Chapter - III

Select Review of Literature and Methodology
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Economic growth is a complex process which encompasses social, political, economic and institutional factors. Economic growth has attracted the pointed attention of economists and politicians in the post war period. Economic growth implies a rising standard of living and many writers agree that increased per capita income provides a meaningful measure of economic growth. Accordingly, the theory of economic growth is concerned with explaining the process of increasing per capita income. Of late the development studies have been focussing attention on the distributional aspects of economic growth. This is sought to be understood in terms of income inequalities, poverty levels and welfare implications among the various regions and the socio-economic and occupational groups. The traditional approach to development has been associated with increase in the rate of growth and per capita income. In the recent past it has been realised that mere achieving higher rate of economic growth has not been beneficial to larger sections of the population, particularly in developing countries and the growth in the GNP has not been regarded as a reliable indicator of economic well being of the people living in the country. In view of these, in recent times emphasis was laid not only on the growth aspects but also on the distributional aspects of gains world over.

A sizeable proportion of the world's population still lives in the condition of poverty, mostly in rural areas. The incidence of rural poverty is more pronounced in over populated developing countries which include India. Among the rural poor, most of them are landless agricultural labourers, marginal and small farmers and rural artisans. Besides absolute poverty, there are gross inequalities between different occupational and socio-economic groups. Several studies carried out by the World Bank have highlighted the problem of rural poverty in the third world countries. In
India, several studies have been taken up to study the problem of poverty in-depth and suggested the need for taking up a multi pronged planned strategy to tackle the problem of poverty. Growth with social justice and elimination of poverty have become the primary objectives of successive Five Year Plans in India. Several anti-poverty programmes have been implemented to alleviate the problem of growing incidence of poverty. Inspite of the concerted efforts made to eliminate poverty through several anti-poverty programmes, the magnitude and incidence of rural poverty has been on the increase. This may be due to two reasons: lack of understanding of the problem in proper perspective and ineffectiveness in the implementation of the programmes.

The problem of rural poverty and evaluation of the impact of the anti-poverty programmes particularly the IRD Programmes have been explored and studied in length from time to time by different agencies and individuals at different levels. In this chapter, an attempt is made to review the selected literature on poverty, incidence of poverty, impact of IRDP on rural poverty which gives a feedback on various dimensions of the problem and the gaps uncovered so far in the area of rural poverty and IRD Programmes. The selected literature has been divided into two parts, the first part covering the studies relating to the concept, measurement and incidence of poverty while the second part covers the studies relating to the impact of IRDP on rural poverty.

3.1 Review of Literature on Poverty

Several studies on poverty have been reviewed already in the first chapter. In this section, an attempt is made to review only the other important studies on poverty to avoid duplication.
Myrdal\textsuperscript{1} observes that growing inequalities obstruct development. Social inequality is related to status and economic inequality is related to differences in wealth and income. Social and economic inequality stands as a main cause of poverty. Yield differences between developed and underdeveloped countries results in the widening income gap. Low yields lead to malnutritional deficiencies in underdeveloped countries. This results in low productivity of labour. There is a gap in labour productivity between developed and developing countries. To derive maximum benefits from modern technology, there is a need for effective agrarian reforms supplemented by institutional reforms.

According to Myrdal, international trade and capital movements generally result in inequality. The new agricultural technology favours those with resources. Even in urban areas, the labourers become superfluous resulting in growing urban poverty. The spread effects are weak and may become more weak as the inequalities widen. Myrdal defines development as an upward movement of whole system as interdependent conditions. According to him, persistence of poverty in South Asia is due to overpowering of backwash effects over spread effects which calls for a more effective system of planning.

Dudley Jackson\textsuperscript{2} provides a comprehensive account of poverty. He reviewed the different schemes implemented in Britain for poverty alleviation. He considers poverty as a dynamic process. Jackson stresses the need to distinguish between stocks and flows of poverty analysis which is intertwined with social functioning. A failure in the fulfilment of needs can occur in flows or in stocks or in both. The problem of failure of flows is referred to as the problem of want and a problem of failure of stocks as deprivation. Wants and deprivation are closely interlinked. Since the problem of poverty has been considered as the problem of want, want is measured by determining the minimum nutritional flows which will sustain a standard
of health and by calculating the minimum income necessary to purchase these flows. This income is generally referred as 'the poverty line'. The number of persons living in families with incomes below the poverty line can be counted through a statistical survey. This is what is being done in the measurement of absolute poverty all over the world including India.

Mahbub ul Haq analyses the two economic worlds, rich and poor separated by what he terms 'the poverty curtain'. The struggle to lift this curtain is probably the most formidable challenge facing contemporary man. The author has analysed seven sins of development planners from the experience of Pakistan. Haq argues that the traditional growth strategies have failed to improve the economic conditions of vast masses in most of the developing countries. He suggested new policies for a direct attack on mass poverty. He observed parallelism between the conditions of poor within a country and the conditions of poor countries within the international community. Market systems are indifferent and he favours fundamental reforms in national and international economic orders.

Meier has considered that economists have dual role to play, a trustee for the poor and a guardian of rationality and adviser on development. The economists as a trustee for the poor is justified when they realise that majority of world's population has less than 20 per cent of the world's income; that over 2 billion people have per capita income of only about 250 dollars a year; that 60 per cent of the population in the low income countries is mal-nourished; that life expectancy in less developed countries is 20 years shorter than developed countries; that safe drinking water and adequate waste disposal facilities are not available to 80 per cent of the developing world's population; that of number of illiterates are going to be added to the ranks of impoverished. According to Meier, those in absolute poverty can be identified as the bottom 40 per cent of the population, those whose per capita
Incomes are less than 1/3 of the national average per capita income. The absolute poor are mostly small farmers, tenants, share croppers, landless agricultural workers, urban unemployed and underemployed labourers. Meier in his book has analysed the role that economists have to play in various aspects of poverty and development.

Madalgi concluded that the poverty of the masses in India is reflected in the extent of their under-nourishment. Much of this poverty is concentrated in rural India, particularly in areas where there is high concentration of landless labourers, where the per capita area under cultivation is small and where productivity is low. The under nutrition is partly due to lack of purchasing power and partly due to shortage of foodgrains.

Panikar in his study examined the reliability of minimum consumer expenditure norm of Dandekar and Rath under Kerala’s conditions. He observed that by ignoring regional factors, Dandekar and Rath reached wrong conclusions about the cost of nutritionally adequate diet in Kerala. By using national minimum norm, Dandekar and Rath have overestimated the number of the poor in Kerala. It is found that the diet for Kerala to attain minimum norm at 1970-71 prices would cost Rs.28.30 per head per month and the total per capita consumption expenditure corresponding to this diet would be Rs.37.80.

Bhatty estimated the poverty levels for different categories for 1968-69 by using Sen’s Poverty Index and Head count Ratio. He observed that incidence of poverty was maximum at 89.56 per cent among agricultural labourers, followed by non-agricultural workers (78.77 per cent) and cultivators (70.28 per cent).

In a World Bank study, "Assault on World Poverty", it was remarked that the benefits of growth are not reaching the poor and the poor are not significantly
contributing to growth, and therefore development strategies need to be reshaped in order to help the poor. The study suggests that agricultural credit and land reforms help the rural poor to become more productive. Unfortunately, the flow of credit to poor has been inadequate due to lack of sufficient collateral and high administrative costs of small loans to them.

There was lot of debate in the works of Keith Griffin on various factors accounting for the persistence of poverty and inequality. He argued that even the distribution of income between rich and poor countries were to become more equal, it does not follow necessarily that the poorest people in the poorest countries would benefit. The incidence of poverty is linked more with the structure of the economy than its rate of growth. He advocated structural changes to reduce the concentration of income and wealth. In his book on 'Political Economy of Agrarian Change' analysed how technical change leads to greater inequality and polarisation of social classes. He has observed that changes in status and class alignments were accompanied by changes in distribution of incomes. Introduction of high yielding varieties has been accompanied by labour displacing mechanisation. The increase in the labour force is higher than the rise in the employment. Inequalities have grown in many areas and poverty in some areas.

Food and Agricultural Organisation in its study has reviewed rural poverty in developing countries and the means of poverty alleviation. The study stated that absolute poverty must lie in inadequate access to land and other resources. By projecting world agricultural perspectives and policy issues upto the year 2000 A.D. with particular reference to developing countries, the study observed that over the next two decades, the developing countries could double their food and agricultural production. The essential pre-requisite is that the improved food production must be equitably distributed.
The first part of the study examines the extent of poverty in 90 developing countries and the relative incidence of poverty in rural areas in comparison with urban areas. According to the study, rural poverty emerges as the major constituent of poverty world wide because of two reasons: the rural poor outnumber the urban poor and the incidence of poverty is disproportionately higher among the rural population. The second part examines the causes of rural poverty. Rural poverty is seen here as a highly complex problem. Limited access to land due to unequal distribution of land or population pressure are the major contributory causes of rural poverty. Case studies of FAO show that the incidence of poverty in rural areas is the highest among landless labourers and small land holder households. It is also projected that the number of absolutely poor will increase in four developing regions during the next 80 years. The third part of the study analyses the means of poverty alleviation. Mere economic growth will not be sufficient to solve the problem of rural poverty. The alleviation of poverty requires a political commitment to restructure the pattern of economic growth and the distribution of its benefits.

Prof. V.K.R.V. Rao's book on 'Food, Nutrition and Poverty' is a collection of articles by eminent economists on the three related aspects of food, nutrition and poverty. The essays deal with the patterns of food production, consumption and expenditure and their relation with nutritional requirements. The essays deal with the estimation of food requirements in terms of nutritional resources by giving due consideration to distributional distortions. Rao has stressed the need for eradication of nutritional impoverishment and called for a long term policy for food production. Rao suggested that Indians should remain vegetarian in view of the calorie crisis.

G. Thimmaiah in his study made an attempt to estimate inequality and absolute poverty in Karnataka based on the data of State level survey and secondary data. He analysed the trends in the inequality and poverty at the district
level covering socio-economic aspects like religion, caste, education and occupation, and their interaction with inequality and absolute poverty. The study covered 31 towns, 76 villages and 2946 sample households. Thimmaiah used Dandekar and Rath's poverty line and inflated the figures by the extent of the rise in the price level. For this purpose, consumer price index for agricultural labourers was used to revise the poverty line for rural areas and for revising the poverty line for urban areas, the weighted average of consumer price index for industrial workers and urban non-manual workers has been used.

In his study, the extent of absolute poverty has been estimated for the period 1960-61 to 1974-75. The study has observed that the inequality of income as indicated by the Gini-coefficient declined consistently in rural areas whereas the inequality of income in urban areas declined between 1960-61 and 1970-71 but increased in 1974-75. The urban inequality has been consistently higher than the rural inequality which is consistent with the national trend. The inequality of consumer expenditure declined both in rural and urban areas and the rural inequality was lower than urban inequality. It was observed that the share of bottom 40 per cent of the population has been consistently lower than the top 30 per cent of the population.

The study has observed that the percentage of population below the poverty line has increased between 1960-61 and 1965-66, both in urban and rural areas and later gradually declined to 39 per cent in urban area and to 31 per cent in rural area in 1974-75. The incidence of poverty has been higher in urban areas than in rural areas of many districts. The level of poverty is higher among Muslims than Hindus. Among the different occupations, the proportion of people below poverty line is the highest among agricultural labourers and non-agricultural manual labourers both in urban and rural areas. Incidence of poverty is very high among the illiterate population.
Sudipto Mundle\textsuperscript{13} in the paper entitled 'Land, Labour and the Level of Living in Rural Bihar' has observed that the distribution of the land has remained highly unequal in rural Bihar. Only 4 per cent of all households operate over 25 per cent of the total cultivated area whereas 67 per cent of the households operate 18 per cent of the cultivated area. Since land is still the principal productive asset in agriculture, around 50 to 60 per cent of the population of rural Bihar lives below the poverty line.

Based on the analysis, the author has come to the conclusion that improved agricultural performance would help to alleviate the worst effect of this poor land base of the large mass of households. It has been observed that the per capita production of foodgrains continues to fluctuate around the level of about 150 to 160 Kg. per head per annum and increases in aggregate production being largely offset increases in population. The study has observed that the total number of rural households increased from 7.7 million to about 8.9 million over the decade 1964-65 to 1974-75 while the number of rural labour households increased during the same period by over 33 per cent from 2.4 million to 3.2 million. Though there may be exaggeration in Census figures, the phenomenal increase in the supply of agricultural labourers is obvious and this has led to predictable consequences such as a decline in real wage rates as well as the number of days of employment available per labourer. The decline in real wage rates and employment per labourer would normally lead to increasing incidence of rural poverty.

Sudipto Mundle\textsuperscript{14} in another paper entitled "Land, Labour and the Level of Living in Rural Punjab" has come to the conclusion that the incidence of rural poverty has declined significantly in Punjab during the sixties and early seventies. The principal factor accounting for the decline in rural poverty is improved agricultural performance. It was observed that the real wage has remained roughly constant
while the number of days employed in agriculture was 226 days per capita in 1974-75 compared to 282 days in 1961-65, resulting in the decline in the real income per labourer. The income from other sources including cultivation has increased. The author has concluded that there has been decline in the poverty. But inspite of the decline in poverty, it is still high. In terms of the norms of the Planning Commission, the author has observed that one-third of the Punjab’s rural population is still below the poverty line. This may be due to unequal distribution of land. In 1971 about 5 per cent of the households operated 30 per cent of the land or 80 per cent of the land was operated by the top 20 per cent of households while over 50 per cent of the households did not operate any land at all.

A.V.Jose15 in his article on "Poverty and Inequality - The Case of Kerala" sought to highlight the fact that the existence of high relative inequality in the distribution of agricultural assets does not necessarily result in the high incidence of absolute poverty. Jose has made an attempt first to analyse the data relating to Kerala economy and concluded that Kerala has a relatively more productive agricultural base. It was observed that the State has high density of population and magnitude of increase in population has been considerably high. The incidence of rainfall in Kerala is relatively high and evenly spread throughout the year. There was high degree of commercialisation of agriculture which is evident from the high value of agricultural output per unit of land and labour. The author quoted the study of NCAER in 1980-61 which shared that productive levels in agriculture measured as the value of output per agricultural worker and per hectare were the highest in Kerala.

It was observed that there was a very high degree of population pressure on land in Kerala which was remarkably lower than all India’s average. In addition to this, there are vast inequalities in the distribution of land holdings. During 1976-77,
75 per cent of the holdings are of less than 0.5 hectare, and the average size of an operational holdings was 0.47 hectare and the Gini-coefficient was 0.5836. The study has also observed that more than 30 per cent of the total workers are agricultural labourers and there has been a steep increase in the number of wage labourers. In the context of above scenario of agriculture in Kerala, Jose made an attempt to examine the estimates of rural poverty in Kerala. Jose has remarked that an appropriate measure of poverty is the Sen's Index of Poverty which measures the intensity of poverty. These indices quoted from the Ahluwalia’s studies indicated that there has been perceptible decline in the intensity of poverty between 1961-62 and 1977-78.

A second line of approach is to define poverty from a nutritional norm of 2200 calories. Dandekar and Rath used the methodology of minimum expenditure to sustain a per capita daily intake of 2250 calories. According to them, a per capita monthly expenditure of Rs.15 was required. According to that criterion, nearly 31 per cent of the rural population remained below the poverty line in 1961-62. But in the specific context of Kerala they noted the required per capita expenditure between Rs.34 and Rs.43. They also noted that 90.75 per cent of the rural population fell below this expenditure level. This may be due to over estimation of the extent of poverty due to under estimation of the calories of banana, coconut and fish into the diet and the malnutrition in Kerala has been some what exaggerated. The average intake of calories was reported at 1631 units per person per day and it declined to 1534 calories by 1973-74. Therefore, the regional differences in diet pattern are to be given due weightage. Availability of rice and other essential commodities through effective public distribution system is the major reason for low cost of diet which led to over estimation of poor on the basis of per capita expenditure. According Panikar, all the essential nutrients can be compared at a cost as low as Rs.15.54 monthly per capita at the 1970-71 prices.
According to Jose, poverty and living standards should also be gauged with alternative indicators like education and health. According to the data provided, Kerala stands top with respect to improvement in education and health. Jose has also analysed how the factors like institutional reforms, trends in wage rates of agricultural labourers and agricultural prices, public expenditure policies of the Government affect the poverty levels.

A.V. Jose\textsuperscript{16} in his paper entitled "Poverty and Income Distribution: The Case of West Bengal" has examined the trends in the incidence of poverty and the associated indices of income distribution in rural West Bengal between the 1960s and 1970s. According to him, on the basis of consumer expenditure data, the rural poverty showed an increasing trend between 1956-57 and 1973-74. Discussing the general economic indicators, the author has arrived at the conclusion that about three quarters of the population live in rural areas and agriculture constitutes the principal economic activity. About 88 per cent of the gross cropped area is under foodgrains and rice alone accounts for 81 per cent of the cropped area under foodgrains. Between 1951 and 1981, the population grew at an alarming rate than the all India's average. It was observed that the proportion of agricultural labourers increased from 26 per cent in 1951 to 45 per cent in 1981. By 1974-75, 54 per cent of the agricultural labour household were landless. The data in the article demonstrated that 60 per cent of the operational holdings were of less than 2.5 acres and they accounted for less than 25 per cent of the area under cultivation. The author concluded that in West Bengal, the inherent advantages of a relatively more productive agriculture have been neutralised by the factors like high density of population, inequitous land distribution and high incidence of wage labour households in rural areas.

It was observed that the proportion of rural population below the poverty line was 58.3 per cent in 1961-62, which rose steeply to 66 per cent in 1973-74 and fell
upto the level of 61 per cent in 1977-78. Sen's Poverty Index has increased from 0.20 in 1961-62 to 0.31 in 1973-74 and decreased to 0.27 in 1977-78. The above percentages of poor and poverty index are higher than all India's averages. Based on the available evidence on the incidence of poverty and the consumption of basic services like education and health facilities in rural West Bengal leaves an impression that the performance of the State is rather dismal compared to the rest of India with regard to incidence of poverty. There was some improvement between 1973-74 and 1977-78, while the proportion of population in poverty as well as the poverty index marginally declined between 1973-74 and 1977-78. The author has analysed the trends in the money and real wage rates of agricultural labourers and they were observed to have increased between 1964-65 and 1979-80. Jose has concluded with a note that institutional reforms and redistributive policies of the State Government implemented during the 1970's could have a significant impact on improving the living standards of the rural poor in West Bengal.

According to Tendulkar and Sundaram, earlier approach to development emphasized the growth of GNP and per capita income as indicators. The small gains of development have benefitted mostly the upper middle class and richer sections of the society. Therefore, there is no basis to claim that there is an increase in the growth rate, the poverty has been on the decline and the majority of the poor have been better off. This draws to the point that the benefits of growth have not been realised by the poor. They have observed that there was no specific trend in the percentage of population below the poverty line. It was also observed that the absolute number of poor has been rising at an annual average rate of 3.5 million in the case of rural areas and 1.45 millions in the case of urban areas. They have also observed that there was no relation between rate of economic growth and poverty.

Subramanian in his study on 'Poverty and Inequality in Tamil Nadu' has used NSS data to estimate the incidence of both urban and rural poverty. He applied
Head-Count Ratio, Sen's Poverty Indices, Gini Ratio and Lorenz Curve techniques to study the inequality in the State. He uses the poverty line of Rs.15 per capita consumer expenditure per month for rural areas and Rs.20 per capita per month for urban areas at 1960-61 prices. The important conclusions drawn are that the absolute level of average real per capita consumer expenditure has been low in both rural and urban areas and these levels have shown no increasing trend overtime. Inequality in the distribution of consumer expenditure is higher in the urban areas than in rural areas. The proportion of people below poverty line is 47.15 per cent in rural areas. With regard to trend in 1953 over 1961-62, there is no clear trend in respect of the proportion of people below poverty either in rural or in urban areas both in terms of Head-Count Ratio and Sen's Index.

The World Bank Policy Study\textsuperscript{19} on "Poverty and Hunger : Issues and Options for Food Security in Developing Countries" has observed that the world has ample food and the growth of food production has been faster than population growth. But many poor countries and millions of poor people suffer from lack of food due to lack of purchasing power. It was generally believed that economic growth will provide income to acquire the required food. The development experience has proved that economic growth will not be able to assure the basic food to the people in the poor countries. The trickle down effect had no impact on the poorest of the poor. The study advocates supporting economic growth with equitable distribution of income. To improve food security in developing countries, the study suggested that the international community should intensify efforts to accelerate economic growth through policy reforms and productive investment, introduce cost effective programmes to alleviate hunger and famines, protect the young from malnutrition, concentrate on poverty alleviation and help countries through coordination of food aid with other forms of economic assistance.
Bureau of Economics and Statistics, Government of Andhra Pradesh in its report has used Rs.61.30 the average per capita expenditure as the cut-off point to estimate the proportion of rural poor during 1981-82. According to the above norms, 44.6 per cent rural population in Andhra Pradesh fall below the poverty line. Further, it was observed that the percentage of households below the poverty line was the highest at 61.3 per cent in Chittoor district and the lowest at 28.6 per cent in East Godavari district.

Gian Singh's study on 'Economic conditions of Agricultural Labourers and Marginal Farmers' examined the levels and pattern of income, consumption and poverty among the agricultural labourers and marginal farmers during 1980-81. The study results reveal that the average income of an agricultural labour household is Rs.5817 in rural areas of Punjab and agricultural wages alone constitute 74 per cent of the total income. The consumption expenditure has been estimated at Rs.6583 on an average per household. The average propensity to consume has been estimated at 1.13. On the basis of per capita income, 23.08 per cent of the agricultural labourers live below the poverty line while on the basis of per capita consumption, 8.42 per cent of agricultural labourers live below the poverty line. Singh has also computed the Sen's Poverty Index.

Prof. Radhakrishna and Sudhakar Reddy in their article on "Class Composition, Poverty and Agricultural Development" have estimated the magnitudes of poverty for different classes in rural areas during 1977-78. On the basis of Rs.50 per capita per month as the poverty line. They have arrived at the conclusion that the poverty levels are higher for agricultural labourers, marginal farmers and self-employed. These three categories together account for more than 90 per cent of the poor in the developed district and more than 60 per cent in the backward districts. According to them, agricultural development influences the size and composition of
agricultural class. The size of the agricultural population and the proportion of agricultural labourers in it increase with development. Agricultural development in a region lessens poverty levels sharply in the case of cultivators and moderately in the case of agricultural labourers. The proletarianisation, which accompanies agricultural development, leaves a sizeable section of agricultural labour households below the poverty line. Therefore, further agricultural development by itself has a limited scope to make a dent on poverty levels of agricultural labour class. Improvement of irrigation infrastructure can not eradicate poverty of marginal farmers but it will help the small farmers significantly. Therefore, agricultural development alone may not be sufficient to eradicate poverty.

Perraju Sarma\textsuperscript{23} examined the dimensions of rural poverty with reference to agricultural labourers in Andhra Pradesh. The study is based on field survey in Krishna district during 1981-82. He found that there is an association between the size of the household and the proportion of people below the poverty line and also between the absence of female workers and poverty. The intergenerational decline in occupational status and access to land have been the important factors explaining poverty among agricultural labourers. But there is no association between income, poverty and generational change. Another interesting finding on assets is that the percentage of households below the asset poverty line (73) exceeds those below the income poverty line (41).

Subramanian\textsuperscript{24} in his study on 'Poverty, Unemployment and Perspective of Development' has studied the levels of poverty in East Godavari district during 1977-78, using data of 32nd round of National Sample Survey. He has analysed the relationship between calorie consumption and per capita expenditure, and made an attempt to determine the poverty lines for the three groups of caloric consumption-1800 calories, 2000 calories and 2250 calories. He has used both Head-Count Ratio
and Sen's Poverty Index to find out the incidence of poverty for different occupational groups. He concluded that the incidence of poverty is very high among the labour households both in urban and rural areas. He has also estimated the growth rate of per capita expenditure required to cross the poverty level subject to existing inequalities.

Radhakrishna et al.,\textsuperscript{25} in their study have examined the poverty in the developed and backward areas of Andhra Pradesh based on the 38th round NSS data ensuring the poverty line of the Planning Commission. It was observed that about 80 per cent of the people in the backward area and 48 per cent of the people in the developed area are living below the poverty line. In the backward area, 50 per cent of the households are very poor while the percentage of very poor households in the developed area is 19 per cent.

Surjit S. Bhalla and Prem Vashistha\textsuperscript{26} in their paper have reexamined the issue of income distribution in the light of NCAER survey results and NSS data. While discussing the welfare of the individuals, they argued that family size is to be given due consideration. For example, the individuals in a two person household earning Rs.4000 can not be pronounced to be at the same welfare level as individuals in a four person household earning Rs.4000. They have pointed out that if the per capita criterion of Rs.15 per capita per month (1960-61 prices) is used, in 1975-76 prices this amounts to Rs.570.6 at the individual level or Rs.3429.3 at the household level (average family size = 6.01) on annual basis. On a household basis, poverty is 45 per cent of the population; on a per capita basis it is 40 per cent. In terms of identification, the error is large-38 per cent of individuals classified as poor on a per capita basis are non-poor on a household basis. The authors have analysed the trends in rural poverty on the basis of the estimates of Ahluwalia and Gupta and Dutta. According to Ahluwalia's estimates, 54.1 per cent of the population was in
poverty in 1956-57 and it has come down to 39.1 per cent in 1977-78. While it was 56.8 per cent in 1960-61 and has come down to 51.5 per cent in 1977-78 according to Gupta and Dutta’s estimates. The authors have come to the conclusion that the NCAER surveys were not found to be useful for derivation of trends in absolute poverty and inequality. According to the NCAER survey, the absolute poverty has declined from 44 per cent of the population in 1970-71 to 40 per cent in 1975-76. But NSS data suggest that rural poverty in 1977-78 was 39 per cent compared to 46 per cent in 1973-74.

Sanyal\textsuperscript{27} has analysed the trends in land holdings and poverty in rural India. It was observed that there was a decline in landlessness in 10 out of 15 major States and there has been curtailment of large holdings in all States. There has been a decline in the proportion of the poorest of the poor who are landless during 1961-1971. In eight of the fifteen States, poverty increased and in five States it remained static. It was observed that a reduction in landlessness is not always associated with a reduction in poverty, four of the ten States for which landlessness showed a decline, only two reported a decline in poverty in contrast to five that showed an increase. The inequality in land ownership is an important cause of poverty, but the drift into increased poverty is mainly due to splitting of ownership of holdings. Owing to increase in population, the inequality of land ownership among the poor remains of a high order.

Bandopadhyaya\textsuperscript{28} in his book has analysed the poverty of nations from the global perspective particularly the mass poverty in the third world countries. He has laid emphasis on the international economic structure of dominance and dependency between the capitalist developed economies and less developed economies. Due weightage was given to the social, cultural and political factors of north-south relations over and above economic factors. In his view, class structure and social
factors are the primary causes for mass poverty while the institutional factors are secondary. He had highlighted that tropical climate has been the main cause of poverty in the south. His book contains a comprehensive treatment of the mass poverty in the third world countries.

Rohini Nayyar\textsuperscript{29} has made a systematic attempt to measure poverty in rural India on a State-wide basis and analysed the inter-state differences in the poverty levels. The author has dealt in length with the estimates of absolute and relative poverty on the basis of different criteria and by using cross sectional and time series data. An attempt is made to interrelate poverty, malnutrition, health, education and morbidity to highlight the factors influencing poverty levels. The author has found significant relation between these aspects and inter-state differences in poverty through regression analysis. According to the author, agricultural workers constitute the majorites of the poor and an attempt is made to study their living conditions. In addition to these, major anti-poverty programmes have been reviewed and their impact has been assessed.

The World Bank Country Study\textsuperscript{30} observes that there is potential for higher growth in India. The study observes that there is a need for policy action to correct structural issues to reverse slow growth in agriculture, deregulation of industrial and trade policies and upgradation of technology in industrial sector. The study suggested reduction of fiscal and balance of payments deficits and there should be 10 per cent growth of exports per annum in real terms. Higher levels of economic growth combined with the implementation of poverty alleviation and employment oriented schemes for the poor, mostly landless, has found that there is concentration of poor in specific regions and occupational groups. There is a sharp fall in the incidence of poverty in southern States and the incidence is heavy in eastern and central States. The study observed close association with landlessness and wage dependency especially in unirrigated rural areas.
The poor are unable to involve in the process of growth due to vulnerability, risk and dependency. The provision of social services like education and health is to be made. The study proposes ‘safety nets’ in the form of employment guarantee programmes for the poor. These enhance the ability of the poor to participate in the process of growth.

The World Development Report\textsuperscript{31} has observed that there are more than 1 billion people living in poverty in the developing countries. These people are struggling to survive with an income of $370 per year. The percentage of population living in poverty is high in South Asia and Sub-Saharan Africa. The quality of life is low in the developing countries than the developed and there are variations among the regions. During 1985, life expectancy was 76 years for the developed, 50 years for Sub-Saharan Africa and 56 years for South Asia. Developed countries could achieve universal enrolment in primary education while in Sub-Saharan Africa it was 56 per cent and 75 per cent in the case of South Asia. The report observes that a two-part strategy has to be adopted to bring sustainable improvement in the quality of life for the poor. Firstly, a pattern of growth that ensures productive use of the poor’s abundant resource i.e., labour has to be pursued. Secondly, the poor should be provided with basic social services like primary education, health care, etc. The first component provides opportunities and the second increases the capacity of the poor to avail these opportunities.

Pranab K. Bardhan\textsuperscript{32} in his article "On the Incidence of Poverty in Rural India of the Sixties" has attempted to assess the changes over the sixties in the percentage of rural people below a well defined minimum level of living with special emphasis on the question of designing an appropriate consumer price index for the poor. Bardhan has come to the conclusion that NSS consumer expenditure data can not be easily dismissed for the lower expenditure groups and opt for the official
consumer expenditure data. According to Bardhan, the percentage of rural people below Rs.15 per month in 1960-61 prices is 43 per cent in 1968-69, which is a relatively small rise from 38 per cent in 1960-61. Bardhan has proved with some evidence that the rise in price index numbers of agricultural labourers does not seriously over estimate that for the rural poor in general. The use of the national income deflator leads to a serious under estimation in the prices paid by the rural poor. The national income deflator covers the prices of both agricultural and manufactured commodities. Over the last decade, prices of agricultural commodities rose at a much sharper rate than finished products. Since the weight of manufactured consumable in the budget of the rural poor is likely to be much lower than the national average (which includes the rich and the poor, the urban as well as the rural sector), the national income deflator is very likely to have understated the rise in the prices paid by the rural poor. He has commented that for the imputation of consumption of self produced agricultural commodities, several alternatives like wholesale price, retail price, NSS average price have been used. But none of these may be the optimum price to be imputed for self-produced consumption in an imperfectly competitive peasant economy.

Human Development Report\textsuperscript{33} 1991 has concluded that it is the lack of political commitment and not the financial resources which is the cause of human neglect. The report stresses the need for financing human development. It was observed that there is a great potential for restructuring the national budgets and international aid for human development. The report observed inefficient and misdirection of spending. It was estimated that 77 per cent of the world’s population earn 15 per cent of its income. Expressed in GNP per capita, the average income in the North ($12,510) is 18 times higher than the average in the South ($710). This widening gap has been due to variation in economic growth rates. Economic growth
in the south continued to decline mainly due to growth of population. The overall growth rate of population in the developing countries is around 2 per cent compared to 0.5 per cent in the developed countries. In the less developed countries population growth is faster than the growth of basic social services particularly in rural areas. The report observed that there are about 1.2 billion poor people in the developing countries and it is expected to increase to 1.3 billion by 2000 AD and 1.5 billion by 2025 AD. Asia has the largest number of poor people (500 million) but the incidence is high in Africa.

Yugandar in his study on 'Wages and Living Conditions of Agricultural Labourers in Chittoor District' has estimated that 28.59 per cent of the agricultural labour households are living below the poverty level and Sen's Poverty Index has been estimated at 0.029 on the basis of per capita income. But on the basis of per capita expenditure, 61.11 per cent of the agricultural labour households are observed to be below the poverty norm and Sen's 'P' Index has been estimated at 0.052. The above data shows that there is high incidence of poverty among agricultural labourers and Sen's 'P' Index indicates that there is significant gap between poverty level and income of the agricultural labourers.

Subsequently a number of studies have been undertaken by research scholars which attempted more systematic evaluation of the poverty norm. Though Rs.20 at 1960-61 prices norm is frequently quoted, some studies have adopted expenditure norm to determine the poverty line. The National Sample Survey Organisation conducted nation-wide surveys on consumer expenditure annually upto 1973-74 and by quinquennium thereafter employed desired calorie norm and to identify the expenditure class in the size distribution of the household consumption expenditure.
The cut-off expenditure so arrived at which is partly normative and partly behavioural, thus comprises expenditure on food items (equivalent to the calorie norm) and the balance which is the actual expenditure on non-food items. It was generally found that rural households at the poverty level spent a little less than 60 per cent on food grains and substitutes, about 20 per cent other items of food and the remaining 20 per cent on non-food items. The corresponding pattern of consumption for the urban poor was 36.5 per cent, 33.5 per cent and 30 per cent respectively. These proportions have shown only a gradual declining trend over the decades.

3.2 Review of Literature on the Impact of IRDP on Poverty

The Madras Institute of Development Studies, conducted a study of IRDP in Ramanathapuram and Dharmapuri districts of Tamil Nadu, covering a sample of 598 beneficiaries. The study has observed that 9.3 per cent of the beneficiaries were already above the poverty norm. The study remarked that large farmers were benefitted and there was restricted access to the marginal and small farmers due to past indebtedness and over dues. The report remarked that there was limited impact of the programme on the beneficiaries.

Kerala State Planning Board has undertaken an evaluation study of the IRDP in Kerala. The study covered 50 beneficiary and 20 non-beneficiary households in each block. The study reported that there was wrong identification of the beneficiaries to the extent of 23 per cent on the basis of household income and 18 per cent on per capita income. It was observed that undue emphasis was given to agriculture and allied activities neglecting small industries. The report remarked that the assistance was too inadequate. The study concluded that only 14 per cent of the
households have crossed the poverty line. It was found that there was some increase in the employment in the case of 60 per cent of the beneficiaries. As cattle rearing was observed to have a significant impact on the economic betterment of the rural poor, emphasis was laid on the dairy development schemes under IRDP.

National Institute of Rural Development\textsuperscript{38} has conducted an evaluation study in three blocks of Nalgonda district of Andhra Pradesh during 1982. It was observed that there has been inadequate fodder cultivation due to lack of irrigation and unwillingness. Most of the beneficiaries expressed the problems like inadequate supply of milk, low lactation period, poor health care, etc. The study has recommended fixation of procurement prices for the milk supply, feed and other inputs through cooperatives to the advantage of IRDP beneficiaries.

State Bank of Hyderabad\textsuperscript{39} has conducted an evaluation study of IRDP in three States: Karnataka, Andhra Pradesh and Maharashtra. The Study's focus was to examine the impact of IRDP on eradication of poverty. The study results have revealed that majority of beneficiaries have obtained loans for the IRDP schemes like milch animals, sheep, goats, bullocks and bullock carts. It was observed that there was leakage of funds to the tune of 32 per cent in the sample blocks. Most of the beneficiaries were observed to have availed the subsidy by showing the already existing assets. The study results indicated that income of the beneficiaries has increased by 40 per cent at current prices but when real incomes were considered there was no increase in the income of the beneficiaries.

The National Institute of Rural Development\textsuperscript{40} has undertaken a study on field level implementation of IRDP and other rural development programmes by taking a sample of 193 beneficiaries and 109 non-beneficiaries in 9 selected villages of Narasaraopet block in Guntur district of Andhra Pradesh. The study has made an
attempt to identify the constraints in the implementation of IRDP and to evaluate their impact in raising the beneficiaries above the poverty line. The study has observed that 21 per cent of the beneficiaries of the dairying scheme and 47 per cent of the rickshaw pulling scheme have crossed the poverty line.

Abdul Aziz\(^1\) in his book on "The Rural Poor: Problems and Prospects" has clearly analysed the problem of identification of the poor. He suggested that the poor can be identified in groups like landless agricultural labourers, tenants, small and marginal farmers and rural artisans. He pointed out that most of them are assetless and may be having meagre assets. He added that scheduled castes and scheduled tribes also constitute the rural poor as they remained backward over ages. Prof. Aziz after elaborately discussing the problems of different groups of rural poor, has stressed on two things. 1. The rural poor by and large belong to the socially backward; 2. Because of the social backwardness, the poor have developed a fear psychosis which is the result of their ignorance of rights and privileges. After reviewing the poverty alleviation programmes, the author has highlighted the importance of organisation of the poor. Prof. Aziz has concluded that the poverty alleviation programmes have to the extent possible benefitted the poor artisans, small and marginal farmers and their income and employment levels have increased. According to him, there are several drawbacks at the implementation level like wrong identification of poor, prevalence of corruption, ignorance of the beneficiaries about the benefits, etc. In view of these, there is a need for organisation of the poor as means of improving implementation of the schemes.

According to the author, among the organisations of different groups of rural poor, only those of the agricultural labourers are doing well in improving wages and working conditions at least in a few pockets in the country. Prof. Aziz has discussed in length about the organisation strategies and methods which would benefit the large segment of the rural poor.
The Department of Applied Economics, University of Cochin has undertaken an evaluation study of IRDP in Kottayam district of Kerala covering 300 beneficiaries. The study observed that there has been an increase in the income for 55 per cent of the beneficiaries while 39 per cent of the beneficiaries have crossed the poverty line. There was increase in the employment as reported by 63 per cent of beneficiaries. It was also remarked that there was wrong identification of the beneficiaries to the extent of 40 per cent.

George, in his study on "Rural Development Programme - Its Strength and Weaknesses" covered 400 IRDP beneficiaries. The major schemes covered were dairying, camel cart and sheep rearing. The total income of all the beneficiaries was Rs.99,698 before IRDP assistance and the income rose to Rs.1,49,151 after IRDP assistance. The share of agricultural wages in the total income was 55.07 per cent before assistance and it came down to 36.81 per cent in the post-assistance period. The percentage of income from dairying in the total income has increased from 5.12 per cent in the pre-assistance period to 36.58 per cent in the post-assistance period. The additional employment generated per beneficiary was 125.22 man days in the post-assistance period. About 40 per cent of the beneficiaries were observed to be repaying the loans regularly. Lack of veterinary facilities, high mortality in sheep and lambs and inadequate marketing facilities were some of the reasons for the poor recovery of loans.

Indira Hirway examined the relevance of target group approach in poverty eradication based on a micro level study of four villages in Gujarat. The study has covered the activities under SFDA and IRDP. The study has observed that most of the assisted households (55 to 75 per cent) are not poor. The impact of the programme is observed to be selective covering developed villages with emphasis on few schemes. About 24 per cent of the poultry farms were closed and only 11 per
cent were making profits. This was mainly due to faulty designing of the schemes and other obstacles, inadequate emphasis on resource based spatial planning and inadequate supportive facilities.

Kutty Krishnan$^{45}$ has taken up a case study of IRDP in a Kerala village during the year 1984 covering 80 sample households. The study has observed that 20 per cent of the beneficiaries were alone eligible for assistance. The study concluded that only 18.75 per cent were able to cross the poverty line. Most of the schemes were not economically viable and not capable of generating adequate income due to limited marketability of the products. The study has observed that 80 per cent of the beneficiaries were not eligible for assistance on the basis of annual family income of less than Rs.3500, and this percentage is 63.25 per cent on the basis of monthly per capita income of less than Rs.76. The author has suggested to adopt per capita income instead of annual household income for identification of beneficiaries.

NABARD$^{46}$ has undertaken a study on the implementation of IRDP covering a sample of 1498 households covering 30 districts in 15 States during 1983-84. The study has observed that there has been wrong identification of beneficiaries to the extent of 15 per cent and there are variations in this wrong identification between States. While selecting an activity due consideration was not given to local talent, available infrastructure, forward and backward linkages and ecology. There was over emphasis on animal husbandry programmes. The study has remarked that the credit delivery system is not upto the mark. The study has concluded that 87 per cent of the households realised incremental income and 47 per cent of them crossed the poverty line. There are variations between the States regarding the impact of IRDP on beneficiaries crossing the poverty line. The recovery of the loans has been estimated to be 69 per cent and the wilful defaulters constitute at 17 per cent.
The Reserve Bank of India conducted an evaluation study of IRDP covering 730 sample beneficiaries in 16 States. The report remarked that no household survey was conducted to identify the beneficiaries. Assistance was provided to beneficiaries who were not eligible and they constituted 16 per cent. It was found that there has been an increase in the value of assets by 30 per cent. The programme has covered SC/ST households to the extent of 38 per cent against the target of 30 per cent. The study has concluded that 57 per cent of the beneficiaries have earned incremental income while 17 per cent have crossed the poverty norm. The report has also observed that there has been significant delay in the dispersal of loan and there was no proper coordination between the implementing authorities.

The Programme Evaluation Organisation has carried out an evaluation study on IRDP covering a sample of 1170 beneficiaries in 66 blocks in 16 States. It was observed that individual was considered as a unit for granting assistance and uniform strategy was adopted in spite of diverse regional endowments. The study has identified that about 26 per cent of the selected beneficiaries were already above the poverty line. The study has found that 49.4 per cent of the beneficiaries crossed the poverty line of Rs.3500. The study has also observed lack of coordination among the different authorities concerned with the programme. It was also remarked that out of the 33 districts covered, 16 of them have no perspective plans. The study has revealed that the assistance was inadequate and there was no link between credit and marketing. The study has also analysed various problems faced by the beneficiaries and defects in the implementation of the programme.

The Institute of Financial Management and Research, Madras has taken up a study to assess poverty eradication and rural unemployment programmes covering a sample of 1859 beneficiaries from 17 blocks in Maharashtra and Tamil Nadu. This study also observed wrong identification of beneficiaries, disregard to local resources and infrastructure availability while selecting an activity and unsound credit
The study found that as much as 60 per cent in Tamil Nadu and 20 per cent in Maharashtra who got assistance are not eligible. The average household income of the beneficiaries has increased by 52.11 per cent. The study observed that of all the IRDP schemes, milch animal, sheep and goat rearing have been very popular and the increase in income is significant. The study has concluded that 21.19 per cent of the beneficiaries have crossed the poverty line.

Misra\textsuperscript{50} conducted an evaluation study of IRDP in Uttar Pradesh covering 136 beneficiaries from 4 districts. The results of the study indicated that 34.56 per cent of the beneficiaries have crossed the poverty line. About 10.29 per cent of the beneficiaries have become indebted. About 67.6 per cent of beneficiaries could earn incremental income due to IRDP assistance. With regard to repayment, 30.15 per cent of the beneficiaries have not repaid the loan and 34.50 per cent have repaid the loan partially. Out of them, 15 per cent are wilful defaulters.

An Evaluation Study of IRDP in South India\textsuperscript{51} was undertaken by National Institute of Rural Development (NIRD) during 1982. A sample of 1600 respondents covering the major schemes was taken. The study covered four blocks in each State. The study has also covered 800 non-beneficiary respondents. The results of the study shows that the levels of living of 90 per cent of the beneficiaries were improved and 29.19 per cent could cross the property line within two years of the implementation of the programme. The study has identified that 16.75 per cent of the beneficiaries have already crossed the poverty line even before the sanction of IRDP assistance. The study has observed that there was 52.11 per cent increase in the income in the reference year over the base year. But the income of the non-beneficiaries has increased by 18.96 per cent. The study has observed that the IRD Programme did not benefit all the rural poor due to inadequate coverage of poor from castes other than SC/ST, inadequate animal health coverage, selection of economically non-viable schemes and inadequate credit.
Abdul Aziz has undertaken an evaluation study of IRDP in Karnataka covering Kolar and Dharwar districts. He has observed that there were large number of beneficiaries assisted under the primary sector which includes agriculture and animal husbandry and there was a neglect of industry, service and business sectors. He concluded that only 24 per cent of the beneficiaries have crossed the poverty line though there has been increase in the income but within the poverty norm. There was wrong identification to the extent of 6.7 per cent only unlike the other studies. The study observed that identification is done through surveys and in open gram sabhas. He has suggested integration of household plan with block plans and district plans in order to optimise the impact of the IRD Programmes.

The State Bank of India has conducted an evaluation study in 1985-86 covering 13 districts in 12 States. The study covered 1295 beneficiaries. The main objective of the study was to evaluate the impact of the IRD Programmes, their repayment performance and to assess the effectiveness of the implementation of the programme. The study has identified that 21.2 per cent of the beneficiaries have been wrongly selected as they were above the poverty norm. About 46.5 per cent of the beneficiaries were not aware of the full details of IRDP before availing of the loan. About 50.3 per cent of the beneficiaries who were below the poverty line in the base year have crossed the poverty line. About 47.8 per cent of the assistance has been recovered.

Concurrent Evaluation of IRDP has been undertaken since October 1985 through 27 reputed institutions on behalf of the Department of Rural Development, Government of India. The first study was carried out during 1985-86. According to the report, 20 per cent of the ineligible households were provided assistance under IRDP. About 12 per cent of the beneficiaries reported that the cost of the asset given under IRDP was more than its value. About 71 per cent of the beneficiaries retained
the asset even after two years after dispersal of the assistance. About 55 per cent of the sample beneficiaries had overdues. The programme did not generate any income for 28 per cent of the assisted households. About 41 per cent of the eligible beneficiaries crossed the poverty line of Rs.3500. But if the revised poverty line of Rs.6400 had been considered, only 4.6 per cent would have crossed the poverty line. The evaluation study has observed that the programme has great potential, though it suffers from several limitations.

The Concurrent Evaluation Report\textsuperscript{55} for 1987 has identified that 92 per cent of the assisted households had an income of less than Rs.4800 before implementation of the IRDP. The assets acquired with the IRDP assistance remained intact in 72 per cent of the beneficiaries. According to the report about 60 per cent of the beneficiaries have crossed the old poverty line of Rs.3500 and 13 per cent as per the revised poverty line of Rs.6400. The study has observed that the schemes have generated income for 77 per cent of the beneficiaries of IRDP.

Vyas and Samadini\textsuperscript{56} conducted a study on the impact of IRDP on rural poverty during 1981-82 covering seven panchayat samithis in Udayapur district of Rajasthan. The study observed that there has been substantial increase in the irrigated area and other assets including cattle. The study concluded that the average income of the families increased by 18.57 per cent i.e., from Rs.1702.40 in 1980-81 to Rs.2018.55 in 1981-82, and quite a good number of the sample households have been able to cross the poverty line.

Balaramulu\textsuperscript{57} has undertaken an evaluation study of IRDP in Nalgonda district of Andhra Pradesh. He has covered a sample of 547 households from 18 villages. It was observed in the study that out of 63 households which retained the assets in the agricultural schemes, only 6.4 per cent have crossed the poverty line. In the case
of animal husbandry schemes, 7 households retained their assets and they could not
derive positive income only by the scheme. Altogether about 40 per cent of the
beneficiaries have retained the asset. The study observed that are the programmes
quite successful in less developed areas than in developed areas. The study
revealed that majority of backward classes and scheduled castes were unable to
retain the asset.

Rath\textsuperscript{58} in his article has debated on the relevance of IRDP to tackle the
problem of poverty. The IRDP was conceived as an anti-poverty programme. The
rural poor did not possess any productive assets other than labour. According to
Sixth Plan "Any development strategy which aims at improving the lot of the poor
must aim at creating new productive assets for them". These assets promote self
employment of the poor households and with the help of these assets they may earn
incomes above the poverty levels.

Based on the results of several studies, Rath has arrived at the conclusion
that there has been wrong identification of the poor and the benefits, though meagre
are not reaching the actual poor. Naturally this leaves ample scope for favouritism
and corruption. According to Rath, the most meaningful way the bulk of the poor can
be provided greater income to enable them to rise above poverty is greater
opportunity of employment atleast at the basic subsistence wage rate. If this is
provided, there is no demand on his entrepreneurial skills, no worry about repayment
of a loan and no demoralising pursuit of a subsidy. He added that greater earning
through wage employment will create greater purchasing power and larger market
for the commodities. This creates an opportunity for enterprising persons to explore
the possibilities for the production of goods. The banks should cater to the needs
of such entrepreneurs which will be more productive without computing bait of large
subsidy thus large scale programme for assured wage employment for the rural
poor should be the thrust of the IRDP. But Dantwala \footnote{59} did not agree to this point. Dantwala has disagreed with Rath's contention that asset based anti-poverty programme should be replaced by wage employment programmes. This would make the poor mere bearers of wood and drawers of water and it perpetuates poverty and dependence.

Indira Hirway \footnote{60} has laid emphasis on self employment programmes and family should be taken as common production unit. According to the author, self employment schemes should be given due consideration in poverty alleviation programmes.

Hanumantha Rao and Rangaswamy \footnote{61} in their study on "Efficiency of Investments in IRDP : A study of UP" stated that the repayment of IRDP loans depends partly on the capacity to pay of the beneficiary which ultimately depends on the productivity of the scheme but also on the income status of the beneficiary. They have observed that willingness to pay is an important factor influencing repayment performance. There is no significant relation in one direction between the overdues of loans and the income of the household. It was observed that the repayment performance of the poor is better than that of the upper income group.

Upadyaya, Rakesh \footnote{62} has carried out a study to assess the approach and policy implications of Government on IRDP. He has covered 120 sample beneficiaries from 6 blocks in 3 districts of Rajasthan. The study revealed that 82 per cent of the sample beneficiaries felt the assistance inadequate and about 40 per cent of the beneficiaries reported that they had to divert the entire incremental income for repayment of loans. In 48 per cent of the cases, assets were sold or they were not maintained properly. Additional income was generated in the range of Rs. 2000-4000 in the case of 20 per cent of the beneficiaries, Rs. 500-2000 in the case of 16 per
cent of the beneficiaries and in the case of 64 per cent of the beneficiaries, there has been no incremental income. The results of the study indicated that only 12 per cent of the sample beneficiaries have crossed the poverty line.

Tilekar et al.,63 conducted a study on the impact of IRDP on employment and income of beneficiaries in Man Tehsil in Satara district of Western Maharastra on the basis of a sample of 50 beneficiaries and 50 non-beneficiaries during 1984-85. The study has observed higher employment, large farm size, higher cropping intensity, shift from food crops to commercial crops, higher incomes and higher off-farm employment in the case of beneficiaries than non-beneficiaries. The study found a positive significant relationship between employment and farm size, between income and expenditure among the beneficiaries. The study has concluded that IRDP assistance had a positive impact on the employment and income of the beneficiaries.

Balishter and Umesh Chandra64 have undertaken a case study of IRDP in Etah District in U.P., covering a sample of 150 beneficiaries. The study identified that small and marginal farmers and landless labourers constituted 79 per cent of the total households in the study area. Majority of the poor families belonged to scheduled castes and scheduled tribes. Seventy six per cent of the beneficiaries have got assistance to purchase milch animals and bullocks. There has been increase in the income, in the case of 49 per cent of households belonging to SC/ST and 48 per cent in the case of other households. Non-agricultural schemes have generated more income than agricultural schemes. About 53 per cent of the sample households were able to cross the poverty line of Rs. 3500 in addition to 12.67 per cent of the families who were above the poverty level before implementation of IRDP. It was also observed that most of the families which have crossed the poverty line were in higher income group (Rs. 3000-3500) before IRDP assistance which shows that the impact of the assistance is not significant.
The concurrent Evaluation Report\(^6\) (January-December 1989) has observed that the coverage of SC/ST was fairly higher than the stipulated target of 30 per cent. It was observed that 44 per cent and 45 per cent of the assisted families are from the primary and tertiary sectors. About 80 per cent of the beneficiaries felt that the assets provided were of good quality and 83 per cent said that the assistance was adequate. The study observed that 69 per cent of the beneficiaries could generate additional income. About 81 per cent of the beneficiaries crossed the poverty line of Rs. 3500 and 16 per cent crossed the revised poverty line of Rs. 6400. The report observed that there has been wrong identification of beneficiaries, no provision of working capital, inadequate infrastructural facilities, lack of awareness of insurance schemes which need attention to make the programme effective in majority cases, TRYSEM beneficiaries were assisted for activities for which they were not trained under TRYSEM.

D.S. Dhillon\(^6\) conducted a study on Integrated Rural Development Programme in Punjab State covering 300 beneficiaries in 3 districts. The beneficiaries were assisted under IRDP for purchasing milch animals during the year 1985-86. The study found that about 28 per cent of the beneficiaries were not eligible to get the assistance. It was also observed that the assistance was adequate according to 48.34 per cent of the beneficiaries and the assets were intact in the case of 62.66 per cent. About 31.33 per cent of the households have disposed off the milch animals. There was an increase in the income upto Rs.500 for 27.67 per cent, between Rs.500 and Rs.1000 for 63 per cent and above Rs. 1000 for 9.33 per cent of the beneficiaries. The results of the study showed that 52.92 per cent of the beneficiaries have crossed the poverty line of Rs.3500. Dhillon has suggested that a comprehensive household survey has to be carried out every year for the identification of genuine beneficiaries. Physical verification of the assets should be done and action should be taken against them who had disposed the assets without repaying the loan.
The review of the selected studies given above suggests that there is growing incidence of poverty though the percentage of the poor is declining gradually. Different studies have arrived at different estimates of poverty depending upon the methodologies followed by them. The studies on IRDP made an attempt to identify the problems in the implementation of the IRDP, problems in the identification of beneficiaries, non-recovery of loans, disposal of assets and the impact of the IRDP on the poverty levels. The above reviews suggest that there is a need to make an indepth analysis of the poverty problem and the effectiveness of IRDP in tackling the problem of poverty.

3.3 Methodology

Alleviation of poverty has been one of the basic objectives of successive Five Year Plans in India. Ever since the inception of planning, the development policies and programmes have been designed and redesigned to achieve this objective. Prior to Sixth Five Year Plan, several programmes were formulated and implemented by different agencies which have resulted in confusion, overlapping, overconcentration of multiple programmes in some regions and neglect of some regions and flow of benefits only to some sections. To avoid these lapses, Integrated Rural Development Programme was introduced, under which all the target oriented anti-poverty programmes were brought under one umbrella to ensure effective implementation, effective supervision, wider coverage, and to avoid duplication and over lapping.

During the Sixth and Seventh Plan periods put together an amount of Rs.4876.8 crores has been spent by the Government and financial institutions have extended loans to the tune of Rs.8474.14 crores to the beneficiaries of IRDP. These programmes have benefitted 346.6 lakh households during the Sixth and Seventh Plans. During 1990-91 and 1991-92, 54.4 lakh families were assisted under IRD
Programmes. An outlay of Rs.35,997 crores has been earmarked during the Eighth Five Year Plan which includes outlays for IRDP, JRY, DPAP, DDP, Land Reforms, Rural Energy and other programmes. According to the Planning Commission’s estimates, 30 per cent of the population in the country is still living below the poverty level. According to the Eighth Five Year Plan, it is true that there has been considerable decline in the incidence of rural poverty over time. In terms of absolute number of the poor, the decline has been much less. While this can be attributed to the demographic factor, the fact remains that after 40 years of planned development about 200 million are still poor in rural India. In view of the above, it is very necessary to evaluate how far the IRD Programmes could augment rural incomes and employment levels and reduce the incidence of rural poverty. Several studies have been undertaken by different institutions and individuals covering different parts of the country. The present study is an addition to the existing. It is a well known fact that there are wide variations in the agro-climatic and socio-economic conditions and resource endowments of different regions. The IRD Programmes were designed to suit the local talents and resources of the respective regions. Hence there is a need for micro level studies covering a specific region and this facilitates an in-depth analysis of incidence of poverty and the impact of IRDP on poverty eradication. Against this background, the present study is taken up.

The area of the study, Chittoor District, is one of the four districts of drought prone Rayalaseema region in Andhra Pradesh. This district has no major irrigation source and agriculture depends mostly on tanks and wells. Rainfall is very often scanty and uneven. Most of the land holdings are small and marginal and a sizeable segment of the population is landless labourers. Added to this, the incidence of poverty is the highest at 61 per cent in this district among the four districts of Rayalaseema region. Hence the study has been confined to Chittoor District.
Objectives of the Study

The study has the following objectives.

1. To analyse the socio-economic conditions of the sample households.
2. To study the income and employment effects of IRD Programme on the sample households.
3. To examine the impact of IRD Programme on the incidence of poverty among the sample households.

Hypotheses

To fulfill the above objectives, the following hypotheses were formulated for testing.

1. The IRD Programme has no positive effect on generation of income of the sample households.
2. The employment effect of IRD Programme is not significant.
3. There is no significant change in the incidence of poverty after the implementation of IRD Programme.

Study Design

The main focus of the study is to examine the economic conditions of IRDP beneficiaries in the base year and reference year so as to evaluate the impact of IRD Programme on eradication of rural poverty. The study also makes an in-depth analysis of economic impact of different IRDP schemes on the incidence of poverty among the different occupational and social groups. Further it makes an attempt to measure the severity of poverty through Sen’s Poverty Index.
Sampling Design

The sample beneficiary households have been selected using two stage stratified random sampling method, with mandal as the first stage and the beneficiary household as the second stage unit of sampling. All the revenue mandals in the district have been classified into three groups viz., developed, developing and less developed on the basis of selected economic indicators. From each group, two mandals have been selected using random sampling method. The study on the whole covered 6 revenue mandals, Bangarupalem and Pakala mandals representing the developed category, Kammapalli and Pichatur mandals from the category of developing mandals and Ramakuppam and Rompicherla mandals from the less developed group. For selecting the second stage units of sampling i.e., beneficiary households, all the IRDP beneficiary households in the selected revenue mandals have been stratified according to the scheme, the sector, occupation and caste. The scheme wise sample beneficiary households from each mandal have been selected in probability proportion to the total number of beneficiaries from each scheme in the sample mandals. While selecting the sample households under different schemes, the schemes under which there are very less number of beneficiaries have been excluded and the sample households have been drawn in probability proportion to the beneficiaries of different occupations and caste groups. Thus the study covered the IRDP beneficiaries from the major IRDP schemes covering all the three sectors i.e., Agriculture, Animal husbandry and the IS6 sectors. Finally the study covered 240 sample beneficiary households, 61 households assisted under different schemes of agriculture sector, 105 households from the animal husbandry sector and 74 households from the IS6 sector. Thus the sample households are drawn from the revenue mandals representing three levels of development to ensure that the sample units of the study are representative of the district. The sector-wise, scheme-wise and mandal-wise distribution of sample beneficiary households is presented in Table 3.1.
Table 3.1: Distribution of Sample Beneficiary Households by Sector, Scheme and Revenue Mandal

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scheme/ Sector</th>
<th>Bangaru palam</th>
<th>Pakala</th>
<th>Kammapalli</th>
<th>Pichapur</th>
<th>Ramakuppam</th>
<th>Rompicherla</th>
<th>Total</th>
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<tr>
<td>I.</td>
<td>Agriculture</td>
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<td></td>
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<tr>
<td>1.</td>
<td>Bullock Carts</td>
<td>4</td>
<td>3</td>
<td>2</td>
<td>6</td>
<td>1</td>
<td>1</td>
<td>17</td>
</tr>
<tr>
<td>2.</td>
<td>Plough Bullocks</td>
<td>5</td>
<td>4</td>
<td>3</td>
<td>7</td>
<td>1</td>
<td>1</td>
<td>21</td>
</tr>
<tr>
<td>3.</td>
<td>Mango Orchards</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>4.</td>
<td>In-well Bore</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>5.</td>
<td>New Wells</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>6</td>
</tr>
<tr>
<td>6.</td>
<td>Electric Pumpsets</td>
<td>2</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>5</td>
</tr>
<tr>
<td>7.</td>
<td>Sericulture</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>17</td>
<td>15</td>
<td>6</td>
<td>13</td>
<td>7</td>
<td>3</td>
<td>61 (25.42)</td>
</tr>
<tr>
<td>II.</td>
<td>Animal Husbandry</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>1.</td>
<td>Milch Animals</td>
<td>30</td>
<td>22</td>
<td>11</td>
<td>16</td>
<td>3</td>
<td>1</td>
<td>83</td>
</tr>
<tr>
<td>2.</td>
<td>Sheep Rearing</td>
<td>2</td>
<td>0</td>
<td>2</td>
<td>2</td>
<td>4</td>
<td>2</td>
<td>12</td>
</tr>
<tr>
<td>3.</td>
<td>Calf Rearing</td>
<td>3</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>35</td>
<td>27</td>
<td>15</td>
<td>18</td>
<td>7</td>
<td>3</td>
<td>105 (43.75)</td>
</tr>
<tr>
<td>III.</td>
<td>SBB Sector</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Petty Shops</td>
<td>6</td>
<td>13</td>
<td>4</td>
<td>4</td>
<td>2</td>
<td>4</td>
<td>33</td>
</tr>
<tr>
<td>2.</td>
<td>Basket Making</td>
<td>1</td>
<td>2</td>
<td>4</td>
<td>3</td>
<td>8</td>
<td>-</td>
<td>18</td>
</tr>
<tr>
<td>3.</td>
<td>Mat Weaving</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>10</td>
</tr>
<tr>
<td>4.</td>
<td>Readymade Garments</td>
<td>1</td>
<td>4</td>
<td>-</td>
<td>1</td>
<td>1</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>5.</td>
<td>Handlooms</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>8</td>
<td>22</td>
<td>8</td>
<td>11</td>
<td>11</td>
<td>14</td>
<td>74 (30.83)</td>
</tr>
<tr>
<td>Grand Total</td>
<td>60 (25.00)</td>
<td>64 (26.67)</td>
<td>29 (12.06)</td>
<td>42 (17.50)</td>
<td>25 (10.42)</td>
<td>20 (8.33)</td>
<td>240 (100.00)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures in the parentheses indicate percentages to total.
From the table it can be seen that out of 240 sample beneficiary households, 61 households (25.42 per cent) were assisted in various schemes in the agriculture sector, 105 households (43.75 per cent) were provided assistance for the schemes under animal husbandry sector and 74 households constituting 30.83 per cent of the total sample were given assistance for taking up various activities in the ISB sector.

It is important to note that out of 240 sample households as many as 83 sample households covering one-third of the beneficiaries were provided assistance under milch animal scheme. Among the total sample beneficiaries, 25.00 per cent are drawn from Bangarupalem mandal, 26.67 per cent from Pakala mandal, 12.08 per cent from Kammappalli mandal, 17.50 per cent from Pichatur mandai, 10.42 per cent from Ramakuppam mandal and 8.33 per cent from Rompicherla mandal.

Table 3.2 shows the distribution of the sample households by occupation and caste.

**Table 3.2 : Occupation-wise and Caste-wise Distribution of Sample Households**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Occupation</th>
<th>Scheduled Castes</th>
<th>Scheduled Tribes</th>
<th>Backward Castes</th>
<th>Other Castes</th>
<th>Rural Minorities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Agricultural Labourers</td>
<td>71</td>
<td>10</td>
<td>11</td>
<td>5</td>
<td>2</td>
<td>99 (41.25)</td>
</tr>
<tr>
<td>2.</td>
<td>Marginal Farmers</td>
<td>40</td>
<td>5</td>
<td>14</td>
<td>19</td>
<td>-</td>
<td>78 (32.50)</td>
</tr>
<tr>
<td>3.</td>
<td>Small Farmers</td>
<td>4</td>
<td>1</td>
<td>7</td>
<td>11</td>
<td>-</td>
<td>23 (9.58)</td>
</tr>
<tr>
<td>4.</td>
<td>Non-agricultural Labourers</td>
<td>18</td>
<td>2</td>
<td>12</td>
<td>2</td>
<td>6</td>
<td>40 (16.67)</td>
</tr>
<tr>
<td>**Total</td>
<td></td>
<td>133</td>
<td>18</td>
<td>44</td>
<td>37</td>
<td>8</td>
<td>240 (100.00)</td>
</tr>
</tbody>
</table>

Note: Figures in the parentheses indicate percentages to total.
According to the table, 41.25 per cent of the sample households are agricultural labourers, 32.50 per cent are marginal farmers, 9.58 per cent are small farmers and 16.67 per cent are non-agricultural labourers. Out of the 240 sample households 55.42 per cent belong to scheduled castes, 7.50 per cent to scheduled tribes, 18.33 per cent to backward castes, 15.42 per cent to other castes and rural minorities constitute 3.33 per cent.

Collection of Data

The study is mainly based on the primary data from the sample beneficiaries. The primary data from the sample households has been collected through a structured and pre-tested schedule specially designed for the study. The data for the study has been collected through direct personal interviews with the respondents. Sufficient cross checking has been made during the personal interviews on the information provided by the sample respondent so as to ensure reliability and accuracy of data. The secondary data about the IRD Programme, the list of beneficiaries and other statistics relating to IRDP in Chittoor district and the sample mandals have been collected from the office of DRDA, Lead Bank Office and the District Planning Office. The study has 1986-87 as the base year and 1990-91 as the reference year.

Tools of Analysis

Appropriate statistical tools have been used to analyse, classify and tabulate the collected data so as to draw valid inferences based on the objectives of the study. To compare the variation in generation of income, employment and asset position of the sample beneficiaries of the different sectors, categories and castes between the base year and reference year, Paired 't' test has been applied.
To assess the impact of IRDP on incremental income, employment and asset position of the sample beneficiaries in different sectors, and among different categories and castes, the regression analysis has been used. To estimate the relative contribution of different factors in the overdues of IRDP beneficiaries in different sectors, the multiple regression analysis has been used. Sen’s Poverty Index has been estimated to measure the intensity of poverty and shortfall of the income/expenditure below the poverty line.

Limitations of the Study

To evaluate the impact of IRDP on lifting the poor above the poverty line in terms of increase in their income levels, relevant data were collected from the sample beneficiaries for the base year and the reference year. The data on costs, income, employment, expenditure from identifiable sources in the base year (pre-loan period) and the reference year (post-loan period) were collected by recall method in the absence of maintenance of records by the beneficiaries. The beneficiary’s mental ability to recall the accurate information has been the basic limitation of the study. However, every attempt was made to ensure reliability of data through cross examination of the data.

Organisation of the Thesis

The First Chapter analyses the dimensions of rural poverty in India. In this chapter, an attempt is made to discuss the concept and measurement of poverty, various dimensions of rural poverty and the poverty alleviation strategies in India’s Five Year Plans.

Chapter Two deals with the Integrated Rural Development Programme in India. Chapter Three reviews the selected literature on IRDP and poverty and
presents the methodology followed in the study. The Fourth Chapter presents the socio-economic profile of Chittoor district and sample households.

Chapters Five and Six are the core chapters dealing with the evaluation of the impact of IRDP on rural poverty in the study area. In Chapter Five, the income and employment effects of IRDP schemes have been dealt in depth while in the Sixth Chapter an attempt is made to assess the gains of IRDP schemes through analysing the crossing of poverty line due to the schemes and construction of Sen’s Poverty Index. The Last Chapter summarises the findings of the study.

REFERENCES


Chapter - IV

Socio-Economic Profile of the Study Area and Sample Households