CHAPTER II

INTEGRATED RURAL DEVELOPMENT PROGRAMME- CONCEPT, OBJECTIVES AND ORGANISATIONAL SET-UP.
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Conceptual Distinctions:

Before discussing in detail the concept of IRDP, it is necessary to clearly define the different terms forming the concept. What does integration mean? Integration of what and with what? The dictionary meaning of the word 'integrated' is derived from the Latin word "integratus" to make whole, renew and means to form into one whole, to make entire, to complete, to perfect as well as to unite so as to form a whole. "Integrated Rural Development" in a larger context, it would definitely be worth defining the different terms forming the concept. The simple dictionary meaning of the term 'Integrated' refers to 'ending the segregation of, and bringing into a common organisation'. Another interpretation of the term is 'coordination of mental processes into a normal effective personality or with the individual's environment'. Taking note of the above meanings, it can easily be derived that the term "integrated" implies a unified and coordinated action by a central agency, synchronising a number of the factors which are operating in the environment.

Similarly, the term 'rural' suggests "open country and farming" which obviously implies an agrarian settlement. Another meaning of the word 'rural' is 'rustic' which suggests more clearly a contrast with city life and sophistication. As an area, the definition of the term 'rural' is residuary because all over the world what is defined is an urban area and whatever is not urban, is rural.  

In India, an urban area is:

(a) All places with a municipal corporation, cantonment board or notified town area committee etc.

(b) All other places which have: (i) a minimum population of 5000; (ii) at least 75 per cent, of male working population is engaged in non-agricultural pursuits; and (iii) a density of population of at least 400 persons per square KM².

Hence, places which do not satisfy either of (a) or (b) conditions may be termed as 'rural areas'. Therefore, the term 'rural' essentially means an area which is characterised by non-urban features. Occupationally, farming, plantations and animal husbandry are main accepted activities of rural life.

The word 'development' carries a wide range of meanings. Instead of going into the literary meanings, we would rather examine its meaning in the context of economic development.  

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2. India 1986, p.16.
Economic development has conventionally been defined as an adequate rate of growth of per capita income, and it has generally been assumed that if economic development so defined occurs, living conditions of all people will correspondingly improve. The concept of socio-economic well being is the substance of development. The term 'development' however refers to "the process of (i) a general improvement in the standard of living, together with, (2) decreasing inequalities of income distribution, and the capacity of sustaining continuous improvements. A minimal, though not inclusive, set would consist of (a) income (b) issue to be discussed by the academicians, administrators, politicians and social workers. The magnitude of the task of rural development with a view to alleviating poverty, eliminating unemployment, reducing inequalities and increasing productivity as well as consumption and literacy level etc. demands organisational and institutional efforts on the widest possible scale. A location specific planning and intensive utilisation of local resources are required for a more efficient implementation of development programmes in rural areas.  

The rural development primarily implies generalised increases in (1) rural labour productivity resulting in growing incomes, and (2) rural employment opportunities sufficient to absorb large number of new entrants into the rural local labour force helping in raising levels of living. Agricultural development is required for simple reason that in most of the developing countries practically all the rural population depends on agriculture for employment, (c) education, (d) health and nutrition, (e) consumption including food, housing, and such services as water supply, electricity, transportation, entertainment, police and fire protection, and so forth.

In the words of Dudley Sheers the new economic view of development emphasises on the reduction or elimination of poverty, inequality and unemployment as an important index of development. Dudley Seers had briefly defined the meaning of development when he had written:

The questions to ask about a country's development are therefore: What has been happening to poverty? What has been happening to unemployment? What has been happening to inequality? If all three of these have declined

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from high levels, then beyond doubt this has been a period of development of the country concerned. If one or two of these central problems have been growing worse, especially if all three have, it would be strange to call the result, 'development' even if per capita income has doubled.¹

In the words of an official for the government of Pakistan, "the problem of development must be defined as a selective attack on the worst forms of poverty. Development goals must be defined in terms of progressive reduction and eventual elimination of malnutrition, disease, illiteracy, squalor, unemployment, and inequalities. We were taught to take care of our GNP because it would take care of poverty. Let us reverse this and take care of poverty because it will take care of GNP. In other words, let us worry about the content of GNP even more than its rate of increase."²

The term 'rural development' is of focal interest and is widely acclaimed in both the developed and the developing countries of the world. There is however no universally acceptable definition of rural development, and the term is used in different ways and in vastly divergent contexts. As a concept, it cannotes overall development of rural areas with a view to improve the quality of life of

rural people. In this sense, it is a comprehensive and multidimensional concept and encompasses the development of agriculture and allied activities - village and cottage industries and crafts, socio-economic infrastructure, community services and facilities, and above all, the human resources in rural areas. As a phenomenon, it is the result of integration between various physical, technological, economic, socio-cultural, and institutional factors. As a strategy, it is designed to improve economic and social well-being of a specific group of people - the rural poor. As a discipline, it is multidisciplinary in nature representing an intersection of agricultural, social, behavioural, engineering, and management sciences.1

The Rural Development Sector policy paper of the World Bank (1975) observed that "Rural Development is a strategy designed to improve the economic and social life of a specific group of people - the rural poor. It involves the extension of the benefits of development to the poorest among these who seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless". Again a World Bank publication2 defines rural development as "improving the living standards of masses of the low income

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population residing in rural areas making the process of rural development self-sustaining.

According to Ankar the working definition of the rural development is: "Strategies, policies and programmes for the development of rural areas and the promotion of activities carried out in such areas (agriculture, forestry, fisher, rural crafts and industries, the building of the social and economic infrastructure) with the ultimate aim of achieving a fuller utilisation of available physical and human resources, and thus higher incomes and better living conditions for the rural population as a whole, particularly the rural poor, and effective participation of the latter in the development process".

Michael Todaro views that Rural Development encompasses 1. improvement in levels of living, including employment, education, health and nutrition, housing and a variety of social services; 2. decreasing inequalities in the distribution of rural incomes and in rural-urban balances in incomes and economic opportunities, and 3. the capacity of the rural sector to sustain and accelerate the pace of these improvements.

G. Parthasarthy is of the view that "The critical element in the rural development is improvement of living standards of the poor through opportunities for better utilisation of their physical and human resources; in the absence of this, utilisation of rural resources has no functional significance. Making the process of rural development self-sustaining not only implies the mobilisation of capital and use of technology for the benefit of the poor but their active involvement in the building up of institutions as well as in functioning of these".

In the words of Robert Chambers:

Rural Development is a strategy to enable a specific group of people, poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among those who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless.


Hence whatever may be the geographical location, cultural and historical stage of development of a society, there are at least three basic elements which are considered to constitute the 'true' meaning of development. These are:

1. Life-sustenance: People have certain basic needs without which it would be impossible or very difficult to survive. These basic necessities include food, clothes, shelter, health care and security. When any of these are absent or in critically short supply, we may state that a condition of 'absolute underdevelopment' exists. Provision of these 'life sustaining' requirements to everybody is a basic function of all economies whether they are capitalist, socialist, or mixed. In this sense, we may claim that economic growth (increased availability of basic necessities) is a necessary condition for the improvement of the 'quality of life' which is 'development'.

2. Self respect: Every person and every nation seeks some basic form of self-respect, dignity, or honour. Absence or denial of self-esteem indicates a lack of development.

3. Freedom: In this context freedom refers to political or ideological freedom and freedom from social servitude,
As long as a society is bound by the servitude of men to nature, ignorance, other men, institutions, and dogmatic beliefs, it cannot claim to have achieved the goal of 'development'. Servitude in any form reflects a state of underdevelopment.¹

Thus all societies must have at least the following objectives irrespective of what development means to them:

1. To increase the availability and widen the distribution of basic life-sustaining articles such as food, clothes, shelter, health care and security.

2. To raise standards of living, including, in addition to higher purchasing power, the provision of more jobs, better education, and greater attention to cultural and humanistic values.

3. To expand the range of economic and social choice to individuals by freeing them from servitude and dependence.²

Conceptually, integrated rural development should mean multifaced development of rural economy by exploiting to the optimum the local resources men, material, land and water. It has to be mainly on the basis of local initiative.

and drive. The government should act as a catalyst to bring about this change but it is the intrinsic strength of the economy itself which should support the services, the rising standards and sectoral economic activities. This concept brings out the importance of integrating all economic activities in consonance with the local resources.

The main objective of Integrated Rural Development is the removal of poverty, unemployment and inequality by planning in two ways (1) by separating rural areas from each other as separate units for special planning on important developmental aspect of their socio-economic activities and (2) by integrating all these activities for employment generation and as such the pressure of depending on agriculture may be reduced by the creation of additional sources of income from secondary and tertiary sectors.

In the words of another economist, Professor Nanjundappa, an economist - "In the use of concept - integrated rural development, there is in essence, an attempt to highlight the linkages among the multi-sectoral activities that raise the incomes and employment of the rural poor. In a more fundamental sense, it reflects a unified approach which aims at integrating or bringing the rural poor into the economic, social, political and the cultural life of the

country. Thus, the concept of integrated rural development tries to suggest that in the absence of unification and synchronisation of various sectoral activities, the process of development may not become self-sustaining.

However, some economists like Reiner Wulf have criticised Integrated Rural Development on the ground that it lacks operational applicability. It cannot be disputed that there are severe constraints in putting the various components in a neatly synchronising or sequential manner in the field. This is because of not only the poor understanding, often even incorrect of the rural life on the part of the planners, let alone a vision for future. There is also the red-herring of the bureaucratic compartmentalisation. The values of bureaucracy are such that if given the hierarchy and a set of rules, their concern is more for ensuring their 'technical fulfilment' no matter what happens to the plan objectives. When money allotted is spent as per rules, why should they be asked the question - why the poor have remained poor or have become poorer? But that does not mean that the concept is operationally inapplicable. 'Area planning' offers the instrument to translate rural development into reality and fulfil the objectives of planning for growth with social justice.

WHAT ACTIVITIES TO BE INTEGRATED

After going through the above discussions on economic development the question arises as to what activities the government wanted to be integrated. As per Draft Sixth Five Year Plan (1978-83) the following development programmes as first approximation, were integrated:

1. Programmes of agricultural development including efficient utilisation of land and water resources with scientific technology available.

2. Programmes of animal husbandry as a subsidiary occupation mainly directed to small peasant households and agricultural labour households so as to maximise utilisation of by-products in the farm and at the same time aiming at commercial production of animal husbandry products. Necessary infrastructure for commercialisation would be inbuilt in the programme.

3. Programmes of inland water and brackish water fisheries to maximise output of fish per unit of water and develop as an important occupation for the fisherman classes and such other backward class in the economy.

4. Programmes of marine fishery including harvesting of natural resources through travelers, mechanised boats and country boats, keeping in view the need to maximise employment of the poorer section of the fishermen population and preventing unhealthy competition between the three sectors to the detriment of the poorer classes.

5. Programmes of social forestry to provide a base for fuel and fodder in the economy and with special earmarking of usufruct for the poorer sections of the community for exploitation as an occupation or as fodder for an animal husbandry programme. Tasar, eri, muga and lac rearing by the poorer sections should be inbuilt into the programme.

6. Programmes of farm forestry through the small peasant households as a subsidiary income and also for maximising use of land.

7. Village and cottage industries, including handlooms, sericulture, bee-rearing etc. as a full or part time occupation to the artisan classes of the rural population.

8. Service sectors of the rural economy as self-employment sectors for the poorer families both as a means of providing for a felt want in the economy and as a means of better livelihood to the poorer sections; and
9. Labour programmes of skill formation and labour mobility to meet the needs of organised labour for development works and the nature of employment guarantee programmes where necessary.

Programmes of agriculture, animal husbandry, fisheries and forestry will be brought into focus in one compact form of maximising land, water and cropping in a holding through a fixed farming approach. This will be the core of the IRD Programme.

Approach and Strategy under Seventh Five Year Plan

To remove the shortcomings experienced during 6th Five Year Plan in different aspects of Integrated Rural Development Programme, the 7th five year plan strategy had been planned in such a way that the deficiencies of 6th plan be eliminated. It was emphasised that the funds be diverted for employment generation.

Thus the approach to the seventh plan reiterated the goal of bringing down the percentage of population below poverty line to 10/1994-95. Therefore, special programmes for income generation for the poor through assets endowment and wage employment for them would continue at an accelerated pace during the seventh five year plan.
However, in view of the deficiencies noticed in the implementation of IRDP, it has been suggested that greater priority should be assigned to rural employment programmes by shifting resources away from IRDP. The argument is two fold. Firstly, the household enterprises of the type visualised are inherently uneconomic and are handicapped due to lack of necessary infrastructure. Secondly, owing to the illiteracy and weak economic position of the beneficiaries and the existence of a chain of intermediaries, only a small portion of the intended outlay reaches the actual beneficiaries. Employment programmes on the other hand, it is argued, can provide secure wage income to the poor, through the creation of durable community assets.

Most of the IRDP beneficiaries supplement their income through wage earnings in agriculture as well as from projects under National Rural Employment Programme (NREP) and rural landless Guarantee Programme (RLEGP). These activities supplement one another and together ensure a more stable flow of income to the poor throughout the year. The problem of ensuring maximum benefits to the target groups by minimising leakages is common for all the poverty alleviation programmes and indeed for the rural development programmes in general. A part from the
necessary restructuring of the administrative set up, there is no alternative to raising the awareness of the rural and involving representative institutions from below in the formulation as well as implementation of such programmes.

Cost effectiveness of the programme and minimisation of leakages should be the two guiding principles in the implementation of IRDP. Economic viability should be understood primarily in terms of cost effectiveness, i.e. maximum income generation per unit of total expenditure incurred. This is to be distinguished from economic viability defined as level of investment sufficient to enable a family to cross the poverty line. The ability of poorer households to cross the poverty line depends on its overall income i.e. income from the poverty alleviation programmes and other wage and non-wage incomes accruing to them.

Cost-effectiveness or efficiency of programmes depends to a considerable extend, on the nature of activities chosen. In view of the significant regional diversities in the country in regard to resource endowments, availability of infrastructure, administrative arrangements, etc., there needs to be sufficient flexibility in the choice of activities in different regions in keeping with the specific
circumstances of the area concerned. One should thus expect considerable diversity in the activities from region to region.

The total impact of the programme depends on the degree to which the different poverty alleviation programmes including the MNP, are integrated with one another and with the overall development of the area. For example, endowment of land under land reform measures can enable a family to grow fodder for the animals given under IRDP; development of house sites under MNP can be integrated with construction of houses under NREP or RLEGp and vice-versa, and both in turn are integrated with the IRDP by developing work sheds and production estates around the housing complex. NREP and RLEGp can also be used extensively for raising productivity in agriculture through construction of field channels for irrigation and drainage.

To achieve the above objectives of cost effectiveness and minimisation of leakages by imparting the necessary flexibility in the choice of activities and by achieving integration in the programmes, a three pronged strategy is envisaged in the Seventh Plan.
(a) Poverty alleviation programmes should be formulated and implemented in a decentralised manner with the participation of people at the grassroots level through village panchayats, panchayat samitis, zila parishads etc. Such an approach will contribute to the selection of projects suited to local conditions, and to integration of poverty alleviation programmes with area development. This framework will also help in the timely provision of services in their appropriate sequence and in ensuring that the benefits of such programmes really reach those for whom they are intended.

The working group on District Planning constituted by the Planning Commission had recommended a gradual approach towards decentralisation for achieving the objectives of effective implementation of poverty alleviation programmes and balanced regional development. During the seventh plan, decentralisation of the planning process and full public participation in development will be pursued on the lines suggested by the working group.

(b) The launching of a large number of programmes both through the normal sectoral efforts and other steps designed to cater to target group households has resulted in a multiplicity of organisations, leading to duplication of management efforts. Further, the delivery system at
various levels has proved to be inadequate. The effective implementation of poverty alleviation programmes would call for better planning at the district level involving various disciplines or departments, tighter organisational set-up to ensure optimal use of resources and closer monitoring. A high level committee has been set-up by the Planning Commission to review the existing administrative arrangements for Rural Development and poverty alleviation programmes and to recommend an appropriate structural mechanism to ensure that they are planned in an integrated manner and effectively implemented. Measures will be taken during the seventh plan for strengthening, proper training and orientation of the local administrative machinery within the framework of an integrated administrative organisation.

(c) Keeping in view the limited absorptive capacity of the poorest households, the approach to the Seventh Plan has also emphasised the need for taking up group oriented activities for beneficiaries, to the extent possible, through the promotion of cooperatives, registered societies, informal groups etc, so that the economies of scale inherent in some of these activities, especially in the provision of services are fully realised; while at the same time, group initiative and efforts of the poor are promoted. This is necessary to
protect beneficiaries from the adverse operation of market forces whether on supply of inputs or on sale of their produce. The mass media will have to be geared for increasing awareness among the rural poor and for disseminating information, non-formal education and functional skills and knowledge required by them. For purposes of bringing about a greater degree of awareness and participation of beneficiaries, a central scheme is proposed to be launched for the organisation of beneficiaries both in terms of groups oriented economic activities and increased conscientisation. Further, voluntary organisation would be increasingly involved in the formulation as well as implementation of poverty alleviation programmes during the Seventh Plan, especially, for ensuring greater participation of people.

Steps taken to improve implementation of IRDP:

1. The poverty line has been kept at Rs. 6400. The income of the assisted families is to be raised to this level.

2. For identification purposes, the cut off point has been raised to Rs. 4800 per family. However, all the families with income upto Rs. 3500 have to be covered before taking up families with higher income.

3. A higher level of investment per family to enable proper return on investment.

4. Supplemental dose of assistance to those families assisted during the Sixth Plan who have not been able to cross the poverty line, for no fault of their.

5. The approach of uniformity has been changed to one of selectivity based on poverty incidence.

6. Increasing the coverage of Women beneficiaries to 30%, and now 40% with effect from 1.4.1990.

7. A new system of concurrent evaluation by 29 reputed academic institutions has been introduced from October, 1985.

8. The limit for security free loans under IRDP has been raised from Rs. 5,000 to Rs. 10,000 and ISB sector Rs. 25,000.

A uniform application cum appraisal form for IRDP loans has been introduced w.e.f. 1.4.1987.

In order to provide social security to the IRDP beneficiaries w.e.f. 1.4.1988, a Group Insurance Scheme has been started with the help of Life Insurance Corporation of India. Under this scheme, every IRDP beneficiary will be insured for 3 years for Rs. 3000 with double benefit in case of accident.

For encouraging setting up of small industrial units in rural areas by IRDP families etc., exemption from excise
duty has been given for production of processed food, footwears having value less than Rs. 75. Television sets (B & W), radios, cassette players, recorders, voltage stabilizers, calculators, electronic clocks, time pieces, electronic watches, audio cassettes, adaptors and toys etc. by registered cooperative societies including women agencies, the Khadi and Village Industries Board (OKVIC) and units supported with cash assistance from district rural development agencies under Integrated Rural Development Programme (IRDP).

9. With the objective of marketing of IRDP goods on model lines and with professionalism, a separate cell has been set up in the Council for Advancement of People's Action and Rural Technology (CAPART). A number of melas to popularies and sell products made by the beneficiaries of rural development programme and voluntary organisations have been organised by CAPART.

10. To facilitate greater coverage of women under IRDP, group approach of women beneficiaries has been extended to all districts from 1st January, 1990, under which groups of women forming thrift and credit societies would be provided matching grant for a revolving fund equal to the amount of savings generated by the groups. The matching grant would be subject to ceiling of Rs. 15,000 per group.

11. It has been decided that from 1990-91, 3% of IRDP benefits should be earmarked for physically handicapped persons under IRDP.

12. The target for coverage of SC/ST families has been increased from 30% to 50% of total families assisted with effect from 1.4.1990.
CONCEPT OF INTEGRATED RURAL DEVELOPMENT PROGRAMME:

India's economy is rural based. Approximately 70 per cent of total population of our country lives in rural areas and about 80 per cent of the rural population depends on agriculture and allied activities for their livelihood. Therefore, since independence Indian Government is continuously struggling for the development of rural areas and removal of poverty. Like Gandhiji, Jawaharlal Nehru reminded his country men that India lived in her villages. He said: "The service of India means the service of the millions who suffer. It means the ending of poverty, ignorance, disease and inequality of opportunity. As long as there are tears and suffering, so long our work will not be over."

Intensive efforts were needed for the upliftment of rural masses who had been neglected for long. After attaining independence, priority in first phase was on the development of sectoral programmes for agriculture and allied activities. Thus the Community Development Programme was launched in 1952 during First Five year Plan. On the basis of experience many Rural Development Programmes were implemented by the Government of India for the benefit of
rural masses who were living below the poverty line. But in the early 70's it was revealed that only rich farmers were availing the benefits of various programmes related to rural development and the poor were becoming poorer. Hence for the benefit of Small Farmers and Marginal Farmers, Small Farmers Development Agency (SFDA) and Marginal Farmers and Landless Labourers Agency (MFLA) were started and latter these programmes were merged into IRDP.

The percentage of people living below poverty line was more or less same about 50 per cent during 1960 to 1980. It was understood that the benefits of general economic growth were not always reaching the poorest and backward classes of the rural society and they were left out in the process of growth. Hence the concept of direct attack on poverty became an integral part of the VI Five Year Plan. Till the end of the VII Plan, the poverty ratio is expected to 28% and by 1995 to 10%.

The IRDP in its present form was started in 2300 blocks throughout the country with a provision to add 300 blocks every year. It was extended to all over the country, covering all the 5011 blocks with effect from 2nd October, 1980. In order to bring the whole country within the purview of this programme, it was decided that all other

2. Ibid, p.4.
target group oriented programmes and integrated area planning programmes (like CAD, DPAP, DDP) etc. would be merged into the IRD Programme.

The responsibility for implementation of the programme is jointly shared by the Central Government and State Government covering both the aspects of finance and administration. The first guidelines for implementation of this programme were issued in 1978-79. Subsequently a number of policy decisions have been taken and modifications have been made in the approach, coverage and contents of the programme and these changes are incorporated in the guidelines.

The IRDP is a single largest anti-poverty programme involving all round development of agriculture, rural industries and related activities to accelerate the growth rate of rural development so as to enable the rural masses to improve their standard of living. This programme involves a multi-pronged attack on the problems of rural development. Therefore, IRDP is a multi-faced, comprehensive and anti-poverty programme. It involves over all improvement in the living conditions of the poorest section of the rural society/target groups which covers small farmers, agricultural labourers, rural artisans and others including SC/ST families.
These beneficiaries are given income generating assets and resources. This programme covers allover development of rural sector such as economic, social, cultural etc. Under this programme viable activities are provided to improve the economic conditions of the beneficiaries on a lasting basis. These activities may be within the primary sector, secondary sector or tertiary sector.

The Community Development Blocks have been accepted as the Unit for planning and development. The beneficiaries are identified from every village on the basis of land holding and annual income less than poverty line and preference is given to the poorest of the poor. The activities are selected for providing assistance to identified poor families on the basis of local conditions. After the selection of proper activity the financial assistance is given to the beneficiaries to acquire productive assets and raw material needed for the related activity. "IRD Programme aims at integrated development of the rural areas and people through optimum development and utilisation (and conservation where necessary) of the local resources - physical, biological and human - and bringing necessary institutional, structural and attituditional changes by delivering a package of services to encompass
not only the economic field but also the establishment of
the required social infrastructure and services in the
areas of health and nutrition etc. At district level
District Rural Development Agency is responsible for
implementation of the programme of rural development in
block through panchayat samiti so as to avoid multiplicity
of agencies and programmes.

The target group consists of small farmers, marginal
farmers, landless agriculture and non-agriculture labourers
and rural artisans. Schedule Caste and Scheduled Tribe
families are also in the target group and Government has
recently included the handicaps of rural areas within the
target group as they are suffering from economic and social
backwardness. The family of the beneficiary is treated as
a Unit for selection. The above terms are separately
defined in the following paragraph:

UNIT:

A family is treated as unit for the purpose of giving
assets and family comprises of the head of the family, his
wife and their children. A family having five members is
an average family.

1. Khadi Gram Udyog, April 1986
2. Manual on IRDP & Allied Activities, Govt. of India,
POVERTY LINE

The poverty line has been defined in terms of annual income of a family. During 6th Five year Plan, a family whose annual income from all sources was below Rs. 3,500 per annum was considered to be below poverty line.

During Seventh Plan the annual income of a family from all sources Rs. 6,400 or less is considered to be below poverty line. The "cut off" line for identification of the families for assistance is Rs. 4,800 annual income per family. However to assist the poorest of the poor first, the families with an annual income level of Rs. 3,500 are assisted first. After assisting all the families with an annual income of Rs. 3,500 or less the DRDA will verify the situation by issuing public notices and would give sanction to the Block to assist the families with an annual income between Rs. 3,501-4,800 in the area of respective Gram Panchayat.

SMALL FARMER:

A cultivator who has a land holding of 2 hectares or below is a small farmer. Where a farmer has Class I irrigated and, as defined in the State Land Ceilings Legislation,
with 1 hectare or less he will also be considered as small farmer. Where the land is irrigated but not of the Class I variety, a suitable conversion ratio may be adopted by the State Government with a ceiling of 5 acres.

2. **MARGINAL FARMER**:

   A person with a land holding of 1 hectare or below is a marginal farmer. In the case of class I irrigated land, the ceiling will be 0.5 hectare.

3. **AGRICULTURAL LABOURERS**:

   A person without any land other than homestead and deriving more than 50 per cent of his income from agricultural wages is an agricultural labourer.

**SPECIAL SAFEGUARDS FOR CERTAIN SECTIONS OF TARGET GROUP**:

(i) **Scheduled Caste and Scheduled Tribe Families**:

   The families belonging to Scheduled Castes and Scheduled Tribes constitute the bulk of the poverty group. In order to ensure that these families are not denied their due share, it is provided that at least 30 per cent of the assisted families should be drawn from Scheduled Castes and Scheduled Tribes. This limit has been raised from 30% to 50% from 1990-91.

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(ii) Women Beneficiaries:

At least 30 per cent of the total beneficiaries should be women. This has been raised to 40\% from 1990\textendash{}91. Priority should be given to women heads of households and women members of households.

(iii) The flow of finances to these categories to match physical coverage:

The flow of financial investments to the categories, described above, should be commensurate with the percentage of their physical coverage.

During sixth plan a uniform pattern was adopted to assist 3000 families below poverty line per block covering 600 families per year. But during 7th Plan this pattern was changed and financial allocations and assistance were provided according to the incidence of poverty in the states. The Plan perspective is to bring percentage of the families below the poverty line in rural areas to less than 10 by the year 1995.

SECOND DOZE OF FINANCE FOR THE BENEFICIARIES OF VITH PLAN\textsuperscript{1}:

During 6th Plan the families which received inadequate financial assistance and were not able to cross the poverty line were allowed to receive supplementary assistance during

\textsuperscript{1} Ministry of Agriculture, IRDP Manual, 1987, p.2
7th plan. In this connection as per the instructions of RBI and NASARD the DRDAs were directed to conduct a survey for the selection of the deserving and eligible beneficiaries for further assistance during 7th plan. It would be the efforts of the States that all such families were assisted in the first three years of the Seventh Plan.

In Uttar Pradesh such families have been covered in four years i.e. 1985-86 to 1988-89. In the year 1989-90 100 per cent new families have been assisted.

OBJECTIVES OF THE PROGRAMME:

The main objective of Integrated Rural Development Programme is to raise the rural poor consisting the poorest among the poor. The rural poor covered under this programme are small farmers, marginal farmers, agricultural labourers, non-agricultural labourers and rural artisans. In short it covers all the rural families who are living below the poverty line. Therefore, the IRDP aims at:

1. The main objective of the programme is to provide financial assistance to poor families of rural areas to raise them above poverty line.

2. To increase the capacity of production and productivity.
3. Full utilisation of employment of labour and provide employment to millions of rural poor creating agro-industrial complex.

4. The diversification of agriculture through animal husbandry, dairying, forestry, fishery etc. As such all the categories of beneficiary would be benefitted.

5. The attainment of minimum standard of productivity and efficiency by making better use of resources available and also the attainment of minimum standard of performance by agencies which are aiding the procedures.

6. The inculcation of the scientific temper among the rural folk. The removal of old customs and old habits of thought and action.

7. Improvement in the productivity of land.

8. To reduce inequalities of wealth and income in the rural areas.

9. Fulfilment of basic needs of the people, like clean drinking water, rural housing for landless & rural poor.
OBJECTIVES MENTIONED BY THE GOVERNMENT OF INDIA IN BRIEF AS:

"The objectives of new scheme of IRD is to provide full employment through production programmes in a selected area. The objectives are to be achieved by earmarking additional allocations for each one of the selected blocks for investment in such identified schemes as are suitable for the particular area. The schemes are designed to generate additional employment and rise the income level of the identified target groups consisting of small and marginal farmers, share croppers, agricultural labourers, rural artisans and persons belonging to scheduled caste and tribe."

In nut shell, it may be said that the main objective of IRDP is to raise the rural poor who are living below the poverty line by providing them financial assistance on low rate of interest and subsidy to improve their economic conditions and standard of living.

ORGANISATIONAL SET-UP

The organisational structure is very important for the success or failure of any scheme or programme. It is the organisational set up under which management performs its functions and duties. In India for IRDP there are four levels of management viz., (i) at central level ministry of rural development is working with the help of secretary and other staff (ii) at the State level the state government concerned departments are responsible for the implementation of the programme (iii) DRDAs are responsible for implementation of the programme at district level and (iv) block agencies at block level. The DRDA and block level agencies may further be strengthened by appointing one Assistant Project Officer (Women Development) in the DRDA staff and at the block level one additional Gram Sevika for assisting in the work connected with the implementation and monitoring of the scheme.

The organisational set up of IRDP at the above four levels is as follows:

I- CENTRAL GOVERNMENT LEVEL:

The ministry of Rural Reconstruction was constituted in the year 1979 and continued till February 1982 when it
was renamed as Ministry of Rural Development. The functions of the Ministry of Rural Development from January 1985 have been assigned to the Department of Rural Development under the Ministry of Agriculture and Rural Development. At the Central level the Department of Rural Development, Ministry of Agriculture and Rural Development is responsible for policy formulation, monitoring and evaluation of IRD Programmes.

The Ministry of Agriculture and Rural Development is in charge of rural development with a minister of state. The department of rural development is headed by a Secretary to the Government of India. The Secretary is assisted by an Additional Secretary, six Joint Secretaries (in charge of six wings) and other supporting staff of Directors, Deputy Directors, Joint Directors, Deputy Secretaries, Under Secretaries, Joint Commissioners and Assistant Commissioners etc. The Department of Rural Development is divided into six wings and each wing is headed by a Joint Secretary. The functions of these wings in brief are given below:

1. **RURAL EMPLOYMENT WING**:

This wing is headed by a Joint Secretary (Rural Employment). The subjects dealt by this wing are comprised of National Rural Employment Programme (NREP), Rural Landless Gurantee Programme (RLEG) etc. Now both of these programmes have been merged into Jawahar Rozgar Yojna w.e.f. 1.4.1989.
2. **INTEGRATED RURAL DEVELOPMENT PROGRAMME WING**:

This wing is headed by a Joint Secretary (Integrated Rural Development) and deals with the IRDP including Industries, Service and Business (ISB) component and Training for Rural Youth for Self Employment (TRYSEM), Development of Women and Children in Rural Areas (DWCRA) and Special Livestock Production Programme.

3. **LAND REFORMS WING**:

This wing is headed by a Joint Secretary (Land Reforms). This wing deals with the subject of land reforms such as Land acquisition, Desert Development Programme (DDP), Drought Prone Area Programme (DPAP) and Panchayati Raj.

4. **FINANCE WING**:

This wing is headed by the Joint Secretary Finance and he is financial adviser to the Department of Rural Development. This wing is also responsible for dealing with integrated finance, institutional finance for Rural Development Programme, Planning Coordination etc.

5. **ADMINISTRATION WING**:

This wing is headed by the Joint Secretary (Administration) and deals with the subjects of headquarters administration, Directorate of Marketing and Inspection, Development of markets
and Warehousing in rural areas, Agricultural Produce grading and marking Act 1937, Public Cooperation, International Cooperation, Publicity and General Coordination and People's Action for Development.

6. VIGILANCE WING:

This wing is headed by Joint Secretary (Vigilance). This wing is also responsible to look after the work of administration, intelligence, supply of drinking water, primary education, adult education, allocation of land to landless people of rural areas, rural wealth, rural industrialisation and administration of various other activities including 20 point programme.

CONSTITUTION OF CENTRAL COMMITTEE ON IRDP:

A Central Committee on IRDP and allied programmes of TRYSEM and DWCRA has been constituted to assist the Department of Rural Development headed by Secretary, Department of Rural Development which is given below:

1. Secretary, Department of Rural Development – Chairman

Members:

2. Secretary, Deptt. of Agriculture & Cooperation or his nominee not below the rank of Joint Secretary.

3. Adviser (Rural Development), Planning Commission or his nominee not below the rank of Joint Secretary.

4. Secretary, Expenditure, or his nominee not below the rank of Joint Secretary.

5. Secretary, D/O Women & Child Development or his nominee not below the rank of Joint Secretary.

6. Secretary, Industries Ministry or his nominee not below the rank of Joint Secretary.

7. Secretary, D/O Welfare or his nominee not below the rank of Joint Secretary.

8. Representative from PM's Office

9. Resident Representative, KVIC, New Delhi.

10. Joint Chief Officer RPCD, RBI, Bombay.

11. Joint Secretary, Finance, D/O Rural Development

12. Joint Secretary, (IRD), D/O Rural Development

13. Additional Secretary D/O Rural Development


15. State Secretaries of Rural Development (to be called in groups of 5-6 States).

FUNCTIONS OF THE COMMITTEE:

The functions of this Committee would be as under:

(i) Framing and revision of guidelines for the IRD Programme.

(ii) To ensure effective implementation of guidelines;

(iii) To review preparation of block plans, district plans, annual plans and credit plans, etc;

(iv) To review linkages for supporting services for the IRDP beneficiaries;

(v) To consider changes in administrative set up under IRDP and for other rural development programmes;

(vi) To review progress of these programmes in physical, financial and qualitative terms;

(vii) To provide a forum for a continuous dialogue with the State Governments; and

(ix) To consider proposals for strengthening of infrastructure of training institutions, establishment of new training institutions, modifications in the norms prescribed for grant of stipend and in the pattern of training institutions, etc. under TRYSEM.

II - STATE LEVEL ORGANISATION

At the State level the Department of Rural Development or any other Department which has been allocated the subject of Rural Development will be responsible for planning, implementation, monitoring and evaluation of the programme. A coordination committee of State level has been provided for the assistance of this department to discharge these responsibilities.

The State level Coordination Committee is chaired by the Chief Secretary/Agricultural Production Commissioner/Development Commissioner. The other members of the Committee are heads of the departments namely, Department of Agriculture, Animal husbandary, Department of Irrigation, Department of Cooperation, Department of Forest, Department of
Fisheries, Department of Industries and mines, Secretaries, Department of Finance, Department of Planning or their representatives and a representative of the Government of India, not below the rank of Deputy Secretary. The Joint/Deputy Secretary, Department of Rural Development is the member-secretary of the Committee. The other officials/non-officials may be included by the States, if their presence is deemed necessary in the meeting. The Committee usually meets once in three months.

FUNCTIONS OF THE STATE LEVEL COORDINATION COMMITTEE:

(i) To provide leadership and guidance to the DRDAs in the planning, implementation and monitoring of the programme.

(ii) To secure inter-departmental coordination and linkages for the programme.

(iii) To consider needs and changes in the administrative set up for the implementation of the programme and approve the establishment pattern and sanction the posts according to requirements. To fix norms for office expenses, equipment, vehicles, hiring of accommodation etc. where necessary.

(iv) To review the physical targets of the district keeping in view the objective conditions affecting the provision and operation of viable schemes and modify the targets for the districts accordingly, keeping in view the overall objectives.

(v) To monitor and evaluate the implementation of the programme with reference to the objective of the programme.

(vi) To provide a forum for a meaningful dialogue between the policy makers at the State level and the persons responsible for implementation at the field level.

The State Level Coordination Committee should meet quarterly.

III - DISTRICT LEVEL

At the district level there are District Rural Development Agencies (DRDAs) which implement the programme. These agencies are registered societies under the registration of Societies Act which are generally headed by the Collector-Deputy Commissioner or Chief Development Officer/Zila Parishad, depending upon the practice prevailing in the State.

GOVERNING BODY OF DRDAS:

The DRDA has a Governing Body. The constitution of Governing Body would be as under:

1. Collector Chairman
2. All MPs and MLAs of the District Member
3. Head of the Central Cooperative Bank
4. Chairman Regional Rural Bank
5. Chairman of Zila Parishad or his representative
6. Lead Bank Officer
7. General Manager, DIC
8. District Officer in-charge of Family Welfare Programme
9. Project Officer ITDP (Where it exists)
10. Regional/District Officer, Scheduled Caste Finance Corporation
11. Representative of District Milk Union
12. Two representatives of the weaker Sections, one of whom may be drawn from SCs and STs. These representatives may be the beneficiaries of the programme.
13. One representative of rural women, preferably a beneficiary and
14. District Employment Officer
15. Project Officer Member-Secretary
The Chairman/President of the DRDA is empowered to form an Executive Committee to assist the DRDA. This Executive Committee can consist of all the district level Officers and any other officer deemed necessary for the planning and implementation of the programme. The Governing Body of the DRDA should meet quarterly and the executive committee once a month.

FUNCTIONS OF THE DRDAs:

The DRDAs are the overall in-charge of the planning implementation, monitoring and evaluation of the programme in the district. Therefore, the functions of the DRDA include:

(i) To keep the district level and block level agencies informed of the basic parameters the requirements of the programme and the tasks to be performed by all these agencies.

(ii) To coordinate and oversee the surveys, preparation of perspective plans and Annual Action Plans of the blocks and finally prepare a District Plan.

(iii) To evaluate and monitor the programme to ensure its effectiveness.

(iv) To secure inter-sectoral and inter-departmental coordination and cooperation.

(v) To give publicity to the achievements made under the programme and disseminate knowledge and build up awareness about the programme.

(vi) To send periodical returns to the State Government in the prescribed formats.

IV - BLOCK LEVEL

Block is the basic unit for preparation of perspective and annual action plans, implementation of the programme as per the approved plan and provide feedback on the impact of the programme. Therefore, the Block Development Officer (BDO) is required to perform the role of the chief coordinator in the block and also see that plans are prepared in time and implemented effectively. The States should post senior officers as BDOs. The BDO should be assisted by Extension Officers whose number should be determined by the need of the areas. Usually there should be an Extension Officer for every core discipline. The discipline should include women's programmes. One post of Joint BDO per block may be created for the blocks having a population of more than one lakh 10 VLWs and 7 extension officers.

INSTITUTIONAL FINANCE FOR IRDP:

The assistance to beneficiaries under IRDP comprises of two components viz. loan and subsidy. The major part of the cost of projects comprising the loan portion has to come through institutional credit. Considering that the target group comprises of the economically weaker sections of the society, the following special arrangements and provisions have been made for the IRDP beneficiaries.

**Project Based Lending:**

Lending to the beneficiaries is on project basis which is to be phased according to the nature of the project. Loan is to be sanctioned for the project as a whole. Moreover, it is to be a composite loan when both the elements of fixed capital and working capital are present in the project. The size of the working capital component is determined by the nature of the project which has no ceiling. However, if the project has the element of working capital alone, the project cost in such cases should not normally exceed Rs. 1000/- inclusive of subsidy.

The size of the loan to beneficiary should be determined by the project requirement. Under financing by reducing loan

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amount to match it with subsidy ceiling should not be resorted to. Unit cost norms for a large number of schemes have been worked out by NABARD participating banks or the state agencies which may be used for preparing the projects.

Norms of lending:

(i) **Interest Rate** - Credit is available to IRDP beneficiaries on 10% concessional rate of interest. The participating credit institutions get a refinance from NABARD for the activities under IRDP. These activities include primary, secondary and tertiary sector.

(ii) **Security Cover**: IRDP borrowers at present are not required to give collateral security for investment loans upto Rs. 10,000 in the agriculture and allied sector. They are only required to hypothecate the assets created by the loans. In the Industry/Services/Business (ISB) sector, the limit for security free loan is Rs. 25,000.

(iii) **Security norms for supplementary assistance**: Supplementary does of assistance need not be combined with the first doze for the purpose of applicability of the existing security norms if (a) the loanee is
a different member of the family i.e. not the same as the borrower for the first doze of assistance or, (b) the activity to be assisted under the supplementary doze is different, even if the assistance is to the same beneficiary.

**Fixation of Unit Cost:**

To avoid under financing of IRDP projects and purchase of sub-standard assets and consequent low incremental income, Unit cost committees have been constituted in various regional offices of NABARD. These Committees are required to meet twice a year in January and July under the Chairmanship of the Officer Incharge of the regional office. These committees are required to review the unit costs approved for various items of investment in the context of escalation of cost and revise the same suitably wherever justified. The regional offices of NABARD have been delegated powers to revise costs at their end where the cost escalation is within 20% of unit cost approved earlier. After the unit costs are approved, these are communicated to the State Governments, Banks, and the District Rural Development Agencies. The State Governments should associate themselves with the Regional Committees on Unit Cost. The District Consultative Committees may discuss this subject in advance and give their suggestions to the NABARD regional offices as well as the State Governments for placing the same before the Committees on Unit Cost.
With a view to eliminate possible malpractices in the disbursement of IRDP loans and also to facilitate proper supervision and surprise inspections by higher officers, instructions have been issued by RBI that rural branches of banks should fix one day in a week for disbursement of loans to IRDP beneficiaries in rural areas. In fixing these days, due weightage is to be given to factors such as local customs, days of local market/shandy etc. If any of these days falls on a holiday, the previous working day should be treated as the day for disbursement. It is necessary that wide publicity is given about the dates of disbursement through display on the notice board, local newspapers and other media means. Information regarding days fixed by each branch should also be furnished to the DRDA/BDO, the District Industries Centre, etc. Similarly the branch should inform the controlling officer of the concerned bank well in advance about the days fixed, so as to enable the Controlling Officer to issue instructions. Changes in the days announced for loan disbursement once fixed should not ordinarily be made. For the sake of uniformity it should be ensured that branches of all banks in the same locality follow the same fixed days.

The RBI has clarified that while disbursement of loans should be made on specific days, various formalities such as
scrutiny of applications, issue of sanction, etc. should continue throughout the month.

Loan Pass Books and Recovery of IRDP Loans:

RBI has issued instructions to all banks to issue loan pass books to IRDP beneficiaries. These pass books should, inter-alia, contain details such as the date of sanction of loan, amount of loan sanctioned, subsidy received, rate of interest, amount due under each instalment, due dates of instalments, etc. With a view to achieving uniformity in the format of loan pass books, RBI has circulated a proforma to all the banks.

They have also been advised to issue loan pass books to IRDP beneficiaries in regional languages as per the proforma. Banks should ensure that the branch managers fill in all the columns in the pass books, otherwise the purpose of issuing the pass books will be defeated.

Number of Instalments of Repayment of Loans:

The beneficiaries under IRDP have to repay the loans from the incremental income generated out of the productive assets acquired with the help of bank finance and Govt. subsidy. Some of the banks have fixed the number of instalments of repayment of loan in relation to the total amount.

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including the subsidy receivable from Government which has resulted in the instalment being high and disproportionate to the income generated. Since the borrower finds it difficult to pay the high instalments, there is a tendency to default. This leads to the increase in the incidence of overdues. It should, therefore, be ensured that repayment instalments are recovered at the net loan amount excluding subsidy.

Repayment:

Loans under IRDP are treated as medium term loans. The repayment period of the loan should be normally 3 to 5 years. Instructions to this effect have been issued to all financial institutions by Government of India, RBI and NABARD. However, it has been observed in actual practice that some banks do not adhere to these guidelines and there are instances where the period of repayment prescribed by banks is less than 3 years continues to come to notice. The tight repayment period is one of the main reasons for non-viability of the scheme. It is, therefore, necessary that the repayment schedule should be so drawn by the banks as to provide a recovery holiday during the gestation period of the project.

RECOVERY OF IRD LOANS:

Since recovery of loans is of great importance for
recycling of bank funds, the State Governments have been advised to render all possible assistance to Bank Officials in recovering the dues from IRDP beneficiaries. The District Rural Development Agencies may organise Credit-cum-Recovery camps periodically where the beneficiaries may be impressed upon to repay their dues promptly.

**SUBSIDY UNDER IRDP:**

The subsidy is provided for economic activities on the following pattern:

a) The subsidy rate on the project cost for small farmers is 25 per cent, 33.33 per cent for marginal farmers, agricultural land-less labourers, non-agricultural labourers, rural artisans and 50 per cent for SC/ST beneficiaries. There is maximum limit of Rs. 3000/- for a family and it is Rs. 4000/- in DPAP/DDP district. The limit for tribal beneficiaries is upto Rs. 5000/-.

b) **Community Minor Irrigation Scheme:**

Under this programme people can receive assistance for joint irrigation schemes. It is necessary that for receiving government subsidy there are more than 50% small and marginal farmers in such scheme. At the same time this group should own at least one-fourth of the total land to be irrigated.
c) **Cooperative Societies:**

For receiving assistance several people can come together and form a Cooperative Society. A member of the society can receive half the expenses of his scheme as subsidy. However, a member cannot get more than Rs. 3000 in the form of subsidy.

The subsidy should be linked with credit and be given in kind and may be given in cash where working capital is required for providing economically viable projects to the beneficiaries. It is presumed that on an average, the subsidy credit ratio should be 1:2.

**RISK FUNDS TO COOPERATIVES:**

In order to encourage cooperative institutions to lend to the target group under IRDP, risk fund may be provided at 6% of all long term loans and medium term loans given to IRDP beneficiaries. No provision for risk fund is required to be made for short term loans. No contribution is also to be made to the risk Fund where purely working capital loans are provided by cooperatives.

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(iii) The Village Assembly should be attended by the local people, non-officials, block officers and bank officers, and prominent voluntary action groups etc. should also be associated with these meetings.

(iv) The list of the beneficiaries finally selected in this Village Assembly should be displayed on the notice board of the Village Panchayat and the block office.

In case any doubt is raised regarding any name in the final list, it should be decided by the Project Director, District Rural Development Agency in consultation with the BDO.

The forum of the Village Assembly should also be utilised for ascertaining the choice, willingness and ability of the identified beneficiaries, for economic activities and the need for upgradation of skills and entrepreneurship.

**Selection of Schemes for Identified Families:**

The schemes chosen for the families should match the need and aptitude of the family and the local resource profile. The principles governing this selection should be as follows:

(i) The choice of the selected family for the scheme(s) to the extent possible.

(ii) The existing aptitude and technical skills or the scope of acquiring other skills by the family.
(iii) Backward and forward linkages available or proposed to be made available for the successful operation of the scheme.

Family to be treated as a unit:

For the purpose of giving assets, family should be treated as a unit. This would imply that more than one member could be given assistance taking into consideration the income gap of the family required to be bridged and the absorption capacity of its members. The subsidy ceilings will apply to the family as a unit.

Size of Investment:

The size of the number of scheme(s) should be determined in relation to the income gap required to be covered to bring the family above the poverty line. Where this objective can be achieved through different alternative scheme(s) then the less costly alternative should be preferred so that optimum use of the available resources can be made.

Eligible Activities under the Programme:

Any economically viable scheme having favourable incremental capital output ratio (ICOR) can be taken up under the Programme in primary, secondary and tertiary sectors.
Considering the need to off-load the farm sector, attempts should be made to diversify into secondary and tertiary sector activities i.e., Industries, service and Business activities in harmony with the local situation. An illustrative list of the activities is given at appendix.

While selecting scheme(s) the nature of infrastructural support and backward and forward linkages available in the area should be kept in view as scheme(s) launched in disregard of these have less chances of success. It should be realised that the funds available for providing infrastructural support under the programme are primarily to bridge small gaps in infrastructure which can make programme implementation more effective and not for creation of an altogether non-existent infrastructure in the area.

Preference to Cluster Approach and Group Activities:

Provision of infrastructure support and administrative supervision is easier if a cluster approach is adopted in the selection of beneficiaries and activities. Similarly, group activities stand a better chance of success because it is easier to provide back-up support and marketing linkages for group activities. Collective strength of the beneficiaries in a group lends a forceful bargaining power to them. Cluster approach and group activities should therefore, be encouraged.
PLANNING AND PROJECT FORMULATION¹:

Selection and provision of schemes on the principles narrated above demands an intensive exercise of local resource analysis and planning. Two types of plans for District and Block are required to be formulated for a meaningful implementation of the programme. First are the perspective or indicative Plans, and, the second the Annual Plan. The role of the perspective plan is to give indications about the local resource profile for preparation of Annual Action Plans.

Perspective Plans:

Perspective block plans need to be prepared which should be aggregated and coordinated at the district level into the perspective district plan. The perspective plans should ordinarily contain the following information:

(i) An inventory of local resources. This inventory should include following items with requisite analytical notes:
   (a) Demographic trends and human resources;
   (b) Area and location specific resource data;
   (c) Economic activities with details of institutions engaged in these activities;
   (d) Social and institutional infrastructure including the status of voluntary action groups.

(ii) Information about the ongoing programmes, both under plan and Non-plan Schemes. This should contain an analysis of the potential of these programmes in terms

¹ Murali on IRDP, 1988, pp. 3-4.
of offering opportunities for economically viable activities either through creation of direct employment opportunities or through provision of backward-forward linkages and infrastructural support.

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

(iv) Impact of the Sixth Plan IRDP activities on the economic environment.

This information should be analysed to give broad indications of the sector(s) of the economy which are capable of throwing up employment opportunities. This should also be used to identify gaps in infrastructures and the departments and programmes which can fill up these gaps.

**Annual Plan** :

Preparation of Annual Plan is an activity which should succeed the perspective plan and the identification of beneficiaries because this plan has to match the resource profile and the needs of the beneficiaries to provide them income generating activities. The Annual Plans should contain following details:

(i) The economic profile of the block/district spelling out the sectors proposed to be adopted giving reasons for such sectoral choice.

(ii) The profile of the beneficiary families broadly categorising them according to their aptitudes and
choices for the remunerative schemes and the scheme actually prepared for them giving reasons for giving them schemes different from their choices, if any.

(iii) The spatial distribution and the time-scheduling of beneficiaries over the year assigning reasons for such distribution. (The reasons can be the availability of assets, mechanisms operating in the market effecting the procurement of raw-materials and the nature of the scheme etc.)

(iv) The areas of coordination with the other departments and the extend of the involvement of the other agencies and departments.

(v) Sources and mechanism for procurement of raw materials and disposal of finished goods.

(vi) Linkages with the DPAP, DDP, RLEGP, NREP, Land Reforms and MNP and Scheduled Castes Component and tribal development plans and the infrastructure support drawn from these programmes.

(vii) An overall assessment of the impact of the proposed activities on the incomes of the assisted families and the economy of the area.

(viii) Model Projects.

(ix) A list of the beneficiaries proposed to be benefited in the year.
Project formulation in the context of IRDP implies preparation of project profiles for primary, secondary and tertiary sector activities.

The model schemes need to be prepared by the Sectoral Departments in consultation with the BDO the bankers and the DRDA project authorities. These model projects can be prepared even at the State Head-quarters and can be adopted by the districts with suitable modification.

Wherever any activity is taken up on a cluster or group basis, the sectoral department, in consultation with the BDO, and the bankers, should make further suitable modifications in the model schemes to suit the group requirements.

**INSURANCE COVER FOR VARIOUS ASSETS:**

Insurance cover was available only for live stock under IRD Programme before April 1988. This cover has been provided by the General Insurance Corporation on certain terms and conditions.

With effect from 1st April 1988 the Government of India has introduced a Group Insurance Scheme for the beneficiaries of IRDP in all states and Union Territories. No contribution is to be paid by the beneficiary.

The scheme will initially provide Life Insurance cover to the beneficiaries for a period of 3 years. The sum assured
will be Rs. 3,000/- worth double benefit in the case of accidental death i.e. Rs. 6000/-. It is proposed to cover around 3 to 4 million IRDP beneficiaries under this scheme every year.

The salient features of this scheme are given below:

(i) All IRDP beneficiaries aged not less than 18 years and not more than 60 years will be covered. The age of beneficiaries as registered in records of the DRDA (Zilla Parishad in Karnataka) shall be admitted by LIC for this purpose.

(ii) The scheme shall be implemented through the District Rural Development Agencies (Zilla Parishads in Karnataka).

(iii) The scheme will apply to those assisted under IRDP from 1.4.1988 onwards. The period of insurance cover will commence from the date on which the asset is disbursed to the beneficiary.

(iv) DRDA (Zilla Parishad in Karnataka) shall forward every month a list of beneficiaries assisted during the month indicating the date of disbursement of asset along with name of nominee appointed by each beneficiary to the concerned Divisional Office of LIC.

(v) The insurance cover for each beneficiary will be operative till the date on which he completes age of

60 years or the period of 3 years from the date of commencement of cover, whichever is earlier.

(vi) Upon the death of the insured beneficiary, the sum of Rs. 3,000/- shall become payable of LIC to the nominee of the deceased. In the event of death due to accident, an additional sum of Rs. 3,000 (i.e. total Rs. 6,000) shall become payable by LIC.

(vii) Death due to accident shall mean death occurring within 90 days of the happening of bodily injury resulting solely and directly from accident caused by violent, external and visible means, independently of any other cause.

However, death due to accident shall not include death:
(a) caused by intentional self-injury, suicide or attempted suicide, insanity, immorality or whilst the Member is under the influence of intoxicating liquor, drug or narcotic or

(b) taking place as a result whilst the Member is engaged in aviation or aeronautics in any capacity other than that of a fare paying, part paying or non-paying passenger in any aircraft which is authorised by the relevant regulations to carry such passengers and flying between established aerodromes, the Member having at the time no duties
on board the aircraft or requiring descent therefrom, or

(c) caused by injuries resulting from riots, civil commotion rebellion, war (whether war be declared or not) invasion, hunting, mountaineering, steep-lechasing or racing of any kind, or

(d) resulting from Member committing any breach of the law, or

(e) arising from employment of Member in the armed forces or military service of any country, war whether war be declared or not) or from being engaged in police duty in any military naval or police organisation.

(viii) Every insured beneficiary shall appoint one or more from among the spouses or child/children dependents to be the nominee(s). If he does not have a spouse or child or dependent, he shall appoint his legal representative to be the recipient of claimed amount.

(ix) In the event of death of the insured beneficiary, the nominee or legal heirs will make an application for payment of claim amount in the prescribed form to the DRDA (Zilla Parishad in Karnataka) along with all necessary documents e.g. original death certificate, copy of police inquest report or post mortem report.
(in the case of death due to accident) extract from
the record of DRDA (Zilla Parishad in Karnataka) that
the deceased was covered under the scheme and that the
nomination was registered.

(x) The DRDA (Zilla Parishad in Karnataka) shall verify
the claim papers, execute the discharge receipt and
forward them to the concerned office of LIC within a
week from the date of receipt.

(xi) DRDA (Zilla Parishad in Karnataka) shall process the
claim received within 6 months of the death of the
insured beneficiary. If the claim papers are received
after six months but within a year, the same shall be
sent by DRDA (Zilla Parishad in Karnataka) to the State
Government for scrutiny to establish genuineness of the
claim. The claim submitted after one year of the death
of insured will not be entertained by LIC.

**FOLLOW UP AND MONITORING**

Follow-up:

The follow-up on the projects given to the beneficiaries
should be done through the instrument of the Vikas Patrika. The
format of Vikas Patrika has been revised in the Seventh Plan.

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Two copies of this document should be prepared of which one copy should be given to the beneficiary family and the other should be kept at the block headquarter. The copy at the block headquarter should be kept up-to-date about the availability and the health of the project.

The States may make innovations, as has already been done by some states by introducing reporting systems by the beneficiaries on pre-paid reply post cards.

An annual physical verification of assets may also be undertaken on a campaign basis at the end of every year. The results of such verification should be incorporated in the Annual Action Plan of the next year.

**MONITORING:**

The performance of the implementation of IRDP is monitored on the basis of telex/telegraphic reports, monthly key indicator report, quarterly progress report, annual report and qualitative monitoring of IRDP at block, district level through inspections and physical verification of the assets. The States send consolidated information received from the DRDA to the Centre.

**MONITORING AT BLOCK/DRDA LEVEL:**

Qualitative monitoring of IRDP at Block/DRDA level has recently been introduced. On the spot inspection of families

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by various levels of officers are as given below:

(i) District Magistrate/Chairman DRDA 10 per month  
(ii) District Development Officer and Project Officer DRDA 20 per month  
(iii) APO (Monitoring) 40 per month  
(iv) SDMs 20 per month  
(v) BDOs 20 per month  
(vi) ADOs 20 per month

DRDA is required to prepare a consolidated report. The DRDA will organise at least one review meeting in every quarter as a standing item for the Governing Body. DRDAs will also send consolidated report on quarterly basis to States along with summary of comments on salient observations and follow up action taken on these issues.

EVALUATION¹:

Evaluation Studies: - Evaluation studies may be done by the reputed institutions and organisations on the areas of the programme thrown up by the concurrent evaluation as meriting detailed studies. These studies may be given by the centre as well as the States. The States may give evaluation studies subject on the condition that the expenditure per DRDA per year is not more than Rs. 40,000. The proposals for the evaluation studies by the DRDAs would be considered and cleared by the SLCC.

¹ Manual on IRDP, 1988, pp. 14-15
Concurrent Evaluation:— A system of concurrent evaluation has been started in the Seventh Plan. Reputed institutes and organisations in the States are being identified to carry out survey of the new and repeated beneficiaries in a given number of blocks and DRDAs. Copies of survey reports are given to the State Governments and Government of India. The Institutes and organisations for the survey are selected by Government of India in consultation with the States. The findings are analysed and results shared with State Governments.

It has been pointed out that the organisational set-up of IRDP is studied in India. Cooperatives have been providing financial assistance for IRDP Scheme in the country. If more finances are made available through cooperatives for IRDP Scheme will prove more successful. In this context the next chapter deals with Evaluation of IRDP under Plans and Share of cooperatives.