CHAPTER VII

SUMMARY, CONCLUSIONS AND SUGGESTIONS
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Even after forty five years of Independence, poverty and unemployment continue to be the major problems plaguing our country demanding complete attention of planners and policy makers. Different approaches were spelt out in different Plans, but basic objectives have remained to be ensuring the growth with equity and social justice, self-reliance, improved efficiency and productivity. The focus has always been on the problems of poverty-alleviation and expanding employment opportunities in rural areas.

More than seventy per cent of the population depend on agriculture and allied activities. Village industries in rural sector could hardly generate any surplus income to raise their standard of living. Among the factors responsible, lack of credit is the most important one. With the advent of Green Revolution and breakthrough in agricultural technology, the credit needs in the rural areas have been on the increase. Nearly seventy per cent of the rural population belong to weaker sections and live in backward regions depending completely on agriculture and village crafts in spite of unfavourable natural conditions like scanty and erratic rainfall, infertile and fragmented lands etc.
The task of Sree Anantha Grameena Bank is really challenging in these areas, more so, because most of the people have the potential inclination and willingness to work and generate income but do not possess the necessary wherewithal.

Finance is an essential and important input for breaking the vicious circle of poverty. Regional Rural Banks (RRBs), in particular i.e., Sree Anantha Grameena Bank, in Anantapur district have come in a big way to provide institutional credit for rural development programmes. But studies made so far have shown that, inspite of the enlargement of the institutional finance, it appears the informal sector still continues to bedevil the rural credit in a significant way. Experience shows that the only way to do away with the informal sector is by extending the institutional credit to large sections of our society with simplified approaches and procedures. Multi-purpose, multiple-programmes and multi-agencies are, no doubt, required to tackle this gigantic problem, but, what is more important is the coordination between different agencies properly identifying the target groups, effective implementation of the schemes and their monitoring, timely recoveries, periodical evaluation and taking remedial measures when and wherever necessary such for the success of schemes.
In this present micro-level study, an attempt has been made to examine the performance of Sree Anantha Grameena Bank in financing Integrated Rural Development Programmes in agricultural, animal husbandry, industry, services and business sectors. The main focus of the study has been to make an indepth analysis of the impact of credit on income, employment-creation and asset-position of IRDP beneficiary-households and also to study the performance of Regional Rural Bank i.e., in particular Sree Anantha Grameena Bank in Anantapur District, in financing the Integrated Rural Development Programmes.

Of the many programmes aimed at eradicating poverty and creating productive employment opportunities, the Integrated Rural Development Programme (IRDP) is the most comprehensive programme so far in operation since 1978-79 and, to day, it covers all the Blocks in the country. Studies made so far on the working of the Integrated Rural Development Programmes have shown mixed results.

The Integrated Rural Development strategy is a multi-disciplinary approach earnestly seeking to promote self-reliant development. It is a synthesis of strategies tested and found effective from the earlier experiences in implementing special programmes like
Small Farmers Development Agency (SFDA), Command Area Development Programme (CADP), Drought Prone Area Programme (DPAP) etc. The various elements which merit consideration under these programmes are included under Integrated Rural Development Programme (IRDP). The IRDP integrates sectoral programmes, area-programmes and rural-development programmes in a single framework at the (Block) mandal level. IRDP is an asset-oriented programme aiming at improving the income-levels of the rural poor.

The Cluster-Approach, Antyodaya Approach and Package Approach form the basic elements in the strategy of IRDP. Cluster-Approach is used to select the cluster of villages; the beneficiaries are identified in accordance with the Antyodaya Approach. Inputs and services are provided to the selected beneficiaries through package approach. Since the main objectives of IRD programme is to improve the income-levels and to increase the opportunities of productive employment by strengthening the asset-base of the beneficiary families, to bring about total transformation in the rural life. The small and marginal farmers, landless agricultural labourers and rural artisans are the target group of the Integrated Rural Development Programme.
The Integrated Rural Development Programme is an exercise in multi-level planning and is administered at three levels i.e., Centre, State and District, denoting planning from the grassroots level. The DRDA at the District level is entrusted with implementation. It is responsible to ensure co-ordination among the various departments. IRDP is a remarkable step in the strategy of poverty-alleviation programmes.

The IRDP has been the largest ever implemented anti-poverty programme with an investment of ₹4,500 crores during the Sixth Plan. During the Seventh Plan the outlay earmarked for IRDP is ₹3,473.99 crores, shared by the Centre and the States. It is remarkable that 65 lakh families, belonging to Scheduled Caste and Scheduled Tribe beneficiaries have been covered as against the Sixth Plan target of 50 lakh families, recording 144 per cent achievement. In the Seventh Five Year Plan also the target was to benefit 83 lakh families. This target was fulfilled in the Seventh Five Year Plan.

The IRD Programme is financed partly by the Government subsidy and partly by the Bank credit. The Government share and Sree Anantha Grameena Bank share, in IRDP financing, were in the ratio of 1:2, during the
Sixth and Seventh Plan periods. As the major financier of the programme, the Banks are thus expected to play a very important role in the implementation of IRDP. 23 per cent is the share of the Regional Rural Banks out of the IRDP loan provided to the beneficiaries at the national level. Expansion of branches of Regional Rural Banks have not yet made a significant dent in rural areas. This is evident by the low coverage of rural population by borrowing membership. The trade growth of borrowing membership per hectare of gross cropped area also underlines the inadequate and effective coverage by institutional agencies.

Although there is a speedy coverage of rural areas by Anantha Grameena Bank branches, an analysis of their performance indicates the existence of large number of areas which are yet to be covered.

The amount of rural deposits mobilised by all the agencies together may be considered small, in view of the rising per capita incomes, per acre incomes and rate of rural savings. The performance of Regional Rural Banks, in regard to mobilization of deposits, was in a better condition. Among the agencies involved in rural finance, the performance of Regional Rural Banks, during the reference period, seems to be better than that of others. However, credit-deposit
ratios of rural branches of Anantha Grameena Bank were far below the target set by the Government. Further analysis of the performance of specialised agencies shows that loaning operations were conspicuously directed to the higher asset-groups.

Regional Rural Banks, in particular i.e., Sree Anantha Grameena Bank, have been actively participating in programmes designed to extend credit to weaker sections. They are providing assistance to identified-borrowers under 20 Point Programmes, IRDP and other programmes, drawn up for the benefits of the Scheduled Castes/Scheduled Tribes. Therefore they seem to fulfil another criterion, namely, efficient and equitable deployment of credit in different rural areas and for different classes of borrowers among weaker sections.

In order to examine the various issues involved in the multi-agency approach, the Reserve Bank of India has constituted a working group to study the problems arising out of multi-agency approach in agricultural-financing and make recommendations, use of the agricultural pass book has been strongly recommended by the above said group.
IMPACT EVALUATION:

INCREASED IN THE NET IRRIGATED AREA

Financial assistance for agriculture has enabled the farmer-beneficiaries to bring additional land under cultivation than it was earlier. Before taking IRDP loan, the sample-beneficiaries in agriculture sector were possessing 173.17 (73.59%) acres rainfed-land and 62.12 (26.40 %) acres of irrigated land. But the post-loan period, the net irrigated area increased 77.89 (33.05%) acres and rainfed-land had declined to 157.8 (67.07%) acres.

IMPACT OF LAND UTILIZATION

The impact of providing irrigation facilities can be seen by land-utilization pattern of the sample borrowers in the agricultural sector. The gross cropped area in the post-loan period has increased by 31.64 acres due to intensive use of lands by the beneficiaries. Out of the area sown 15.77 acres could produce double-crop in the post-loan period.

IMPACT ON CROPPING-PATTERN

Comparison of data on cropping-pattern between the two periods has showed that there has been
a slight increase in the proportion of crops from 235.29 acres to 266.93 acres of gross-cropped area, after implementation of the programme. Regarding crops, farmers preferred to grow more sugarcane and sericulture, after the implementation of the IRDP.

IMPACT ON COST OF CULTIVATION

The average cost of cultivation per acre works out to ₹. 902.81 in the pre-loan period which has increased to ₹. 1038.52 in the post-loan period, indicating an increase by 23.57 per cent over the pre-loan period. The use of modern inputs like better seeds, chemicals, fertilizers, pesticides have increased, showing the switching over of farmers to profitable farming methods and more remunerative crops.

COST OF MAINTENANCE OF ANIMALS IN THE ANIMAL HUSBANDRY SECTOR

Since all the beneficiaries are engaged in the animal husbandry activities, the cost of maintenance of sheep-rearing, milch animals, Heifer Calf rearing, ram lamb-rearing represent new investment and this could be treated as incremental investment in working capital over the pre-loan period. The average cost of maintenance of milch animals, sheep rearing, ram lamb, Cross Breed cows, Heifer calf rearing is in
the order of Rs. 670.85, Rs. 984.73, Rs. 668.94 and Rs. 1184.50 and Rs. 1094.72 respectively.

IMPACT ON NET INCOME FROM THE ACTIVITIES

The most important direct benefit derived by the beneficiary-households is the substantial increase in the net income of the respective activities. The incremental net income had a favourable influence in augmenting their net family income in the implementation of IRDP.

In the agriculture sector, the average net farm income increased to Rs. 8577.77 after implementation of IRDP compared to Rs. 5165.76 before the implementation of IRDP. The average net incremental income per household was Rs. 1 to Rs. 3329.42. The orange/lime scheme produced a negative impact on the income-levels of the beneficiaries. The average incremental income per household is negative, showing a decline of Rs. 1304.20 over the pre-loan period per household. Orange/lime involve long gestation period approximately four to five years to realise the income; the groves show a positive impact only after this period. The benefits from New Well/Electric Motor and Sericulture activities are more impressive compared to other activities like bullocks+cart.
In animal husbandry sector, as all the beneficiaries have participated in these activities, the total net income realised could be treated as net incremental income IRDP. The average net incremental income per household was the highest for the beneficiaries engaged in ram lamb rearing (₨. 5941) and Cross Breed cows (₨. 4438), sheep rearing (₨. 5195) and milch animals (₨. 2721).

In the industries, services and business sector (ISB), the beneficiaries have realised an average incremental net income of ₨. 3994 per household after implementation of IRDP. Viewed from the individual performance among the activities, silk-spinning has proved more effective in augmenting the net income of beneficiaries with ₨. 6543 increase per household over the pre-loan period, followed by petty shop business (₨. 5133), garment-making (₨. 4709), brick-making (₨. 4927), carpentry (₨. 4114), lime-burning (₨. 3994), shoe-making (₨. 3883) and mat-weaving (₨. 3572).

IMPACT ON EMPLOYMENT

One of the main aims of the financial assistance under IRDP is to provide gainful employment opportunities for the beneficiary households in the post-loan period. In the agriculture sector,
irrespective of the activities, on an average mandays of employment per beneficiary-family has increased from 165.16 days in the pre-assistance period to 193.65 days in the post-assistance period, creating an additional employment to the extent of 28.16 mandays on an average, per beneficiary family in agriculture sector. Among all the activities, sericulture activity ranks first in employment generation, 272 mandays and 240 days in orange/lime, 212 mandays in electric motor activity and 189 mandays in bullocks+cart activity and 129 person days in tyre cart activity after receiving IRDP loan.

Since all the beneficiaries have received the financial assistance under Integrated Rural Development Programme (IRDP), the beneficiaries could get gainful employment opportunities in the animal husbandry sector. The average incremental employment generated per household was the highest in milch animal (murrah buffaloe), 40 mandays followed by sheep-rearing 36 mandays, in ramlamb rearing 35 mandays, in Cross Breed cows 31 mandays and Heifer Calf rearing was 27 mandays respectively. The overall incremental employment was 34 mandays.
Regarding the performance of individual units in the industries, services and business (ISB) sector, brick-making were 87 mandays of additional employment per beneficiary-household; mat-weaving activity provides 68 mandays additionally; garments-making activity provides 61 mandays additionally and petty shop provides 60 mandays additionally, silk-spinning activity provide 59 mandays additionally, and carpentry activity provides 55 mandays additionally over the pre-loan period. The average increase in employment in ISB sector is 65 person days. Due to the assured marketing facilities and fair sale-prices for their products, some of them could release their family workers to take up other occupations.

IMPACT ON ASSET POSITION

The financial assistance provided by the Sree Anantha Grameena Bank had a significant impact on asset position of the beneficiary-households. The assistance for the provision of minor irrigation facilities had further increased the value of land, besides increasing the value of agricultural implements and machinery of the beneficiary-households. The primary data indicates that the value of farm assets and non-farm assets increased by Rs. 22,000 and Rs. 13,332 respectively in pre-loan period to Rs. 36,000 and Rs. 20,365.
in the post-loan period. It is found that the average asset value for all the beneficiaries increased by farm assets is Rs. 14,000 and non-farm assets is Rs. 7,033 after the implementation of Integrated Rural Development Programme (IRDP).

NUMBER OF FAMILIES LIFTED ABOVE THE POVERTY-LINE

The present study has also made an attempt to estimate the number of beneficiaries crossing the poverty-line. As noted earlier, the dynamic aspect of poverty-line was ignored since the Sixth Plan in the identification of beneficiaries as well as in determining the quantum of Sree Anantha Grameena Bank assistance. As a result, even in 1984-85, the poverty-line remained at Rs. 4,800/- for the purpose of IRDP assistance, when the actual poverty-line had come Rs. 6,400. It is gratifying to note that out of 240 sample-beneficiaries 45 per cent beneficiaries were able to cross the poverty-line. 55 per cent of those who had been below poverty-line in the pre-loan period could cross the line in the post-assistance period. With reference to the revised poverty-line of Rs. 6,400, the per cent of beneficiaries crossing the poverty-line comes down drastically 45 per cent only.
TESTING OF HYPOTHESES

For the purpose of the present research study, four hypotheses have been formulated. In the study, some of the findings were tested with standard statistical tools of analysis; some others were proved with the help of tables only.

The first hypothesis of the study is that the Bank finance in particular i.e., Sree Anantha Grameena Bank has positive impact on the rural poor. To test this hypothesis, we have used paired 't' test technique to study the impact of Sree Anantha Grameena Bank finance on income, employment and asset-position for the three sectors, between the pre-loan period and the post-loan periods. It is found that there is positive relationship between the amount of loan disbursed and the household income, employment, and asset position of the activities between the pre-loan and post-loan periods.

The second and third hypotheses formulated is the repayment performance among the beneficiary-households in all the three agencies and in all the sectors is far from satisfactory. To test the hypothesis, multiple regression analysis has been made use of and proved with the help of the tables.
The repayment performance of the sample-beneficiaries engaged in different sectors; 54.89 per cent has became overdues. The recovery percentage relating to Sree Anantha Grameena Bank which stood at 45.41 per cent was termed unsatisfactory by the Bank officials. This proves the correctness of the hypothesis.

The fourth hypothesis of the study in the quantum of loan and subsidy given is not adequate to finance the activity for which it was financed. This hypothesis has been proved by the opinion of beneficiary-households; that the inadequate provision of financial assistance had negative impact on realization of income.

REPAYMENT PERFORMANCE

The success of financing IRDP schemes is determined to a great extent by the effective recovery of loans advanced, so that, Sree Anantha Grameena Bank could re-cycle their funds for further lending. The repayment performance in the agriculture sector is not satisfactory since only 36.41 per cent of the total financial assistance was repaid by the beneficiary-households. The recovery percentage in animal husbandry sector and ISB sector were more than 45.63 and 51.87 per cent. Whereas in the agriculture sector, they were
comparatively lower (36.41 per cent). The repayment performance of the Integrated Rural Development Programme sample-beneficiaries engaged in different sectors, the total amount of Rs. 9,74,197 due from 240 beneficiaries Rs. 5,34,775 became overdues. The Bank Managers indicated that the rate of recovery of loans was not satisfactory.

PROBLEMS IN IMPLEMENTATION OF IRDP

The major factors affecting the flow of credit are the size of the area, large population to be served, staff position of Sree Anantha Grameena Bank, process programme implementation, coordination with other concerned agencies and repayment of loans.

ATTITUDE OF THE BENEFICIARIES

The majority of respondents expressed satisfaction, regarding the terms, conditions and procedures of getting loans; but they experienced certain difficulties in securing loans. Some of the beneficiaries expressed, when they approached DRDA officials and Sree Anantha Grameena Bank officials in getting the loan their responses were indifferent towards them. A considerable number of beneficiaries have to waste their time and money due to the repeated visits to the
Banks and DRDA office. Those, who were eligible to get margin money from Scheduled Caste and Backward Caste Corporation could not receive it easily, in time, on account of the bureaucratic hurdles. In the same manner, some of beneficiaries felt that amount granted to them was meagre and, therefore, they could not get substantial benefit from Anantha Grameena Bank assistance. They also complained that Government officials were indifferent and delayed the release of subsidy. And some of them felt that, due to their ignorance, they had to depend upon the middlemen in securing loans. The beneficiaries reported that this inadequate provision of financial assistance had the negative impact on realization of income. Majority of beneficiaries were not aware of the programme and hence did not make use of the programme.

Eventhough the beneficiaries were aware of IRD Programme they did not have detailed knowledge of various schemes under the programme. However, as high as 88 per cent of the beneficiaries, chose the schemes on their own. The remaining were helped by the Mandal Development officials. The viability of the scheme was not studied much by the beneficiaries. It was also observed that both Sree Anantha Grameena Bank and Mandal Development Officials had not made necessary effort in
helping the beneficiaries to choose available scheme which was beneficial to their specific needs on purposes.

The general opinion was that the beneficiaries were not able to get loan from Sree Anantha Grameena Bank within the reasonable period. According to many beneficiaries, the officials concerned did not give sufficient and genuine reasons for the rejection of their applications. In some cases, applications were rejected on purely technical grounds and on the unfounded apprehensions that credit would be mis-utilised; a mistaken assumption which should be avoided; the genuine borrower should not be denied credit.

The repayment due to the credit agencies and repayment schedule was not known to 124 (51.67 percent) beneficiaries, though they were informed of the period by which the loan should be repaid and the number of instalments involved. The beneficiaries were not happy with the insurance coverage and its recovery procedures. They found it difficult to get the veterinary doctor's certificate to claim insurance coverage for dead milch animals, ramlambs, sheep and Heifer Calf-rearing. Infact, many beneficiaries declined to take loans for purchase of milch animals, fearing lack of veterinary facilities,
transport facilities for sale of their milk, and non-existence of co-operative milk booths.

The infrastructure facilities and linkages were not created by the authorities either before or after grounding the scheme. For instance, the success of Industries, Service and Business Sector (ISB) depends on the back-up services like timely supply of raw materials, marketing facilities and training facilities. Generally, these were lacking in the rural areas, particularly in the study area.

OPERATIONAL PROBLEMS BY SREE ANANTHA GRAMEENA BANK OFFICIALS

The most crucial element in IRDP is the easy availability of credit. Thus Banking institutions are the most important links in the entire system. The SAGB Bank officials were participating in the programme most unwillingly. Of course, the SAGB Bankers had their own explanations for this kind of inertia.

The SAGB Bank officials, of course, had a fairly good opinion about the beneficiaries in the matter of their reliability, sincerity and co-operative nature of the 28 participating branches credit agencies, only five were scattered at distances,
ranging from 8 to 17 Km from the mandal headquarters. The Regional Rural Bank, in particular i.e., Sree Anantha Grameena Bank, has been serving larger number of villages and population in rural areas of the district.

Sree Anantha Grameena Bank branches do not have any special staff to look after IRDP cases at their branches. Special Staff looks IRDP cases in Head Office only. Consequently, the Branch Manager had to look after them in addition to his usual work or Field Officer of that branch had to look after this work. 84 per cent of SAGB Bank staff were satisfied with the existing arrangements in the matter of follow-up the credit deployed. Lack of co-ordination exists between the Mandal Development Officials and the DRDA.

In the Regional Rural Banks i.e., SAGB, the amount can be sanctioned under different schemes is fixed. If DRDA suggests a unit involving higher scale of finance, the applications has to be forwarded to the Head Office of the Bank for special sanction. Some branches felt, that the present system of identifying beneficiaries on household survey is faulty due to political pressure from local leaders. Very often, the big farmers are included in the list of targetted
beneficiaries, under the category of small farmers; members of joint family register themselves as either landless or small farmers or marginal farmers as separate families. Almost all the branches expressed that 7 to 14 per cent of the total identified beneficiaries were above poverty-line before taking assistance under the Integrated Rural Development Programme.

Many of the woes of the Sree Anantha Grameena Bankers arise due to wrong impressions spread by the political leaders at the village level, so much so, at times, the borrowers are instigated not to pay the Sree Anantha Grameena Bank loans.

PROBLEMS AT DISTRICT RURAL DEVELOPMENT AGENCY LEVEL

When the District Rural Development Agency officials were asked to indicate their overall evaluation of the contribution of the DRDA in the implementation of IRDP, majority of DRDA officials were not satisfied with the present structure and function of DRDA and several important problems facing by the DRDA officials were raised. They were: (a) At times ineligible beneficiaries were selected by the Village Development Officers (VDO's); (b) a bulk of applications which were forwarded to the Sree Anantha Grameena Bank
branches were not sanctioned loan on some technical grounds; (c) monitoring was very poor. There was lack of co-operation from the sectoral departments; (d) absence of adequate and satisfactory people's participation in the formation and implementation of the scheme; (e) Staff deputed to DRDA were not willing to work with sincerity as they always thought of going back to their parent departments; and (f) it was difficult for the DRDA to provide marketing and other support-facilities as the sectoral departments did not cooperate fully.

SUGGESTIONS

From the findings of this study, it is seen that Sree Anantha Grameena Bank assistance provided to secure productive assets has produced a favourable impact on the generation of income and more employment opportunities asset-position through the overall impact on the beneficiary families can be said only to be marginal. Based on the findings of the study, the following suggestions are made which may contribute to the effective working of the Integrated Rural Development Programme. These suggestions, although made on the basis of micro-level study, may not be universally applicable. However, they throw light on
the problems in the implementation of IRDP. The thrust of the study is more on the performance of Sree Anantha Grameena Bank in financing of IRDP and improving the lot of the assetless group in their economic position.

OPERATIONAL PROBLEMS

In the implementation of IRDP in the study area, it is found that the beneficiaries were not properly educated about the schemes, the scale of finance and availability of Sree Anantha Grameena Bank loan and subsidy component. Consequently, the majority of the beneficiaries were ignorant, often got mixed up the subsidy component, which need not be repaid, and the loan component which had to be paid.

Regarding the information to the beneficiary, it is noted that Sree Anantha Grameena Bank and the Government have supplied very scanty information about the various components and the necessary information impassioned about the programmes.

In order to identify targetted beneficiaries, credit camps should involve the local leadership, Mandal Development Officials, Revenue Officials, Credit Institutions and the tentatively identified beneficiaries. Adequate preparation should be made by Mandal authorities in conducting credit camps. Due publicity
should be given in the villages about the camps, mobilisation of all the identified beneficiaries to attend the camps must be done. Such camps should educate the beneficiaries regarding the scheme benefits and formalities. There is a need for giving the beneficiary a chance to exercise his option for a given scheme.

Before selecting the scheme for individual beneficiary, it would be useful to study the feasibility/suitability of the scheme vis-a-vis the beneficiary. The scheme selected from the self of projects, the availability with DRDA should be location area specific and beneficiary specific then only the activities will be linked to beneficiary experience and may become effective in improving income, employment and asset position of the beneficiary households.

Informal education and training must be imparted to the beneficiaries on the maintenance of assets, prompt repayment of loan instalments and on improving their social and economic conditions.

The economics of the assets transferred to the beneficiaries should be studied carefully, the objective being to ensure a proper size of the unit to provide sufficient income to lift the beneficiary
above the poverty-line. The Manager of Sree Anantha Grameena Bank should be given powers to sanction marginally higher loans for identified beneficiaries in such cases wherever the size of the unit is large and the scale of finance required more. The beneficiaries who should get income from the scheme and repay their loans promptly should be encouraged by giving them a further dose of loan to improve their economic conditions.

Planners of the Integrated Rural Development Programme should be clear about their set-goals and translating these goal into effective programmes. When once this importance is grasped, it will not be difficult to solve number of problems connected with it. Strengthening of the planning process at the grassroot level will help considerably. If all the development efforts undertaken in a district are covered under one agency, planning and monitoring could effectively be done.

The Rural Development Programme; as it exists under IRDP, is structured for the improvement of the household at micro level. It cannot be successful unless proper linkages are continuously built up and provided for e.g., market, proper input supply, quality and training etc.
In the animal husbandry sector, it is found that there was dearth of quality livestock. Livestock improvement programme should be strengthened in order to improve the quality of livestocks. The credit agencies in collaboration with DRDA can encourage the scientific breeding and rearing of livestocks on commercial basis through concessional finance, if necessary, through private agencies, Veterinary assistance available to the outlying villages was grossly inadequate. This needs to be planned more thoroughly on cluster-basis.

Experience in the mandals shows that insurance-coverage could not be made effective due to the inability of the concerned officers to reach the villages in time where instances of death of animals, sheeps, ramlamb were reported. When such situations arise, alternatives to the beneficiaries must be arranged.

Women beneficiaries should be encouraged to form their own organisation as women are in general shy in meeting the officials, ignorant of filling up the applicationforms, unable to visit the Bank and face genuine difficulties for making arrangements for sale of their products in the market.

The Mahila Mandals and other voluntary organisations can organise the women-beneficiaries and
arrange for their training in various vocations and make them aware of different schemes so that the womenfolk could earn something and supplement the income of their families.

In the guidelines provided by the rural development programme, provision for linkage facilities is unfortunately neglected. There is hardly any provision for supplying raw materials and marketing their products. All the artisan-beneficiaries reported that they had been procuring raw materials by themselves and also have to take initiative to market their total products in markets as well as in towns. It is clear that unless backward and forward linkage facilities are made available, the programme is unlikely to lift rural artisans above the poverty-line.

Besides providing the adequate credit in the right time, the accommodation of cash credit by cheque system, would serve the credit purpose better. Every borrower should be issued a credit pass book mentioning the details of his land-holdings, credit limits etc. This cash-credit limit should be fixed for each borrower with reference to his production, household financial requirements, resource-position and pattern of income. This policy of meeting all the genuine production and
consumption credit-needs of the rural households would eliminate, or at least reduce, the scope of borrowing from the private money-lenders at higher rates of interest. In fact, Rural Artisans were found to be the weakest group among the beneficiaries, still susceptible to the influence of the money-lender and often exploitation. Institutional finance should flow in a large measure to artisans and agricultural labourers.

ORGANIZATIONAL PROBLEMS

At the mandal level, at present, only one village development officer and a progressive assistant work full-time for IRDP. This encouragement is inadequate for the purpose. It is, therefore, necessary to post a full-time VDO as early as possible.

In the Mandal, more than one branch of Anantha Grameena Bank are operating; in those Bank branches, Field Officer and Manager looked after the IRDP. The position should be reviewed in order to make it more effective by the DRDA in consultation with the branch offices of Anantha Grameena Bank.

Credit mobilisation, its disbursement and recovery, and effective implementation of the programme require strengthening of the staff at DRDA and Mandal
levels. A time-bound programme for filling the present vacancies should be drawn up, necessarily based on common selection system. At the Mandal level, the work-load having rapidly increased, additional staff is urgently required. Transport facility, available with the Mandal Staff at present, should be improved so as to facilitate mobility to the interior parts of the mandal without loss of time.

While increasing the number of Sree Anantha Grameena Bank branches the right location and the proximity to the beneficiaries within a few kilometers should also be considered. Sufficient number of new branches should be established in places which are un-Banked and where from maximum number of un-Banked settlements could be served effectively.

The present practice of deputing personnel from non-development departments to the DRDA as Mandal officials should be discontinued in favour of direct recruitment of suitable persons.

The role of Lead Bank, in respect of deployment of credit, its disbursement and monitoring of utilisation, is not satisfactory. This may be due to certain conflicts within the system involving competing of Regional Rural Banks, i.e., Sree Anantha Grameena Bank
and other Banks in the area. It is suggested that the Lead Bank's functions should be taken over by the NABARD, which should appoint District level functionaries for this purpose. Such officer should have statutory powers of supervision and control over IRDP financing in the District. NABARD officials should have the statutory powers of supervision and control over IRDP financing in the district.

CO-ORDINATION

Schemes like minor irrigation could not succeed because of the lack of co-ordination between different departments involved. Groundwater survey certificates were not easily available and there was great difficulty in getting electricity connections. Such problems should be effectively sorted out at the district and mandal levels by the DRDA. Co-ordination is also needed in the process of identification of beneficiaries between mandal development officers and the credit institutions, in order to reduce the number of rejected applications by the Sree Anantha Grameena Bank.

The credit institutions want the District Rural Development Agency to remit the subsidy amount
directly into the accounts of DRDA with Sree Anantha Grameena Bank instead of the present practice of issuing a cheque drawn on Bank in favour of the credit institution in order to make the procedure less cumbersome.

The delay in adjustment of subsidy to the loan amount is often cause delay in the grounding of the project. Credit institutions have succeeded in getting the subsidy amount deposited with them on the basis of loans sanctioned, but the gap between sanctioning of the loans and ground of the project has led to the locking of subsidy amount with the credit institutions. The grounding of the scheme should be expedited through properly co-ordinated activities of various agencies involved in this process. The Mandal Development Officer (MDO) should take more active interest in this matter.

MONITORING

Monitoring at the district level should be streamlined, while at the mandal level, there is an urgent need for a monitoring cell which can also take the follow-up actions. Field Staff should be provided at the village/cluster level to monitor as well as to supervise the implementation of the programme. For
this, the mandal development authorities may use for the programme and the services of the stipendary graduates for this purpose, after imparting training to them.

The District Rural Development Agency should conduct workshops and seminars on the implementation of Integrated Rural Development Programmes as well as on the other related programmes at the mandal level, and invite all the participating agencies and non-officials. Such programmes should be conducted at least twice a year. The results of such deliberations and suggestions emerging therefrom should be followed with all seriousness.

NEED FOR CONSUMPTION CREDIT

It is observed that majority of the beneficiaries were using a part of Sree Anantha Grameena Bank loan for consumption purposes, it is advisable to grant consumption-loans separately along with financial assistance. Such consumption-loans should cover the requirements of consumption and should be sanctioned area term-basis. Once their basic consumption needs are assured, beneficiaries may not be forced to divert the loan amount for consumption. This suggestion applies to those beneficiaries who are
relatively very poor compared to others. In our study, it is found that some of the households diverting a portion of the loan amount for consumption purposes out of necessity.

STRATEGIES TO IMPROVE RECOVERIES

Since the repayment-performance of the beneficiaries in the study area is not quite satisfactory, various factors responsible for this in relation to the structure, procedures, administrative delays which contribute to the default in the repayment of loans, efforts should be taken up in quite earnest to educate the borrowers on 'repayment ethics'. Certain changes in structures and procedures are necessary. Some of the general approaches to deal with this problem are presented below for consideration.

The poor recovery, because of wilful default by an individual or group of individuals, should be strictly dealt with through legal action. This needs integration among various financial institutions to ensure such wilful defaulters not being entertained by them. There is also need to educate the beneficiaries from the very beginning about the objectives and purpose of lending to avoid problems arising out of disinformation or lack of information.
If the recoveries are adversely affected because of natural calamities or lack of insurance covers, borrowers should be given protection by systematic designing of the methods to protect them from falling into a perpetual cycle of being defaulters.

The poor recovery position, arising out of situation like migration of borrowers, of sale of assets acquired out of loan or transfer of business without the knowledge of the Sree Anantha Grameena Bank etc., needs to be effectively tackled by strengthening the institutional structure of both Banking and Government institutions in the case of rural lending.

The 'Project Lending' concept, though involving certain risks, if (systematically undertaken by means of) proper selection of activities, appropriate matching between the activities and the beneficiaries ensuring technical feasibility and economic viability of the project prior to the lending of the loan; the situation of poor recovery would not arise at all. The present situation of poor recovery of loan calls loudly for a radical change in the attitude of Sree Anantha Grameena Bankers, to prepare themselves, in advance to respond promptly and effectively to the anticipated
and unanticipated problems that arise in the field of rural lending.

Inadequate marketing structure has been found to be one of the chief contributory factors for poor recoveries. Number of studies have revealed that, whenever marketing societies are run or directed by Sree Anantha Grameena Bank, the recoveries were encouraging.

The three important agents in the credit systems, namely credit-suppliers, credit-facilitators and credit-users, have to be viewed as an integral part and parcel of the self-same activity. Keeping this in view, there is need to educate them about their roles vis-a-vis micro and macro-development process for the successful implementation of the given project.

A continuous personnel involvement of the Sree Anantha Grameena Bankers and other developmental agents with the various stages of operation of any developmental activity in rural area is a must to win the confidence of local people. This will go a long way in accelerating the process of acceptability of new ideas, resulting in a successful implementation of various developmental schemes in totality in rural areas.
Above all, professionalised approach in the pre-lending appraisal system and post-lending supervision techniques, together with the strengthening of the organisational structures, especially at the field level, will go a long way in improving the recovery of advances.

Integrated Rural Development Programme is the most comprehensive programme being implemented throughout the country. To improve the economic position of the identified groups, this poverty-focussed development approach hinges heavily on the easy accessibility of institutional finance to the beneficiary-households. In this study, we have made a modest attempt to evaluate the performance of Regional Rural Bank, i.e., Sree Anantha Grameena Bank in financing IRDP and have also made an impact study on evaluation of IRDP in improving income, employment and asset position of the beneficiaries to lift them above the poverty-line with proper forward and backward linkages to make the schemes under IRDP to go a long way in helping the rural poor.