Chapter V: Problems and Prospects of DRDA as an agent of Rural Development

The process of implementation of the various rural development programs starts from the DRDA and culminates at the village. In this process people at the various levels right from the Deputy Commissioner, as a Project Director (PD), the Project Officers (POs), Assistant Project Officers (APOs) and other technical staffs of the DRDA are involved. Keeping in view the institutional and procedural aspects of this agency, the present chapter highlights the problems and prospects of the DRDA as a nodal agency of planning and implementation of self-employment programs in particular and the wage-employment programs in general in the district. In this connection, an interview schedule for the officials of this agency as well as some officials in other departments/institutions who are involved in the proper implementation of the programs was used. On the basis of the findings of the schedule, the major problems faced by
the agency while implementing the self and wage-employment programs as well as the flaws in the administration of this agency are being examined here. Besides, an attempt to assess the success or failure of the DRDA in the due discharge of its functions is also being made in this chapter.

5.1. Major problems faced by the DRDA:

Despite the claims of the Ministry of Rural Development and favorable opinions expressed by the officials and beneficiaries about the programs' usefulness, the desired objectives of the programs could not be properly achieved because of one or another operational difficulty. The major problems the DRDA faced while implementing the various programs were both financial and institutional. It also faced certain problems which involve proper implementation of the guidelines issued by the Central Government. These problems are being analyzed as follows:

a. Financial problems:

It is evident from the discussion with the officials of the DRDA that initially its activities were often
hampered due to the fact that the entire expenses of the agency including the salaries of its personnel were not properly earmarked. Only 10% of the program fund was earmarked for this payment. It seriously affected the entire functioning of the DRDA. They complained that the amount earmarked for administrative expenses of the DRDA was not adequate for the proper running of the office.

The officials also complained about the late release of the second installment of the funds of each program. This led inevitably to the delay of distribution of the funds for works under the wage-employment programs to the gram panchayats. There is also a long gap of time between the release of the first and the second installments as the second installments were usually distributed in the last quarter of every financial year. Late submission of utilization certificates by the lower agencies i.e., the panchayat, blocks, etc. also significantly contributed to this. The normal practice of the DRDA is to compile all the utilization certificates of
the lower agencies and forward the same to the central government well in time. However, the lower agencies did not submit the utilization certificates in time and this often delays the release of the second installment.

The officials further complained that the state government also did not release its due shares earmarked under each program of the Ministry of Rural Development (MoRD) in time. All these adversely affected the smooth implementation of the programs.

b. **Guidelines Related:**

One important problem which affected the programs as observed by the DRDA officials was that the selection of beneficiaries was not strictly done in accordance with the prescribed guidelines. For instance, the selection of beneficiaries was not strictly confined to the BPL families. The gram panchayats are to strictly select the beneficiaries from the list given in the BPL census. However, it was not always done. The DRDA officials complained that there were many cases of persons not belonging to BPL families being given
benefit of different schemes. It was indicated that the selection of beneficiaries were skewed and the persons who had proximity with Panchayat members got the benefits. Thus, the benefits were not evenly spread. Besides, there was also political meddling in the selection of beneficiaries of the programs. This led to the deprivation of the people who were supposed to be the target groups to benefit from the programs. In such a situation, the officials said that they were helpless as the duty of this agency was merely to approve the list of the beneficiaries which was proposed or selected by the lower agencies or the local MLAs.

There were also certain occasions when the guidelines of the self and wage-employment programs of the GOI were found not suitable in the local context. For instance, on many occasions the cost of raw materials in the state was found much higher due to high transportation and labor charges. Because of this, the funds earmarked for different schemes were found inadequate during the time of actual implementation.
This also led to difficulties while maintaining the quality of the works done. This was all the more true in connection with the IAY scheme which is concerned with construction of dwelling houses for the beneficiaries. There were significant differences between the approved rates of materials involved and the market price for the same. Such empirical realities are to be taken care of for the meaningful implementation of the programs.

c. **Institutional Matters:**

During the course of discussion with the officials of the DRDA about the institutional set up in the district, they said that the agency at the district level is supposed to be responsible for planning and implementation of the different programs. They, however, complain that they are functioning more like a clerical agency. The emergence of Zilla Parishad (ZP), and the Adyaksha of this institution as the Chairperson of the Governing Body of DRDA, has sometimes adversely affected the duties of DRDA
officials. Because the functions to be performed by the DRDA and the Zilla Parishads are sometimes found overlapping. Besides, the changes of Adyakshas from time to time also have not helped the situation.

The officials also contended that the village panchayats were found to be active while deciding the nature of works and selection of beneficiaries of most of the programs. However, there seems to be lack of proper need-based planning approach and the distribution of benefits to the BPL population. Advance planning and increased involvement of the panchayats members and its officials is a must for meaningful realization of the goals of these programs. There is also the need for increasing the awareness about the rural development as well as poverty alleviation programs among the illiterate population through effective dissemination of information. Not only the people but also the elected representatives of the PRIs themselves must be made well aware of the objectives of the programs.
d. **Miscellaneous:**

Initially, the DRDA was established as a nodal agency of rural development to formulate plans and implementation of IRDP at the district level. However, the implication of this agency has further been extended for planning and implementation of such other programs namely wage-employment, area development, housing and social assistance, etc. In such a situation, the officials said that they could not properly perform all the tasks because of shortage of staffs in one wing or another. A number of the posts already created are also remaining vacant. For instance, at present the posts of one PO, two APOs, one AO, one Accountant and a Stenographer are found lying vacant in the DRDA, Thoubal District. During the discussions with the DRDA personnel, it also came into light that there is diverse staffing pattern in the different wings of the DRDA. For instance, some of the wings are overstaffed while some are understaffed. It
means that the strengths of staff in some wings are overloaded while in others it is inadequate.¹

Government of India (GOI) has impressed upon the State Government the need to strengthen the DRDAs and provide them with security of service to its staff. However, serious efforts have not yet been taken up to strengthen this agency in the district. Regular and timely extension of their services is not being done at present. The prospects of the DRDA employees being absorbed in suitable state departments also remains a distant dream for the personnel of the Agency. This also adversely affects the motivation level of the DRDA personnel. The present staffing pattern of this agency is also found to be not strictly on the lines prescribed by the guidelines of the Ministry of Rural Development, GOI.

Moreover, there is no consistent policy for the appointment of Chief Executive Officers (CEO) in the DRDA. For instance, inexperienced persons from the

¹ A report of officials of the DRDA based on the findings of the questionnaires distributed for these purposes.
state services without having proper knowledge of rural development programs as well as poverty alleviation programs are often deputed as CEO in the office of the DRDA.\textsuperscript{2}

It may be noted here that there are cases of a person getting benefits of more than one of the programs in the district. This means that the self and wage-employment schemes of the Ministry of Rural Development has helped some persons repeatedly at the exclusion of others. This is a serious violation of the national guidelines and should be checked. When further discussed with the DRDA personnel they expressed their helplessness to control it as the lists of the beneficiaries were prepared by the PRIs. This is a clear indicative of the role which personal connections and favoritism have come to play while deciding the beneficiaries.

\textsuperscript{2} Ibid.
5.2 Prospects:

In spite of these shortcomings in the present functioning of the DRDA in the District, there can be no denying the fact that as an instrument for bringing about rural development the DRDA has enormous potential. It has been created as a nodal agency at the district for planning and implementation of various rural development programs. In fact, the agency was initially created especially for the planning and implementation of the erstwhile self-employment program, IRDP. Later the imperative of this agency has been extended considerably with a view to the introduction of various other programs of rural development in the country. The agency has implemented the programs with the active involvement of banks, line departments, NGOs and PRIs etc. in the district. It has helped in finalizing the different sectoral annual plans to be inducted into annual plan of the district. It has guided, monitored and reviewed the various development programs. It also approves annual programs at the village and the block levels for execution and reviews the progress of various programs
and schemes implemented in the district for the development of the underprivileged people etc. It also considers new schemes for the development of Schedule Castes and other rural masses in the district and it has the power to tie-up sectoral programs and inter-related input requirements. As such, the DRDA is entrusted with such other functions of planning, implementation, monitoring and evaluation of most of the rural development programs in the district.\(^3\)

Earlier the administrative cost was admissible under different programs by way of providing a part of the programme funds for the salary and other administrative costs for implementing the programs concerned. The procedure was in operation until 1999.\(^4\) This meant that the service security of the DRDA personnel was seriously affected once the programs are completed. To remove this flaw, separate allocations have been provided for the salary and certain other administrative costs making them not

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\(^3\) However, the 74th Constitutional Amendment Act has provided to constitute a district planning committee in each district to perform the function of planning for regional and integrated development of rural and urban areas.

dependent on the schemes implemented from time to time. As a result, nowadays, it is not mandatory for the programs to provide for all the administrative costs that may be involved while implementing a program. The union government has also introduced a scheme to professionalize the DRDAs since 1 April 1999. The primary objective while professionalizing DRDAs is to make these bodies capable to manage effectively the self and wage-employment and other programs of the Ministry of Rural Development and interact effectively with other agencies. The agency is expected to coordinate effectively with line departments, the PRIs, the Banks and other financial institutions, the NGOs as well as technical institutions with a view to gather requisite support and resources required for the poverty reduction efforts in the district.

It may be here noted that the success and failure of various rural development programs depends mainly on the interest and active involvement of the DRDA. Appointment of experienced staff that has better knowledge especially in

\footnote{Ibid.}
the field of rural development is also a must. In this connection, one may remember what Indira Hirway and Anant S. Pantha-Indira Hirway observed. They said that “it was feasible to reach the poor through specially designed institutions i.e., DRDA, Panchayat Bodies and personnel. However, the DRDA which was assigned the task of delivering the goods was neither equipped with the experts of the field and nor were they sensitized towards the task of poverty alleviation”.

As pointed out Dr. K. V. Subramaniam, Member of Planning Commission in this context, “the major reason why the poor have been unable to overcome their conditions of poverty is not so much the lack of initiative of knowledge on their part but rather the existence of institutionalized obstacles to effective action.”

To remove these obstacles, the following matters should be taken care of.

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5.2.1 Self-employment programs:

1. Carrying out surveys to identify the target group households;

2. Preparation of annual and perspective credit plans which, apart from individual projects, should involve planning for and provision of the required infrastructure support and backward and forward linkages;

3. Preparation of households plans and projects, in a wide variety of sectors;

4. Arrangement of bank finance for each family. Efforts also should be made so that the bank loans are released in time to the beneficiaries;

5. Monitoring followed up and nursing of each project;

6. Identification of trades as per the felt needs and preferences of the rural people and the training of entrepreneurship development and skill formation in the selected trades.⁹

⁹ Based on the suggestions and recommendations of the interview schedule of the officials and non-officials
5.2.2 Wage-employment programs:

1. Identification of schemes according to the felt preferences and local needs based on existing infrastructure gaps and preparation of shelf of projects;

2. Survey for assessment of employment programs, particularly decided by the lower agencies within the poverty group, and provision of actual employment to the identified persons in adequate measures;

3. Supervision of implementation of a large number of widely dispersed projects;

4. Monitoring and evaluation.\textsuperscript{10}

There is a provision for creating a monitoring wing headed by an APO and assisted by some subordinate staffs. The major role to be played by the wing is to monitor and follow up the implementation of different programs.\textsuperscript{11} However, this provision has not been implemented so far.

\textsuperscript{10} Ibid.
\textsuperscript{11} *DRDA Administration*, op. cit., p.8.
In this connection, the Planning Commission has suggested certain measures for improving development administration in rural areas. These include (a) strengthening and improvement of machinery of rural development; (b) the establishment of appropriate agency for development at the village level which derives its authority from the village community; (c) integration of activities of various development departments in the district and the provision of a common extension organization; (d) linking up of all development works of PRIs with the implementing agency of the district in the state; and (e) regional co-ordination and supervision of district development programs.  

The Mid-Term Appraisal of 9th Five Year Plan has also identified the bureaucratic procedures and approaches which were responsible for poor performance of poverty alleviation programs in terms of lack of professionalism and inadequacy to staff and their insufficient training and

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motivation. It has also further pointed out that successful implementation of rural development programs requires effective delivery mechanism besides adequate funds and appropriate policy frameworks. As a result, the Government of India has recognized the needs for an effective agency at the district level to coordinate the self and wage-employment programs. This was followed by the adoption of a centrally sponsored scheme for strengthening the DRDAs namely “DRDA Administration” which was introduced with effect from 1 April 1999. With the introduction of this new scheme the administrative costs earlier available under different programs were withdrawn from 1 April 1999 and the administrative expenses and the salaries of staffs of the DRDA have been born by the new scheme.

The above consideration underlines the need for strengthening the agency so that it may succeed in the proper implementation of the development programs in the

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14. Ibid.
16. Ibid.
rural areas. Besides, transparency while distributing funds, approval of work plans on the basis of its sizes with the number of beneficiaries to be covered under the programs, etc. has to be there. Otherwise, it will not be possible to achieve the desired objectives of the different programs and the benefits of these programs will not be reach the needy persons in the rural areas. The time taken in planning of different programs should also be reduced.

In addition, the capacity building measures of the lower executing agencies should also be properly taken up. The gaps in the implementation process and observance of the prescribed rules of many programs emanate mainly due to lack of awareness among the officials/non-officials at various levels. Therefore, it is required that the officials/non-officials who are directly involved in the implementation of rural development programs should be made aware about the aims and objectives and the major guidelines to be followed while implementing the programs.
5.3. Observation:

Promoting self-employment in rural areas has been one of the most important concerns of the Government of India. The establishment of SFDA during the early 1970s was an important program towards the realization of this goal. Further impetus to these efforts was given with the adoption of IRDP and SGSY during the year 1999. The emergence of DRDA further signaled the resolve of the government to work towards the goal rural uplift tirelessly. The self-employment programs and for that matter even the wage-employment programs were introduced as the programs to be delivered directly by the specially created agency at the district level, the DRDA.

The DRDAs came into existence as autonomous and registered agencies for the maintenance of desired flexibility in the implementation of different rural development programs in the districts. These agencies have been entrusted with a certain responsibility for planning and monitoring the progress of different rural development programs with the help of a monitoring wing headed by an
APO and assisted by his subordinate staff. Proper monitoring of the various development programs have to be done through periodic reports sought from other agencies like the block administration and the PRIs and also through frequent field visits. The purpose of the visit should be to facilitate the implementing agencies in improving implementation process besides ensuring that the quality of implementation of programs is high. However, it is generally felt that the quality of the performance of the DRDA as a nodal agency at the district level has been rather poor. A question whether the DRDA could meet the challenge is also being asked. Regarding this matter, the former First lady of India, Usha Narayanan, commented: “The bureaucratic implementation of the schemes has come in for considerable criticism” and that proper coordination among the agencies involved in the implementation of the programs is a must. On the other hand, there was a divergent view from the officials of the DRDA that the useful functions of the agency

\[\text{Guidelines of DRDA, Ministry of Rural Development, Government of India, New Delhi, p. 10}\]

have been often affected due to lack of monitoring wing at the office of the DRDA itself. Besides, the officials expressed that the commitment of Members of Parliament (MPs) and Members of Legislative Assembly (MLAs), the ex-officio members of the governing body of DRDA, etc., to the role they have to play in making DRDAs as successful instruments for facilitating rural development is far away from being satisfactory. They do not even regularly attend the meetings of the governing bodies of this agency.¹⁹

There were also the cases of DRDA itself showing reluctance to allocate the funds earmarked to the executing agencies, i.e., the PRIs within its jurisdiction in time. There are often reports of DRDAs failing to release funds in the form of wages and kinds in accordance with the prescribed ratio. This is true all more so in case of wage-employment programs. There were also cases of failures on the part of the DRDA to make the money and other items available to the PRIs in time. These are to be distributed by the PRIs to the workers. All these have seriously affected the

¹⁹ Interview Schedule: The Assistant Project officers of the DRDA, Thoubal.
development of productive assets in the villages which are essential for improving the quality of life of the people in rural areas.

There are also various complaints from the side of the DRDA officials saying that the agency could not fulfill the objectives of the programs because of certain constraints which they felt while carrying out their tasks. The major problems as they said were shortage of staff, unavailability of workers, delay in execution works at the village level etc. Besides, they further said that there was shortage of funds. This made it very difficult to provide employment to all the needy persons of rural areas. They further said that people's involvement in the implementation of these programs is far from being satisfactory. They complain that there has been lack of cooperate from the side of the rural people intended to the implementing agencies while executing the works under the programs. Moreover, they said that the elected representatives of the panchayats are neither experienced nor aware of the operational aspects of these programs and that they often executed the works in a self-seeking manner.
The officials further expressed that there are also some inherent flaws in the programs in the sense that the programs were conceived as universally applicable throughout the country without considering the need for flexibility while implementing in the states or the socio-economic-cultural-topographic diversities of the different states. Violations of prescribed guidelines are also many, particularly in connection with the wage-employment programs. The guidelines of different programs provide that the works are to be done without the involvement of hired contractors. However, the PRLs members often assign the works to contractors known to them who will hire and engage the people for implementing the programs. The problem is further worsened due to the careless selection of beneficiaries by the contractors without bothering to follow the prescribed guidelines.

However, it may be noted here that it is not only the PRLs members who are at fault in this matter. The DRDA, though not immediately concerned with the implementation of such programs, are expected to give proper guidance and
strict instruction to the lower agencies. However, the DRDAs have not succeeded so far in giving proper guidance and strict instructions to the lower agencies. As a result, many of the workers under the wage-employment programs were selected from the families living above the poverty line. These factors have contributed to the fact that the benefits of the programs have not reached the target groups mentioned in the guidelines. This means that the benefits of the programs which should have gone to the people below poverty line have gone to people above the line also. Besides, those persons who were close to the panchayats members, local MLAs, etc. have been selected as workers thereby depriving many people living below the poverty line for whom the programs were initiated.

In case of self-employment programs also, there are many cases when the implementing agencies did not properly follow the guidelines while selecting the beneficiaries. For instance, any farmers from the rural areas were selected as beneficiaries of IRDP without bothering to examine whether the farmers are marginal farmers or not.
As a result, the benefits of the program could not properly reach the target groups as prescribed in the guidelines. Defending themselves from criticism arising out of this, the officials of the DRDA claim that they are not involved in selecting the beneficiaries. They further said that the selection of beneficiaries is the prime concern of the PRIs. They also point out that the selection of beneficiaries was not based on the BPL list. Political considerations are given preference than the economic considerations while selecting the beneficiaries.

Another important observation during the course of the study was that of the DRDA failing to secure proper coordination with line departments, bankers, block administration, PRIs, etc. This sometimes has affected the selection of activity/scheme, distribution of assets, provision of technical supports, sanctioning of subsidy and loans under the programs, etc. These factors have contributed to the fact that the line departments which are supposed to provide technical support to the implementing agency as well as the beneficiaries have not properly
rendered their services towards the optimum utilization of the programs benefits in the rural areas. The line departments which were supposed to provide technical staff and line support to the DRDAs in functions directly related to rural development programs, namely DIC, Polytechniques, Veterinary and Animal Husbandry department, fishery, etc. also remained not properly utilized for purposes of rural development. These line agencies have at best marginal coordination with the DRDA. The lack of utilization of services of these agencies due to the lack of coordination with the DRDAs often leads to the failure of the beneficiaries to properly use the assets like mechanical tools, machines, etc. which were provided to them as a part of certain schemes.

The delay in the sanction of loans and subsidy, and also that of failure to strictly follow the guidelines also results in further problems with the banks. The DRDAs are to deposit a certain percentage of the money as subsidies in connection with self-employment schemes. However, lack of proper coordination between the banks and the DRDA often
lead to the failure to deposit the money in time. All these considerations adversely affect the meaningful implementation of the programs.

There have also been delays in time of identification of borrowers, processing an application, release of subsidy, dispersal of loans, etc. Besides, there are certain compromises concerning the quality of the assets to be distributed to the beneficiaries as provided by the schemes. As a result, complaints about low quality of assets provided to the beneficiaries are often heard. These factors contributed in no small way in the failure to implement meaningfully the schemes, especially the self-employment schemes. The situation was further worsened by the presence of corruption, favoritism, malpractices and nepotism in the functioning of the various implementing agencies and their partners.

There are also the cases of defects on the side of the implementing agency. As a matter of fact the IRDP was expected to dovetail with the TRYSEM in the sense that the identified beneficiaries of IRDP were supposed to be trained
under the TRYSEM and they should be provided with the income generating assets in the form of loans and subsidy. However, in some cases different persons were selected for the two programs. For example, the beneficiaries who were trained under TRYSEM were not provided financial assistance under IRDP. This meant that different beneficiaries were selected for the TRYSEM and the IRDP and the persons who were trained under the TRYSEM scheme were not provided with the necessary assets in the form of loans and goods. These instances not only meant that the guidelines were not properly followed but also rendered the trainings imparted under TRYSEM superfluous or futile. This further created frustration on the part the people who were given training under TRYSEM but not selected for IRDP. Those who were selected as beneficiaries of the IRDP without getting trained under the TRYSEM also faced a number of practical difficulties while trying to avail the benefits of the IRDP to the fullest possible extent.

The failure to strictly follow the guidelines also resulted in the selection of beneficiaries who were above the poverty
line. This meant that the benefits of the programs went to people living above the poverty line thereby depriving the people living below the poverty line of their due share. All these also meant that the programs were often implemented in a half-baked manner.

Lack of coordination among the various agencies involved in the planning and implementation of the programs also obstructed the programs from their meaningful implementation. As such there is the need for proper coordination among the various agencies involved like the DRDAs, PRIs and other line departments like the polytechniques, District Industries Centers, etc.

There is also the twin problem of lack of adequate number of staff as well as that of the lack of experienced personnel within the implementing agencies. Often, the very few experienced staff members have to do all the works without much help from the rest. These considerations mean that the implementing agencies could not carry out their duties and responsibilities properly. This also sometimes seriously affected the efficient and meaningful
realization of the various schemes. Absence of proper division of responsibility among the DRDA employees also often characterized the functioning of the DRDA. Besides, officials who are in the good books higher authorities or can enlist their backing are often engaged in the implementation of the programs and the persons who have better competence are at times overlooked. This is another significant hindrance in the successful implementation of the programs.

Overall, it may be said here that the successful and meaningful implementation of the various rural development programs require proper coordination among the different agencies like that of block administration, PRIs, bankers and NGOs; strict adherence to the prescribed guidelines; division of labor among the staff of the DRDA; etc. The members of the PRIs to whom the responsibility for the selection of the beneficiaries have been entrusted and other local political elites should also be discouraged from tampering with the proper process of selecting the beneficiaries.