Chapter - 7

Summary of Major Findings, Suggestions and Conclusions

Introduction

The Integrated Rural Development Programme (IRDP) is the largest anti-poverty programme in terms of the aggregate investments as well as the coverage of beneficiaries and accrual of tangible/intangible benefits to them. The major emphasis of the programme is to provide sufficient assistance to increase the income of the beneficiaries to a significant level and enable them to cross the poverty line.

The present study has evaluated the implementation and the vital aspects of the implementing agencies involved in the programme viz., the Non Governmental Organisation the DMSSS, and the Government Agency, the DRDA. The aim of this study was to examine whether the planning, the organisation and the implementation have been executed in the right direction and whether the beneficiary families have actually benefited in terms of incremental income through gainful employment schemes.

Therefore the present study was confined to the beneficiaries of the IRDP in Dindigul and Shanarpatty Blocks of Dindigul District, Tamil Nadu.

The specific objectives of the study were:

i. to study the administrative structure of the Government and Non-Government agencies in implementing the IRDP;

ii. to study the mechanism of the Government and Non-Government agencies for identification and selection of the beneficiaries of the IRDP;

iii. to study the socio-economic conditions of the beneficiaries in the study area;

iv. to study the impact of the Integrated Rural Development Programme on the beneficiaries; and,

v. to examine the follow up activities for effective implementation of the programme.
The present study being a descriptive one it largely analysed primary and secondary data. A sample of 384 beneficiaries were selected from the two blocks under study. In order to analyse the primary data, several statistical tools of analysis were used, namely percentage, t-test, chi-square and multiple regression analysis.

Summary of major findings

From the foregoing analysis and comparative discussions on the planning, organisation and administrative structures of the District Rural Development Agency (DRDA) and the Dindigul Multipurpose Social Service Society (DMSSS) (Chapter 3), the socio-economic and the demographic patterns of the IRDP beneficiaries (Chapter 4), awareness of and implementation of the IRDP (Chapter 5), and the impact of the IRDP on the beneficiaries (Chapter 6), a summary of important findings and conclusions are presented in this chapter. A few policy recommendations are also offered.

Government Administrative Structure

At the district level, the DRDA is the implementing agency of the IRDP, since the DRDA is also involved in other ongoing rural development programmes.

Despite all efforts taken to constitute executive and governing bodies, there is a multiplicity of agencies which makes effective coordination difficult to achieve the IRDP goals.

The Block Development Office is no longer a cohesive unit as it consists of specialists drawn from the line departments on deputation. The Block Development Officer has no effective control over most of the Extension Officers because of the latter’s own relationship with the line departments. Therefore, rural development programmes launched by the Government do not fit in.
The structural and organizational linkages of different departments in achieving the aims and objectives of the IRDP are not clearly specified.

The district and block level setup (BDO, Additional BDO, Deputy BDO, and RWO) are interested only in achieving their physical and financial targets.

**Planning**

The planning exercise related to the IRDP has very little to do with the local resources, inventory of skills and knowledge of the people and it does not fully consider the needs and the aspirations of the local people/community.

The governing body meets quarterly and discusses the administrative affairs of the DRDA rather than the disbursement of the IRDP loans by banks, qualitative aspects of the programme, monitoring of the beneficiaries and other relevant topics.

**People's Participation**

There is limited scope for people's participation in planning and also inadequacy of direct implementation of the IRDP by the community.

**Monitoring**

The structure does not indicate adequately the monitoring system of the programme. There is only one APO (Monitoring) in charge of the entire district. The APO has to perform all types of functions in absolute terms regardless of his specialization and competency. The APO (Monitoring) does not have sufficient time to be involved fully in monitoring the progress of the IRDP beneficiaries.


*Extension Services*

The functions and the role of the DRDA ends with the release of subsidies to the beneficiaries through the respective banks. Any other operation beyond this is taken over by the extension services network. The study shows that extension services and follow-up activities were inadequately attended to by different functionaries. The Extension Officers were mainly engaged in releasing subsidies and performing other desk work.

The share of agricultural development schemes is gradually declining. Moreover, the Department of Agriculture extends limited cooperation and technical assistance to the IRDP beneficiaries.

The block level Extension Officers lack awareness about different provisions of the programme such as reservation for women, SCs/STs and the handicapped.

Due to a multiplicity of other sectoral programmes which are administered by the line departments, the block machinery and its functionaries were found to be incapable of providing an appropriate integrated delivery system. The APOs from the DRDA have no direct administrative control over the BDOs.

**DMSSS administrative structure**

*Structure*

On a closer look, the DMSSS administrative structure is oriented towards the action development approach. The officials of the DMSSS have no other responsibilities except sharpening their strategies and directly getting involved in developing the rural society. So there is no goal confusion. Moreover they have accountability at all levels of their organisational structure.
The developmental works of the DMSSS are accelerated because of its administrative setup. The DMSSS works in several villages grouped into clusters. Each cluster consists of five to seven villages and each area consists of 20-25 villages.

Because it works through small village level units the DMSSS possesses a high degree of flexibility in its organisational structure, methods, functioning and practices.

*Innovative methods*

The development programmes of the DMSSS tend to be innovative, creative and hinged on participatory methods of operation. Its strength lies in its effective and efficient operational structure and clear style of functioning. Therefore, the distance between the project administrative leaders and members is minimal. Decisions are made democratically at the grassroot level.

In order to attract people to participate in its activities several methodologies have been devised and applied. Methods like Participatory Rural Appraisal (PRA) are applied in the field by the Project Officers of the DMSSS.

The DMSSS development programmes are independent. Their governing boards and executive committees are autonomous and their development activities are thoroughly oriented to the target groups.

The DMSSS is understaffed and the efficiency of the available manpower is not very high. Even their grievances are overlooked/suppressed forcing them to abandon the organisation in the long run. Therefore, stability of staff is hard to achieve. The DMSSS organisational setup has also become a bit bureaucratic as a result of coping with the functional style of the Government agencies, e.g., constituting boards of governors and executive committees etc.
Execution, of programme

1) The DMSSS executes its programmes through field offices located in villages run by women’s groups and trained animators.

2) The development works of the DMSSS are conceived and executed based on local needs.

3) The development activities are ad hoc, lack continuity and sustainability due to paucity of funds.

4) The DMSSS occupies a highly advantageous position because of its adoption of healthy work ethics and morale boosting strategies to ensure direct participation of the people.

5) The DMSSS organises village level viable sanghams through its community organisers. This sangham consults the people in the village before deciding on the development activities proposed by the DMSSS. It also monitors ongoing projects and evaluates the already completed projects.

Infrastructure

Suitable infrastructural facilities such as training centres for sangham members have been created and are being used by the DMSSS.

Socio-economic characteristics of the beneficiaries before IRDP

Social indicators

Religion: The study reveals shifts in the socio-economic and the demographic pattern of the beneficiaries. A larger/higher proportion of Hindus and Christians are found among the DMSSS beneficiaries than among the Government beneficiaries. However, the difference is significant (p<0.01) for Christians and not significant for Hindus. On the other hand, the number of Muslims selected is significantly (P <0.01) higher in the Government agency than in the DMSSS. The preponderance of Christians is due to the fact that the DMSSS adopted villages mostly inhabited by those who profess Christianity.
Caste: More than half of the beneficiaries of the Government agency belong to the Most Backward Caste, and the SC/STs account for 35 per cent. In the case of the DMSSS, the Forward Caste (44 per cent) and the Most Backward Caste (44 per cent) are the majority of the beneficiaries.

Sex: Forty six per cent of the Government beneficiaries are female, whereas among the DMSSS beneficiaries fifty eight per cent are female. The statistical analysis reveals a significantly (p<0.05) higher proportion of males beneficiaries in the Government agency than in the DMSSS. The main reason is the constitution of women’s groups by the DMSSS at the grassroot level. These women are mostly the heads of their respective families.

This clearly shows that both the implementing agencies strictly followed the guidelines of the IRDP in selecting women beneficiaries. The guidelines state that 40 per cent of the total beneficiaries should be women.

Age: The study reveals that the mean age of the beneficiaries is 36 years for males and 37 years for females in the Government agency, whereas it is 35 years for males and 37 years for females in the DMSSS. There is no significant difference in the age groups for male and female beneficiaries between the two agencies. The implication is the preference for youthful beneficiaries eager to invest productively.

Level of Education: In respect of educational status, it is observed that 33 per cent of the male beneficiaries and 61 per cent of the female beneficiaries of the Government agency are illiterate, whereas in the DMSSS 51 per cent males and 60 per cent females have not had any formal school education.
The study further shows different levels of education attained by the beneficiaries: 42 per cent of the male beneficiaries and 24 per cent of the female beneficiaries of the Government were educated up to the fifth standard and among the DMSSS beneficiaries 38 per cent males and 29 per cent females were educated up to the fifth standard.

Among the beneficiaries of the Government, 67 per cent males and 39 per cent females were literate, whereas, among the beneficiaries of the DMSSS, 49 per cent males and 40 per cent females were literate. The ‘t’ test shows that the literacy level of the female beneficiaries of the Government is not significant (p<0.05) as compared to that of the DMSSS, but it is significantly high (p<0.05) for the male beneficiaries of the DMSSS.

Economic Indicators before receiving IRDP

_Housing Pattern:_ Nine per cent of the beneficiaries of the DMSSS and 8 per cent of the Government ones do not possess any house of their own. The percentage of beneficiaries living in semi pucca houses is significantly higher (P< 0.01) for the Government agency (54 percent) than for the DMSSS (52 per cent).

The number of beneficiaries living in kutcha houses is significantly (P < 0.05) higher for the DMSSS (52 per cent) than for the Government (33 per cent).

As a whole the majority of the Government beneficiaries have semi pucca dwellings whereas the beneficiaries of the DMSSS live in kutcha houses indicating the poor housing pattern of the DMSSS beneficiaries before receiving the IRDP loan. It is clear that the Government officials did not take keen interest in the housing pattern while selecting the beneficiaries.
**Landholding:** Two thirds of the beneficiaries of both the Government and the DMSSS were landless. Among the landholders, the mean size of land holding was found to be 2 acres for the Government beneficiaries and 2.4 acres for the DMSSS beneficiaries. The statistical analysis, reveals no significant (p>0.05) difference in landholding size between the beneficiaries of the Government and those of the DMSSS. The study confirms that the majority of the beneficiaries from both the agencies were either landless labourers or marginal landowners.

**Family Income:** Regarding the monthly income of the beneficiaries, the study indicated that, before implementing the programme, the family mean income of the beneficiaries of the Government (Rs.2255/-) was significantly (p<0.01) higher than that of the DMSSS (Rs.1297/-) beneficiaries. It is inferred that the Government officials comparatively selected beneficiaries with higher income as a result of negligence on their part in identification of the right beneficiaries with far less income. Moreover, the income ceiling of Rs. 16,000 per year was not adhered to by the Government officials. On the other hand, the DMSSS followed the income criterion faithfully.

**Family Expenditure:** More than 60 per cent of the Government and the DMSSS beneficiaries incurred monthly expenditure of less than Rs.1000 before receiving the IRDP loan. On the contrary, 40 per cent and 33 per cent of the Government and the DMSSS beneficiaries respectively spent between Rs.1000 and Rs. 2000. The study found out that beneficiaries with an expenditure of Rs.2000 were more in the Government agency than in the DMSSS. The overall monthly mean expenditure is slightly higher for the beneficiaries of the DMSSS (Rs.1090/-) than for the Government beneficiaries (Rs.997/-). But the ‘t’ test of significance statistically reveals that there is no significant (P < 0.05) difference with regard to the expenditure between the DMSSS beneficiaries and the Government beneficiaries.
Occupation Status: Eighty three per cent of male and 74 per cent of female beneficiaries from the Government agency were farmers. In the case of the DMSSS, only 25 percent of male beneficiaries and 34 per cent of female beneficiaries were farmers; there were 16 per cent Government beneficiaries without any economic pursuit and 6 per cent in the DMSSS; 46 per cent of male beneficiaries of the DMSSS were businessmen and 12 per cent were agricultural labourers; 24 per cent of female beneficiaries were engaged in business activities, and, 30 per cent of female beneficiaries were agricultural labourers.

The statistical analysis reveals that the number of male and female beneficiaries engaged in farming as their occupation are significantly ($p < 0.01$) higher for the Government agency than for the DMSSS. The number of male and female beneficiaries involved in petty business activities and working as agricultural labourers was significantly ($p<0.01$) higher for the DMSSS than for the Government agency.

Regarding the overall (male and female) beneficiaries whose occupation was small business and agricultural laboures, the statistical analysis indicated that there were more such in the DMSSS than in the Government ($P< 0.01$).

Implementation of IRDP

Awareness of the objectives and schemes of IRDP: A high level of awareness of the basic specific objective of the IRDP thus to increase the family income through creation of productive assets was revealed by more beneficiaries selected by the DMSSS (54 per cent) than by those selected by the Government (1per cent) agency. The vital difference was due to the efforts made by the DMSSS through women's groups which persistently discussed awareness aspects with their members before the actual selection was done.
Knowledge about IRDP Schemes: The most outstanding and popular IRDP scheme known to the beneficiaries of the Government (31 per cent) as well as the DMSSS (38 per cent) was the milch animals scheme. The 'other' schemes which beneficiaries had significant knowledge of were poultry (10 per cent) in the case of the DMSSS beneficiaries and brick kiln in the case of the Government beneficiaries (9 per cent). The Knowledge of these schemes is due to the fact that mostly there is a ready market to sell the milk within and around the village itself. Secondly there are no organised markets capable of absorbing the output of the other services and schemes of IRDP

Sources of Knowledge about IRDP Schemes: About 70 per cent of the Government beneficiaries specified the Panchayat President as the most important source of knowledge of IRDP schemes.

The beneficiaries of the DMSSS agency, obtained knowledge and information from the women's groups (72 per cent) which constituted the foremost source of knowledge. On a closer analysis the study revealed duplication and multiplicity of sources of knowledge for the beneficiaries from the two implementing agencies.

Schemes selected and reasons: According to the beneficiaries the major reason for selecting individual schemes was basically to earn additional income. The majority of the beneficiaries of the Government (69 per cent) and the DMSSS (68 per cent) emphatically stressed this vital factor. About 30 per cent of both categories of beneficiaries assigned various other reasons such as gainful employment, creating assets, influence of friends, the selected scheme requiring less capital and the fact that the scheme was imposed on them by the Government officials.

Knowledge of enumeration of target population: The DMSSS field investigators had actually followed the guidelines rigorously by conducting a socio-economic survey as reported by 96 per cent of
their beneficiaries, whereas 79 per cent of Government beneficiaries were unaware of any such survey as a pre-requisite for launching the scheme. The reason for such a variation is that the DMSSS has several field volunteers in each and every village adopted whereas the Government officials are few in number and can not manage such an exercise in the entire district. Moreover they have other administrative work to attend to in their respective offices.

Selection of Beneficiaries and Operational Criteria

Selection Team: The prospective beneficiaries of the IRDP are subjected to a selection process. There are a number of persons who are involved in the selection process. The study revealed that in the case of Government beneficiaries the Task Force Committee selected 46 per cent and Panchayat President selected 41 per cent, local leaders selected 6 per cent, and women’s groups selected 4 per cent and ‘others’ 3 per cent. The study indicates therefore that the majority of the Government beneficiaries were not selected by the mandatory Task Force Committee as such. Different members of the Task Force Committee forwarded lists of beneficiaries of their choice. No open meeting was held by the gram sabha for approval as per the guidelines.

The beneficiaries of the DMSSS were selected by women’s groups (58 per cent), DMSSS officials (30 per cent), Panchayat President (5 per cent) and others (4 per cent). It is to be noted that though the rules and regulations for selecting the Government beneficiaries stipulate that the Task Force Committee should be fully involved in the selection process, only 46 per cent of the Government beneficiaries were selected by the mandatory Committee. The DMSSS officials also selected beneficiaries of their choice. However the number was far less than that of the beneficiaries selected by Government officials.
Criteria for selecting the beneficiaries: The main criteria used for selection of beneficiaries by the Government agency, as revealed by this study, were income (50 per cent), followed by community (30 per cent), religion / caste (14 per cent) and credit worthiness (6 per cent).

Income (46 per cent), religion / caste (25 per cent), community (23 per cent), and credit worthiness (6 per cent) formed the major criteria in the selection of beneficiaries by the DMSSS.

In comparison, the majority of the beneficiaries of the Government and the DMSSS were selected based on the criteria of income and community. The religion/ caste criterion was used by the DMSSS at a remarkably higher level than the Government agency and the difference is quite significant (p<0.01), as indicated by Chi-square test (p, z=2.73).

Level of Satisfaction: It was found that the majority of the beneficiaries (67 per cent) selected by Government agency were satisfied with the selection process, 25 per cent were fully satisfied, and 8 percent were not at all satisfied.

On the other hand, among the beneficiaries selected by the DMSSS, about 57 per cent were satisfied, 28 percent were fully satisfied and 15 per cent were not at all satisfied.

The statistical analysis using the chi-square test of significance reveals a significant association between the level of satisfaction and the implementing agency (chi-square = 6.21, with 2 degrees of freedom, p= 0.448). The proportion of non-satisfaction is significantly (P<0.05) higher among the beneficiaries of the DMSSS (15 percent) than among the Government beneficiaries (8 per cent).
Reasons for Beneficiaries’ Non-Satisfaction: Forty five per cent of the DMSSS and 27 per cent of the Government beneficiaries were not satisfied because the schemes were thrust on them without considering their preferences.

Reasons like favouritism and nepotism in favour of officials’ relatives and political influence were reported more by the beneficiaries of the Government as compared to the DMSSS beneficiaries. Reasons such as assigning schemes without considering the beneficiaries’ preferences and views, coupled with other considerations such as religion and caste have contributed more to the non-satisfaction of the beneficiaries of the DMSSS as compared to the Government, beneficiaries.

Best Suggested Selection Process: The study elicited the best strategy for the selection process from the beneficiaries. They said that the selection should be done by villagers (47 per cent) and without any corrupt practices (27 per cent). These were stressed more by the beneficiaries of the Government than those of the DMSSS agency. Consequently, the need to constitute special committees (28 per cent), consultation with people before schemes are selected (28 per cent) and informing the prospective beneficiaries about the impending selection process (17 per cent) were emphasised more by the beneficiaries selected by the DMSSS. It is observed that corrupt practices and non consultation of villagers dominated more in the case of the Government than the DMSSS.

Sanction. Time Lag

One half of the Government beneficiaries took 4-6 months to receive the loans while 20 per cent of the beneficiaries took more than 7 months to one year before getting the loan. On the contrary less than one third of the selected beneficiaries of the DMSSS took a period of 1-3 months to receive the loan from the time of application, while nine percent of them took 7 to 12 months.
Further, the study found that the time lag between submission of the application and actual receipt of the loan was, on an average, 2.2 months for the beneficiaries of the DMSSS and 3.7 months for beneficiaries of the Government agency. The Y test of significance indicated that the difference in time lag between the two agencies is significant ($P < 0.01$). The period for the DMSSS beneficiaries is less because the processing of loan applications is normally facilitated by the grassroot level officials of the DMSSS, whereas the Government beneficiaries keep moving from one office to another resulting in delay.

**Visits made by Beneficiaries**

About 16 per cent of the beneficiaries of the Government agency and 22 per cent of the beneficiaries selected by the DMSSS did not visit any loan sanctioning authority or administrative office for the purpose of processing the loan.

However, a mean number of 5 visits was made by the Government beneficiaries and 3.4 visits by the DMSSS beneficiaries. The statistical analysis indicates that the number of visits made by beneficiaries of the DMSSS was significantly ($p<0.01$) lower than that of the Government beneficiaries. This was due to the fact that the DMSSS is located in the rural area whereby the beneficiaries had easy access to its officials. Moreover the DMSSS carried out the responsibility of processing the loan for its clients faster than the Government bureaucracy by interacting with the institutions concerned for the loan disbursement on their behalf.

**Transaction Expenses**

One third of beneficiaries of the Government agency spent extra money to get the loan, as compared to only 20 per cent of the DMSSS beneficiaries. In total, a sum of Rs.956/- was spent towards transaction expenses by the Government beneficiaries for processing
the loan, these expenses included traveling, corruption and for administrative purpose. On the other hand the beneficiaries of the DMSSS spent an average of Rs.152/- in total. The statistical analysis reveals that the mean total amount spent in the process of getting the loan is significantly (p<0.01) higher for the beneficiaries of the Government agency than for the beneficiaries of the DMSSS. Most of the beneficiaries borrowed money from moneylenders to meet such expenses. So, when the beneficiaries received the loan, they siphoned off part of the IRDP loan to repay the moneylenders at heavy rates of interest. The beneficiaries may buy sub-standard assets due to such heavy financial losses incurred earlier.

**Quantum of Loan**

The study found that the mean amount of loan received by the beneficiaries of the DMSSS was Rs. 11,003/-, which is significantly higher than the average amount of Rs.7,977/- received by the beneficiaries of the Government agency. The difference between the two was due to the socio-economic survey conducted by the DMSSS before loan disbursement, which highlighted more poverty to be bridged for the DMSSS beneficiaries through larger loans than those given to the Government beneficiaries.

**Quantum of Subsidy**

The majority of the beneficiaries (95 per cent) of the DMSSS agency and of the beneficiaries of the Government (75 per cent) received subsidies.

In quantitative terms, the Government beneficiaries (18 per cent) and the DMSSS beneficiaries (5 per cent) received a subsidy ranging between Rs.4001 and Rs.5,000.
The mean amount of subsidy received by the beneficiaries of the DMSSS (Rs.3,893/-) is significantly (p<0.01) higher than the amount received by the beneficiaries of the Government agency (Rs. 1,853).

**Utilisation of Subsidy**

Seventy one per cent of the DMSSS beneficiaries and 20 per cent of the Government beneficiaries received all the subsidy and it is significantly (p< 0.01) higher for the beneficiaries of the DMSSS than for the Government beneficiaries. The field workers of the DMSSS processed the loan application on behalf of their beneficiaries and hence ensured that they received all the subsidy quickly.

The Government beneficiaries who received a partial subsidy were 57 per cent and those who did so in the DMSSS were 24 per cent. While in the DMSSS category only 5 per cent beneficiaries did not receive any subsidy, 25% of the Government beneficiaries did not receive any subsidy.

**Additional expenditure**

Moreover, 80 per cent of Government beneficiaries did not incur extra expenditure to purchase the assets. This was also noted among 67 per cent of the DMSSS beneficiaries; About 2 per cent of the Government beneficiaries were expected to added Rs.1 to Rs.1000 to the loan and 3 per cent of the DMSSS beneficiaries added the same amount from private sources in order to buy the assets. The beneficiaries with additional Rs.2000 but less than Rs.3000 were 4 per cent, and 2 per cent in the case of the Government beneficiaries and the DMSSS beneficiaries respectively. Only 4 per cent of the beneficiaries of the Government spent Rs.3000 and above additionally. None of the DMSSS beneficiaries spent this much of extra money.
However, in the t-test of significance, the mean additional expenditure was found to be significantly (p<0.01) higher for the beneficiaries of the Government (Rs.544/-) than for DMSSS beneficiaries (Rs.216/-).

Therefore the study revealed that both the agencies did not carry out studies of the feasibility the pattern of loan utilisation, loan limit of the enterprises, price changes and inflationary pressures.

**Actual Mobilisation of additional funds**

It was indicated that no additional funds were mobilised by 91 per cent of the DMSSS beneficiaries and 86 per cent of the Government beneficiaries to purchase the assets. However, the study reveals that in the case of the beneficiaries who went in for additional funds significantly (p<0.01) more was mobilised by the Government beneficiaries (Rs.395/-) than by the DMSSS beneficiaries (Rs112/-). The mean rate of interest for the additional private funds mobilised was higher for the beneficiaries of the Government agency (0.55) than that for the beneficiaries of the DMSSS (0.32). However the difference between the two is not significant (p > 0.05).

On the whole, the beneficiaries of the DMSSS were better off in terms of less mobilisation of additional funds at lower rate of interest and using the subsidy fully as compared to the Government beneficiaries.

**Schemes selected**

The majority of the Government beneficiaries (36 percent) and the DMSSS (39 per cent) beneficiaries gave more importance to the milch animals scheme than the rest of the schemes, followed by a combination of different schemes under the category of 'others' selected by 51 per cent of the DMSSS beneficiaries and 42 per cent of the Government beneficiaries. Besides, petty shops were chosen by 8
per cent each by the beneficiaries of the DMSSS and those of the Government agency. There is no significant difference in the pattern of assets purchased between the beneficiaries of the Government and those of DMSSS

**Technical Guidance**

Regarding technical guidance given to the beneficiaries before acquisition of the assets, it was observed that the technical guidance given to the beneficiaries of the DMSSS was more than that given to the Government beneficiaries ($P < 0.01$) at 20 per cent and 9 per cent respectively.

**Purchase of Assets**

The study reveals that 77 per cent of the Government beneficiaries and 69 per cent of the DMSSS beneficiaries bought assets by themselves.

Details of IRDP Loan

*Loan Utilisation for the original purpose:* Eighty per cent of the beneficiaries of the Government agency and 90 per cent of the DMSSS beneficiaries utilised the loan for the originally intended purposes. The difference between the beneficiaries of the Government and those of the DMSSS in the utilisation of the loan for the original purpose is significant ($p<0.01$).

*Loan adequacy:* As many as 71 per cent of the beneficiaries of the Government agency and 74 per cent of the DMSSS beneficiaries reported that the loan amount was adequate. There is no significant ($P > 0.05$) difference between the report of adequacy of loan by the Government beneficiaries and that by the DMSSS beneficiaries. Therefore the study indicates that by and large the loan availed by both the DMSSS beneficiaries and the Government beneficiaries was sufficient.
**Monitoring and Technical Visits:** The mean number of technical visits made by the DMSSS officials is significantly (p<0.05) higher (2.1) than those by the Government officials (1.5) to their respective beneficiaries. Moreover, the officials of the DMSSS, having selected the beneficiaries only from their adopted villages, are always within reach of the local people. Due to this proximity, the beneficiaries were able to obtain all the services required all the time. It was observed that Government officials are busy with office work and have little time to visit the villages, which are away from the urban-based Government offices.

**Technical Assistance:** The in-depth analysis shows that a significantly (p<0.01) higher proportion of beneficiaries of the DMSSS (62 per cent) than the beneficiaries of the Government agency (45 per cent) obtained technical assistance during the monitoring visits. However, (25 per cent) and (13 per cent) of the Government and the DMSSS were not at all satisfied with such visits and technical advises.

**Quality of Technical Assistance:** The quality of the technical assistance determines the quality of the output from the programme.

The beneficiaries of the DMSSS were fully satisfied with the nature of the technical assistance given and it was significantly (p<0.01) higher among the beneficiaries of the DMSSS (43 per cent) than among those of the Government agency (15 per cent). The implication behind this is that the DMSSS field trainers are in constant touch with their beneficiaries.

**Process of Loan Repayment and Outstanding Loan**

It is observed that 27 per cent of the Government beneficiaries and 19 per cent of the DMSSS beneficiaries did not repay any portion of the loan amount while 15 per cent of the Government beneficiaries and 27 per cent of the DMSSS beneficiaries had repaid all the loan. Adequate or inadequate income from the existing IRDP assets contributed to repayment or non-repayment of loan by beneficiaries of the DMSSS as well as the Government agency.
The mean amount repaid is higher for the beneficiaries of the DMSSS (Rs.2,757/-) than for those of the Government agency (Rs.2602/-). The mean outstanding balance amount is significantly (p<0.01) less for the beneficiaries of the DMSSS (Rs.2,567/-) than for the Government beneficiaries (Rs.3949/-). So, in general, the assets were effective and fetched enough income for the DMSSS beneficiaries to repay the loan.

Repayment of Loan

*Problems faced in loan repayment:* The study assessed the repayment and the causes for non-repayment in the case of the both the beneficiaries of agencies.

The p-test showed that a significantly (p<0.5) larger number of beneficiaries of the DMSSS (81 per cent) had started to repay the loan as per the repayment schedule than the beneficiaries of the Government agency (73 per cent).

A considerable number of the Government beneficiaries could not repay the loan because they had lost the assets due to unforeseen calamities (31 per cent) or the IRDP assets could not yield enough income (48 per cent) to repay the loan.

The beneficiaries of the DMSSS attributed non-repayment of loans to loss of assets (27 per cent), crisis in the family (32 per cent) and inadequate income from the assets (38 per cent).

*Institutional constraints faced in loan repayment:* The problems faced are improper guidance by bank officials regarding repayment procedures, strictness of bank officials regarding the period repayment and installments, uncertainty of the rate of interest charged by the banks and improper maintenance of pass books. The major reason emphasized by beneficiaries of both the DMSSS and the Government was that the officials of the banks officials do not guide them properly on the loan repayment procedures.
Additional Loan Received

It is essential for the beneficiaries to go in for additional loan for consolidating the gains of the first loan. The study reveals that 15 per cent of the beneficiaries of the DMSSS and 13 per cent of the beneficiaries of the Government agency received second and third loans.

Technical assistance was given even after the repayment of the loan and it is significantly (p<0.01) higher for the beneficiaries of the DMSSS (39 per cent) than for the Government beneficiaries (25 per cent).

Mode of Follow-up

The beneficiaries who were either fully satisfied or satisfied with the follow up strategy formed a higher percentage in the DMSSS (88 per cent) than in the Government agency (67 per cent) each combined. This means that even after the repayment of the first loan, there was better and active follow up by the DMSSS to ensure that the second or the third loan was utilised well than in the case of the Government agency.

Not surprisingly the chi-square value and the percentage of beneficiaries who are fully satisfied with the follow up strategy are significantly (p<0.05) higher for the DMSSS (51 per cent) than for Government agency (31 per cent). This was due to the constant presence and local touch of the DMSSS grass root officials.

The study revealed several problems faced by the beneficiaries during the follow up phase. The reasons for non satisfaction among the beneficiaries who received second or third loan are: irregular follow up visits, visits made during odd hours and ineffective technical guidance. In both the Government and the DMSSS categories, only 16 beneficiaries and nine beneficiaries respectively were not satisfied.
**Impact of IRDP on Beneficiaries**

* Custody and Management of Assets
The study reveals that the DMSSS has more number of beneficiaries with assets in their custody and with proper management (85 per cent) than the Government agency (76 per cent) and that the difference is significant as shown by the p-test (P < 0.05).

* Constraints of assets management
The study reveals that the beneficiaries of the Government agency reported death of animals (37 per cent), followed by selling of the assets (28 per cent), family problems (24 per cent) and natural hazards such as poor harvest, drought etc., as constraints in the management of the assets.

On the contrary, the DMSSS has set an example of reducing the incidence of animal deaths (10 per cent). This is due to the DMSSS technical guidance given to the beneficiaries in selecting good quality assets. It is also due to the follow up and technical guidance provided by the DMSSS on how to maintain and manage the animals in a healthy manner.

* Possession and Expansion of Assets
The assets were found to be intact in 85 per cent cases and 76 per cent cases of the DMSSS beneficiaries and the Government beneficiaries respectively. The difference in the proportion of those possessing the assets between the Government beneficiaries and the DMSSS beneficiaries is significant (P < 0.05). Therefore, it is inferred that frequent monitoring visits, technical and management guidance, market for the output of the assets, worthwhile assets and income generated from the assets enabled the DMSSS beneficiaries to register a difference.
Forty three per cent of the beneficiaries of the Government agency increased the number of their animals because of the IRDP and 33 per cent of the DMSSS beneficiaries reported an increase in the number of animals as well.

However the p-test indicates insignificant difference in the expansion of the overall assets between the beneficiaries of two implementing agencies except under 'extra animals', which is more for the Government beneficiaries than for the DMSSS beneficiaries and increase in monthly income, which is more for the DMSSS beneficiaries than for the Government beneficiaries.

**Non-Possession of Assets**

It was found that 46 beneficiaries of the Government and 24 per cent had no desire to keep IRDP assets intact because the assets could not generate enough income, while 59 per cent of the DMSSS beneficiaries gave the same reason for loss or sale of the assets.

Yet another reason attributed for the non-possession of the assets was the availability of other and better job opportunities elsewhere prompting the beneficiaries to abandon the IRDP schemes. The study reveals that 11 per cent of the Government beneficiaries and 10 per cent of the DMSSS beneficiaries emphatically defended their resorting to this course of action. This means that some beneficiaries did not find the benefits of the IRDP sufficient and hence discontinued it.

**Benefit through IRDP Credit**

It is inferred from the study that a significantly higher proportion of beneficiaries of the DMSSS (89 per cent) acknowledged having benefited from the IRDP schemes than the beneficiaries of the Government agency (78 per cent) and the chi-square test of significance showed the difference to be significant (p<0.05).
The study reveals that both the Government beneficiaries (32 per cent) and the DMSSS beneficiaries (41 per cent) reported the creation of employment opportunities out of the IRDP credit as the major benefit gained by them.

The next important benefit was income generated out of the assets possessed by the beneficiaries: 31 per cent of the Government beneficiaries and 22 per cent of the DMSSS beneficiaries confirmed a rise in income from the schemes of the IRDP.

There is no significant difference in the pattern of benefits received by the beneficiaries of the two implementing agencies, except under creation of employment opportunity and increase in income.

Social status and credit delivery of IRDP

Five per cent each of the beneficiaries of the Government agency and the DMSSS had their social status raised. Adequate nutritious milk was available for the children as indicated by 8 per cent of the Government beneficiaries and 9 per cent of the DMSSS beneficiaries. A higher proportion of the beneficiaries of the DMSSS (41 per cent) assigned this reason than those of the Government agency (32 per cent).

There is no significant difference in the pattern of benefits for the beneficiaries of the two implementing agencies, except under 'creation of employment opportunity' and 'increase in income'.

Benefits of IRDP in Relation to Social Characteristics

The chi-square test of significance shows that 'caste' was not significantly associated with the benefits obtained by beneficiaries of the Government agency. On the other hand there was significant (p<0.01) association for both ‘religion’ and ‘caste’ with the benefits obtained by the beneficiaries of the DMSSS.
It was further observed that sex and the educational level of the beneficiaries showed no significant association with the benefits obtained by the beneficiaries in the case of both the Government beneficiaries and the DMSSS beneficiaries (p>0.05).

Eventually, the study reveals that the benefits obtained from the IRDP were significantly associated with religion, caste and age for the beneficiaries of the DMSSS and that the benefits obtained were significantly associated with religion and age in case of the Government beneficiaries.

**Type of houses**

The study reveals that the incremental income is not comparatively significant (p>0.05) in the case of both the implementing agencies. The statistical analysis using chi-square test of significance shows that the association between types of houses and the change from before to after the IRDP is not significant. It is inferred that for the beneficiaries of both the agencies, there was very little change in the housing pattern after the implementation of the IRDP.

**Size of Beneficiaries land holding and Economical size of Farming**

The statistical analysis shows that the mean landholding size increased from 2 acres to 2.8 acres after the receipt of the loan in the case of the beneficiaries of the Government agency.

The mean change in landholding size from before to after receipt of the IRDP loan is more for the beneficiaries of the Government (0.792 acres) than for the DMSSS (0.147 acres) beneficiaries, but the difference in change between the Government beneficiaries and the DMSSS beneficiaries is not significant (p> 0.05). It is inferred that there were more Government beneficiaries who had wrongly been identified for the IRDP with some owning land at least more than the DMSSS beneficiaries.
Livestock: Animal husbandry is another area whereon the IRDP has concentrated its efforts to improve livestock production and management. As the study area is drought prone, a considerable number of beneficiaries were given loans to buy livestock. The livestock includes bullocks, sheep, goats and poultry.

The analysis indicated that there is significant improvement in the mean number of bullocks, buffaloes, sheep and goats for the beneficiaries of the DMSSS after getting the IRDP loan. The ‘t’ value reveals that among the beneficiaries of the Government agency, there is significant (p<0.01) improvement in the mean number of buffaloes and goats, but there is no improvement in the mean number of bullocks and sheep.

The Value of Livestock

The study indicates that the value of the mean value of livestock has significantly increased and changed from before to after the IRDP loan. The mean value of livestock was found to be higher for the beneficiaries of the DMSSS (Rs.7672/-) when compared to that for the beneficiaries of the Government agency (Rs.6646/-). But, the difference in amount is not significant between the beneficiaries of the two implementing agencies.

The Value of other Assets

The study reveals that the value of the other assets increased between the pre and the post IRDP phases. The difference in the value of the assets before and after getting the IRDP loan is not significant for the beneficiaries of both the implementing agencies.

The difference in the value of assets before and after getting the IRDP loan is not significant for the beneficiaries of both the implementing agencies. The mean value of other assets is marginally higher for the beneficiaries of the DMSSS (Rs.1842/-) than that for the
beneficiaries of the Government agency (Rs.1568/-). It is inferred therefore that the livestock and other assets were of good quality and generated better income for the beneficiaries of the DMSSS than the livestock and other assets of the Government beneficiaries.

**Occupation and Mondays (Productivity)**

The Government beneficiaries belonging to the category of agricultural labourers decreased from 45 per cent before the IRDP to 26 per cent after the IRDP. The DMSSS beneficiaries engaged in small business showed significant increase (p<0.05) from 15 per cent to 30 per cent after benefiting from the IRDP schemes.

The mean number of working days in a week has not changed much from before (4.188) the IRDP loan to after (4.204) the receipt of the IRDP loan for the beneficiaries of the Government agency. In the case of the beneficiaries of the DMSSS, the mean number of working days significantly (p<0.01) increased from 3.5 days before the IRDP loan to 4.6 days after the IRDP loan.

The change in the mean number of working days from before to after the IRDP loan increased significantly (p<0.01) for the beneficiaries of the DMSSS (1.1) than for the Government beneficiaries (0.0015).

**Income and Employment**

The beneficiaries who confirmed a rise in income because of the IRDP schemes were 25 per cent for the Government agency and 28 per cent for the DMSSS. The mean family income from the government beneficiaries has significantly (p<0.01) increased from Rs.1897/- before the IRDP loan to Rs.2255 /- after the IRDP loan. In the case of the beneficiaries of the DMSSS the mean family income has significantly (p<0.01) increased from Rs.1297/- to Rs1811/-. The increased mean family income of the beneficiaries of the DMSSS
(Rs.514) is one and a half fold that of the Government beneficiaries (Rs.358). In terms of income, the beneficiaries of the DMSSS registered greater impact than the Government beneficiaries.

As for creation of employment opportunities from the IRDP, 26 per cent and 23 per cent of the Government beneficiaries and the DMSSS beneficiaries respectively got employment. Four per cent of the Government beneficiaries and 6 per cent of the DMSSS beneficiaries reported increase in milk production.

Further, the study shows that 3 per cent of the Government beneficiaries and 10 per cent of the DMSSS beneficiaries are using cow dung as manure for agricultural purposes.

\textit{Family Expenditure}

The mean monthly family expenditure of the beneficiaries of the Government agency marginally increased from Rs.997 to Rs.1025. Similarly the annual expenditure marginally increased from Rs.1090 to Rs. 1192 for the beneficiaries of the DMSSS, but the t-test showed no significant increase in the case of the beneficiaries of both the agencies (p>0.05). This indicates that, as a result of the IRDP loan, as income increases there is a tendency to increase domestic expenditure. Domestic expenditure includes expenses involved in buying food, meeting electricity bills, paying school fees etc.

\textit{Savings}

The study reveals that the proportion of Government beneficiaries who had savings before the IRDP was 17 per cent and this increased significantly (p<0.01) to 67 per cent after the receipt of the IRDP loan. In the case of the DMSSS beneficiaries those with savings jumped from 19 percent to 79 percent after the IRDP.
The mean amount of annual savings increased significantly (P<0.01) from before to after the receipt of the IRDP loan in the case of the beneficiaries of both the implementing agencies. The mean amount of savings which increased in the case of the beneficiaries of the DMSSS (from Rs.326 to 7232) is significantly (P < 0.01) higher than that in the case of the beneficiaries of the Government agency, (from Rs.126 to 2094). Due to the IRDP the beneficiaries of the two agencies under study were able to derive enough financial gains as reflected by their significant savings.

**Sources of Income**

Among the beneficiaries of the DMSSS, there was significant (p < 0.01) change in income from each source of income except under the ‘others’ category and the ‘animal husbandry’ category. For the families who relied on wages the increase in income from such sources was not significant according to the V-value.

**Borrowing**

It is notable that the beneficiaries of the DMSSS reduced borrowing of money from private sources like moneylenders which decreased from Rs. 1690 to Rs.470 after the IRDP loan. The difference in the fall in borrowing is significant according to the statistical interpretation by the t-test at (p<0.05).

For the Government beneficiaries, the liability decreased significantly (p<0.05) from Rs.1060/- to Rs.591/- after benefiting from the IRDP loan. On further probing, the study revealed that private borrowing and debts significantly decreased as the impact of IRDP increased.
Relationship between Socio-Economic factors and income status of the respondent - Multiple Regression Analysis

The study reveals that, the scale of the impact are negative in variables such as, education level, number of visits undertaken to procure the loan and incurring extra money for the purpose of procuring the loan. However, there was higher effect and impact on the female than male counterparts in many of the variables. Further, the influence and impact of equally important factors such as caste, selected criteria, subsidy amount received, use of loan for and unintended purposes, sufficiency of loan, methods of purchasing assets, monitoring visits and implementing agency are positively impacting on the income.

Agencywise impact, the study reveals that, the change in income (P<0.001) was significantly associated with factors such as caste, amount of subsidy received, sufficiency of loan, number of monitoring visits in the case of DMSSS and only variables such as sex, caste, age, amount of subsidy and methods of purchasing assets are significantly associated with change in income on account of the government agency.

The data and information on dependable and independent variables were processed and pooled together for DMSSS and Government. The result of regression analysis reveals that, both the Government and DMSSS were influenced and impacted by variables significantly associated with the change in family income such as sex, caste, person who select beneficiary, criteria for selection, amount of subsidy received, sufficiency of loan, methods of purchasing assets, number of monitoring visits and implementing agency. However, the impact was significantly higher for DMSSS beneficiaries than for Government beneficiaries.
Further, the steps wise regression outcome reveals that, the dominant and competent variable which explain 33 per cent of the variation in the increase family income was the “implementing agency”. A notable explanation of the variation of family income accounting and explained by 14 per cent variation in variables given in the order of importance are, the variables such as implementing agency, method of purchasing the assets, caste, sufficiency of loan, person who selected the beneficiary criteria used for selecting the beneficiary, age of beneficiary, and number of monitoring visits played a significant role in increasing the family income. It is interesting to point out that, the impact was higher for the DMSSS beneficiaries than for the Government beneficiaries.

Policy Imperatives and Implications

On the basis of the findings, the following suggestions and measures are earnestly recommended.

Selection, of Beneficiaries

> Selection of beneficiaries can be done by the Government officials in collaboration with Non-Governmental Organisations (NGOs), local leaders, Self-Help Groups (SHGs) etc. The same may be placed before the gram sabha for perusal and approval.

Awareness

> In order to avoid communication gaps, both horizontal and vertical communication must be ensured at all levels, i.e., between different government departments and other agencies connected with the implementation of the programme.
> Before extending loan for a particular trade to the beneficiary, both forward and backward linkages should be ascertained in addition to the prior knowledge of the beneficiary.

> Beneficiaries opting for particular trades may be given pre-loan training before disbursement of the loan to ensure better understanding while taking decisions about selecting viable schemes. The Government and the NGOs can also jointly organise pre-loan camps to enhance awareness among prospective beneficiaries regarding the borrowing and the subsequent repayment of the loans.

**Monitoring and evaluation**

> The exercise of regular / effective monitoring and evaluation of rural development programmes can be entrusted to reputed NGOs, academic / research institutions and the local Panchayat.

**Responsive Staff**

> DRDA officials and other officials from allied departments should be easily accessible, approachable and responsive to the people in general and to the beneficiaries in particular.

> The performance of the implementing agencies has to be monitored and appropriate corrective measures have to be initiated to make them flexible and locally relevant.

> Accountability and transparency can be introduced at every level of the administration. The duty and responsibility of each functionary can be conspicuously laid down in terms of its quality and target achievements. Their functions should be closely linked with their field of specialisation. Transparency will lead to corrupt free environment.
Loan and Subsidy Amount

In order to prevent the beneficiaries from borrowing extra money from moneylenders to buy the assets the unit costs should be fixed reasonably and channeled through Self Help Groups, NGOs and the Government’s Purchase Committees.

Trades and Schemes

The list of trades/schemes should be flexible and take into consideration local resources, skills, aptitude, talent and the requirements of the beneficiaries. The package of skills should be determined on this basis.

Village Level Functionary

> In the case of the Government beneficiaries, educated youth from the villages may be employed in follow up activities and they can also act as a bridge between the beneficiaries and the Government officials.

Follow-up

> The functionaries involved in the implementation of the programme should undertake follow-up visits. These visits can be more effective if different programme functionaries are involved jointly as a check and verification team to fulfill the purpose of regular joint follow-up action.

Recovery of loan

> Recovery of loan should be made a joint responsibility of all the agencies involved in the implementation of the programme and not just of the lending bank. Loan recovery camps may be organised by banks, roping in block officials, elected panchayat leaders, NGOs, Village Administrative Officers and village leaders.
Training and awareness about loan repayment procedures should be provided to bureaucrats, NGOs as well as beneficiaries. This will facilitate early loan repayment.

Peoples participation

People's active cooperation and largescale participation at all levels, particularly in planning, implementation and evaluation of the programme should be made paramount and mandatory.

While the government can create a conducive climate for organising the people, the government alone cannot organise the people. This role has to be appropriately left to the NGOs. It is further suggested that every social sector ministry/department must lay down clearly and precisely the order of priority of the areas which should be left exclusively or substantially to these organisations.

Conclusion

The state is the chief instrument of rural development activities. It is the fulcrum of the policies and programmes which have considerably influenced the role of the NGOs. The state has widened its activities in rural reconstruction and unemployment. Development is a gigantic and challenging task and rural problems are numerous and complex. Serious efforts are being made now to lift up the poor people's spirit. The government alone cannot do this through its bureaucracy. In the absence of initiative and dynamism on the part of the rural poor, they can neither attain all round development nor stabilize their progress. A partnership between the NGO and the state is indispensable for ensuring better reach for state sponsored rural development programmes.
On closer examination the actual planning and the implementation processes of the IRDP are executed with the assistance of the district and block level functionaries and other relevant institutions in the area of operations. Consequently, an interface between the government agencies, the NGOs and other organisations such as Panchayats, cooperative institutions, voluntary organisations etc., is indispensable in the initial stages of the planning and the actual implementation processes. An adequate coordination system and a systematic approach will enhance the productivity of the programmes, and ensure accurate household survey, analysis of local resources, identification of viable schemes and proper identification of the poor households. Above all adequate and efficient management of the beneficiaries’ schemes requires a long-term active partnership between the NGOs and Government agencies.

*****