

CHAPTER – VI

SUMMARY
AND
CONCLUSIONS

6.1 SUMMARY

Though, a few among the sample beneficiaries have owned lands in small size and are marginal farmers, they are not in a position to invest on inputs and irrigational infrastructure that could increase the productivity of land that would in turn provide gainful additional employment and income. Since, the cheap institutional credit is a day dream for them; they depend on the private money lenders who lend at higher rate of interest.

Andhra Pradesh scheduled castes Development and Finance Corporation was established, with the purpose of generating the institutional finance, by the government of Andhra Pradesh in the year 1974 with a purpose of generating institutional finance and channelizing it to the Scheduled Castes households those who are below the poverty line. It was registered under the Andhra Pradesh Co-operative Society Act with a share holding pattern of 51:49 between the State Government and Government of India.

Taking note of the time and resources constraints into account, besides methodological and theoretical strategies, stratified proportionate random sampling is employed to select the total sample of 245 were selected from among the beneficiaries. First of all, detailed information of all the beneficiaries of different programmes of agricultural development was collected from the records of the Guntur district Scheduled Castes Development and Finance Corporation. And

the beneficiaries of different programmes were divided into different groups. All the programmes or scheme being implemented by the finance corporation were broadly divided into agricultural programmes and non-agricultural programmes. The non-agricultural programmes were excluded from the study. The programmes being implemented in the urban areas were exempted from the study. The agricultural programmes were selected to evaluate its impact on the beneficiary households. Among the several programmes of agricultural programmes, only four were chosen.

The present area of study is confined to the Guntur district which is broadly divided into three revenue divisions with varied levels of development. They are namely, Guntur, Tenali and Narasaraopet divisions. Tenali division compared with others is economically forward. And the Narasaraopet division is backward. The Guntur division is in between the Tenali and Narasaraopet divisions in terms of development. While selecting the samples of the present study, e three divisions are given equal priority. So, from each division, eight villages are chosen. The selection of the villages is based on the two things i.e., 1. a village should have at least 150 Scheduled Castes households and 2. there should be sufficient number of beneficiary households of those chosen programmes of the present among the total households of the village. Thus the total samples of 245 are drawn from the 24 villages, spread all over the district. Among the agricultural development programmes, namely, 1) Bore Well 2) Oil

Engine 3) Open Well and 4) SMP Set are chosen. Employing the stratified random sampling, 245 sample beneficiaries are drawn. From beneficiaries of the SMP set programme, 65 samples are drawn. And from the beneficiaries of remaining three programmes, 60 samples are drawn from the each programme.

The present study is confined to the district of Guntur. The district has most fertile soil with wide range of irrigational facilities. It is densely populated and majority of people are dependent on agriculture living in rural areas. Majority of SCs are agriculture labour living in rural areas and literacy among them is low compared with others. Access to and ownership of income generating assets is very low. They lack the basic amenities. For eradication of poverty among the people, a good number of measures and programmes are devised.

For the socio-economic development of SCs, a special entity called Guntur District Scheduled Castes Development and Finance Corporation (GDSCDFC) was established. In addition to that, there are other poverty eradication programmes being implemented by various agencies in the district. In all the programmes of poverty eradication, due importance and share is being given to SC for their overall development.

The population of 245 sample beneficiary households is 1,349. Of the total population of 1,349, 59.76 per cent of the population is in the productive age of 18-55 years. Among the total sample

beneficiaries of 245, 75.49 per cent of the beneficiaries are in the productive age. With regard to literacy status, 47.5 per cent of the total population of the sample beneficiary households is literates which are below both the State and National literacy levels. Only 18.15 percent had received high school education and above. The data revealed that in the total of 245 sample beneficiaries, 113 (46.12 percent) are female and the remaining 132 (53.38 percent) beneficiaries are male. The total investment of invested on the four pragemmes includes the loan component of Rs.11,20,980, margin money of Rs.9,67,775 and subsidy amount of Rs.20,47,345. Moreover, among the four programmes, the bore well programme alone has received highest share with Rs.19,00,800 constituting 39.31 per cent of the total loan amount.

With regard to occupations of the beneficiaries, it was reported that nearly 81.63 per cent of the beneficiaries are agricultural labourers. The primary occupation of 200 beneficiaries is agricultural labour and that of 32 beneficiaries is cultivation. And the 85 beneficiaries have cultivation as secondary occupation and that of 75 beneficiaries have animal husbandry as secondary occupation. Regarding the distribution of land holdings on the basis of availability of irrigational facilities, it was found that 84.83 per cent of the total cultivated area of 258.10 acres is wet land with irrigational facilities and the remaining 15.17 per cent is dry land which is rain fed. In the total of 245 beneficiaries, there are 100 (40.82 percent) who have not owned land. There are 93 (37.96 percent) beneficiaries who have

owned the land below the size of one acre. And with 5 acres and above, there are only 3 beneficiaries. The asset holding position of the beneficiaries revealed that the value of the total assets consisting of both farm and non-farm is found to be Rs. 2, 20,000, on an average, per beneficiary household.

Impact of the Programmes

The major findings of the programmes are presented as under.

Selection of the Beneficiaries

The agricultural development programmes are meant for SCs population with income below the poverty line. But, it was observed that there are some beneficiaries whose income is above poverty line. Programme-wise results show that of the total 245 beneficiaries, 71 (28.98 per cent) beneficiaries are found above the poverty line. In the oil engine and open well programmes with 60 beneficiaries in each programme, the respective 28.38 per cent and 35.10 per cent of the beneficiaries are above the poverty line. Similarly, among the beneficiaries of bore well 20.00 per cent of beneficiaries are above the poverty line and in SMP set 21 per cent of the beneficiaries are above the poverty line.

Generation of Income

The agricultural development programmes are successful in improving the irrigational and infrastructural facilities. The improved assured irrigational facilities helped in increasing the net irrigated area and changed the cropping pattern and so the productivity of farming. With result of these improvements increased the incomes of the beneficiary households. It was found that programmes have generated a net income of Rs. 15,123, on an average, per beneficiary household. Programme-wise results show that among the four programmes SMP set stood on the top by generating an average net income of Rs. 21,500, followed by open well and bore well with net incomes of Rs.17,800 and Rs.14,000 respectively. But the oil engine programme, compared with other programmes, has generated Rs. 7,190 per beneficiary, which is very low.

Generation of Employment

The programmes are intended to generate additional gainful employment to the beneficiaries. Evidently, the average additional person days that were generated by the programmes are 230 per beneficiary. Programme-wise results showed that SMP set is better than any other programmes and it has generated 403 person days, on an average, per beneficiary household. While open well and bore well programmes have generated an average of 233 and 218 person days respectively. But the oil engine failed in generating additional gainful

employment. It is lagging behind other programmes with 67 person days, on an average, per beneficiary household.

Asset Formation

It was found that the total value of both farm and non-farm assets taken together, in the period before implementation of the programmes, are estimated to be Rs. 90,000, on an average, per beneficiary household. Due to the impact of agricultural development programmes, in the post-loan period, it has increased to Rs 2,20,000 with net increase of 144.44 per cent.

Increase in Income in Response to Loan Assistance

The beneficiaries of the bore well programme are provided an assistance of Rs. 31,680, on an average, per beneficiary and it has generated an average additional income of Rs. 14,000 (44.19 per cent). The open well programme has generated an average additional net income of Rs. 17,800 (109.54 per cent) from the loan assistance of Rs. 16,250, on an average, per beneficiary. An average assistance of Rs. 20,030 is provided to the each beneficiaries of SMP Set and it has generated an average net income of Rs. 21,500 (107.34 per cent) and for the beneficiaries of oil engine programme an average assistance of Rs. 14,000 and it has generated an average additional net income of Rs.7,190 (65.50 percent).

The Awareness and Attitude of Beneficiaries towards the Programmes

The information regarding awareness and attitude of the sample beneficiaries towards the developmental being implemented by the GDSCDFC is collected through field survey. Regarding how the beneficiaries have come to know about the programmes of the Corporation, difficulties faced during the loan sanctioning process, whether programmes are selected by the beneficiaries themselves and relevant to their skills and whether the programmes are helpful in generating the additional income to them. In response to the question how the beneficiary have come to know about the programmes, of the total 245 beneficiaries, 96 beneficiaries told that they came to know about the programmes through the local political leaders and 51 beneficiaries through leaders of SCs. 29 beneficiaries through newspapers and 32 beneficiaries got information about the programmes through neighbours. And the remaining 37 beneficiaries informed that they got the information regarding the programmes through the officials of the corporation.

Regarding getting the loan assistance sanctioned 147 beneficiaries of the total 245 sample beneficiaries told that they have approached political leaders and succeeded. And the remaining 98 beneficiaries told that they approached the officials of the corporation through middleman. In both cases, irrespective of whether they approached through political leader or middleman, the beneficiaries

are compelled to pay bribes to officials of the corporation through middleman. Only 20 beneficiaries of the total 245, reported that they didn't pay any bribes to the official of the corporation in order to get the loan sanctioned. Moreover, the beneficiaries complained that in order to get the loan assistance sanctioned, they used to visit the corporation office frequently, in addition to bribes paid, to please the officials for speedy delivery of the units of the programmes spending lot money for traveling and at the cost of employment days in the peak season of agricultural activity.

It was also reported that of the total 245 sample beneficiaries, only 82 beneficiaries have attended the awareness camps organised by the corporation to bring awareness among the beneficiaries about the intentions of the corporation in implementing the various development programmes. In case of the selecting of the programmes, it was alleged that only 81 beneficiaries were given choice to choose the programmes of their interest and the remaining majority 164 beneficiaries accepted the programmes at the choice of the officials of corporation. And also in some cases, skills of the beneficiaries are not taken into consideration while selecting for a particular programmes. It is unfortunate to note that none of the beneficiaries have attended the training camps.

More importantly, shortfall found with the corporation is that it took much time from 3 to 6 months for grounding the programmes after the sanctioning process is completed. Moreover, 166

beneficiaries of the total 245 beneficiaries have alleged that the loan amount provided by the corporation is not sufficient to meet the actual cost of the asset. Consequently, for differential or deficit amount required to purchase the units of the concerned programme, the beneficiaries approached the private moneylenders. Naturally, the private moneylenders charge higher rates of interest. So, there is possibility for draining of the additional income generated by the programme in the form of interest payment.

Finally, most of the beneficiaries have grieved that they should be allowed by the official of the corporation in their presence to select and purchase the asset to ensure the quality of the asset. And the beneficiaries alleged that they are not satisfied with cost and quality of unit provided to them. Of the total 245 beneficiaries, 198 have told that the programmes are very useful for them and got benefited from programmes in terms of incremental income and the remaining 47 beneficiaries told that are not that much useful to them in terms of incremental income.

Beneficiaries Lifted Above the Poverty Line

In the pre-loan period of the total 245 beneficiaries of all the agricultural development programmes, 174 beneficiaries are found below the poverty line and their number has come down to 9 beneficiaries in the post-loan period.

Repayment Performance

The repayment of the loan depends on the additional income generated by the programmes. The study results show that of the loan assistance of Rs. 13,200 of bore well programme, 11.36 per cent is repaid and 88.64 per cent of the loan is remained outstanding. For the loan assistance of Rs. 5,483, about provided under oil engine programme Rs.800 is repaid (14.59 per cent) and 85.41 per cent of loan assistance is to be repaid. Under SMP set Rs. 10,015 is provided as loan assistance Rs. 1,200 is repaid and 88.02 per cent is to be repaid. In case of open well, the total amount provided for the programmes is exempted from repayment.

6.2 Conclusions

1. The selection of the beneficiaries is found with some flaws. The ineligible beneficiaries whose incomes above the poverty line are found in all the four programmes of agricultural development.
2. The incomes of the sample beneficiary households have increased significantly in the period after implementation of the programmes. All the programmes are successful in increasing the incomes of the sample beneficiary households.
3. The irrigational facilities are improved and caused an increase in the net irrigated area. Due to improved irrigational facilities the cropping pattern is found changed which in turn increased the productivity of lands and generated additional income.

4. All the programmes, except oil engine programme, have generated significant number of additional gainful person days of employment.
5. The capitalization of the assets took place after programmes are implemented and so the agricultural development programmes are more productive in terms of asset formation.
6. Most of the beneficiaries of the programmes are of the opinion that the amount of loan assistance provided to purchase units or assets is not sufficient and there is much difference between actual cost of asset and the loan amount.
7. It was found that after selection of the beneficiaries, it has been delayed for grounding units ranging from 2 to 6 months and the awareness and training camps are not conducted which are essential for the success of the programmes in increasing the income and employment of the sample beneficiaries.
8. In the process of the selection of the beneficiary the involvement of middleman and corrupt practices of officials of the corporation are reported.
9. Working capital is essential to start any venture. But it was found that the working capital is not provided to the beneficiary which is one of the reasons why some of beneficiaries have failed benefiting in terms of income and employment.

10. Awareness about the developmental programmes being implemented by the finance corporation is much lacking among the population of Scheduled Castes.
11. All the beneficiaries of agricultural development programmes have assets intact.
12. The number of beneficiaries below the poverty line has been decreased from 174 beneficiaries in the pre-loan period to 19 beneficiaries in the post-loan period due to the impact of the programme on the income of the beneficiaries.
13. The repayment performance of the sample beneficiaries revealed that with result of increase in income, all the beneficiaries have repaid their respective installment amounts in accordance with their repayment schedule.
14. The household consumption expenditure of all the sample beneficiaries has improved significantly with result of increase in income.

6.3 Policy Recommendations

Basing on the above findings, the following are suggested for effective implementation of the programmes intended to eradicate poverty among the SCs.

1. Selection of eligible and genuine people is key to the success of the programme. It is evident from the data that there are some people got selected that are not eligible as per the norms and guidelines set by the corporation. In order to make sure of genuine people selected, stern action should be taken against those officials who indulge in corrupt practices of selecting ineligible persons.
2. Majority of the beneficiaries told that they came to know about the programmes being implemented by the corporation through local politicians and leaders of SCs. It is essential to propagate and bring awareness among the people of SCs about the development programmes being implemented by the corporation. So, it is suggested that in every village the awareness camps must be organised
3. In getting selected for the programmes, it is reported that nearly 92 per cent of the beneficiaries are used to pay bribes to the official of the corporation through either middleman or local politicians. To prevent this kind practice, it is suggested that a

comprehensive household survey should be conducted and basing on that beneficiaries should be selected.

4. It is found that there is much gap between date of selection of the beneficiaries and date of grounding the assistance. The gap is ranged; in some cases for example bore well, up to six months. And once the beneficiaries have come to know about their selection, they frequented the office of the corporation many a time wasting money and losing good number of employment days. So, the appropriate measures should be taken to ground the units soon after the selection is made.
5. It was reported that 67 per cent of the beneficiaries were provided assistance under various programmes on the choice of the official of the corporation. It is suggested that while selecting the beneficiaries for a particular programme, the occupation, choice, skills and attitude of the beneficiaries towards the programmes must be taken into account.
6. None of the beneficiaries were trained after the selection. Follow up of the programme is not at all undertaken. It is essential to conduct training camps in order to impart and enhance skills of the beneficiaries and bring the awareness among them about the objectives and intentions of the loan assistance. Moreover, the officials of the corporation are suggested to visit the beneficiaries at least half-yearly and see the units provided intact.

7. It is reported that there is much difference between the actual cost of asset and loan assistance. To meet this differential amount, the beneficiaries have approached private money lender who charge higher rate of interest and suck away the surplus income generated from the programme. So, it essential to provide the actual cost of asset to the beneficiaries.
- 8 Working capital is necessary to continue the programme. So in addition to the actual cost of asset, for initial expenses, some working capital and other inputs must be given to the beneficiaries.
- 9 It is evident that Banks have been insisting on guarantee on loan amount. In reality, majority of SCs do not own physical asset and regular sources of income. Because of that, the beneficiaries are compelled to get someone who guarantees on their behalf which is a difficult task and involves some expenses. So, it is suggested that Banks should be instructed not to insist on guarantee and corporation itself should provide guarantee on behalf of the beneficiaries.
10. It is of great help to insure the assets provided under different programmes. But during the investigation it was found that only in the first year all the units are insured and at the same time it is not informed to the beneficiaries. So, it is suggested that official of the corporation should explain about the importance and benefits of insuring the assets and make sure of get insured all the assets on the regular basis.

11. The beneficiaries of agricultural development programmes of open well, bore well and SMP set told that they have faced difficulties regarding electrification which is essential for starting of the programme. So, the government must take necessary policy measures to bring co-ordination among inter-related departments providing infrastructural facilities for speedy implementation of the programmes and reap the results.
12. Majority of the beneficiaries reported that they were dissatisfied with quality of assets provided to them. And the officials of the corporation didn't give them choices to choose the asset of good quality and the actual prices paid for the assets are much higher than the market price. Therefore, it is suggested that to ensure quality and price, choice of the beneficiaries should be taken into consideration.
13. Regarding the repayment of the loan amount. There are some flaws to be rectified.
 - a. It is the officials of the corporation to go to the beneficiaries spread all over the district and collect the installment amount.
 - b. The number of employees working in the corporation office is not sufficient to do this hectic business outside the office.
 - c. The officials of corporation visit the beneficiaries for collecting the installment amount without informing them.

So, most of the beneficiaries do not keep readily such an amount and fail to repay. So, it is suggested that for the recovery of loan amount on time

- a. First of all the importance of repayment of loan must be explained to the beneficiaries. Some of the employees of the corporation must be allotted for collecting the installment amounts and for that matter the number of employees should be increased.
 - b. The time and date of visits must be informed to the beneficiaries in advance.
 - c. In addition to these above measures, more importantly, facility to pay the installments amount in the nearest local nationalized bank branches should be arranged. So, the beneficiaries will repay the installment amount whenever they have money in the year. This kind of arrangement with banks will be of great help not only for speedy recovery of loans but also to cultivate the habit of banking among the SCs by which these people would be inspired to save with banks and avail banking facilities
18. The agricultural development programmes are of a great help to the beneficiaries in creating additional income and employment. Since they are permanent assets capable of generating income and employment, its market value goes on increasing. Moreover, these assets not only give economic security but also social security. Therefore, for the benefit of the poor among SCs, it is

suggested to initiate the agricultural development programmes in the place of other programmes should be extended to the majority of SCs of the rural areas.

6.4 Suggestions for Further Research Studies

The present evaluative study is confined to the agriculture based programmes in rural areas. Among the agricultural development programmes only a few are covered under the present study. So it is needed to evaluate the entire programmes of the corporation to know the impact on the poor beneficiaries of SCs.

A comprehensive evaluation of the entire programmes covered under agriculture, industrial and tertiary sectors is suggested in order to assess the working of the programmes in fulfilling the objectives of APSCDFC.

Moreover the present study is confined not only to some of the programmes but also to Guntur district. So, it is suggested to take up studies covering all the districts of Andhra Pradesh with varied levels of development.

There are impediments in the disbursement of the loan assistance which is not focused in this study. So it is suggested to undertake studies on the disbursement of loan amount.

There are also complaints of irregularities and corrupt practices at various levels in the selection of the beneficiaries and implementation of the programmes which can be highlighted in the further studies.

CONCLUSION

More importantly, SCs in the State of Andhra Pradesh, comprises of 59 sub-castes. The developmental programmes are meant for all and particularly for those amongst the poor. So, it is suggested to study in detail the way how these developmental programmes are distributed among these different castes.