Chapter VI

Summary And Conclusions
Chapter VI

Summary and Conclusions

Poverty is a state of deprivation that is the effect of misdistribution of resources in the economy. That portion of the population whose resources are so depressed from the means as to be deprived of enjoying the benefits and participating in the activities which are customary in that society can be said to be in poverty.

Human Development Report (1997) introduced Human Poverty Index to measure poverty. It is a composite index including various features of deprivation in the quality of life. Human poverty index contains many aspects like lack of freedom, inability to participate in decision-making, lack of personal security, inability to participate in the life of community and threats to sustainability and intergenerational equity etc, which cannot be measured (Deaton, A) 2001.

The views of experts on the problem of unemployment are many and varied. A person working 8 hours a day for 273 days of the year is regarded as employed on a standard person year basis. In the light of the above view many are stated to be unemployed in India, more specifically in rural areas. Unemployment may be distinguished as a) structural or technological unemployment which includes cyclical unemployment,
frictional employment and under employment b) disguised unemployment
c) open unemployment. There was no definite rural poverty alleviation
strategy followed by the Government.

6.1. Summary

A plethora of schemes were implemented which were not sustainable in their nature. The Integrated Rural Development schemes were not integrated effectively and hence the success is marginal and short-lived. There were leakages in the benefits generated by these programmes. Though poverty has declined at the macro-level, rural-urban and inter-state disparities are visible.

The rural poverty ratio is still relatively high in Orissa, Bihar, and North-Eastern states. States like West Bengal reduced poverty by following the path of rigorous implementation of land reform measures and empowerment of panchayats while Andhra Pradesh on direct public intervention in the form of public distribution of food grains.

In 1996-97 CMEY programme is introduced to provide employment to youth in the state and Roshni scheme was also grounded in 1999. Later, the Velugu Project is taken up in many districts to provide employment opportunities to rural youth and others in a big way.
CMEY programme was implemented in Anantapur district up to 2000-01 and let out afterwards. In fact no project was grounded in the district in 2001-02. All this indicates that all is not well with the programme implementation in Anantapur district.

A total of 1940 groups were assisted under CMEY in the district during 1996-2004. The number of groups varied from 89 of minority communities to 1058 to mixed categories. Large number of groups belonging to backward communities was covered under the programme. It is also clear from the table that 18.16 percent of the groups provided financial assistance under CMEY are women groups.

Margin money provided to each member of the groups assisted under CMEY programme, on an average, increased from Rs. 2759 in 1996-97 to Rs. 7,906 in 2003-04 with no such facility extended in the year 2001-02. During the period under study the per beneficiary margin money provided works out to Rs. 2,723 per annum.

Subsidy money provided to each member of the groups assisted under CMEY programme, on an average, varied from Rs. 6,040 in 1999-00 to Rs. 12,533 in 1998-99 with no such facility extended in the year 2001-02. During the period under study the per beneficiary subsidy money provided works out to Rs.6,970 per annum.

A time series analysis to estimate trend in the recovery of margin money provided under CMEY programme in Anantapur district revealed that it decreased at an annual rate of Rs.18,630.
6.2. Findings of the study:

All the groups covered under the programme have been provided with margin money ranging from Rs. 18,000 to Rs. 40,000. All the groups covered under the programme have been provided with subsidy money ranging from Rs. 25,000 to Rs. 60,000.

To a larger extent the matching grant amounts provided were Rs. 20,000 and Rs. 40,000 to each group.

A total amount of Rs. 29.80 lakhs was provided by banks as loans to the CMEY groups in Uravakonda mandal. More than 90.00 percent of the total bank loan was borrowed by the CMEY groups that borrowed Rs. 1,00,000 each. Further, larger portion of these loans were borrowed during 2002-04.

No margin money has been collected from 39 groups that account for nearly 63.00 percent of the total number of groups covered under the CMEY programme.

Members covered under CMEY groups are fairly large and hence it became difficult for the organiser and sub-organiser to continue the activity with the cooperation of many members.

Only one half of the selected beneficiaries are in the age group of 18-34 years. Nearly one third of the selected beneficiaries are in the age
group of 34-40 years and 18.00 percent of the total beneficiaries are above the age of 40 years.

Less than one quarter of the selected beneficiaries have degree qualification and there is no member with post-graduate qualification. Nearly 40.00 percent of the members selected have upper primary school level education while one quarter of the total members have education standard up to high school.

Important activities assisted for generating employment to the youth under this programme are groundnut thresher and sheep rearing. Anantapur district is the lead district in the production of ground nut crop and hence the ground nut thresher activity is on a large scale in the district.

It is found the there is ambiguity in the maintenance of the records relating to the finances provided to the groups of youth under CMEY programme. Some of the governmental records state no sanction and assistance was provided to the groups in the year 2001-02. However, some governmental records show that many groups were provided with financial assistance in this year. More specifically, the margin money, and subsidy allocations were there in 2001-02 also.

There are problems in the identification of the organiser and the sub-organiser of the groups selected for assistance. Many were not enthusiastic to take up this responsibility. The size of the group is reported to be unwieldy and hence ensuring cooperation from all became difficult. This contributed for the failure of the programme to a larger extent.
It is not common for a group of people to have a common interest in one activity that fetches them additional income. People with different taste and interest may not find interest in one group activity. Further, sharing the benefits between them also becomes complicated with an increase in the size of the group.

Members drawn in to the group from different castes with different levels of skills find it difficult to contribute to the common activity of the group. Many of the groups that started activity under groups disintegrated leading to the failure of the scheme.

Many of the embers drawn in to the groups are not in the age group of 18-34. Infact, there are members who are aged more than 40 years. It is also found that members with no are low educational background were extended the benefit of employment generation projects. Some of the beneficiaries are illiterates working as farmers in some villages.

Identification of the beneficiaries has been defective and hence the programme failed to a large extent. Margin money and subsidy money was sanctioned to the groups that applied for assistance some of the groups never started the activity.

Formation of the groups with ficticious names is also identified in the field survey, On the other hand, the benefits of the programme have been cornered by a section of the people with affiliation to political parties.
There are instances in one village one influential person grabbing the assistance under the scheme in the name of fake members and groups. There was no supervision and monitoring of the activity under this scheme by the government officials. As a result, margin money sanctions and subsidy grants were diverted or used for consumption purposes by the members of the groups.

No concerted efforts have been pad by the government to recover the margin money from the members of the CMEY groups. Only banks have been attempting to recover the loans extended to the members of the CMEY groups.

For all these reasons the programme efforts failed to achieve the desired objective of providing employment generating opportunities to the rural unemployed youth. The impact of this programme is estimated to be limited and partial.

In Uravakonda mandal a few activities proved to be successful to a limited extent. Sheep rearing in Chinnamustur village, Groundnut thresher in Raketla village, cloth business in Amidala village, brick kiln in vyasapuram are the activities that are being continued.

A variety of problems have been offered by the members for the limited impact of the CMEY programme in Anantapur district. The recurring drought conditions have been hampering the prospects of paddy cultivation, ground nut thresher and milk dairy activity. Sheep rearing activity suffers from the problems of diseases to the sheep that force them to
sell away the sheep. Cloth business is also found to be seasonal depending up on the incomes of the agriculturists in the district.

From this analysis it is found that the impact of CMEY programme has been limited in providing employment generating avenues to the rural unemployed in the district.

6.3. Suggestions

In view of the limited success recorded by the CMEY programme the following suggestions may be considered to make the programme more effective.

The programme may be extended to the smaller groups of 2 or 3 unemployed youth.

The members in the selected groups shall necessarily be in the age group of 18 to 34 years of age.

Contribution of funds by the members need to be made obligatory and compulsory to ensure interest in the group activity.

The projects sanctioned to the youth group need to relate to the skills possessed by the members of the group.

The demand for the output of the assisted projects need to be generated locally to a larger extent possible.
Measures need to be taken to provide necessary inputs for the maintenance of the activities financed under CMEY.

Margin money may be released on an instalment basis after assessing the progress of the activity sanctioned.

Recovery of margin money is to be made regular and it may be tied up with the issue of subsidy grant.

Subsidy grant is to be rationalized and extended periodically to support the project taken up by the group.

Infact the amount of subsidy grants are to be assessed and sanctioned according to the needs and not on a fixed rate.

Additional finances may be provided to the groups performing well as an incentive.

It is essential to check the diversification of the funds sanctioned to CMEY projects to the unproductive activities.

Constant and periodic monitoring and supervision of the programme by the government officials is essential for the success of the employment generation programme.
Regular meetings of the beneficiaries and the officials are to be arranged to assess the performance and progress of the project works financed under the programme.

More women may be involved in the organization of the groups under the CMEY programme.

Employment generation programmes may be integrated with the other projects that involve the utilization of local resources both physical and human resources.