CHAPTER - VI

SUMMARY AND CONCLUSIONS
Majority of the Third World Countries including India, are caught up in 'poverty trap.' These countries are subject to both absolute and relative poverty. In India, nearly 76 per cent of the people live in rural areas. They comprise marginal and small farmers, agricultural laborers, rural artisans and non-agricultural laborers. Half of the rural population are below the poverty line. Absolute rural poverty persists due to low income, resulting from lack of asset-base, absence of non-farm employment opportunities and low level of technology etc. Relative rural poverty results from skewed distribution of assets.

Several estimates have been made in India regarding the percentage of people below the poverty line. There have been variations in the different estimates of poverty. The Planning Commission had stated that the proportion of people living below poverty line has gone down from 51.3 per cent in 1977-78 to 36 per cent in 1993-94.

A number of studies on the Indian rural poverty have been conducted by various institutions and individual scholars. Most of the studies were conducted at the macro-level, based on secondary data as furnished by the National sample survey organization and official document. But then, India is a vast country with different agro-climatic regions and different socio-economic conditions. This has necessitated to micro-level study to get the correct picture of the region specific dimensions of rural poverty. The present micro-level study was conducted in four sample villages of Hindupur Mandal in Anantapur District of the
Rayalaseema region in the State of Andhra Pradesh. Four villages selected for the study are:

It is learned through the review of literature that there is no unanimity with regard to the exact percentage of population below the poverty-line in India. The studies that have been conducted by different individual experts and institutions widely vary in assessing the percentage the population below the poverty-line.

No one fails to take notice of the fact that the efforts made by the Government of India could considerably reduced the intensity of poverty. This has been the outcome of the various anti-poverty programmes that have been implemented in India. The government has virtually declared war on poverty. It has orchestrated number of efforts in order to reduce poverty. As a result, the percentage of population came down to 36 per cent by the end of 1993-94 while it was around 55 per cent during the year 1973-74. This by no means a achievement!

Almost all the schemes designated to alleviate poverty in the country have been invariably implemented in the sampled villages of the Hindupur Mandal of Anantapur district of the Rayalaseema region of Andhra Pradesh.

Anantapur is a chronically drought-prone district in the State. It has 63 mandals. Around 80 per cent of the working-population seek employment in the agriculture sector. Small and marginal farmers constitute nearly 70 per cent in the total size of land holdings. The district offers meagre irrigational facilities. It is grossly underdeveloped in the matter of industrialization.

The main thrust of this study is to evaluate the impact of institutional financial assistance to push up the poor above the poverty-line of income in the sampled villages. To accomplish this task, one hundred identified beneficiaries, at the rate of 25 from each sampled village, were contacted and the needed data for study was collected.
Objectives of the Study are as follows:

(1) To study the socio-economic background in Anantapur district with special reference to Hindupur Mandal;

(2) To identify the problems faced by Hindupur Mandal;

(3) To examine the role of institutional support in the provision of extending financial assistance to implement different anti-poverty programmes in the Hindupur Mandal; and

(4) To suggest remedial measures to overcome the problems faced by the Hindupur Mandal in overcoming poverty.

A sample of 100 beneficiaries were contacted in the four selected villages of the Hindupur mandal, of which 64 were males and 36 females. Except in Kirikera village, male beneficiaries outnumbered females; female beneficiaries whereas in the case of Kirikera females are more in number compared to males: 67 per cent of the beneficiaries were below the age of 40, 33 per cent were found in the age group of 41-50 years.

The percentage of beneficiaries who belonged to Backward Castes, Scheduled Castes and Scheduled Tribes were 35, 38 and 5 respectively. That means the anti-poverty programmes covered largely the downtrodden sections of the societies in the villages.

Though the villagers were endowed with minimal literacy level, yet, they seem to have understood and appreciated small family norms; as such, the average size of a family household was in the range of 4-6.

It is heartening to note that both men and women almost equally participated in the breadwinning activity.

Another striking feature that was observed during the survey period was that 93 per cent of beneficiaries had pucca houses which were constructed and allotted to them under the scheme of Indira Awaj Project. However, 7 per cent of total respondents could not, so far.
avail themselves of the housing facility under this scheme. Since most of the beneficiaries happened to be poor, they do not have any assets worth the name. However, over 30 per cent of them owned assets up to Rs. 25,000 per household, 52 per cent owned assets in the range of Rs. 25,000 to Rs. 50,000 per household. It was only 17 per cent of the respondents who owned assets per each household, worth one lakh. The assets that the beneficiaries owned are the barest minimum for their maintenance. The assets include a piece of land, less than 2 hectares and one or two milch animals, bullock carts, bicycles, one or two sheep or goats and hens. A few of them seemed to posses simple gold jewel such as nosestuds, earstuds and gold ring which they could pledge at times of financial crises. With regard to liability position, 65 per cent of the respondents had loans upto Rs. 15,000 per household, while 35 per cent had debts ranging from Rs. 15,000 to 20,000 each household. The liabilities were largely backed by concrete assets.

It was observed that only four schemes: IRDP, DRDA, DWACRA and TRYSEM were the four important schemes that were implemented in the sampled villages. Nearly 60 per cent of the beneficiaries were covered under IRDP, followed by 20 per cent under DWACRA, 11 per cent under TRYSEM and 9 per cent under DRDA. The total amount sanctioned and disbursed by the local financial institutions, to the 100 sampled beneficiaries, was to the tune of Rs. 14,23,000.

The financial assistance sanctioned was used for the purpose of dairy development (30 per cent), sheep and goat rearing (15 per cent), bullock and bullock carts (25 per cent), self-employment (16 per cent) and sericulture (13 per cent). A majority of 63 per cent of the beneficiaries expressed total satisfaction about the financial assistance extended by financial institutions, 35 per cent of them complained against the inadequacy of financial assistance. In the present days of raising a farmer fails to buy a pair of bullocks and bullock carts with the amount of Rs. 18,000 which a bank sections. The beneficiaries found that it was difficult to
cope with only bank finances; they had to raise loans with local money lenders, landlords, business men and friends and relatives. It is praiseworthy to note that as many as 35 per cent of the beneficiaries were provided financial assistance by friends and relatives as interest free loans. All the four financial institutions have made a provision of loans. The loans borrowed were not on the basis of just an individual’s position in the villages; on the other hand necessary securities were provided by the beneficiaries. Nearly 50 per cent of the beneficiaries pledged their landholdings to get the financial assistance from the banks, while the remaining 50 per cent obtained bank assistance against their house property.

It is a matter of concern to note that none of the beneficiaries cleared the loans raised by them from the local financial institutions. The reasons that they ascribe are varied and different. Based on the responses, it is learnt that 40 per cent of the beneficiaries could not clear off their loans owing to failure oaf crops while 18 per cent of them complained non-remunerative prices as the cause of non-repayment of loan. 31 per cent of the beneficiaries agree that they used the loans for other purposes than the one for which they were sanctioned. They used the loan amount either to solomonise marriage of son/daughter. Over 10 per cent of the beneficiaries had to use the financial assistance to meet the medical expenses of the family members. Above all, the local politicians, in order to keep these beneficiaries in their grip, discussed a few of them not to repay the loans at all assuring them, at some times later, government might waive the loans taken by them. This is the direct assistance of the politicians to the people in their locality.

It is heartening to note that a vast majority of the beneficiaries in all the four villages have wholeheartedly acknowledged the useful role played by the local financial institutions in improving their living conditions. They agreed that they could get loans on easy terms and they were freed, to a large extent, from the clutches of local money-lenders who very often, exploited them in the name of immediately extending financial assistance.
The beneficiaries especially in the villages of Challivendula, Kirikera and Pulukunta expressed that the banks had helped them in crossing poverty-line. They were greatly satisfied that their average income levels have gone up over 64 per cent during the period 1990-91 to 1994-95. In the case of Manesamudram the average income levels of the beneficiaries, during the period under reference, had gone up over 80 per cent. This clearly demonstrates the fact that banks have helped the poor in improving their economic position in the villages. If a big push is given to village community by the liberal finances of banks, with appropriate monitoring system, the day would not be far off for the disappearance of poverty in a mandal like Hindupur in the country.

On the whole various schemes helped the village people to cross the poverty-line. Besides this, to a large extent, the rural people were liberated from the clutches of the local money-lenders. There was an upsurge of enthusiasm instead of the habitual depression.

What is needed, at the present stage is liberal financial assistance to the needy, supervising machinery of appropriate monitoring system. Above all, politicians and middlemen and money lenders should be prohibited from exploitation of the poor and the needy.

Financial institutions should be customer friendly and keep open active cells to cooperate with the villagers to help them to improve their condition.

If such improvement could be viable in a systematic way, no doubt village life would of ideal one.