CHAPTER VI
ATTITUDES OF THE BENEFICIARY HOUSEHOLDS AND SREE ANANTHA GRAMEENA BANK OFFICIALS ON VARIOUS ASPECTS OF FINANCING ON INTEGRATED RURAL DEVELOPMENT PROGRAMME
INTRODUCTION

The various problems confronted in the course of/implementation of Integrated Rural Development Programmes in Anantapur district have been discussed threadbear in this chapter. The researcher in the course of his survey and investigation had discussions and consultations with the beneficiary-household respondents as well as Sree Anantha Grameena Bank employee-respondents on the subject of implementation of Integrated Rural Development Programmes by Sree Anantha Grameena Bank in the district gathered fund of information. The entire discussion has been divided into two sections. Section I deals with the problems of rural poor in general and Integrated Rural Development Programme borrowers in particular and the Section II deals with the problems encountered by the Sree Anantha Grameena Bank in the course of implementation of Integrated Rural Development Programme.

The present institutional credit system aims at channelling credit to the needy and deserving borrowers at the right time and in the required doses.
Proper utilisation of credit and prompt repayment of dues are the other important tenets of institutional credit system in financing Integrated Rural Development Programme.

The problems of rural development including rural industrialisation in any planning scheme requires clear vision, courage, dynamism and sincerity of the rural leadership and officials, entrusted with the planning and implementation of the programmes.

While discussing measures to alleviate rural poverty, it is useful to remember that non-productive debts forming a large part of outstanding debt of rural poor. The Sivaraman Committee has aptly pointed out that "the credit worthiness of the programme by itself is not sufficient unless the growth of income generated by the programme over time, takes care of the initial non-productive indebtedness and puts the family on its feet". In this connection, it is also relevant to mention that, for the bottom docile of the population, a scheme like National Rural Employment Programme will have greater meaning.\(^1\) An earnest attempt has been

made in this chapter to present a deep and penetrating analysis of the reasons for seeking Bank loan, time-lag between application and disbursement of loan amounts, reasons for diversion of Sree Anantha Grameena Bank credit etc. As has been already pointed, the serious drawback of debt of the borrowers has not been in its volume, nor in the rate of growth but lies in the fact that greater part of debt consists of unproductive debt.

SECTION-I

PROBLEMS OF BENEFICIARY HOUSEHOLDS

AWARENESS OF SREE ANANTHA GRAMEENA BANK PROCEDURES AND POLICIES

In order to enjoy the full benefits of a scheme, knowledge about the scheme/programme and procedures is a prerequisite. The survey revealed that majority of the beneficiaries get the idea of Sree Anantha Grameena Bank finance (IRDP loan) through their friends, relatives, village officers, and local leaders and sometimes, through newspapers. Most of the respondents are not keen to learn about the minute details of the scheme. However, considerable number
of respondents know the fact regarding the availability of Bank loan at concessional rates of interest and repayable in easy instalments. The study shows that 51.2 per cent of the sample beneficiaries were not aware of the broad details of Integrated Rural Development Programme before availing the loan.

APPROACH TO THE SREE ANANTHA GRAMEENA BANK

The respondents were asked whether they approached the Banker directly or through a middlemen to obtain their loans. It was found that majority 70 per cent of the respondents (168 beneficiaries) approached the Bank in groups along with a leader, who may be himself a borrower and who takes initiative to fulfil the procedural formalities relating to loans. It is generally felt that Bank employees are courteous and co-operative while dealing with the borrowers. It is also found that the remaining 30 per cent of the respondents entrust the job of getting loans to the middlemen. Surprisingly, this category includes literate and experienced beneficiary households.

REASONS FOR SEEKING SREE ANANTHA GRAMEENA BANK LOAN

Different beneficiaries borrow for different reasons. Some of the reasons for borrowing from Sree Anantha Grameena Bank finance as reported by the sample
beneficiaries, are analysed. Out of 240 sample beneficiaries interviewed, a large percentage of beneficiaries, 87 beneficiaries (36.25 per cent) the low interest rates charged by the Bank on Integrated Rural Development Programme loans was the only attraction for seeking Bank loan. It may be noted that all the beneficiaries received the Bank loan for activities that are categorised under 'Integrated Rural Development Programme'. The rate of interest charged by the Banks on IRDP loans was only 10 per cent. It can be further observed that the proportion of beneficiaries reporting low interest rates as the reason for seeking Bank loan was more in the higher asset groups. One interesting point to be noted in this context is that some of the beneficiaries, especially low asset groups, were motivated by low interest rates charged by the Banks to start some new enterprises and thus make a good living.

A sizeable proportion of beneficiaries (50.42 per cent) 121 beneficiaries answered that they sought the Bank loan exclusively because of the subsidy component. It is also observed that (6.67 per cent) 16 beneficiaries sought IRDP loan because of low rates of interest coupled with subsidy amount; about (9 per cent) 22 beneficiaries sought IRDP loan because of low
rates of interest coupled with favourable terms and conditions of repayment of loans.

TIME-LAG IN DISBURSEMENT OF IRDP LOANS

Timely availability of financial assistance is an important factor helping the beneficiary to acquire the right type of assets at the lowest price, particularly in the case of seasonal activities. In this context, the responses of the beneficiaries regarding time-gap between the date of application and the date of sanction of loans are shown in Table 6.1. It may be noted that in case of orange/lime activity, electric motor, bullock-cart and sericulture, the time-gap in some cases exceeded upto 6 months. In the case of tyre-cart activity, most of the beneficiaries received the loan amount before one month. Whereas in the case of orange and lime-activity, 40 per cent of beneficiaries received their loan amount after 6 months. The reason for this may be on account of subsidy, margin money and submission of no dues certificate of beneficiaries in most of the cases. The beneficiaries have to obtain necessary documents from different agencies which involved lot of procedural delays. However, in some cases, the time-gap is below one month like tyre-cart activity,
### TABLE 6.1

**TIME GAP OF LOANS SANCTIONED TO INTEGRATED RURAL DEVELOPMENT PROGRAMME BENEFICIARIES**

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Sector/Activity</th>
<th>Below 1 month</th>
<th>1 to 2 months</th>
<th>2 to 4 months</th>
<th>4 to 6 months</th>
<th>Above 6 months</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGRICULTURE SECTOR:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Sericulture</td>
<td>-</td>
<td>7 (50.00)</td>
<td>4 (28.57)</td>
<td>2 (14.28)</td>
<td>1 (7.14)</td>
<td>14 (100)</td>
</tr>
<tr>
<td>2.</td>
<td>Tyre Cart</td>
<td>9 (39.13)</td>
<td>9 (39.13)</td>
<td>2 (8.60)</td>
<td>1 (4.34)</td>
<td>2 (8.69)</td>
<td>23 (100)</td>
</tr>
<tr>
<td>3.</td>
<td>Electric Motor</td>
<td>1 (11.11)</td>
<td>4 (44.44)</td>
<td>2 (22.22)</td>
<td>1 (11.11)</td>
<td>1 (11.11)</td>
<td>9 (100)</td>
</tr>
<tr>
<td>4.</td>
<td>Orange/Lime</td>
<td>-</td>
<td>2 (40.00)</td>
<td>1 (20.00)</td>
<td>1 (20.00)</td>
<td>1 (20.00)</td>
<td>5 (100)</td>
</tr>
<tr>
<td>5.</td>
<td>Bullocks+cart</td>
<td>1 (11.11)</td>
<td>5 (25.52)</td>
<td>2 (22.22)</td>
<td>-</td>
<td>-</td>
<td>8 (13)</td>
</tr>
<tr>
<td></td>
<td>Agri. Sector Total</td>
<td>11 (18.33)</td>
<td>27 (45.00)</td>
<td>11 (18.33)</td>
<td>5 (11.66)</td>
<td>6 (10.00)</td>
<td>60 (100)</td>
</tr>
<tr>
<td>ANIMAL HUSBANDRY SECTOR:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Sheep rearing</td>
<td>5 (33.33)</td>
<td>4 (26.67)</td>
<td>4 (26.27)</td>
<td>1 (6.67)</td>
<td>1 (6.67)</td>
<td>15 (100)</td>
</tr>
<tr>
<td>2.</td>
<td>Ram lamb rearing</td>
<td>4 (20.00)</td>
<td>4 (20.00)</td>
<td>7 (35.00)</td>
<td>4 (20.00)</td>
<td>1 (5.00)</td>
<td>20 (100)</td>
</tr>
<tr>
<td>3.</td>
<td>Cross Breed cows</td>
<td>-</td>
<td>3 (21.43)</td>
<td>6 (42.86)</td>
<td>4 (28.57)</td>
<td>1 (7.14)</td>
<td>14 (100)</td>
</tr>
<tr>
<td>4.</td>
<td>Milch animals</td>
<td>3 (14.28)</td>
<td>5 (25.52)</td>
<td>8 (38.09)</td>
<td>1 (4.76)</td>
<td>4 (19.05)</td>
<td>21 (100)</td>
</tr>
<tr>
<td>5.</td>
<td>Heifer calf rearing</td>
<td>1 (8.33)</td>
<td>3 (25.52)</td>
<td>2 (41.67)</td>
<td>2 (16.67)</td>
<td>1 (8.33)</td>
<td>12 (100)</td>
</tr>
<tr>
<td></td>
<td>A&amp;H Sector Total</td>
<td>13 (15.85)</td>
<td>19 (23.17)</td>
<td>30 (36.58)</td>
<td>12 (14.63)</td>
<td>8 (9.76)</td>
<td>82 (100)</td>
</tr>
<tr>
<td>INDUSTRIES, SERVICES AND BUSINESS SECTOR (ISB):</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.</td>
<td>Brick-making</td>
<td>1 (4.37)</td>
<td>8 (34.78)</td>
<td>9 (39.13)</td>
<td>3 (13.04)</td>
<td>2 (8.69)</td>
<td>23 (100)</td>
</tr>
<tr>
<td>2.</td>
<td>Silk spinning</td>
<td>-</td>
<td>1 (16.67)</td>
<td>3 (50.00)</td>
<td>1 (16.67)</td>
<td>1 (16.67)</td>
<td>6 (100)</td>
</tr>
<tr>
<td>3.</td>
<td>Mat-weaving</td>
<td>1 (8.33)</td>
<td>1 (8.33)</td>
<td>4 (33.33)</td>
<td>5 (41.67)</td>
<td>1 (8.33)</td>
<td>12 (100)</td>
</tr>
<tr>
<td>4.</td>
<td>Petty shop</td>
<td>1 (7.69)</td>
<td>2 (15.38)</td>
<td>4 (30.76)</td>
<td>6 (46.15)</td>
<td>-</td>
<td>13 (100)</td>
</tr>
<tr>
<td>5.</td>
<td>Garment-making</td>
<td>-</td>
<td>2 (16.67)</td>
<td>5 (41.67)</td>
<td>4 (33.33)</td>
<td>1 (8.33)</td>
<td>12 (100)</td>
</tr>
<tr>
<td>6.</td>
<td>Carpentry</td>
<td>1 (10.00)</td>
<td>3 (30.00)</td>
<td>3 (30.00)</td>
<td>3 (30.00)</td>
<td>-</td>
<td>10 (100)</td>
</tr>
<tr>
<td>7.</td>
<td>Shoe-making</td>
<td>-</td>
<td>2 (18.18)</td>
<td>3 (27.27)</td>
<td>4 (36.36)</td>
<td>2 (18.18)</td>
<td>11 (100)</td>
</tr>
<tr>
<td>8.</td>
<td>Line-burning</td>
<td>-</td>
<td>2 (18.18)</td>
<td>3 (27.27)</td>
<td>4 (36.36)</td>
<td>2 (18.18)</td>
<td>11 (100)</td>
</tr>
<tr>
<td></td>
<td>ISB Sector Total</td>
<td>4 (4.08)</td>
<td>21 (21.43)</td>
<td>36 (36.73)</td>
<td>29 (29.59)</td>
<td>8 (8.16)</td>
<td>98 (100)</td>
</tr>
<tr>
<td></td>
<td>Grand Total</td>
<td>28 (11.68)</td>
<td>67 (27.92)</td>
<td>77 (32.08)</td>
<td>46 (19.17)</td>
<td>22 (9.17)</td>
<td>240</td>
</tr>
</tbody>
</table>

**Note:** Figures in the parenthesis indicate percentages to total.

**Source:** Primary data from field survey.
sheep rearing, whereas in the case of orange and lime, milch animals, shoe-making, the time exceeded more than 6 months. An interesting point was that the experienced and well established beneficiaries like orange/lime, milch animals had to wait for about six months to obtain their loans compared to those who had little experience in their job. It is mainly because of the fact that these experienced beneficiaries did not evince the same measure of interest and enthusiasm to pursue the matter with Bank officials compared to inexperienced and susceptible beneficiaries.

As mentioned earlier, one of the factors responsible for diversion of loan amount was the inordinate time-lag between application and actual disbursement of the loan amount. In other words, the loan amounts could not be utilised either partially or completely for the purpose for which the loan was sought because of untimely and delayed disbursement of loan amounts.

**Subsidy**

Subsidy is given to all the beneficiaries under Integrated Rural Development Programme on the total unit cost of the scheme to meet the margin-money requirements of the beneficiaries in the initial
investment stages. Thus subsidy is paid to the credit institutions where the programme is tied up with loans. If the programme is not tied up with loans from the Bank, then the subsidy amount is directly paid to the approved supplier of goods/services. There were some instances where the subsidy was not released by District Rural Development Agency's intime, resulting in delays and the beneficiaries not paying interest on the entire loan amount till the subsidy amount was made available by the District Rural Development Agency. When the researcher asked the beneficiaries whether there was any delay in the release of subsidy, only 75 respondents (31.25 per cent) reported that there was delay, while the remaining (68.75 per cent) of the beneficiary respondents reported that there was no delay. In reply to a question, whether the amount of subsidy paid was adequate, 37.92 per cent of the borrowers reported positively, the remaining 62.8 per cent respondents suggested enhancement in subsidy amount since they could not afford to pay the loan amount without substantial assistance from the government.

RATE OF INTEREST

One of the criticisms often levelled against Banks was that they charge exhorbitant rates of interest
and their terms and conditions were not favourable to the poor and illiterate rural people. While answering the question on the reasons for approaching Bank for loans, posed to the sample beneficiaries, 6.67 per cent of the beneficiaries reported that the Banks charged low interest rates, 9 per cent of beneficiaries reported that Bank terms of repayment were easy. Among all the 240 beneficiaries, some of them reported that, because of non-availability of funds from other agencies, institutions, they approached Bank for extending credit facilities to them.

The maximum rate of interest that can be charged them on the loans sanctioned under Integrated Rural Development Programme was 10 per cent, as per the guidelines issued by the Reserve Bank of India depending on the unit-cost, the interest rate would change frequently. Replying to the question posed to the sample beneficiary-respondents in regards to the interest rates charged by other agencies/institutions extending credit facilities to them, it was reported unanimously (all the 240 beneficiaries) that they were not very happy with the high interest rates charged by these agencies, institutions for example: private money-lenders.
It was pointed out by many critics that the Bank officials were not helpful to the rural poor and the illiterate beneficiaries were experiencing lot of problems, non-cooperation from the Bank officials, wilful delays, harassment, indifferent attitude on the part of Bank officials etc., at the time of taking loans.

AWARENESS OF AVAILABILITY OF LOAN FACILITIES

There are a number of villages in our country which do not have any infrastructural facilities. Such remote villages are still there. The inhabitants of those villages may not be knowing that there are institutions which lend money for agricultural and allied activities. Since the Anantha Grameena Bank ought to be set up in remote villages where credit facilities are poor, awareness of availability of Bank credit among farmers is of significant importance to the study. So far, as the opinion of the beneficiaries were concerned, 240 of them covering different schemes were interviewed with a questionnaire, covering different aspects of Integrated Rural Development Programme. The information elicited is presented below.

When they were asked how they came to know about the Integrated Rural Development Programme,
96 beneficiaries (40 per cent) replied that, they heard about it from Village Development Officer (V.D.O.) and 5 persons (2.08 per cent) from Mandal Development Officer and 62 beneficiaries (25.83 per cent) from the Village President and 21 beneficiaries (8.75 per cent) from the group leaders in the villages and 46 beneficiaries (19.17 per cent) from neighbours and friends and the remaining 10 beneficiaries (4.17 per cent) stated to have received the information from a variety of sources.

The beneficiaries were not informed about the unit-cost of the schemes in many cases. Only 72 persons (30 per cent) replied that Village Development Officer had given them some information about it. 15 beneficiaries (6.25 per cent) replied that Mandal Development Officer as the source of information and 63 beneficiaries (26.25 per cent) got to know it through Anantha Grameena Bank officials. The remaining 90 households (37.5 per cent) had no answer indicating thereby that nobody had informed them about the cost of unit. When asked about the portion of subsidy in the total unit cost, 78 beneficiaries were aware of it, having been informed by the Village Development Officers, 13 beneficiaries by Mandal Development Officer and 34 by Panchayat President and 33 by Sree
Anantha Grameena Bank Managers. The remaining 42 did not know about it. It is, therefore, evident that some of beneficiaries had not known the process of Integrated Rural Development Planning and implementation.

ADEQUACY OF LOANS AMOUNT

The cost per unit of different schemes is given to Bank branches by District Rural Development Agency and also the concerned managers of Anantha Grameena Bank. The total number of beneficiaries who were sanctioned loan by Sree Anantha Grameena Bank. The total number of beneficiaries who were sanctioned loan by Sree Anantha Grameena Bank and scheme-wise number of sample beneficiaries assisted were detailed in the earlier chapters. When individual cases were investigated, many beneficiaries were of the view, that they did not get adequate finance, particularly those having schemes in industries, services and business sectors. For example, the beneficiaries of petty-shops were given ₹6,000/- in each case, which was only a fraction of their requirement. Since this amount was not sufficient, they still had to borrow from money-lenders to get the remaining amount at higher rate of interest than they used to pay earlier to the money-lenders. However, after assessing the
repaying capacity of the beneficiaries, the amount was slowly increased. This enhanced-scale of finance, to some extent, reduced their dependency on the money-lenders. Some of the beneficiary-households, who had been provided with a pair of bullock-cart, were sanctioned ₹ 6,600/- whereas the actual cost of the unit was more than ₹ 9,000/-. This can be seen from the fact that 191 beneficiaries (79.58 per cent) did not get the full amount of loan applied for, in respect of different schemes. Only 49 beneficiaries (20.42 per cent) could get the full amount.

As stated earlier, those for whom the unit cost was not adequate, borrowing was resorted to from money-lenders or friends and relatives. In certain cases, the beneficiaries mentioned that additional credit was managed by selling assets already available with them.

BENEFICIARY-HOUSEHOLDS' VISIT TO SREE ANANTHA GRAMEENA BANK BRANCHES

The average number of pre-disbursal visits made by the beneficiaries to the Sree Anantha Grameena Bank branches indicate the case of difficulty of access to the availability of loans, the attitude of Bankers and the simplicity/complexity of the procedures. The
study findings showed that a little over 60 per cent of the beneficiaries were able to get Sree Anantha Grameena Bank loan in three or four visits to the Bank branches.

CHOICE OF ACTIVITY

The programme guidelines stipulated that borrowers be allowed to pursue the activity of their choice. The findings of the study reveals that about 93 per cent of the sample beneficiaries were really able to select the activity of their choice. Majority of them (81.25 per cent) made the selection on the basis of their own experience followed by 18.75 per cent of the beneficiaries went by the experience of their neighbours and friends.

About 60 per cent of the beneficiaries were not satisfied with the present system of handingover assets to them, as their choices in the selection of assets were not followed by the purchasing committee. Some of them mentioned that they were asked by the concerned Bank to submit quotation from particular firms or agents eventhough the prices quoted were higher than ruling prices in market. Therefore, the beneficiaries had the feeling that the higher price paid by them had nullified the gains of incremental
income that they were supposed to derive from the activity. This created resentment among the beneficiaries.

DIVERSION OF LOAN AMOUNTS

As mentioned in the earlier chapter, utilisation of loan amount for the purpose other than the one for which they were meant was also one of the reasons for low/non-accrual of net incremental income to the beneficiaries. Detailed analysis of the distribution of beneficiaries reporting diversion of credit are shown in Table 6.2.

The Table 6.2 shows that an amount of Rs. 1,83,482 diverted for other purposes by 79 beneficiary-households. On the whole, 18 beneficiaries in agriculture sector diverted an amount of Rs.36,848 and 26 beneficiaries in animal husbandry sector diverted an amount of Rs. 66,784 and 35 beneficiaries in industries, services and business sector (ISB) revealed that an amount of Rs.79,850 had diverted their loans for repayment of old debts, consumption needs and other purposes.

Many of the farmers diverted their loan amount to meet the old debts and economic exigencies which were urgent and sometimes unavoidable. Since
### TABLE 6.2
DIVERSION OF LOAN AMOUNT

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Sector</th>
<th>No. of diverted beneficiaries</th>
<th>Repayment of old debts</th>
<th>Composition purposes</th>
<th>Other purposes</th>
<th>Total amount in Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>No.</td>
<td>Amount in Rs.</td>
<td>No.</td>
<td>Amount in Rs.</td>
<td>No.</td>
</tr>
<tr>
<td>1.</td>
<td>Agriculture</td>
<td>18</td>
<td>(22.76)</td>
<td>6</td>
<td>(33.33)</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(47.84)</td>
<td></td>
<td>(48.44)</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Animal Husbandry</td>
<td>26</td>
<td>(32.91)</td>
<td>18</td>
<td>(69.23)</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(71.35)</td>
<td></td>
<td>(24.18)</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Industries, Services and Business</td>
<td>35</td>
<td>(44.30)</td>
<td>14</td>
<td>(40.00)</td>
<td>17</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(46.03)</td>
<td></td>
<td>(44.96)</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td>79</td>
<td>(100)</td>
<td>38</td>
<td>(48.10)</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>(55.62)</td>
<td></td>
<td>(38.09)</td>
<td></td>
</tr>
</tbody>
</table>

Note: Figures in the parenthesis indicate percentages to total.

Source: Primary data from field survey.
there were no other sources to get money, they took recourse to the spending the loan amount. Another important factor, however, for the diversion is the consumption loans was that it was not in substantial quantity by Sree Anantha Grameena Bank. In the study area, the rural people hardly generated sufficient surplus to repay the agricultural and other loans. So, in order to divert the attention of the rural beneficiaries from diversion of loans to proper utilization of loans, an effective supervisory-machinery which is "Farmer-oriented rather than Farm-oriented" is absolutely necessary.

IDENTIFICATION OF INTEGRATED RURAL DEVELOPMENT PROGRAMME BENEFICIARIES (IRDP)

The task of identification of Integrated Rural Development Programme beneficiaries for providing adequate assistance to bring them above poverty-line is more arbitrary and not in accordance with the relevant suggestions in the guidelines. The absence of household survey, and lack of thorough knowledge of the profile of the weaker sections, and rampant mal-practices of the profile of the weaker sections are added difficulties. Joint identification by the both Mandal and Credit Agencies as suggested by the Ministry
of Rural Development is not followed. It is done by Mandal Agency through Village Development Officer with the assistance of Panchayat President and Village level Revenue functionary and other formal and informal leaders. Sometimes under political pressure, wrong persons were identified as IRDP beneficiaries. Among number of such cases, one case can be mentioned as example: One person having five acres of land and owning 3 pairs of buffaloes and other productive-assets was identified as IRDP beneficiary and given milch cattle under animal husbandry scheme. An unemployed son of an affluent-father was identified as IRDP beneficiary through the intervention of political and influential persons in the village. Money transactions took place in many cases of identification between the Mandal officials, political leaders and IRDP beneficiaries.

Another snag in the identification process was the practice of selecting beneficiaries living in villages near the main road, leaving the interior and distant villages unattended. This resulted in lopsidedness of area-wise distribution of benefits of IRDP over the mandal.

It was also found that, in the anxiety to cover the target number of beneficiaries within the
specified time limit, identification was done in a hurry without any rational consideration of the beneficiaries' background resulting in wrong identification.

INFRASTRUCTURAL FACILITIES

In order to examine the infrastructural facilities available to the beneficiaries, a few questions were posed to the beneficiaries. None of the beneficiaries gave a positive answer to a question whether there were any rural godowns/warehouses in their villages to provide storage facilities for their produce. To another question whether any healthy cover programmes were implemented in their villages (32.5 per cent of the respondents) 78 beneficiaries replied positively and the rest 67.5 per cent (162 beneficiaries) replied negatively. Similarly, in reply to another question whether the government arranged the supplies of feed and fodder for the animals and poultry, only 3.8 per cent stated positively while the remaining respondents explained negatively. In the matter of transport facilities also, the positive responses was very poor. Only 27.71 per cent of the beneficiaries (65 beneficiaries) were satisfied, while the remaining 72.29 per cent (175 beneficiaries) were
not at all satisfied with the transport facilities provided by the government to their villages.

The study revealed that the infrastructural network had not been adequately developed, especially in the case of milch animals and cottage industries. Eventhough a large number of beneficiaries were financed for the purchase of dairy animals, milk cooperative or milk collection centres were either non-existent (or) not functioning effectively in many of the villages in the district. The beneficiaries, therefore, had to consume the milk and, in some places, they sold it to the private traders at whatever low-price the latter was prepared to offer.

PROBLEMS OF MARKETING

Marketing is a crucial element for the development of decentralisation sector. It deserves far greater attention than what has been bestowed at present on it; especially as the major part of the profits at present tend to go to middlemen rather than to the producers. It is also because of the fact that the highly dispersed and poorly educated artisans and craftsmen do not have much knowledge of the changes in the pattern of demand and of prices which their products fetch in the market.²

ATTITUDES OF BANK OFFICIALS

It was revealed in the informal discussions with the beneficiaries that some branches disbursed cash, violating the norms, in such cases, the beneficiaries complained that the Bank managers deducted about 3 to 8 per cent. More than that, even when loans were disbursed in instalments, the interest was charged from that date for the entire amount. In some cases, actual disbursement of the loan took 2 to 3 months from the date of sanction. But in the ledgers, it was shown as having been disbursed on the date of sanction and interest was charged from that day. The beneficiaries who were victims of this kind of situation were of the view that the loan instalments they got could not create any assets. This defeated the very purpose of the programme.

Many of the beneficiaries complained that there was inordinate delay in arranging subsidy. In some cases, the subsidy had not yet been sanctioned even after a lapse of 6 months to 1 year. Consequently, repayment was stopped. Sree Anantha Grameena Bank did not inform the beneficiaries whether it had received subsidy for them or not; 62 beneficiaries replied that they were not aware of it. Not only this (83), 34.58 per cent beneficiaries mentioned that they were not
aware how much they had to pay and (105) 43.75 per cent did not know the rate of interest charged by Bank and some of the beneficiaries mentioned that they did not know the number of instalments as well as periodicity of repayment.

ASSISTANCE FROM GOVERNMENT AGENCIES

There is a common criticism that most of the Government officials feel that their job is over once they complete their task of identifying the beneficiaries and releasing the subsidy amount. In reply to a question posed to the sample-beneficiaries whether they had received any help from the Government agencies in matters, such as applying for loan sanctioning of loan disbursement of loan etc., an overwhelming majority reported that they did not receive any help. Only 31 beneficiaries (12.95 per cent) reported that they received some help while the remaining 209 beneficiaries (87.04 per cent) replied in the negative. Even these few beneficiaries who reported that they had received some help from Government agencies could not spell out the details and the exact nature of help they had received from the Government agencies.
REPAYMENT OF LOANS

For the loans sanctioned under Integrated Rural Development Programme, the repayment schedule was fixed by the Government in consultation with other participating agencies like Bank. It was reported by some of the beneficiaries that the whole programme-phasing of the repayment of loan was highly faulty and time-chosen for the payment of instalments was also quite unsuitable. It was pointed out that the timing of the repayment of loan in instalments was not suited with the timing of receipts of income by the beneficiaries; and in some cases, the amounts of instalments demanded from the beneficiaries were also rather comparatively higher than the amounts of surplus incomes which the investments could generate. So, the unsuitable repayment schedule resulted in an inability of the beneficiaries to keep up their promises to the Sree Anantha Grameena Bank in the matter of repayments. Naturally they become defaulters.

MONITORING AND FOLLOW-UP ACTION

The general criticism about Integrated Rural Development Programmes was that there was no proper follow-up action, either by Government officials or monitoring and follow-up of schemes, most essential
for the success of the programme. Out of the 240 sample beneficiaries, 98 mentioned that some one had come to them after the grounding of the schemes. 103 beneficiaries mentioned that the Sree Anantha Grameena Bank Managers had visited them between three to five times. In most of the cases, the visits were to verify the schemes or to expedite the repayment of loans. The Field Officers of the Sree Anantha Grameena Bank visited 22 beneficiaries, three to four times in each case for the same purpose. The Veterinary Officers visited only 17 beneficiaries to find out their problems.

FALSE EXPECTATIONS OF THE BENEFICIARIES

12.98 per cent of the beneficiaries reported to have failed to repay their loan amounts on account of their false-expectations in the matter of declaration of a moratorium on credit raised by them from Sree Anantha Grameena Bank. All these beneficiaries belonged to the lowest asset-groups consisting of small and marginal farmers, and agricultural labourers. The local politicians added fuel to the fire by whipping up a propaganda that the Government would very soon declare a moratorium which would enable them to write off their overdues. In the States of Maharashtra and Tamil Nadu, there were some such incidents in the matter of
Cooperative credit. Taking a clue from Maharashtra and Tamil Nadu episodes, the local politicians could convince the beneficiaries in this matter.

NO HOPE TO GET FRESH LOAN

Some of the beneficiaries (4.98 per cent) reported to have failed to fulfil their obligations to the Banks in the matter of repayment of their loan as they were not quite hopeful of raising further Sree Anantha Grameena Bank loan which they mostly needed. A further probe into the matter revealed that on account of some extra-ordinary circumstances, they postponed the repayment of their existing Bank loan and consequently becoming defaulters. These beneficiaries felt that even if the overdues were paid completely, there were no hope of raising a fresh loan as the Bank officials had a tendency of refusing fresh loans to those who were once defaulters.

SECTION-II
PROBLEMS OF BANK OFFICIALS

The following are some of the important problems faced by the officials of the Bank in the course of implementation of the various schemes of
Integrated Rural Development Programmes in Anantapur district with particular reference to selected mandals.

PROBLEMS OF IDENTIFICATION

The following are some of the problems faced by the Sree Anantha Grameena Bankers in the matter of identifying the needy and genuine borrowers.

It is reported by the Sree Anantha Grameena Bank officials that the District Rural Development Agency officials are bothered only about the targets of credit sanctions and not about the credibility of the borrowers.

1. Due to political pressure from local leaders, sometimes the big farmers are included in the list of beneficiaries under the category of small farmers.

2. District Rural Development Agency authorities are not concerned about the existing liabilities of the beneficiaries with the financing Bank and the same beneficiaries are provided financial assistance under different schemes.

3. Non-availability of genuine borrowers, at the time of identification, due to lack of knowledge about the schemes for which assistance is provided.
4. The duration of the credit camps is very short and all the officials from different agencies are not present at the credit camps, resulting often in wrong identification of the prospective beneficiaries.

5. The household of the family of the borrowers are divided into a number of separate households for the sake of obtaining separate amounts of loans. This will naturally result in the sanction of loan to more than one person in the same family.

6. List of beneficiaries are supplied at the fag end of the year causing problems of follow-up and mis-utilization of the loan amounts resulting in heavy arrears.

SUPPLYING THE LIST OF BENEFICIARIES BY DISTRICT RURAL DEVELOPMENT AGENCY

It is reported by 38.5 per cent of the Sree Anantha Grameena Bank officials that they were supplied with the lists of Integrated Rural Development Programme beneficiaries in right time. The remaining 61.5 per cent of the respondents reported that the lists of beneficiaries were simply dumped on them at the fag end of the year. It was suggested by them that the task of identification of the beneficiaries should be
over, at least by the end of June and the lists of targeted beneficiaries so identified must be supplied to the financing institutions at least by the end of August, every year. At present, District Rural Development Agency is supplying the lists of targeted beneficiaries during November and December months when Sree Anantha Grameena Bankers are busy with the year and closing of accounts and preparation of annual financial statements. It is further reported that sometimes the lists are supplied even during the months of January and February simply to achieve the targets.

SCREENING OF APPLICATIONS

Sree Anantha Grameena Bank officials visit the villages to ascertain the requirements of the borrowers. By verifying the balances in the accounts of different borrowers from the ledger maintained in the branch offices situated in these villages, they find out the names of the defaulters. Applications for financial assistance under Integrated Rural Development Programme, from these defaulters are not considered favourably by the Sree Anantha Grameena Bank officials. Similarly, applications for financial assistance for schemes/projects/activities found to be technically not feasible are also not considered.
favourably. After the receipt of the subsidy and margin money by the beneficiaries, the loan amount is disbursed as far as possible in kind. Where there is no subsidy the loans are paid directly to the suppliers of the units financed. For recovering the dues, the Sree Anantha Grameena Bank officials make periodical visits to the village and remained the borrowers of their obligation to repay the loans. In case of recovery of overdues, the Bank officials ascertain from the defaulters themselves, first, the reason for default. In the case of wilful defaulters, legal remedies are resorted to by the Sree Anantha Grameena Bank officials for the recovery of overdues. In the case of borrowers who are found to be defaulters for some genuine reasons, the Sree Anantha Grameena Bank officials try to help the borrowers by giving them a second loan on the guarantee that they would repay the first loan.

ASSISTANCE TO BENEFICIARIES

All the Sree Anantha Grameena Bank officials respondents reported that they had been helping the beneficiaries in the matters of applying for loan, repayment of loans and sanction of the second loan and such other assistance required to the beneficiaries.
SCALES OF FINANCE

In the matter of scales of finance provided to the beneficiaries, the responses of the Sree Anantha Grameena Bank officials are as follows:

- Fairly satisfactory: 49 per cent
- Satisfactory: 35 per cent
- Not satisfactory: 16 per cent

Total: 100 per cent

The reasons assigned for the dissatisfaction of the few Sree Anantha Grameena Bank official respondents (16 per cent) who gave a negative answer was the persistent rise in the costs of maintenance, equipment and purchase price of dairy animals, which will inevitably lead towards a demand for an increased amount of financial assistance from Sree Anantha Grameena Bank and Government. However, all the Sree Anantha Grameena Bank officials without a single exception suggested that there should be a revision of the scale of financial assistance, at least once in two years.

OPINION ABOUT BORROWERS

The responses collected from the Bank officials, in reply to the question of their opinion about the borrowers are as follows:
<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Opinion</th>
<th>No. of respondents</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Reliable</td>
<td>11</td>
<td>44</td>
</tr>
<tr>
<td>2.</td>
<td>Sincere</td>
<td>12</td>
<td>48</td>
</tr>
<tr>
<td>3.</td>
<td>Co-operative</td>
<td>2</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>25</td>
<td>100</td>
</tr>
</tbody>
</table>

It is thus evident that Sree Anantha Grameena Bank officials have a fairly good opinion about the borrowers in the matters and their reliability, sincerity and co-operative nature. It is reported that initially most of the beneficiaries do not entertain any sinister design of misutilization of funds provided to them by Sree Anantha Grameena Bank and Government, but subsequently due to a number of factors, which are beyond their control at times, for example, mounting pressures to clear the past dues, failure of monsoons and crops and the consequent inability to meet the day-to-day consumption expenditure, other pressing obligations on the domestic front such as social, cultural and religious functions etc., the beneficiaries resort to the considerable practice of diversion of credit.
SOCIAL RELATIONS

It is observed that all the Sree Anantha Grameena Bank officials are found to be maintaining fairly good social relations with the borrowers as well as other local public.

CONDUCTING OF CREDIT CAMPS

It is reported that credit camps are conducted in a haphazard fashion. The object of conducting a credit camp is to identify the needy and genuine borrowers and to know the purpose for which they are borrowing and also to find out whether they have the necessary skills and aptitude. It is further reported that due to the short duration of the camps, mass selection of the borrowers and absence of most of the officials at the camps, the object of the credit camps is not fulfilled. It is observed that 89 per cent of Sree Anantha Grameena Bank officials are dissatisfied with the way in which the credit camps are organised.

PROBLEMS OF MULTIPLE ACTIVITIES

Sree Anantha Grameena Bank managers, besides attending to the customers, have other various duties to perform, like mobilisation of deposits, verifying securities, realising Bank dues keeping healthy relations
with staff members, attending number of meetings, putting up with tensions exerted by inward and outward pressures and sending replies to inspection reports. It is unrealistic to except Sree Anantha Grameena Bank managers to attend to the customers during the working hours and thereafter to attend to all the above mentioned duties. The precedent programme of branches expansion, promotions have created shortage of staff (particularly at lower levels) in almost all the Banks. This is exactly the situation in Sree Anantha Grameena Bank branches. Sometimes, the Manager was performing the duties of a cashier as well as branch Manager in respect of routine matters. This is observed during a visit to these branches in connection with data collection for the present research study. In such circumstances, it will be too much to expect from Sree Anantha Grameena Bank staff since they naturally take much more time in disposing of the applications received by them.

ADEQUACY OF STAFF

Actual credit and subsidy provided in rural areas may be around Rs. 8,688 crores during the Seventh Plan period. The Eighth Plan estimates are still higher,

i.e., Rs. 35,997 crores for Rural Development. It is reported that on an average, one Field Officer in Sree Anantha Grameena Bank look after more than thousand accounts efficiently. However, the Banking industry is grossly undermanned. Even among the available staff, motivation is lacking, with acute shortage of staff, it may not be possible for Sree Anantha Grameena Bank officials to cope with the heavy demands of Integrated Rural Development Programme. The one common problem brought to the notice of the researcher during the course of the several interviews he held with a number of Sree Anantha Grameena Bank officials was the absence of adequate staff, leave alone the motivated staff. When the researcher questioned Sree Anantha Grameena Bank officials whether the staff in their branch was adequate, without a single exception, majority of them reported that it was inadequate. As a matter of fact, some of Sree Anantha Grameena Bank branches are functioning without regular Managers and do not have any special staff to look after Integrated Rural Development Programme cases at their branches. Consequently the Sree Anantha Grameena Bank Manager has to look after these in addition to his usual work, or he has to wait for field officer from his central office to take up this work which happens only once a month. In many
branches, it was observed that the Sree Anantha Grameena Bank Managers were performing the duties of clerical staff. Against such a background, it will be mere wishful thinking, on our part, to entertain any idea that the Sree Anantha Grameena Bank staff will be able to take up a follow-up programme, counsel and tender advice to the beneficiaries in all the matters connected with the proper utilisation of the credit sanction to them.

GROUNDING OF THE SCHEMES

The success of the scheme depends on the successful grounding of the schemes. After successful identification of beneficiaries, the schemes are to be properly grounded. The following are the usual defects associated with the grounding of schemes under Integrated Rural Development Programme:

1. Lack of correlation between the unit costs stipulated and the present costs prevailing.

2. Purchase of units at selective place like shandies may not be productive due to low-grade units available at these places. The beneficiaries are forced to purchase only the best of the worst lot.
3. Delay in timely receipt of subsidy/margin money to the eligible cases.

4. Non-availability of raw material, lack of infrastructural facilities, lack of marketing potential and other unforeseen constraints.

PROBLEM OF SANCTIONING A SECOND LOAN

The beneficiaries at times look to Bank officials for the sanction of second loan. In genuine and needy circumstances, sanctioning of second loan goes along way in helping the Banker also in recovering the first loan. Sometimes, the second loan becomes necessary due to the failure of the first unit as a result of natural calamities like diseases (especially for sheep and milch animals). However, in majority of the cases, the beneficiaries tend to apply for a second loan just to repay the first loan on some pretext. It is reported by the officials that they will consider the case only when they are satisfied about the sincerity, integrity, genuineness, regularity in repaying the first loan and the circumstances under which the loan is sought.

CREDIT NEEDS OF BORROWERS

The general criticism is that Sree Anantha Grameena Bank and other Banks are not meeting the total credit needs of the rural poor who are still in the grip of private money-lenders. When the Bank officials are asked whether they are able to meet all the credit needs of the borrowers, only 33 per cent reported that they were able to meet the entire credit needs of their borrowers, while 67 per cent reported that they were not able to meet the entire requirements of the borrowers. It is reported by a majority of the Bank Officers that the unit-cost fixed by the Government is far less than the actual cost of the unit. For example, for buying two milch animals, the unit cost is ₹. 6,000; while the actual cost of Murrah graded buffalo is more than ₹. 7,000. Due to poverty also, the beneficiaries are not in a position to maintain the units properly resulting the failure of the schemes. Sometimes, the borrowers have to go far away places to get the quality animals and other inputs. The borrowers have to meet all incidental charges such as transport from their own pockets. To overcome this problems Bank officials pleaded for the supply of units locally and not to thrust the programmes on the borrowers against their wishes.
SUBSIDY AMOUNT

The Government sanctions subsidy in all Integrated Rural Development Programme loans varying from 25 to 50 per cent. The idea behind the sanction of the subsidy is to make the burden of loan reduced and help in a speedy recycling of funds. The subsidy element is playing mischief regarding the progress of the scheme, since many borrowers are interested in receiving the amount of subsidy only and not its proper utilisation according to the guidelines issued under Integrated Rural Development Programme. It is further reported that several beneficiaries are of the opinion that they need not repay the loan amount. The idea behind the introduction of subsidy is to give an incentive to the needy and deserving beneficiaries. It is suggested by most of the critics of Integrated Rural Development Programme that the subsidy component must be removed to streamline the loaning scheme. These critics are of the opinion that it will create awareness in the minds of beneficiaries and lead to the prompt and effective utilisation of loan amounts in the long run. It will create a greater urge among the borrowers to effectively utilise the loan amounts sanctioned to them, stand on their own legs, make their schemes economically viable and see that additional
incomes are generated with the help of which they can repay their loans.

In reply to a question on the linking up of subsidy with credit, Sree Anantha Grameena Bank official-respondents informed that it will help in reducing the loan burden and the Bank will be freed from their obligations, at least to certain extent. When they are asked about the problems created by the grant of subsidy, majority of them replied that granting of subsidy is largely responsible for the interference of local political bosses leading to wrong identification of beneficiaries and improper utilization of loan, resulting in heavy dues and overdues, considerable delays are also reported in the releases of subsidy by the Government authorities. This mainly is responsible for the delay in grounding of schemes. The practice of granting of subsidy is attracting a number of persons without any specific purposes also to apply for loans under Integrated Rural Development Programme. Even well-to-do farmers are reported to be getting their names including in the list of beneficiaries under small farmers category. It is considered opinion of one of the Senior Development Officials engaged in the implementation of Integrated Rural Development Programme, that subsidy is the actual villain of the piece in the
high drama of Integrated Rural Development Programme. He is of the firm opinion that the practice of repayment of subsidy should be dispensed with immediately, if one is really interested in curbing the interference of the local leaders and petty politicians and eliminating all undue pressures exerted by them, the matter of sanctioning of loans under Integrated Rural Development Programme.

Instead of making provision for more and more of subsidy and margin money through the participating government agencies, better utilization of available and released funds would serve the purpose of the lifting the rural poor above the poverty-line and help them to reach the ultimate goal of solving the problems of unemployment, and improvements of standard of living of rural poor. Several District Rural Development Agency officials interviewed, also suggested that a determined bid has to be made to give up the practice of granting subsidy, as subsidy is the root-cause of several evils of Integrated Rural Development Programme. They further suggested that interest-subsidy should replace the present capital-subsidy linking it to repayment. They feel that this interest-subsidy will curb several of the evil practices noticed in the matter of disbursement of subsidy. Interest-subsidy can be
understood as scaling down rate of interest charged on the amount of loans for those borrowers who are prompt in repayment.

PROBLEMS OF RECOVERY

Many of the woes of Sree Anantha Grameena Bank arise due to wrong impressions spread by the petty political leaders at village level, so much so, at times the borrowers are instigated not to pay back the Bank loans.\textsuperscript{5} It is a matter of concern that the recovery percentage of agricultural advances of all rural Banks particularly Sree Anantha Grameena Bank declined 53.1 per cent in June 1989 to 52.1 per cent in June 1991. Some of the important factors which have retarded recovery include difficulties in serving a large number of small farmers who are also scattered, lack of extension support, unrealistic repayment schedules, natural calamities etc.\textsuperscript{6} While meeting the increasing credit requirements, Sree Anantha Grameena Bank should also ensure better recovery performance by

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better appraisal, proper supervision and follow-up of advances.

In the interest of the success of the ventures of the borrowers and, in their own interests, it is necessary that Grameena Bankers continue to take active interest in the working of the ventures. They should help and provide counsel and guidance to borrowers and continuing basis.  

PROBLEMS OF FOLLOW-UP

Many studies reveals that 2 per cent of the overdues are caused by defective appraisal and 14 per cent due to lack of effective supervision and follow-up. At present in (Regional Rural Banks) especially in Sree Anantha Grameena Bank, field officers look after more than 1,000 accounts of Integrated Rural Development Programme and non-Integrated Rural Development Programme loans. The average of borrowed account is large and, as a result, the average accounts per branch and per officer has gone up sharply. When the researcher questioned Sree Anantha Grameena Bank official-respondents whether they were satisfied with

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the existing arrangements in the matter of follow-up of credit supply, majority of them replied in the negative; when asked further to spell out the reasons for their dissatisfaction the following factors have been mentioned (a) lack of transport facilities to the villages and (b) District Rural Development Agency officials are not bothered about follow-up.

MISCELLANEOUS PROBLEMS OF (RURAL BANK) SREE ANANTHA GRAMEENA BANK BRANCHES

Branch offices of Sree Anantha Grameena Bank located in rural areas are reported to be facing a variety of problems as given below:

1. The main problem faced by these rural banks, i.e., Sree Anantha Grameena Bank branches is that of location and premises. It is suggested that the State Government to undertake construction of buildings in rural areas, as per the exact requirements of these rural branch offices and lease them out at reasonable rent.

2. A good number of villages where the rural branches of Sree Anantha Grameena Bank are located are without police outpost, and motorable roads, telephone and telegraph facilities etc. Problems of absence of satisfactory transport and communications and security
arrangements in the rural areas where the Sree Anantha Grameena Bank branches are opened should attract the immediate attention of the higher authorities in Central and State Governments. It is high time the Government should pay adequate attention to all these problems.

3. Since Co-operatives, Commercial Banks cannot meet the entire needs of the rural poor, Regional Rural Banks (Sree Anantha Grameena Bank) can function, at an intermediate level, in this rural credit-structure and organisation.

4. The personnel working in the rural areas are reported to be either condemned seniors or juniors without enough experience. Basic amenities, like education for children and medical and health care, are reported to be absent in the rural areas. As a result, there is the absence of incentives to the staff in these branches to work sincerely. They appear and are a frustrated lot. Unless some special incentives such as additional increments for persons who volunteer to work in rural areas as given, the problems of staffing discussed above cannot be solved. It is only then that the staff can be motivated to work with more vigour and devotion to duty and sense of commitment etc. Sree Anantha Grameena Bank officials may be
asked to undergo a human relations training programme to understand the illiterate rural poor in a more meaningful way. It is reported that the staff training programmes conducted at present for the benefit of the branch staff falls short of attaining even their limited aims and objects since the integration of the personal interests with the interest of the institution, on the part of the trainees, are not there to the desired extent. There is wide gap between the goals and achievements.

OPERATIONAL PROBLEMS AT THE DISTRICT RURAL DEVELOPMENT AGENCY LEVEL

Integrated Rural Development Programme is the most systematic alleviation programme devised in India so far. Any gaps in the institutional or physical infrastructure to facilitate the success of the activities pursued by the poor will have to be carefully identified and effective steps taken to fill the gaps. It is gratifying to note that the Seventh and Eighth Plan have taken cognisance of this need and necessary provision has been made in the Plan to enable the District Rural Development Agency's to utilise 15 to 20 per cent of their grants for filling up the infrastructural gaps of this nature. The District Rural
Development Agency's have to strengthen their planning and identification machinery at all levels.

FORMULATION OF SCHEMES

About the formulation of various schemes, the District Rural Development official follow the credit plan prepared by the Head Office of Sree Anantha Grameena Bank and Lead Bank of the district. The credit plan will serve as a basis for the formulation of various schemes by the District Rural Development Agency officials while forwarding applications to the credit agencies, there was considerable delay and consequent bunching of applications. It was suggested that there should be more systematic distribution of work load of staggering applications.

ASSISTANCE FROM MANDAL LEVEL CONSULTATIVE COMMITTEE (MLCC)

The District Rural Development Agency officials are of the opinion that the MLCCs are only nominal but not effective. When approached further to elaborate on the problems faced by them, in this context, it is reported that lack of follow-up action after constituting the MLCC in an effective manner is the major problem.
ECONOMIC VIABILITY OF SCHEMES

About the economic viability of different schemes undertaken under Integrated Rural Development Programme, the District Rural Development Agency officials confessed that adequate attention is not bestowed and a serious thought is not given to the problems of examining the economic viability of the schemes well ahead of grounding the schemes.

INADEQUATE STAFF

The District Rural Development Agency has also pointed to the problem of inadequate staff at the mandal level as well as in the District Rural Development agency. Staff deputed to District Rural Development Agency are not willing to work with sincerity and devotion; they always think of going back to their parent-departments. It is, therefore, suggested that staff who can work with devotion are needed to revamp the structure and working process of District Rural Development Agencies.

COOPERATION WITH OTHER DEPARTMENTS AND AGENCIES

Co-operation of the Revenue Department in the recovery of loans was not wanting. When wilful defaulters are identified suitable legal procedures
should be taken. It is reported by the District Rural Development Agency officials that necessary cooperation and coordination is not forthcoming from the Government agencies and departments in the matter of recovery of overdues.

Although Integrated Rural Development Programme Action Plan is framed by District Rural Development Agency and District Credit Plan framed by the Lead Bank, the role of Regional Rural Bank i.e., Sree Anantha Grameena Bank is not insignificant because as members of the task force (or) standing committee their involvement is quite considerable. The focus is only on the expenditure incurred and targets achieved while no efforts are earnestly made in ascertaining the impact of the projects on the target group. This is because of the lack of necessary follow-up and evaluation at different stages.

Integrated Rural Development Programme is a comprehensive programme demanding active cooperation from all sections of the people involved in its implementation. Sree Anantha Grameena Bank officials reported that they have not experienced only problems in the matter of cooperation and coordination from Government officials upto the stage of disbursing the loan. But in the matter of recovery of loans the
Government officials, it is reported, are not extending any cooperation. As a result, Sree Anantha Grameena Bankers are left to their own fate in respect of recovery of loans. In fact, recovery of loans is also an equally important matter as it enables the recycling of funds. This most important aspect of the credit support programme of Integrated Rural Development Programme, however, has not been paid the attention it deserves.

MONITORING

The distinctive feature of Integrated Rural Development Programme is its emphasis on monitoring of schemes with particular reference to their impact on the income and employment for the identified beneficiaries. This programme should have in-built arrangements for monitoring the schemes so that the benefits of these monitoring should receive the major attention by those who are engaged in the implementation of the programmes. One of the criticisms levelled against the Integrated Rural Development Programme is that no evaluation worth mentioning is being done. The Government officials are satisfied with the achievement of financial targets and not very much concerned about the realisation of physical targets. The Government
officials have not given any serious thought on the qualitative improvements in the levels of living of the beneficiaries. The District Rural Development Agency officials in Anantapur informed that no evaluation of Integrated Rural Development Programme had been undertaken so far. Hence, they are not able to furnish any details of the monitoring of the scheme in the Anantapur district. They just rely on the records of the Lead Bank and early reports prepared by District Rural Development Agency (DRDA) authorities. Even these reports do not relate to all aspects of the programmes. The problem of transportation, lack of adequate staff, migration of beneficiaries after taking the loan — these are stated as the main hurdles in taking up evaluation work.

OVERALL EVALUATION

When the District Rural Development Agency officials were asked to indicate their overall evaluation of the contribution of the District Rural Development Agency in the implementation of Integrated Rural Development Programme, several important problems facing the District Rural Development Agency (DRDA) officials were raised. Organisational and administrative lacuna in the set up of the District Rural Development
Agency, wrong identification of beneficiaries, hasty preparation of Integrated Rural Development Programme plans, absence of adequate and timely assistance from Mandal Level Consultative Committee (MLCC), lack of cooperation from other departments, hasty planning and execution of the different schemes, absence of satisfactory integration and consideration of various schemes under Integrated Rural Development Programme with other schemes, non-viability of the schemes, high project costs, absence of adequate and satisfactory peoples' participation in the formulation and implementation of the schemes, absence of satisfactory monitoring cells, absence of complaint cells, low ceilings on family income, diversion and misuse of credit etc., - these are some of the important problems demanding attention for the effective implementation of the Integrated Rural Development Programme.