Youth for Self-Employment

The Training of Rural Youth for Self-Employment is a supporting component of IRDP started as centrally sponsored scheme on 15th August 1979. It aims at providing technical skills to rural youth to enable them to take up self-employment in the broad fields of Agriculture and Allied activities, Industries, Services and Business activities. Later, in 1987 the scope of the programme was enlarged to include wage - employment also for the trained beneficiaries. The Target group comprised rural youths between the ages of 18 and 35 years from families living below the poverty line.15
The coverage of youth from Scheduled Caste and Scheduled Tribe communities should be at least 50 per cent of the youth trained. The coverage of women among the rural youth trained should be at least 40 per cent and at least 3 per cent of the benefits should be earmarked for physically handicapped persons capable of taking up self-employment following TRYSEM training. Every TRYSEM trainee is being a potential IRDP beneficiary, assistance under IRDP on completion of their training programme is to provided to those willing to set up self-employment units. A number of trades are identified for skill development. Some of these include, for instance, production of mushrooms, honey processing, cultivation of herbs and plants for medicinal purposes, poultry, fruit plants-nursery, processing of fruits and vegetables, veterinary services, collection, storage and marketing of all livestock products, sericulture, farm equipment repairing, installation and maintenance of biogas-plants, water pumps, rural transport services, tailoring, small business and retail trade etc. The youth are trained either by specially identified institutions or master craftsmen and the emphasis is laid on practical training. In this method the youth learn by doing so that their skills are developed through actual experience. These basic skills are supplemented with elementary entrepreneurial guidance. Training is imparted in simple book-keeping procedures and preparations for obtaining bank finance, management of materials, etc. The selected youth are also offered monthly stipends during the training period which generally range from three to six months.
Projects for self - employment are discussed and prepared by the youth with development officials. Marketability, feasibility, break - even levels, credit needs, rates of return etc., are all given a thought in preparing the projects. Such beneficiaries are helped by the trainer, the banker, industrial extension officer and the block development officer. All TRYSEM projects are loan - based ventures and the beneficiaries are extended investment subsidy. DRDA which assumes the overall responsibility for the programme, provides the subsidy. TRYSEM envisages that the banker is involved in the scheme right from the beginning of identification of the beneficiary, the trade and project so that the banker should not find it difficult to make a realistic assessment of the aptitude, training performance and credit worthiness of the youth and the bank ability of the project. Raw material support to the youth is extended through rural marketing and service centers. The District Industries Centre (DIC) and DRDA together establish necessary institutional/customer linkages for marketing the project output. If need arises, the trainer might continue to help the youth in technology even after grounding the project. DIC and the bank monitor the project.

From 1979, i.e. when the programme was launched, to December 1998 a cumulative sum of Rs. 712.27 crores was spent under this programme. Against the target of 10.5 lakh youth to be trained during the Sixth Plan, 9.4 lakh youths were trained which accounts for 93.3 per cent of the target. Of the 9.4 lakh youths trained 4.64 lakh youths (49.4 per cent) were self-employed. Member of SC and ST accounted for 31.5 per cent of the persons trained, while women accounted for 34.8 per cent of the total number of persons trained. During the Seventh Plan, 10 lakh youth were trained under TRYSEM of which 47 per cent took up
self-employment and 12 per cent wage employment. During 1990-91, the number of youth trained were 2.6 lakhs, of them 70 per cent got employed.\textsuperscript{18} During 1991-92, the number of youth trained were 3.07 lakhs, of them 55.12 per cent got employed.\textsuperscript{19} During the Eighth Plan, 15.28 lakh youth were trained, of whom 34.16 per cent took up self-employment and 15.05 per cent wage employment; while the remaining 50.79 per cent remained unemployed.\textsuperscript{20} During 1997-98, 2.51 lakhs youth were trained under TRYSEM, of whom 29.18 per cent took up self-employment and 15.66 per cent wage employment. During 1998-99, the number of youth trained were 66,016, of them 19.66 per cent got self-employment and 16.92 per cent wage employment.\textsuperscript{21}

The TRYSEM programme was evaluated for the first time in a quick study (June to August 1993) through independent research institutions/organisations. The main findings of the evaluation study are: (i) Of the total sample districts, in as many as 92 per cent, skill requirements of the area were not assessed. This resulted in a mismatch of job skills in 53.3 per cent of the sample districts (ii) Of the total number of beneficiaries 47.19 per cent were unemployed and 32.54 per cent took up self-employment, of whom 12.41 per cent took up unemployment in trades other than those in which they were trained. (iii) Beneficiaries to the extent of 65.52 per cent did not have the required funds for taking up self-employment (iv) About 54 per cent of trainees did not apply for loan and out of those who applied about 50 per cent were given assistance under IRDP. (v) About 63 per cent of the beneficiaries felt no improvement in their socio-economic conditions as a result of training under TRYSEM.
There has been a poor convergence of TRYSEM with IRDP which has also been reflected in the Fourth Round of the Concurrent Evaluation of IRDP (1992-93). Only 3.88 per cent of the IRDP beneficiaries had received training under TRYSEM. It was also observed that the Rural Youth trained under TRYSEM were only interested in the stipendiary benefits they received during the course of training and therefore, had not utilised the knowledge gained under the programme for furthering their self-employment prospects. In practice, therefore, such expenditure on training had become infructuous because of an absence of linkages between the employment opportunities available and training provided. Clearly, TRYSEM has been a weak link in the overall strategy for self-employment in rural areas.22

2.15.2 Supply of Improved Tool Kits to Rural Artisans

The Scheme of Supply of Improved Tool Kits to Rural Artisans (SITRA) was launched in July 1992. Under this scheme artisans from different crafts, except weavers, tailors, needle workers and beedi workers, living below the poverty line are to be given improved tools. This also intends to reduce their migration from rural areas to urban areas. During 1992-93 and 1993-94, 162 districts were covered under this scheme. There has been a phased expansion from year to year. From 1994-95, the scheme has been extended to all the districts in the country. At the district level, DRDA is the nodal agency. The average cost of a tool kit provided to the rural artisans is Rs. 2,000/-. The unit cost is fixed by the DRDA. The artisans are required to contribute 10 per cent of the cost as their contribution and the balance 90 per cent is provided as subsidy.
by the Central Government. Beyond this, any additional finance required by the artisans can be provided through loans, under IRDP.

Since the inception of this scheme in 1992-93 up to 1996-97, 6.10 lakh tool kits have been distributed to rural artisans at an expenditure of Rs. 116.19 crore. The more popular crafts under this scheme are blacksmithy, carpentry, stone-craft, leather work, and cane and bamboo work. The SITRA was evaluated by an independent research organisation i.e., The Development Alternatives, New Delhi, in two districts of Uttar Pradesh, namely Agra and Aligarh. The findings of this study reaffirm a positive impact of SITRA. It also indicates that the income level of Rural Artisans have increased substantially with the use of improved tool kits. On 1st April 1999, the SITRA was merged in the SGSY programme.

2.15.3 Development of Women and Children in Rural Areas

Women constitute a major segment of rural society but are often not able to reap adequate benefits of progress due to lack of empowerment under IRDP. A separate programme for rural women was considered necessary as it was noticed that they were not availing themselves of the benefits of IRDP due to various social constraints. The programme of DWCRA was, therefore, started in September 1982 as a sub-scheme of IRDP to initiate women into group activities, encourage thrift and give them greater confidence to venture self-employment activities. This was an attempt to involve women more intensively in economic activities. The programme has its focus on rural households with
women as head of the family and women members of rural families below the poverty line. Women belonging to target families can avail themselves of loan and subsidy under IRDP and also become members of DWCRA groups. The programme was initially launched on a pilot basis in 50 selected districts. In selecting the districts, priority is given to those with low female literacy and high infant mortality so that the most backward sections of rural population can derive the benefits. There has been phased expansion every year under DWCRA and from the year 1994-95, DWCRA has been extended to all the districts in the country. The implementation of DWCRA was done as in IRDP.

It is directed at improving the living conditions of women and, thereby, of children through the provision of opportunities for self-employment and access to basic social services. This programme seeks to encourage collective action in the form of group activities which are known to work better and are more sustainable than the individual effort. It encourages the habit of thrift and credit among poor rural women to make them self-reliant. The programme also envisages that this target group would be the focus for convergence of other services like family welfare, health care, nutrition, education, childcare, safe drinking water, sanitation and shelter to improve the welfare and quality of life of the family and the community.

Some of the activities, coming under DWCRA are bee-keeping, honey processing, soap making, candle making, hand printing, pickle making, poultry, animal farming, carpet weaving, goat rearing, paper making, dairy, quarry, beedi
making, pottery and readymade garments, etc. The State Government provides resources for management and training and cash support to the revolving fund for the women groups equally shared among the Centre and State Governments and also UNICEF. The Financial Institutions (Nationalised Banks) provide credit as per the norms of poverty alleviation programmes, linkages with allied development sectors, industry, dairy, social access to productive resources on both individual and collective basis.

The Child Care Activities (CCA) component was also introduced in the DWCRA programme in 1995-96 with the objective of providing child care services for the children of DWCRA women. Similarly, the information, education and communication component was introduced to generate an awareness among rural women about the development programmes being implemented for their uplift and welfare. Since the inception of the scheme till March 1998-99, 2,44,128 DWCRA groups were formed at an expenditure of Rs.324.15 crore, covering 37,36,271 rural women.  

In the implementation of DWCRA, some states like Andhra Pradesh, Kerala, Tripura and Gujarat are found to have performed relatively better, while in other States, the performance has not been satisfactory. In Andhra Pradesh, in particular, several successful DWCRA groups have been formed and this has led to the empowerment of women in decision making on various social aspects that impinge on their daily life. The distinct feature in the case of Andhra Pradesh DWCRA was that thrift and credit societies were created. Here, the reliance for
economic betterment was not only on banks; there was an emphasis on group formation, on saving and on using these savings judiciously. The story of Andhra Pradesh suggests that it is not enough to provide loans to rural women, they have to be taught the act of savings and fiscal management.

In the implementation of the scheme several shortcomings have also surfaced which have stymied its successful and effective execution in some States. Several groups have become defunct over time. The reasons for these include, among others, (a) improper selection of groups; (b) lack of homogeneity among the group members; (c) Selection of non-viable economic activities which are mostly traditional and yield low income; (d) the linkages for supply of raw-material and marketing of production are either deficient or not properly planned as a result of which DWCRA groups have become vulnerable to competition. The District Supply and Marketing Societies have been weak outlets for the sale of DWCRA products; (e) Lack of institutional financial support, inadequate training, poor access to technological inputs etc. deprived DWCRA groups from diversifying into high value addition activities; and (f) inadequacy of staff and their insufficient training and motivation has also affected the overall implementation of the programme.28

To make the DWCRA very effective at the National level, the DWCRA advisory group consisting of eminent activists and concerned departments has been revamped in the Eighth Five Year Plan. Some of the modifications under DWCRA are: (1) The revolving fund has been increased from Rs.15,000/- to
Rs.25,000/- in the case of DWCRA groups have been established and wish to diversify, (2) The Joint Accounts so far operated by the Gram Seviakas and the group organisers would now be operated by the group organisers and another member of the group elected as treasurer of the group. (3) The number of members in groups would vary from 10-15 members and in areas of difficult terrain, the number of members could be even less. (4) Emphasis is now being laid on recognizing occupational groups such as women bonded labourers, quarry workers, firewood gatherers as DWCRA groups. (5) A special committee has been set up under the ministry with DG, CAPART as chairman. This committee would examine the structural and procedural constraints in the marketing of DWCRA products. States are also being asked to set up DSMSs wherever suitable. (6) DWCRA should be integrated with the services area project and should form an integral part of total district credit plan. (7) CAPART has been asked to identify existing institutions with the professional excellence in marketing instead of creating and registering new institutions. The CAPART would play an important role in networking such existing institutions.

The DWCRA is expected to serve as an effective vehicle for extending IRDP credit support for women beneficiaries. The DWCRA scheme wherever is effectively implemented is facilitating rural women to take up self-employment ventures, build-up assets and thereby enhance their income and purchasing capacity.
2.16 Wage Employment Programmes

The wage employment schemes are (National Rural Employment Programme, Rural Landless Employment Guarantee Programme, Indira Awaas Yojana, Million Wells Scheme, Jawahar Rozgar Yojana, Employment Assurance Scheme, National Social Assistance Programme and The Annapoorna Scheme) described as follows:

2.16.1 National Rural Employment Programme

A large number of people in the rural areas are without assets or grossly inadequate assets and need to be provided with wage employment. The segment of the rural poor which largely depends on wage employment virtually has no source of income during the lean agriculture period. This calls for significant increase in employment opportunities in the rural areas. The National Rural Employment Programme (NREP) was launched in October 1980 and became a regular plan programme from April, 1981. The NREP aims both at providing employment opportunities to rural workers, particularly at a time when they are not able to find gainful employment, as well as creation of durable community assets for strengthening the rural infrastructure which will lead to the rapid growth of rural economy and rise in the income level of the rural poor. The programme was expected to generate additional gainful employment in the rural areas, to the extent of 300 to 400 million man days per annum, create durable community standards of the poor.
Some of the important features of the programme are as follows:

(a). It will be implemented as a Centrally sponsored scheme on 50:50 sharing basis between the Centre and States. The centre will provide its share in the form of food grains to the extent surplus food grains are available and the rest in cash.

(b). Resources are allocated to districts on the basis of criteria of giving 50 per cent weightage to agricultural labourers and marginal farmers and 50 per cent weightage to rural SC/ST population; (c) 10 per cent of the resources earmarked for works of direct and exclusive benefit to SC/ST population and 25 per cent for social forestry works. The earmarked allocations are not permitted to be diverted to other sectors; (d) Up to 50 per cent of the allocations made for the district as a whole can be spent on non-wage component; (e) Part of the wages are paid in kind in the form of subsidized wheat; (f) Notified minimum wages should be paid to the workers; (g) The works to be executed are to be based on annual action plan determined by the DRDA; (h) Panchayat Raj Institutions are to execute the works as far as possible; (i) Up to 5 per cent, the funds are permitted to be utilised for administrative expenses and other contingencies including conducting training programmes and evaluation studies from the non-wage component. Expenditure up to 10 per cent of the allocations may be incurred on maintenance of assets created under NREP.31

Earlier, all rural works which resulted in creation of durable community assets could be taken up under this programme. In view of the prevailing drought situation in the country, it has been decided that from amongst the list of works permitted under NREP, only those works would be undertaken which are in
conformity with the general objectives of drought profing and the strategies outlined under DPAP. More specially, the items of work like rural bank buildings, godowns for storage of inputs, community work sites, market yards, dispensaries, panchayat ghars, community centres, anganwadi centres, etc., have been deleted. In the case of SCs and STs works which result in individual benefit and works that benefit the bonded labourers, allotters of ceiling surplus land, Bhoodan land and waste land can be taken up.

The programme has been modified in the light of past experience. The revised guidelines provide for ear-marking of 25 per cent outlays for social forestry, 10 per cent for works of direct benefit to SCs and STs, and Rs. 6 crores annually for construction of sanitary latrines. The criteria for allocation of resources among the States have been changed to provide for equal weightage to the incidence of poverty (earlier 25 per cent weightage) and the population of agricultural labourers, marginal farmers and marginal workers (earlier 75 per cent weightage; marginal farmers and marginal workers added in 1986-87). Additive food grains at subsidised rates have been made available under the programme so as to keep the food grain prices stable and improve the nutritional standards of the workers. During the period 1980-81 to 1988-89 an amount of Rs. 4,774 crores was utilised for NREP. In the same period 3,242.5 million man-days of employment was generated through NREP. The NREP was merged with JRY in April 1989.
Some studies evaluating the programme have been conducted by the Programme Evaluation Organisation, National Institute of Rural Development, Indian Institute of Public Administration and Gandhi Labour Institute. These studies have indicated some positive points such as prompt payment of wages, creation of durable assets and implementation of works through Panchayati Raj Institutions rather than departmentally. However, these studies revealed that employment being provided under the programme is for a very short duration and cannot make an impact on the levels of the living of the rural people. The wages paid are often lower than the market wage rates. The selection of the beneficiaries is not proper. Selection of projects is also not always made keeping in view the felt needs of the local people. There is no provision for the maintenance of the assets created. Under social forestry programme the survival rate of saplings is very low as the community is not involved in the choice of saplings and has therefore no interest in the maintenance of the trees planted. The number of incomplete road works is increasing. Lack of technical as well as administrative supervision has resulted in the technically inferior quality of the works.

2.16.2 Rural Landless Employment Guarantee Programme

The Rural Landless Employment Guarantee Programme (RLEGP) was launched in August 1983 with a view to alleviating poverty, unemployment and under employment among the rural landless workers. The programme aims at mainly (a) to improve and expand employment opportunities for rural landless with a view to providing employment for at least one member of every landless
labourer-household up to 100 days in a year and (b) to create productive and
durable assets for strengthening rural infrastructure, which will lead to rapid
growth of rural economy. Salient features of the programme are: (a) The
programme is 100 per cent funded by the Central Government. (b) The highest
priority will be accorded to labour intensive projects in backward areas drawn by
the State Governments and approved by the Central Government. (c) A portion of
the wages is required to be paid in the form of subsidised food grains. (d) The
wage component of a project should not be less than 50 per cent of the works
under the programme. (e) Contractors are not permitted to be engaged in the
execution of the works under the programme. (f) Minimum of 10 per cent of the
allocation should necessarily go to works exclusively benefiting the SCs/STs.  

Under the programme, the projects are formulated on works relevant to
the 20 Point Programme and the Minimum Needs Programme. A Central
Committee at the level of Union Government approves the projects prepared by
States/UTs after it is approved by the Project Approval Board of the States. The
approved projects are implemented through agencies of State/UT Governments
including DRDA. The State Governments have the overall responsibility for
planning, supervision and monitoring the implementation of the projects taken
up. A part of the funds are earmarked for projects to be taken up through voluntary agencies. These funds are released to CAPART which in turn release funds to the voluntary agencies for implementation in accordance with instructions contained in the guidelines. During the period 1983-84 to 1988-89 the target for employment generation was fixed at 13,309 lakh man-days against
which 13,953 lakh man days of employment was actually generated. In the same period an amount of Rs. 2,574.75 crores was spent on RLEG P.35

A few sample studies have been carried out on the working of RLEG P. The studies have noted that in addition to stabilising the wage rates, the programme has been able to create durable community assets and generate employment. However, some negative points too have been observed. The planning and preparation of projects on the basis of an area approach was not done. The RLEG P was merged with JRY in April 1989.

2.16.3 Indira Awaas Yojana

Indira Awaas Yojana (IAY) which was launched during 1985-86 as a sub-scheme of Rural Landless Employment Guarantee Programme (RLEG P) is being continued as a sub-scheme of Jawahar Rozgar Yojana (JRY) since its launching from April, 1989. The objective of the IAY is primarily to provide houses to members of Scheduled Castes / Scheduled Tribes, freed bonded labourers in rural areas, free of cost.36 From 1993-94, the scheme was extended to non-SC/ST rural poor below the poverty line, subject to the condition that the benefits of non-SCs/STs shall not be more than 40 per cent of IAY allocation. Benefits of the scheme have also been extended to the families of ex-servicemen of the Armed and para-military forces killed in action. Three per cent of the houses are reserved for the below poverty line, disabled persons living in rural areas. It was first merged with JRY in 1989 and then spun off into a separate housing scheme for the rural poor in 1996.
While selecting the beneficiaries priority was given to freed bonded labourers, SC/ST households below the poverty line headed by widows and unmarried women, households affected by floods, fire, earthquakes and other similar calamities. As far as possible, the IAY houses are to be built in clusters so that common facilities like water and electricity are provided. The beneficiaries have complete freedom as to the member of construction of the house which is their own.

The Gram Sabha is empowered to select the beneficiaries under the scheme and the allotment of dwelling units should be in the name of the female member by the beneficiary household or in the name of both husband and wife. A total of about 41.23 lakh houses were constructed from 1985-86 to 1996-97 under the scheme. As against a requirement of 109.53 lakh new and upgraded houses between 1997-98 to 2001-02, the actual construction during the period was estimated at 45 lakh houses. An evaluation of the IAY shows that while the programme has certainly enabled many BPL families to acquire pucca houses, the coverage of the beneficiaries is limited given the resource constraints. In addition, these have also been high level of leakages with a large number of non-eligible beneficiaries getting houses. The fact that houses provided free of cost under IAY has meant that there has been virtually no progress in the other sub-schemes of IAY such as credit - cum - subsidy scheme for rural housing. This scheme, introduced in 1999-2000 to provide assistance for construction of a house to people below the poverty line income, provides a subsidy of Rs.10,000/- and a construction loan of up to Rs. 40,000/- per household. However, it failed to pick
up and only 42,000 houses were constructed under the scheme between 1999 and 2001. The Samagra Awas Yojana (SAY) was taken up in 25 blocks to ensure convergence of housing, provision of safe drinking water, sanitation and common drainage facilities. The achievements under this scheme were equally unsatisfactory. A mere 30 projects have been sanctioned since the inception of the scheme and only Rs. 7.07 crore was dispersed. Similarly, progress under various innovative schemes for rural housing and habitat development, which seek to encourage the use of cost-effective, environment-friendly modern designs have been equally dismal.36

2.16.4 Million Wells Scheme

The Million Wells Scheme (MWS) was launched as a sub-scheme of the NREP and the RLEGP during the year 1988-89. After the merger of the two programmes in April 1989 into JRY it continued as a sub-scheme of JRY till December 1995. The million wells scheme was delinked from JRY to be an independent scheme with effect from 1st January 1996.

The scheme is primarily intended to provide open irrigation only, free of cost, to individual poor, small and marginal farmers belonging to SCs/STs and freed bonded labourers. Wherever, wells are not feasible, irrigation tanks and water harvesting structures are provided. From 1993-94 onwards the scheme was extended to non-SC/ST. These poor beneficiaries were asked to undertake the construction of these works so that while working for their wells or minor irrigation works they could get employment as well as wages. Wage and material
of 60:40 was required to be maintained and MWS was funded by the Centre and States in the ratio of 80:20.³⁷

Since inception in 1989-90 till March 1999, about Rs. 4,196.81 crores has been spent and 1.25 million irrigation wells and tanks and water harvesting structures have been created. MWS were merged in the Swarnajayanti Gram Swarozgar Yojana (SGSY) on 1, April 1999.

2.16.5 Jawahar Rozgar Yojana

In 1989, NREP and RLEG were merged into a single and expanded new programme called the Jawahar Rozgar Yojana named after India's first prime minister Jawaharlal Nehru whose birth centenary was celebrated during 1988-89.³⁸ The JRY is a frontal attack on rural poverty, the strategy being the generation of additional gainful employment for the unemployed in rural areas. The schemes to be taken up should be able to strengthen the rural economic infrastructure and provide assets for the rural poor. The target group is the rural poor, but preference is to be given to the disadvantaged groups, namely, scheduled castes, scheduled tribes, and freed bonded labourers. It is implemented in all the villages in the country. Thirty per cent of the employment opportunities are reserved for disadvantaged women in rural areas.³⁹ The allocation of resources are shared by the Centre and States on 80:20 basis. After three years of its implementation, i.e. in 1992-93, a review of the programme revealed that the per person employment generated was inadequate in terms of the requirement and did not provide enough income to the poor. It was also perceived that the
resources under JRY were too thinly spread and adequate attention was not being given to the backward areas of the country. Accordingly, the strategy for implementation of JRY was modified from 1993-94 with the introduction of the Second Stream of JRY, specially targeted at 120 identified backward districts in 12 states of the country, characterised by a concentration of the poor and the underemployed, with additional resources flowing to these districts. This modification in programme strategy was made to achieve the target of providing 90-100 days of employment per person in backward districts where there was a concentration of un-employed and under-employed persons. In addition, a third stream of JRY was introduced for taking up special and innovative projects aimed at preventing migration of labour, enhancing women's employment and undertaking special programmes through voluntary organisations for drought proofing etc.

A concurrent evaluation of the JRY was conducted from June 1993 to May 1994. The study revealed that nearly 82.16 per cent of the available funds were spent on community development projects. Construction of rural link roads received the highest priority and 69.35 per cent of the workers were satisfied with the benefits they received under the JRY. The evaluation report brought into focus certain inadequacies in the programme. It was reported that 57.44 per cent of the elected Panchayat heads had not been imparted any training for the implementation of JRY works. The share of women in employment generated under the programme was only 16.59 per cent and 49.47 per cent of the works could not be completed on time on account of shortage of funds. Other
shortcomings observed were differentials in the wages paid to male and female workers, non-utilisation of locally available material in a large number of JRY works undertaken by Panchayats and lack of discussion of the annual action plans in the Gram Sabha meetings etc.

In a comprehensive restructuring of the wage employment programmes on 1.1.1996, JRY was further streamlined. In the revised strategy, the first stream of JRY was continued in its existing form but IAY and MWS which were till then sub-schemes of JRY were made independent schemes. The second stream of JRY, which was being implemented in 120 backward districts in the country, was merged with the Employment Assurance Scheme (EAS) introduced in 1975 selected backward blocks of the country in 1993-94 in view of the similarity in these programmes. The third stream of JRY with its thrust on innovative projects was continued. Accordingly, the JRY is now being implemented in two parts i.e. (i) the Jawahar Rozgar Yojana (Main Scheme); and (ii) Special and Innovative Project.

Since the launching of JRY in 1989-90 till 1998-99 an amount of Rs.30,070.26 crore was utilised by the States out of Rs. 31,130.75 crores released by the centre. The utilisation was 96.59 per cent of the total fund released. In terms of physical performance, as against a target of 7364 million man days fixed under JRY, the actual employment generated was 7313 million man days which was an achievement of 99.30 per cent. Out of the total employment generated the share of SCs and STs was about 56 per cent and that of women was 25.5 per cent. The programme has contributed to the development of rural infrastructure in the
form of irrigation works, soil conservation works, land development, drinking water works, rural roads, construction of school buildings, Panchayat ghars, Mahila mandals, Sanitary latrines and social forestry. JRY was revamped from 1 April 1999 as the Jawahar Gram Samridhi Yojana (JGSY).

2.16.6 Employment Assurance Scheme

The Employment Assurance Scheme (EAS) was launched on 2 October 1993 covering for implementation in 1,778 drought prone, desert, tribal and hill area blocks in 257 districts. It was extended to all the blocks in the country with effect from 1-4-1997. The main objective of the EAS is to provide about 100 days of assured casual manual employment during the lean agricultural season, at statutory minimum wages, to all persons above the age of 18 years and below 60 years who need and seek employment on economically productive and labour-intensive social and community works. The programme is implemented as a Centrally sponsored scheme on cost sharing basis between Centre and the States in the ratio of 75 : 25. In the case of Union Territories the Centre provides entire funds under the scheme. The Zilla Parishads and Panchayat Samitis are the implementing agencies of this scheme.

All works started under EAS should be labour-intensive and the labour and material component must be 60 : 40. The works which exceed material component may be taken up provided the excess cost is provided from other sectoral programme funds. The people seeking work under EAS should be given employment within a specified distance of the area of samiti in works started from out of the shelf of projects prepared for this purpose by the implementing authority. Since the stating of EAS in 1993-94 up to September 2001 a total
amount of Rs. 15662.01 crore has been spent on this programme. While 10,719.59 lakh mandays of employment were generated during the Eighth plan, 14633.5 lakh mandays of employment were generated in the first year of the Ninth Plan (up to September, 2001).

Though the creation of community assets has important spin off for rural poverty and development, the impact of EAS on employment and income has been limited. The universalisation of the scheme severely eroded its basic objective of providing assured employment and income has been limited. Allocations were based on a fixed criterion that did not specially provide for regionally differentiated needs. This led to a very thin spread of resources across the country. As a result, even in the poor regions, employment was provided for only 31 days (PEO study-2001). In many States, the works taken up were not labour-intensive. Cases of bogus reporting and forged muster rolls have been reported. The efficacy of the programme was also affected by faulty project selection and the absence of a coherent plan which integrated EAS projects in a long-term development strategy.

Initially, some States have experienced difficulties in mobilising their share of funds and the lean agricultural season in some districts did not fully coincide with the implementation period. The programme was launched on the lines of the well-thoughtout and experimented programme of Employment Guarantee Scheme of Maharashtra and the demand-driven programme with no physical target as its strength. Though a lot of freedom was given in choosing the works and providing employment in many States, the people who had registered did not avail themselves of 100 days of employment. However, Maharashtra is
leading in implementing this programme and providing more than 100 days of employment. Sometimes wage rates are lower in the EAS works than the prevailing in the areas and insisting to offer at minimum wages has driven the people away from the projects.

2.16.7 National Social Assistance Programme

The National Social Assistance Programme (NSAP) came into effect from 15th August, 1995. The programme represents a significant step towards the fulfilment of the Directive Principles in Article 41 and 42 of the Constitution through the enunciation of a National Policy for social assistance benefits to poor households in the case of old age, death of the primary breadwinner and maternity. It is a Centrally sponsored scheme with hundred per cent Central assistance provided to State / Union Territories. This programme has three components: namely (1) National Old Age Pension Scheme (NOAPS); (ii) National Family Benefit Scheme (NFBS); and (iii) National Maternity Benefit Scheme (NMBS) which are targeted at people living below the poverty line. The NOAPS provides a monthly pension of Rs.75/- to destitutes below the poverty line and persons above the age of 65. The NFBS provides a lumpsum family benefits of Rs.10,000/- to the bereaved household in case of the death of the primary bread winner irrespective of the cause of death. This scheme is applicable to all the eligible persons in the age group 18 to 64. Under the NMBS there is a provision for payment of Rs.500/- per pregnant woman belonging to the poor households for pre-natal and post-natal maternity care up to the first two live births. This benefit is provided to eligible women of 19 years and above.43 Table 2.6 provides details of expenditure and the number of beneficiaries covered under the scheme since inception.
<table>
<thead>
<tr>
<th>S.No.</th>
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<th>NOAPS</th>
<th>NFBS</th>
<th>NMBS</th>
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<tr>
<td></td>
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<td>Expenditure</td>
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<td>(Rs. Crore)</td>
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<td></td>
<td>Beneficiaries</td>
<td>Beneficiaries</td>
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</tr>
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<td>2,84,260</td>
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<td>2001-02 (P)</td>
<td>362.08</td>
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The NSAP provides opportunities for linking social assistance package to schemes for poverty alleviation and provision of basic minimum services. Such linkage is yet to take place in an effective way. The NSAP is implemented through panchayats and municipalities. The voluntary agencies are involved in identifying beneficiaries.

The coverage under NSAP is limited due to resource constraints. For example, against the target of 8.71 million eligible beneficiaries for old age pension in 1999-2000, only about 5 million beneficiaries were provided assistance from Central funds. Many States implement the pension scheme from their own resources. However, in the States that do not have their own scheme, a central pension of Rs. 75/- per month is clearly inadequate to provide relief to the old, indigent persons. A redeeming feature of the scheme is that the benefits have indeed reached the poor and leakages under the scheme are low compared to many other government programmes.

The Annapurna Scheme

The Annapurna Scheme was launched from 1 April 2000 to provide food security to senior citizens who were eligible for pension under NOAPS but could not receive it due to budget constraints. The scheme seeks to cover 20 per cent of persons eligible for NOAPS. These beneficiaries are given 10 kg of food grains per month free of cost. However, there have been major problems in the implementation of the scheme. Haryana, Karnataka and Tamilnadu did not agree to implement the scheme in its present form. Many other States wanted modifications before implementing it. During 2000-01, only 19,000 metric tonnes
of food grains was lifted by ten States. As against an allocation of Rs. 99.05 crore in 2000-01, the actual expenditure was only Rs. 17.44 crore. The performance in 2001-02 was equally unsatisfactory. Against a targeted coverage of 1.34 million persons, the actual coverage was only 2,03,00 i.e., 15 per cent of the target.44

Despite efforts made over the past few decades, rural poverty in India continues to be significant. While the anti-poverty programmes have been strengthened in successive years and while there has been a steady decline in poverty over the last two decades, the total number of poor people has perhaps remained constant because of growth in population. The adverse effect of such a large number of poor on the country's development is not difficult to appreciate. Quite obviously, the situation needs to be redressed quickly. It is in this context that the self-employment programmes assume significance, they alone can provide income to the rural poor on a sustainable basis. The Government of India has been implementing the number of self-employment and wage-employment programmes since the beginning of the Sixth Five Year Plan for removal of poverty. The multiplicity of programmes, being viewed as separate programmes in themselves, resulted in a lack of proper social intermediation, absence of desired linkages among these programmes inter se and the implementation being more concerned with achieving individual programme targets rather than focussing on the substantive issue of sustainable income generation. To rectify the situation, the specifically designed anti-poverty programmes for generation of both self-employment and wage-employment have been redesigned and restructured in 1999-2000 in order to make these programmes more effective.
**Swarnjayanti Gram Swarozgar Yojana**

IRDP and allied programmes such as TRYSEM, DWCRA and MWS have been restructured into a single self-employment programme called the Swarnajayanti Gram Swarozgar Yojana (SGSY) from April 1999. The SGSY is conceived as a holistic programme of micro enterprise development in rural areas with emphasis on organizing the rural poor into self-help groups, capacity-building, planning of activity clusters, infrastructure support, technology, credit and marketing linkages. It seeks to promote a network of agencies, namely, the DRDAs, departments of State Governments, Banks, NGOs and Panchayati Raj Institutions for implementation of the programme. The SGSY recognises the need to focus on key activities and the importance of activity clusters. The programme has in-built safeguards for the weaker sections. It insists that 50 per cent of the self-help groups must be formed exclusively by women and that 50 per cent of the benefits should go to SCs and STs. There is also provision for disabled beneficiaries. The programme is credit driven and subsidy is back-ended. The credit and subsidy ratio is pegged at 3:1. The subsidy is fixed at 30 per cent of the project cost subject to a maximum of Rs. 7,500/- per individual beneficiary for those in the general category and 50 per cent of the project cost subject to a maximum of Rs.10,000/- in the case of SC / STs. In the case of group projects, the subsidy is 50 per cent of the project cost subject to a ceiling of Rs. 1.25 lakh. Funds under the scheme are shared between the Centre and State governments in the ratio of 75:25. SGSY lays stress on cluster approach. What this means is that instead of funding diverse activities, each block should concentrate on a few select activities and attend to all aspects of these activities, so that the Swarozgaris can draw sustainable incomes from their investments. These key
activities should preferably be taken up in clusters so that the backward and forward linkages can be effectively established. This would facilitate not only monitoring but more importantly provision of various services required by the Swarozgaris.

The implementation of the programme between 1999-2000 and 2001-02 has highlighted many areas of concern. While the IRDP concentrated on individual beneficiaries, the SGSY laid greater emphasis on social mobilisation and group formation. However, the DRDAs responsible for administering the programme did not have the requisite skills in social mobilisation. Linkages with NGOs, which could have facilitated this process, were also not in place. The programmes, therefore, suffered in the initial years. Information on the physical and financial performance of SGSY during the Ninth Plan is given at Table 2.4. Central releases were substantially lower than the allocation as the field officers were not in a position to organise self-help groups which could be provided financial assistance. Credit mobilization also suffered in the process. Against a target of Rs. 9,611/- crore of credit, the achievement during the last three years has been only Rs. 3,250/- crore, i.e. 33.66 per cent of the target. In the last three years of the Ninth Plan, 7,67,141 self-help groups were formed while 9,34,000 individuals were assisted in 1999-2000 and 10,30,000 individuals were provided support in 2000-01. The coverage was considerably lower than around 2.2 million beneficiaries under IRDP every year during the Eighth Plan Period.
Jawahar Gram Samridhi Yojana

Both JRY and EAS ensured the creation of durable assets in the form of school buildings, roads and other infrastructure. However, under these programmes, the generation of wage employment was getting overriding priority with the result that in the process of creating employment and durable assets were created. It was, however, felt that a stage had come when the development of village infrastructure needed to be taken up in a planned manner. This could best be done by the Gram Panchayats, who were closest to ground realities and who called effectively determine their local needs. Accordingly, the Government restructured the Jawahar Rozgar Yojana. The new programme-Jawahar Gram Samridhi Yojana (restructured JRY), which came into effect from April 1, 1999, is dedicated entirely to the development of rural infrastructure at the village level and is being implemented by the Gram Panchayats. Jawahar Gram Samridhi Yojana (JGSY) was the single largest wage employment programme implemented in all the villages of the country through the Panchayati Raj Institutions. The Primary objective of JGSY is creation of demand driven community villages infrastructure including durable assets at the village level with a view to enabling the rural poor to have more opportunities for sustained employment. The secondary objective of JGSY is generation of wage employment for the unemployed poor in the rural areas.

The wage employment under the programme is given to the families Below Poverty Line (BPL). While there is no sectoral ear marking of resources under JGSY, 22.5 per cent of the annual allocation must be spent on beneficiary schemes for SC/STs and 3 per cent of annual allocation is to be utilised for
creation of barrier free infrastructure for the disabled. Another objective is to generate supplementary employment for the unemployed rural poor.\textsuperscript{48}

The works taken up under JGSY have not been comprehensively evaluated for their quality and employment potential. Initial reports from the States, however, indicates that since every village panchayat has to be covered by the scheme, many panchayats get less than Rs. 10,000/- per annum. Except for States like Kerala, West Bengal and Orissa, where village Panchayats cover large areas and get substantial funds under the scheme, in other States most panchayats get less than Rs. 50,000/- per annum. Benefits to the SC/STs and the disabled have to be earmarked. In addition, the administrative expenses of the Panchayat and expenditure on assets already created are to be met from JGSY funds. In effect, panchayats are left with very little money to take up meaningful infrastructure projects.\textsuperscript{49}

\textbf{Conclusion}

The strategies and policies adopted for Rural Development in India broadly represent two approaches. One focuses on over all development and the other directly attacks poverty. The first two decades of planning revealed that the impact of a growth-oriented development strategy did not 'trickle down' to the poorest of the poor. Therefore, a direct attack on poverty was unavoidable, if growth with equity had to make any sense. Some direct programmes for the poor had started even during the 1960s. But the real thrust to the poverty alleviation programmes was given in the Fifth Five Year plan. Since then a considerable
expansion in these programmes has been undertaken and strengthened in design and scope.

The poverty alleviation programmes could broadly be classified under two groups. One is the group of those programmes which are directed at enhancing the capabilities of the poor for self-employment. The capabilities are enhanced either by helping the poor to acquire productive assets or by imparting skills and training. Thus the programmes like the IRDP, TRYSEM, DWCRA and SITRA fall in this category. The other category is that of the programmes which provide casual wage employment to the workers. This includes programmes like the JRY, IAY and MWS.

The IRDP launched for poverty alleviation in India was a target-oriented programme with a focus on identifying the poorest of the poor and helping them to acquire productive assets through bank loans and subsidies from the Government. The underlying assumption was that lack of productive assets was responsible for the poor being unable to better their lot. The IRDP, however, was not as successful as was visualised. Several drawbacks were seen in the implementation of the programme. Despite the IRDP and several others DWCRA, TRYSEM, SITRA too met with limited success. Against the background of the failure of the earlier schemes the specially designed anti-poverty programme to improve the impact on the poor is known as SGSY which was launched from April 1999. The IRDP has been merged with SGSY along with the other programmes such as TRYSEM, DWCRA and MWS. Even today
the IRDP has been the centre piece of the poverty alleviation measures implemented.

The IRDP has been evaluated by a number of organisations, research institutions and individual scholars in recent years. The studies on the working of IRDP reveal that generally the number of assisted persons who would have crossed the poverty line "would not exceed around 40 per cent". Our former Primer Minister, late Shri. Rajiv Gandhi also had himself openly declared to the press that 80 per cent allotted money under IRDP went into wrong hands and only 20 per cent reached the beneficiaries. This aspect, apart from underlining the need to remedy the shortcomings of the programme, arouses interest on an understanding of the general impact of IRDP on beneficiaries. The present study is an attempt in this direction.
References:


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