CHAPTER - II

REVIEW OF LITERATURE

It is desirable to review relevant literature while handling a research problem. It shows 'what' and 'how' much work has already been done in area under investigation. It also provides basis for comparison of the findings and discussion of results of our research study. Thus, a brief review of the available relevant literature which was accessible to the investigator and conclusions drawn from the pertinent literature, have been organized under the following sub-heads:

2.1 Identification/Selection of beneficiaries.

2.2 Extent of benefits derived /Utilization /Impact.

2.3 Factors or constraints in implementation/Critique of IRDP.

2.1 IDENTIFICATION/SELECTION OF THE BENEFICIARIES

Chaturvedi (1983)\(^1\) reported wrong/biased selection of IRDP beneficiaries. He further reported that pressure was brought upon the official's right from the process of identification of beneficiaries.

Reserve Bank of India (1984)\(^2\) reported that no household survey was conducted for the identification of the beneficiaries. The percentage of ineligible beneficiaries who received the assistance was 16 per cent. The coverage of SC/ST families was 38 per cent.
Institute for Financial management and Research Madras (1984) conducted a study on IRDP and reported that the percentage of ineligible beneficiaries who received assistance was 60 per cent in Tamil Naidu and 20 per cent in Maharashtra.

Canara Bank (1984) studied the impact of IRDP in two Tamil Naidu districts, 25 per cent of the beneficiaries were found to have higher per capita income.

Das (1984) evaluated the performance of IRDP and reported that there was bias in the identification and selection of the IRDP beneficiaries which resulted in wrong selection of the beneficiaries to great extent.

Balakrishna (1984) reported that majority of the beneficiaries approached some official or the other after the household surveys was done for becoming a beneficiary under IRDP. More than 50 per cent of the beneficiaries reported that village sarpanch was instrumental in getting them selected.

George (1984) reported that 6 per cent of the selected beneficiaries were ineligible for assistance under IRDP.

Hirway (1984) observed that 55.75 per cent of the beneficiaries were non-poor who dominated among the other beneficiaries of the programme.

Thaha (1984) studied that due to faulty identification, half of the identified families, were already above the poverty line and were ineligible for getting assistance under the programme.

Stated that only those people who have money or who can part with a portion of their loan; this leads invariably to influential people benefiting from such schemes. Study also reveals that transfer of land assets, ‘poor people’ especially scheduled castes, are given land which is barren, uneven and on the banks of ponds, nallahs or rivers. This is why these beneficiaries, steeped any worthwhile benefits from such schemes.

**State Bank of India (1985)**\(^1\) conducted an evaluative study in ten lead districts, the findings of which have been reported in the book “Rural Development” by Vasant Desai. According to the study there was wrong identification of the beneficiaries and no meeting of the Gram Sabha was convened for confirming the identification of the beneficiaries.

**Satyanarayana (1985)**\(^2\) observed that the deserving poor always get eliminated from the scene.

**Chakaravarthy (1985)**\(^3\) conducted a study in Sindgi taluka of Bijapur district in Karnataka to evaluate the IRDP programme and discovered a number of loopholes. Regarding identification, he underlines that the identification of suitable families for assistance and their categorization was found defective. A formal discussion with the beneficiaries revealed that about 7 per cent of the families surveyed were ineligible.

**Zaidi (1985)**\(^4\) evaluated the Rural Development programme with special reference to strategic point of view. Regarding identification of beneficiaries in Aligarh District (U.P), the programme was started as early 1971-78, but both the pre-
requisites were not fulfilled. The problem resulted in wrong identification of beneficiaries i.e. 50 per cent of the beneficiaries.

Yajana Correspondent (1985)\(^\text{15}\) pointed out regarding major deficiency related to selection of the target families. As against the official guidelines that selection of the target families for IRDP be necessarily made in the open meetings of Gram Sabha. The study indicates that only 26 per cent of the total sample households were selected in the open Gram Sabha meetings. About 74 per cent of the beneficiaries were selected by Block Development officers and village level workers, thus revealed that more deserving households, were not selected for assistance under IRDP.

National Bank for Agricultural and Rural Development (NABARD) (1985)\(^\text{16}\) conducted a study on IRDP and reported that the selection of ineligible families who got assistance under the programme was to the extent of 15 per cent.

Jha (1986)\(^\text{17}\) conducted an evaluative study in eight districts of Bihar, reported that the selection of beneficiaries, was not made either by the village level workers or the Panchayat Sewak on the lines of Anthodaya i.e. selecting the poorest of the poor first. But in actual practice, however the Anthodaya principle was not followed due to some deliberate defaults on the part of village level workers and Panchayat Sewaks.

Trippaiah (1986)\(^\text{18}\) conducted a study in the two blocks of Dharwad district of Karnataka state to evaluate IRDP programme. They find that teachers and village level workers are assigned preliminary household survey of eligible borrowers. Since they have not been trained properly to calculate the income of households,
they afterwards misidentified the beneficiaries. In addition to this, there, has been no scrutiny of income estimates by Block and District level authorities. There were instances where non eligible beneficiaries were selected in Gramsabha meetings on the basis of political pressures. They further reported that the percentage of ineligible families was high as 10.67 per cent.

*Khatkar (1986)*\(^{19}\) undertook a study to examine the identification of beneficiaries and impact of IRDP programme, taking 70 beneficiaries of IRDP in Rewari block of Mehenderagath district of Haryana. They observed that only 37.1 per cent of the beneficiaries were properly identified while as many as 48.6 per cent of them were misidentified. Cases of wrong identification were highest in the case of ISB scheme, followed by minor irrigation, Camel and Cart, buffalo and sheep scheme in that order.

*Rao and Erappa (1987)*\(^{20}\) in their study on IRDP in Karnataka found that the programme covered only about 5 per cent of the poor in 1983-84.

*Directorate of Economics and Statistics, Himachal Pradesh (1987)*\(^{21}\) reported that 7.1 per cent of the families were wrongly identified and assisted under IRDP. They were already above the poverty-line when they receive assistance. The highest number of such families was in Nadun Block.

*Punjab State Institute of Public Administration (1987)*\(^{22}\) conducted an evaluative study of IRDP and reported that 25.83 per cent of the beneficiaries were ineligible for the assistance under the programme as per the definition of poverty line. This percentage was maximum in Jalandhar (55 per cent), followed by Amritsar
(47.50 per cent) and Gurdaspur & Ferozepur districts (5 per cent) each.

_Bhanot (1987)_\(^{23}\) reported that according to the survey conducted by the Directorate of Special Projects cell, Harayana, the major cause of rejection of 73 per cent of the cases in Ambala district and 80 per cent in Bhiwani district was wrong identification of IRDP beneficiaries.

_Department of Rural Development, Ministry of Agriculture, Govt. of India (1987)_\(^{24}\) conducted concurrent evaluation of IRDP and reported that 56 percent beneficiaries were selected in the meetings of Gram Sabha’s, 39 per cent by officials and 5 per cent by other’s (MP/MLA/Landlord/Employer and Fellow Village/ Neighbourer). The study further showed that the selection of ineligible families was as high as 9 per cent.

_Rao and Natrajan (1988)_\(^{25}\) reported wrong identification of IRDP beneficiaries whose annual income was more than the prescribed limit of Rs.3500 and land holding size was also excess of the prescribed limit of 5 acres.

_Desai (1988)_\(^{26}\) in his analysis regarding identification concludes that about 26 per cent of 11,170 selected beneficiaries, were not correctly identified, for they belonged to the annual income group of above Rs.3600 p.a.

_Singh (1988)_\(^{27}\) noticed that comparatively better off sections of the community derived more benefits than the weaker sections from IRDP.
Verma and Singh (1991) reported that wrong identification of beneficiaries has been found as one of the major failures of IRDP almost in all reports.

Mahajan (1991) in his study of IRDP in Punjab state had found that a number of non-poor families have received the benefits of the programme. The survey for the identification of the people below poverty line has not been conducted strictly according to the guidelines. The involvement of village agencies and banks in the identification was nil. Even the selection of the beneficiaries was not on the basis of Antodaya principle. Block/district plans were not being drawn according to the guidelines.

Shankar (1991) has conducted a small survey of IRDP beneficiaries in seven villages of Shankergarh block of Allahabad district in May-June 1991. The study reported that significantly in none of the villages was any meeting ever held to select beneficiaries. There were many landless persons, mostly agricultural labourers but all those reported that they did not know how beneficiaries were selected. They also felt the view that even if they had approached the VDO (village Development officer) or Pradhan there were little chance of their being selected. The general tenor of their reasoning was that no one cares for the poor.

Sharma (1993) in his study conducted in five districts of Maharashtra state namely, Akola, Bhandara, Dhule, Nanded and Satara during 1986-88. As study revealed that act of the total 996 beneficiary household’s one third (320 HH’s (32%)) were wrongly identified. Main reasons for wrong selection were conducting the survey in hasty manner, lack of adequate training and commitment.
of the enumerators, difficulties in estimating the income levels of the rural HH’s and pressure to fulfill the targets, etc.

*Jodhka (1995)*\(^2\) reported that in some of the cases, the respondents were able to get loans by using their influence and their contacts with bank officials. They were the land owning middle or big farmers. They could get the schemes sanctioned in the names of their sons on whose name no land was registered.

*Singh (2000)*\(^3\) reported that review of development programmes in India revealed that wrong identification of beneficiaries.

### 2.2 EXTENT OF BENEFITS DERIVED/UTILIZATION/ IMPACT

*Department of Rural Development and Panchayats, Punjab (1980-81 and 82-83)*\(^4\) Department of rural development and Panchayats, Punjab Conducted an quick evaluation study of IRDP in Gurdaspur district to examine the impact of proper utilization of tunnels in 1980-81 to 1982-83. Four blocks Dera Baba Nanak, Dhar Kalan, Kahnuwan and Narot Jaimal Singh were selected for the evaluation study of IRDP in Gurdaspur district. About 1335 beneficiaries had been assisted in each block of the district during 3 years. Out of them a sample of 270 beneficiaries (46 per cent were scheduled castes) were contacted in 32 villages of 4 blocks, taken up for the study. The results of the study indicated that the 206 beneficiaries had their assets/units intact. 42 beneficiaries had misutilized loans by selling their assets. 3 beneficiaries had died after getting loans. 5 beneficiaries had their animal’s dead. 11 beneficiaries closed their trades due to seasonal work, 2 beneficiaries closed the unit due to Lack of technical
knowledge. 1 beneficiary closed the unit due to theft in his establishment. Out of 270 beneficiaries, 32 per cent, were in default in repayment of loan. The study reported that sheep/goat rearing trade was not able to contribute much in raising the beneficiaries above the poverty time. In some cases the animal purchased from the cattle fairs livened out to be defective one and of poor quality. Sericulture had failed in Dhar Kalan block as silk worms could not provide with adequate mulberry Tree leaves which was their staple food. So the trade of sericulture was not successful in the district as only 1 beneficiary out of 8 was able to cross the poverty line. It was observed that the guidelines issued by the Govt. of India on IRDP were more on a paper than in practice in so for as R.D.A Gurdaspur was concerned.

**Gupta (1984)** reported that the rise in per capita income was not sufficient to raise the IRDP beneficiaries above the present subsistence level.

**Krishnan (1984)** found no significant impact of IRDP income generation. Largely, the better of section, got the benefits. He further reported that many schemes were not capable of generating sufficient income because of large scale financing on these schemes in an area with limited market potential.

**Yojana Correspondent (1985)** an evaluation study on IRDP conducted by the Programme Evaluation Organisation of the Planning Commission has revealed a number of loopholes in the formulation and implementation of IRDP during 1983-84. The study covers 1170 beneficiaries from 132 cluster villages, 16 selected states, 33 districts and 66 blocks. The impact of the IRDP
in terms of employment, income levels, asset creation/formation, consumption level, and social status revealed that 7 out of the 1170 selected beneficiaries could not answer the question of the remaining 1163 beneficiary households, 90.7 per cent expressed the view that their family employment increased. Another 9.3 per cent reported there was no change in their employment position due to IRDP.

Singh (1985) reported that implementation of IRDP suffers from indifferent attitude of administrative personnel. The study was conducted in two randomly selected blocks in Nalanda district of Bihar. Bihar was selected by two reasons. Firstly, Bihar is a poor state with 57.49 per cent population below poverty line and secondly the success of anti-poverty programme is critical to the development of Bihar. The two blocks were less endowed in terms of irrigation facilities, infrastructure and local markets. Altogether 100 beneficiaries from 10 villages were selected. Out of the 100 beneficiaries 37 per cent were harijans and majority of the rest belonged to other backward castes. The study indicated that none of the programme functionaries enquired about the problems the beneficiaries faced in managing or starting the schemes. Most of the beneficiaries stated that selection for a scheme was based on their relationship perhaps maintained by bribe with the officials.

Ramachandraiah (1986) reported that the assets given under IRDP were inadequate to push the poor people above the poverty line. He further reported that self employment generated by IRDP's in most cases was very much limited and reflected on the inadequate resources provided by the programme.
Singh (1986) argued that all is not well with the implementation of IRDP. It suffers from many handicaps. The data for concurrent evaluation was collected by 29 reputed organizations in the country from 36 districts every month since October 1985. An concurrent evaluation of the IRDP by the rural development shows that in 28 per cent of the cases, assets created with the help of the programme are not intact with the beneficiaries. 30 percent of the beneficiaries had failed to come out of the poverty line. The study further reveals that IRDP suffer from many handicaps such as lack of proper identification of potential beneficiaries, flaws in implementation process, pressure from relatively well-to-do and influential sections of the population to corner the benefits to them all resulting in a high disparity of income distribution.

Jha (1986) concurrent evaluation of IRDP was sponsored by the Ministry of Agriculture Department of Rural Development, Govt. of India in Bihar. 8 different districts of Bihar, namely Bhagalpur, Mokhgpur, Gaya, Muzaffarpur, Katihar, Patna, Arroh and Chapra were selected. Main objective of the study was to make a critical appraisal of the performance of IRDP in the state of Bihar. The study reported that a very large number of beneficiaries did not receive adequate financial assistance and could not attain critical minimum level of investment necessary to generate sufficient income for them to raise above the poverty line. There have been numerous cases where no assets were purchased at all, but the certificates to that effect were issued by the members of purchase committee in lieu of bribe. There were some cases where substandard assets particularly rickshaw are supplied at higher prices in comparison to market price by dealers authorized by
banks or DRDA's. The study further revealed that there is a need for streamlining the purchase procedures so as to minimize the incidence of corrupt practices. Much of the failure of IRDP can be traced to the difficulties, which hinder their effective implementation of IRDP with the existing infrastructure at the block and village level and the present compensation rates.

*Express News Service (1987)*

reported that about 56 per cent of the beneficiaries assisted under IRDP cross the poverty line in Patiala Distt. While the remaining 44 per cent could not cross the poverty line due to one or the other reason.

*Nair (1987)*

studied that the income level and incremental income generated was much lower in the case of IRDP borrowers as compared to non-IRDP borrowers. The performance of IRDP beneficiaries was not up to the mark with regard to major indicators of development, viz the income level; additional income generated, employment/man days generated and loan recovery etc.

*Khatkar, Gangwar and Pandy (1987)*

studied the impact of IRDP on employment, income and consumption expenditure of the rural poor. The comparison of pre and post assistance using variables like annual income, consumption expenditure family size etc. was done in Mahendergarh district of Harayana. Multistage random sampling technique was applied for the selection of ultimate sampling unit. Out of nine blocks in the district, Nangal Chaudhary was selected through random. From amongst IRDP villages covered during 1983-84 about 20 per cent of the villages i.e. 8 villages were selected by the technique of probability proportion to size (PPS) where the number of beneficiaries in each
village acted as size. In all 100 respondents were randomly selected from major schemes (minor irrigation, camel cart, buffalo, sheep rearing, ISB). The relevant data were collected by survey method though conducting personnel interviews with the selected respondents on a schedule designed for the study. The data was collected for the two periods i.e. 1982-83 and 1984-85 to have information on before the initiation of the programmes and benefits derived by the household. Tabular analysis was mainly done following before and after approach so as to derive the conclusions from this study. Moreover, in order to test the significance of difference ‘t-test’ was used. Further an attempt was made to establish a relationship among annual expenditure, income and family size of the rural poor both before and after IRDP assistance the ‘consumption function hypothesis’ was used. It was found that the income had increased more in case of small farmers followed by marginal farmers and landless labourers. A similar pattern was also observed in the case of family expenses. The landless people had utilized relatively high proportion of their income for consumption purposes, followed by marginal and small farmers. The employment generation was found to be more in the case of marginal farmers followed by the landless respondents mainly due to continuance of practice of hiring act human labour as well as camel and cart services and acquisition of sheep enterprise which was observed as the highest labour adsorption activity. On the basis of above data, it may be concluded that to make the programme more useful and successful, there is the need for strictly following the IRDP manual to avoid misidentification of beneficiaries and mis-utilisation of funds.
the Punjab Government initiated "An Evaluation Study on IRDP in Punjab' designed to improve the economic and social life of a specified group of people i.e. poorest among the poor. The criteria to select the district were percentage of families benefited to the total targeted families during the 1982-83. Accordingly Hoshiarpur and Jalandhar were selected from zone I and II and district Bathinda from zone-III. A sample of 360 beneficiaries was made from the total population of assisted families during 1982-83. Out of the total 360 selected beneficiaries 52.8 per cent, 11.39 per cent and 35.8 per cent benefited to SC's, BC's and others. Due consideration and weight was given to each scheme in the selection of sample beneficiaries, so that total population assisted under different activities could represent proportionately. The impact of the program has been measured by comparing the family income of a beneficiary household from all the sources at the time of identification and on the date of survey. The heads of 360 selected beneficiary households were personally interviewed on a structured questionnaire. Field investigation was done with regard to any change felt by them in the pattern of employment, income, asset formation and social status. The study revealed that there was an increase in employment (38.89 per cent) income (32.78 per cent) asset formation (30 per cent), consumption level (28.28 per cent) and social status (17.50 per cent). The study revealed that about 60 per cent of the beneficiaries felt that there was no change in any of the items like employment pattern, income aspect, asset formation, consumption level and social status (6.9%) in case of employment (5.55%), income (9.72), asset formation (13.89%) consumption level.
(12.22) and social status did not respond at all showing thereby that they were not aware of any change as did not maintain any account.

Economic and Statistical Organisation, Haryana (1987)* conducted an evaluation study on IRDP in four districts, namely, Kurukshetra, Faridabad, Hisar and Mahendergarh of Haryana state during the year 1981-82 and 83-84. A total number of about 1006 beneficiaries were proposed to be covered in the selected four districts. The study reported that about 29 per cent of the beneficiaries had to spend excess amount on raising the assets. The study also indicated that 55.1 per cent beneficiaries had crossed the poverty line, thus, 44.9 per cent still remained below the poverty line. The study further revealed that the impact of the programme, however has not been encouraging to the desired extent.

Singh (1988)* in his study “Socio-Economic Impact of IRDP on weaker sections in Punjab.” The study aims at assessing the social and economic impact of IRDP on weaker sections in Punjab. The comparative method was used for these purposes in two districts of Punjab, one agriculturally highly developed (Ludhiana) and another Less developed (Bathinda), were selected for the study. After visiting the clusters it was found that all the agencies were functioning in Kalkh cluster of Ludhiana and Chak Fateh Singh Wala cluster of Bathinda district. These two clusters were, therefore purposely selected for the present investigation. The HH’s were stratified into two clusters: Farming and Non-farming. 10 percent of the total households (small farmers and non-farming) from each
stratum in each of the villages were randomly selected. The total sample thus constituted 274 household in the selected villages. The heads of selected households were personally interviewed on a structured schedule containing closed as well as open ended questions. The study further reveals that comparatively well off sections of the community derived more benefits than the weaker sections from IRDP.

*Basu (1988)* reported that 44 percent of sample beneficiaries crossed the poverty line of Rs.6400 and 56 per cent were still below poverty line in spite of getting assistance under the programme.

*Gopal and Bala (1989)* have made an attempt to present a micro level characteristics of the state Andhra Pradesh for a better understanding of micro level experience with IRDP. A.P is divided into 3 geographical regions: Talangana, Rayalaseema and Coastal A.P. For the purpose of this study 3 blocks were selected on the basis of developed, medium and less developed taking irrigation as proxy for agricultural development. Thus by selecting 6 villages from each block by multi-staged sampling method, the study covered 18 villages in the district. A census survey was conducted covering all the 600 HH’s under IRDP, but the study team could get information only of 547 HH’s. The coverage of SC’s was about 45 per cent of the total beneficiaries. Out of 547 it was revealed that 218 (40 percent) HH’s possessed the assets while 60 per cent do not possess them for various reasons. An examination of schemes indicated that in case of agricultural schemes more than 26 per cent of the respondents reported that the assets was defective, non-
viable and unsuitable to the local conditions. The study further revealed that a target oriented programme is fraught with innumerable problems. Several evaluation studies confirm the wide gap between promise and performance.

*Kulkarni, Bhatia and Kumar (1989)* conducted study seeks to examine socio-economic aspects of the impact of IRDP in backward districts of Karnataka, Bijapur. The study is based on the data collected from beneficiaries and non-beneficiaries for the year 1984-85. Bijapur district is one of the most backward and largest district of Karnataka. IRDP covers all the 11 talukas of Bijapur district out of them 11 talukas, Bijapur and Jumakhandi were selected and villages financed for dairy development situated with a radius of 11 Kms. from their nearest towns were selected. Four clusters of village were selected from each talukas. In these villages 30 beneficiaries were selected randomly from out of the list of beneficiaries by DPDS. The data was collected by survey method referring to the year 1984-85. Tabular analysis was computing the sample means, percentages and ‘t-test’ was used to compare the dairy beneficiaries and non-beneficiaries.

*Balister & Chandra (1990)* in his study “IRDP-A Study in Etah District of Uttar Pradesh” reported that IRDP programme may not be green as made out to be. Etah is a backward district of Agra division having mass poverty. Therefore the district was selected purposely. Among all 15 blocks of the district C.D block Sakit, being the leading block both in terms of number of families and amount of loan advances under IRDP, was selected initially. Out of 165 villages in the selected block, 10 villages were selected at
random. The secondary data relating to number of poor families financed, amount of loan disbursed, purpose-wise disbursement of loan were taken from the records of the bank C.D block under study. For assessing the impact of bank finance on family incomes of the beneficiary-families & number of families crossing the poverty line a sample of 150 beneficiary families were selected in the village under study. Primary data for these families were collected for the year 1982-83 and 1984-85 (before & after the bank finance). Analysis of data revealed that about 59 percent families reported that quality of assets purchased under IRDP was poor. It is also important to mention here that about 53 percent families reported the prices taken by the sellers for the assets were much more than the prevailing prices in the area of study. Out of 150 sample beneficiary families about 66 percent i.e 99 families crossed the poverty line of Rs.3500. It is important here that of 99 families crossing the poverty line, 19 were already above the poverty line and 32 families still BPL. Thus the percentage of beneficiaries whose income had risen above the poverty line of Rs.3500 came to 66 per cent (i.e. excluding the 19 families who were not poor). About 14 per cent families reported that subsidy amount could be released even after five months of loan disbursement. It is further interesting to note that out of 150 sampled families 146 families reported that implementing officials have taken bribe from them for the selection & sanctioning of the loan under the IRDP. All these 146 families gave bribe to block officials, veterinary doctors ranging from Rs.125 to Rs.500 in each case. Thus a good part of subsidy has been pocketed by implementing agencies. Almost all the families reported that no attention was paid by the implementing
agencies to provide any supporting facility viz., veterinary assistance, technical guidance, marketing facility, provision of loan or working capital, etc. Most of the families reported that they were not provided any guidance about insurance cover. This resulted that out of six beneficiaries of milch cattle whose cattle were either dead or stolen, only one beneficiary could secure the insurance cover.

Satapathy (1991)\textsuperscript{52} has given a case study of Orrisa, which seems to assess the impact of IRDP on income generation and related issues. The result indicated that 71 per cent of the beneficiaries at the national level and 65 per cent in Orrisa state had retained the assets, whereas only 41 per cent at national level and 16 per cent in the Orrisa state level had crossed the earlier poverty line of Rs.3500, as per the first phase of all India Survey. However the position appears to be slightly improved in the second phase survey. Hence there is big gap between beneficiaries retaining the assets and crossing the poverty line. Thus there has not been much of the asset creation. It has been concluded that the success of crossing the poverty line is not the only indicator for determining the efficiency of IRDP, rather the efficiency may be judged on the basis of performance of beneficiaries generating adequate additional income.

Shanker, EPW (1991)\textsuperscript{53} A small survey of IRDP (Integrated Rural Development Programme) beneficiaries in seven villages in Shankergarh block of Allahabad district was conducted in May-June, 1991. The villages were randomly selected. The study reported that significantly in none of the villages was any meeting
ever held to select the beneficiaries. There were many landless persons, mostly agricultural labourers but all those reported that they did not know how the beneficiaries were selected. They also felt the view that even if they had approached the VDO (Village Development Officer) or Pradhan there was little chance of their being selected. The general tenor of their reasoning was that no one cares for the poor. The study also reported that six beneficiaries were provided with loudspeakers of which only two were intact and which generated, on an average, an income of Rs.1,400 to each beneficiary. Another one set was partially defective and generated an annual income of Rs.500 while three had gone out of use. The complaint was that the loudspeakers were of inferior quality. While Rs5,000 (6 X 5000 = 30000) was sanctioned to each beneficiary but the assets that they got did not cost more than Rs.4000 as per their estimate. This was the common feature in all the cases, the beneficiaries reported that the assets were worth only about 75% of the amount sanctioned. This is the main source of corruption as there is a stipulation that the beneficiaries can purchase from specified shop only. As the Shopkeepers who are ultimately chosen also have to grease the palm and have to cut a share with the functionaries they supplied inferior products and beneficiary has no alternative but to accept them. Goats were provided to 13 persons 4 of them preferred to take cash from the dealers. 2 of them had to repay old debts and other 2 utilized the amount in meeting household needs. Of 9 who had actually taken goats only 3 were found to still possess some goats. The others reported that either the goats had died or were sold to meet cash requirements. 8 beneficiaries were provided with bullocks and all such beneficiaries
reported an income in the range of Rs.1,500 to Rs.2700 p.a. 4 beneficiaries were assisted to start stone ballast 2 of them earning between 1500 to Rs.2500 p.a. while remaining 2 gave up the work as they were running on losses. 1 beneficiary was given a musical instrument, he could earn about Rs.1000 p.a. There were 3 other cases that were given a buffalo, a cloth shop and a rickshaw. The buffalo died, the cloth shop could not be run long and the rickshaw was also lying idle in a dilapidated condition and required heavy repairs which the beneficiary was not in a position to incur.

Kallur (1992) examined the impact of IRDP in Gulberg district of Hyderabad, in Karnataka region. In this district one taluka i.e. Gulberg taluka was selected purposively for the field study where the programme was implemented intensively. However the result has indicated that out of the 80 families, 17 have crossed the poverty line. Coming to the planning aspects of IRDP, block cluster plan was not prepared, beneficiaries were not always given the assets of their choice, the schemes, suffered from backward and forward linkage and monitoring was only partial. The study further reveals that the success rate of IRDP was limited.

Kaushik (1993) has discussed the evaluation of IRDP in Harayana. The study was confined to 3 districts, Mohindergarh (under developed), Bhiwani (Semi-developed) and Rohtak (Developed) of Harayana. From these selected districts a sample of 250 beneficiaries were randomly selected. The primary data for the study were collected through a scientifically and pre-tested questionnaire by direct personal interviews of the beneficiaries. A pre and post credit assistance comparison method was adopted to
estimate the income generating effects of the IRDP credit. Income generated was taken as the difference between post-credit income and pre-credit income of the beneficiary (\( Y_{gi} = Y_{ti} - Y_{ri} \)). 't' and 'z' tests were used to test the difference between means of income of beneficiaries (pre and post difference). To study the relative significance of the explanatory variables regression income generation, multiple regression analysis was used. The study reveal that nearly 17 per cent of the sample beneficiaries having high dependency ratio, more than 8.56 per cent of the beneficiaries are found to be landless these are mostly scheduled castes. Nearly 44 per cent of the sample beneficiaries had formed the assets and 56 per cent of the sample beneficiaries have not procured their intended assets.

Sharma (1993) attempted to evaluate the impact of IRDP on income and employment status of the beneficiary households. The study was conducted in five districts of Maharashtra state, namely, Akola, Bhandara, Dhule, Nanded and Satara during 1986-88. Two blocks were selected from each district on the basis of good and poor performance in terms of physical and financial achievements. A total of 996 sample beneficiaries were selected with the help of stratified random sampling method. The primary data were collected by administering a structured questionnaire on beneficiary HH's. From the sample (996) beneficiaries 33.3 per cent of the beneficiaries belonged to scheduled caste. The study reported that impact of assistance on the income and employment status of the beneficiary households showed that 70 per cent beneficiaries were fully utilizing the assistance, 15 per cent utilizing it partly and rest 15 per cent were not utilizing the assistance or not possessing
the assets provided to them under the programme. The main causes for non-utilization and partial utilization of assistance were poor and sub standard quality of assets available with the beneficiaries, high mortality rate, breakdown of pump sets, drying up of wells, and selling the assets. Moreover, a large number of beneficiaries were assisted under the same scheme without assessing the potential of the area. The poorest of the poor do not seem to be getting the priority accorded to them in the programme. The issue is not only identifying and assisting them but also formulating the suitable schemes, which have a much higher potential of providing substantial incomes.

**Gupta and Sandhu (1995)** conducted a case study in Rajouri district of J&K state. Out of seven blocks of the district, two blocks viz; Rajouri and Sunderbani were selected. A total sample of 150 beneficiaries was selected. The data have been collected with the help of a pre-tested questionnaire. The study revealed that the average amount of loan and subsidy made available to the small farmers in the primary and tertiary sectors was Rs.4073 and Rs.7317 and the subsidy was Rs.1805 and Rs.2683. In the case of secondary sector, no sample household belonged to the category of small farmers. The average share of marginal farmer’s loan and subsidy was to the tune of Rs.3485 and Rs.1638, in the primary sector and Rs.7750 and Rs.3250 in the secondary and Rs.6000 and Rs.2589 in the tertiary sector. Likewise, landless labourers got average loan and subsidy to the extent of Rs.2600 and Rs.1300 in the tertiary sector. All this indicated that the financial assistance received by the respondents in the primary and the secondary sector was not sufficient for the purchase of asset and they have to
arrange the balance (9.32 per cent in the primary sector and 13.64 per cent in the secondary sector. Overall picture for both the sectors was 5.61 per cent) amount taken at their own level from village money lenders/other people to whom they usually sell their products was at high rates of interest etc.

**Vatta and Dhawan (1997)** conducted an evaluation study “Impact of Dairying on Farmers Income, Employment and Cropping pattern in Punjab.” The study was conducted in Amritsar district where dairy enterprise has been well incorporated in the production programme of the farmers. Multi-stage-random-sampling technique was used for the selection of a sample. Amritsar district has 15 blocks. In the 1st stage two blocks (Verka & Chogawan) were selected randomly. Two separate lists of all the villages in each selected block were prepared. Two villages from each selected block were selected randomly at second stage of sampling. In third stage of sampling the operational holdings in all the four selected villages were pooled and were divided into four categories viz; small, lower medium, upper medium and large farms, using cumulative cube root frequency method. The survey method was used to collect the data. The existing production pattern was analysed using both tabular methods and percentages. Linear Programming technique was used to determine the extent of income and employment generated and the changes occurring in production pattern due to daily enterprise.

**Centre for Research in Rural and Industrial Development, Sponsored by Ministry of Rural Development (Monitoring Division) (1999)** has analysed an Impact
Assessment study on Rural Development Programmes to examine the impact of all the programmes of the Ministry of Rural Development being implemented in the Jalandhar district. The study has been carried out in four blocks of Jalandhar district viz Adampur, Jalandhar East, Phillour and Shahkot. The blocks were selected on the basis of relative development indicators. Generally, those villages have been given preference in relation where maximum number of schemes/programmes is being implemented. As many as 15 beneficiaries have been selected randomly from each village. The beneficiaries under various schemes were chosen as far as possible in proportion to their approximate total number in a village, so as to give equal representation in various schemes. The survey results indicated that the large proportion of beneficiaries i.e. 41 per cent in all the schemes taken together belonged to scheduled castes and 59 per cent belonged to other backward castes. Majority of the beneficiaries in all the schemes taken together were literate up to primary and middle level. Under the various programmes 125 community assets were created, the largest assets created were pertaining in drains and their maintenance 35.2 per cent followed by surfacing and maintenance of streets 18.4 per cent, work an primary schools 14.4 per cent, Dharmshalas 9.6 per cent, land surfacing 6.4 per cent etc. 87.2 per cent of there assets created were present, only 12.8 per cent were not present, which may also include some semi-durable and non-durable assets. Quality of assets indicated 56 per cent of the assets were in good condition, 19.3 per cent of the assets were fair and remaining 24.7 per cent of the assets were in bad condition.
Sikligar (2001) analysed the study of Mansa district of Punjab about the poverty alleviation programmes being implemented by the Govt. of Punjab. All the beneficiaries of IRDP have been categorized in 3 sectors: primary sector, secondary sector and territory sector. It has been brought to the notice that about 808 beneficiaries have been covered during 1996-97 to 1998-99 under the IRDP. The author concluded that as a result many of the beneficiaries are unable to create assets.

2.3 FACTORS OR CONSTRAINTS IN IMPLEMENTATION, CRITIQUE OF IRDP

Paul and Subramanian (1983) discussed the developmental programmes of the Poor, do strategies make a Difference? The study revealed that problem of implementation holds that benefits do not flow to the weaker sections because implementation of programmes is half-hearted. There is nothing wrong with the programme, but there is no political commitment or strong leadership behind them.

Mishra (1983) discussed regarding failure of IRDP and notes that IRDP has failed to uplift majority of the target group above the poverty line on the permanent basis. Among the problems of identification and implementation, administrative problem on account of linking of subsidy with loans, target oriented approach, lack of co-ordination between IRDP agencies and other institutions, cumbersome loaning procedure certain changes are essential in order to achieve the objectives with regard to IRDP.

Singh (1985) studied that the implementation of IRDP suffer from indifferent attitude of administrative personnel and
their improper behaviour. The study concluded that rather than studying the performance of the administrative personnel through their organizations, the response of the beneficiaries should be examined to determine the efficiency and enthusing of the administrative staff.

**Zaidi (1985)** analysed that due to the absence of a clear-cut planned approach and right strategies, IRDP and similar other programmes have not yielded the desired results. The number of families lifted above poverty line is far below the expectations. The present study tries to highlight these lacunae in the operational strategies for rural development. All the schemes meant for alleviating poverty are organized in unplanned manner. The programmes meant for resource and income development are not well integrated with the availability of supporting inputs and services on one hand and outlets for marketing of the output on the other. The case studies on livestock and dairy industry reveal that the beneficiaries were not really benefited due to absence of health cover, non-availability of good quality fodder & feed, grazing facilities and proper shelter in case of sheep & goats. The desired results of rural development programmes are not available due to multiplicity of programmes, overlapping and unintegrated approach of agencies handling these schemes.

**Rath (1985)** observed that the problem of rural poverty is old and massive. The earlier hope of its mitigation through the percolation of the fruits of general economic growth failed. The review of the IRDP shows that the effort to give cattle and other assets to has yielded a little. Subsidy appears to be the centre of
attraction of the IRDP. This long review of IRDP experience brings out clearly one fact: the strategy of helping the poor in rural society to get over poverty with the help of assets given to them, is largely misconceived. Only a small proportion could be helped; what is equally true is that only a very small proportion can be helped in this manner. The study further reveals that the failure of the agencies administering the programme, as also to the inadequate provision of infrastructure, poor quality of animals purchased under the scheme, poor veterinary facilities, poor marketing facilities for the product, the inadequate & uncertain supply of fodder & feed and very small size of holdings etc. are the reasons for the failures under IRDP.

Solomon (1985) discussed regarding rural development programmes, which are specifically devised for the upliftment of the poor, have contributed to the development of the better off-sections of the society rather than weaker sections. RDP’s operate in an heterogeneous socio-economic environment. This is a way, cuts off the real target group from participating in RDP's. What is wrong, according to them is not the programme content but the cumbersome delivery system which in long run works against the integration of the poor with the programmes. The study further reveals that the implementation of the programme is often sluggish or goes off the track and eventually the impact of RDP’s is very limited on the poor.

Rao (1985) summarized multiplicity of poverty alleviation programmes and expresses the hope that the seventh plan would seek to coordinate and consolidate such programmes to remove
confusion. Further reveals laments that the approach to the seventh plan blindly follows the line of intensification of earlier programmes with all their mistakes and ever increasing confusion.

Sanwal (1985)\textsuperscript{68} pointed out in “Garibi Hatao: Improving Implementation” criticism of IRDP need to be seen in the correct perspective. The IRDP is an important policy innovation to provide productive assets to the poorest of the poor in order to generate sufficient incomes to raise them above the poverty line. The programme is central to India’s development strategy of growth with redistribution. The subsidy and differential rate of interest have been criticized and “charity” by those who argue that fundamental changes in the relations of production, i.e. land reform, are pre-condition for poverty alleviation. Asset transfer has also been criticized as wasteful by those who argue that development needs served by increasing the resource base through investment, i.e. it is necessary to increase the size of the cake before the size of each slice can be increased.

Jha (1986)\textsuperscript{69} criticized that as much of the failure of IRDP can be traced to the difficulties which hinder their effective implementation. There seems to be very little scope for improving the implementation of IRDP with the existing infrastructure at the block and village level and the at present compensation rates.

Mukund (1986)\textsuperscript{70} studied the functioning of bank credit in the IRDP in Madhaya Pradesh, based on the district wise data of bank credit for the year ending march 1985, circulated by the state government, aided by a limited investigation of the procedures and problems in the implementation of the programme with respect to
bank credit. The study reveals that the performance leaves much to be desired. Diversion of funds for personal consumption prove that this monitoring is not completely effective.

Rao (1987)\textsuperscript{1} found that the IRDP in Meheswaran block of Ranga Reddy District have achieved limited success only. Absence of a proper set-up at the block level is hindering the planning and implementation of programmes study also revealed that there was no scope of community involvement in planning the rural development programmes.

Hirwary (1988)\textsuperscript{2} reported that it is now widely accepted that, IRDP, which is being implemented in India as a major poverty alleviation programme, is neither a panacea for the problem of rural poverty, nor it is worth discarding altogether. It is recognized that programme needs reshaping. The paper further reported that the first important observation of the ‘PAC’ (Public Accounts Committee) is regarding the inadequacy of the IRDP approach to achieve the set goals. The committee observes that the IRDP approach is ‘defective’ because of number of reasons: first of all, it lacks a comprehensive approach. A large number of poverty alleviation programmes pertaining to income, employment, quality of life etc. of the poor are implemented simultaneously aiming at more or less same group of people. This creates overlapping which results in confusion and weak planning. Secondly, these programmes are implemented by a large number of ministries and departments of the central and state governments. This multiplicity of agencies, without any satisfactory level of co-ordination among them, adds to confusion. And thirdly, IRDP approach aims at
providing self-employment to the poor without giving due consideration to the desirability and feasibility of self employment for the poorest sections of the society.

_Thaha & Parkash (1989)_ noticed that the IRDP, which is a major poverty alleviation programme in the country had also some deficiencies in its implementation. Outright leakage of funds due to no involvement and lack of awareness among beneficiaries. Unrealistic methods of administration of subsidy and inadequate investment with reference to market rates resulting in purchase of substandard assets. The forward and backward linkages were also not identified and strengthened. These problems call for greater attention for successful implementation of the programme.

_Seabright (1989)_ indicated that the benefits to HH’s of investing in livestock through the IRDP have been significantly below those to livestock purchased outside the scheme. Though there are undoubtedly leakages in the form of bribes and other side payments, for example these are not large in comparison with the main element in the poor performance of IRDP investments: namely, substantial price discrimination between beneficiaries & non-beneficiaries in livestock markets, which are very far from being the anonymous competitive markets they are often assumed to be. It is not just that IRDP has raised livestock prices generally, though this may also be true. IRDP beneficiaries typically pay inflated prices that are not compensated by higher livestock quality, and that they cannot recoup on resale.
Singh (1989)\textsuperscript{5} analyzed that majority of IRDP assisted families could not cross the poverty line. The reason attributed for this failure is alleged to be inefficiencies and leakages.

Dreze (1990)\textsuperscript{6} has conducted an intensive survey of the functioning of the IRDP (Integrated Rural Development Programme) in Palanpur, a village in Moradabad district of Western Uttar Pradesh. An in-depth socio-economic survey of Palanpur was carried out in 1983-84, immediately before the widespread distribution of IRDP loans in the village. As expected, the author's finding regarding why are the poorest HH's largely excluded from IRDP? First, as the literature on credit and poor in India has already brought out that the poor are at a disadvantage in the competition for institutional loans. The poor, it has been argued, are not well placed to pay large bribes, fill complicated forms, influence the village headman and find themselves 'guarantors'. Secondly, this has been less widely noticed that bank officials themselves are often reluctant to deal with poor borrowers because they believe rightly or wrongly that the poor are bad risks. This attitude is not difficult to understand, since recovery is often used as a major indicator of the performance of a particular branch/bank. Sometimes guidelines are issued by the bank managers to systematically exclude the poor, e.g. the possession of land is added to other eligibility conditions. All this undoubtedly applies in Palanpur. The study also revealed that the main criterion of eligibility is 'income' and since incomes in rural India are extremely hard to observe, the door is wide open to abuse. Having said this, important violations relate closely to the question of allocation of loans. Firstly, the 'gram sabha' is never convened. The guidelines of
the scheme make it clear that, in order to cut red tape and ensure a fair allocation of loans, beneficiaries should be selected by the gram sabha. In practice this does not happen. The crucial intermediaries between the administration and the villagers are the village headman and especially the gram sevak (Village Level Workers). Secondly, bribing is a sin qua non of obtaining a loan. In Palanpur, the gram sevak is widely reported to have taken a bribe of Rs.200 from each IRDP beneficiary. This obviously plays an important role in deterring the poor. Thirdly the household surveys on which the ‘IRDP lists’ of eligible households supposed to be based do not take place. In Palanpur, the ‘IRDP list’ is nothing but a list of IRDP beneficiaries, drawn after loans have been allocated. One could continue in this vein. The problem of misguided guidelines for selection of beneficiaries is compounded by that of rampant corruption.

Dantwala (1990) has discussed that field investigations insights and critical information pertaining to the impact of developmental and welfare programme’s. The macro data catch the broad contours but are not able to provide inner insight into the functioning of the programme’s at the grassroots. In his paper the central question about IRDP: Does this programme reach the poor and to what extent does it enhanced the living conditions? The conclusions that will be proposed on their aspects of IRDP are unfortunately rather negative. Apparently the author does not believe that this programme has enhanced the living conditions, on an enduring basis, of the poor, nor it is capable of doing so.
Balister & Chandra (1990) reported that families assisted under IRDP suffer many problems which caused inadequate impact on income generation. These are poor quality of assets, higher prices of assets charged by sellers, "delay in releasing subsidy, bribe taken by implementing agencies, lack of supporting facilities and lack of guidance about insurance cover. These problems need immediate remedial measures for successful implementation of the programme.

Shankar (1991) in his paper on IRDP (Integrated Rural Development Programme) stated that when IRDP was launched with great fanfare, it was thought that something spectacular was going to happen in rural India. But it turned out to be a miserable scheme of giving loans to the poor with an element of subsidy for some small asset like buffalo. In the beginning the poor were not aware of IRDP and better off farmers got the buffaloes in the name of their servants who were just asked to affix their signature/thumb impression on the application form. There were the cases where corrupt lower functionaries at the block level misappropriated the loan on the basis of fake applications. When the racket assumed serious proportions, it became mandatory to affix a photograph of the applicant but this did not end the mischief. In rural areas there are indigent persons who need small sums to meet their daily requirements or to repay small consumption loans. A small amount used to pay to them for signing the application form; the loan amount would be withdrawn; the subsidy, usually 33\(\frac{1}{3}\) per cent of the loan, would be pocketed and the rest paid back to the bank. Thus, targets were fulfilled and the recovery was cent per cent as also speedy and corrupt VDO
(Village Development Officers) would get approbation for over fulfillment of targets and more importantly for quick recovery of loans. The greatest plan in the scheme is that there is no guarantee that the most needy will be selected. Consequently the whole purpose of the scheme is defeated. The official evaluation of IRDP and other studies shows that a very small percentage of beneficiaries have succeeded in crossing the poverty line and in most of the cases the assets are not intact. It is also admitted that a fairly large number of persons selected are not eligible for it. The paper further revealed that, in all probability the successful cases in the IRDP are those who belonged to the upper categories and who were really not eligible for the scheme.

Rangarajan (1994) observed in his key note address that “experience has shown that many of our programmes aimed at providing credit through organized credit channels, such banks have not had the required success”.

Mathur (1995) in his paper “Politics and Implementation of Rural Development Programmes” discussed that although the rural poverty has been recurrent theme over several decades of planning, the proportion of those living below the poverty line has not declined substantially.

Planning Commission, Govt. of India (1996) conducted a “Concurrent Evaluation Study on the IRDP”. The study indicated that in some cases benefit given under the IRDP programme, malpractices have occurred like beneficiaries not actually purchasing the assets and the purchase being shown only on paper, selling out the asset if purchased, not even starting the
occupation for which the benefit was taken, avoiding repayment of loan.

*Narasimhan committee (1998)* observed that, “the experience with the implementation of govt. sponsored programme’s has also not been altogether happy. The IRDP and other govt. sponsored programme’s have become a “one short operation of lending”.

*ACRC (Agriculture Credit Review Committee) (1998)* indicated about adverse impact of IRDP programme. Corruption, malpractice, absence of backward and forward linkages and inadequacies in delivery were certain limitations observed by the ACRC in the implementation of IRDP.

*Tiwari (1999)* observed that training facilities are too inadequate to exercise any salutary impact on functioning of the IRDP beneficiaries.

*Planning Commission, Govt. of India (2000)* conducted a study on “Impact Assessment of Socio-Economic Development Programmes-A case Study of H.P” reveals that under IRDP, the practice of handling over unproductive assets has proved burdensome to the poor. Further implementation of the programme was not so encouraging and the backlog of unemployment at the end of each successive plan kept on increasing.

*Planning Commission, Govt. of India (2002)* reveals that development programmes are not producing the desired results due to inefficiency of the govt. machinery, lack of motivation among govt. staff, shortage of supervisory and technical staff and prevalence of corruption at every level. Lack of information and awareness among the people living below poverty line, about the
schemes is one of the reasons of non utilization of services. Service delivery system also needs to be strengthened.

*Patel (2002)* reported that it is strongly felt that in Rural Credit System there is need for revamping.

*Ministry of Rural Development (2004)* observed A critical assessment of the process of development by planners, academicians & administrators at the national level has led to conclusion that development schemes have failed to deliver the good results. The evaluation of one particular plan gave new birth to new plan but the plans did not make any difference in the condition of the downtrodden. There are three reasons for development schemes not being adequate enough to deliver development resources to the section of population who are deprived. First, the number of programmes is unmanageably large; second, they are launched by number of different ministries, departments, institutions and organization which have least co-ordination and practically negligible co-operation amongst them. Thirdly information processes regarding these development programmes reach the targeted group after quite late.

*Economic Times (2005)* noticed success rate of IRDP is low, ranging between 15-20 percent of targeted schemes, admits RBI.

*Planning Commission, Govt. of India (2005)* indicated that pace of development is either slow or lacking. The scheme is meant for the poor who have not achieved the expected results. Most of the people are still below poverty line and they have to try hard to make their both ends meet. Lack of transparency, biasness, ignorance etc. are the reasons for slow development at most of the
surveyed places. Study further reveals that lack of proper monitoring system, disparity in the distribution of funds/loans among beneficiaries was seen at many places.

Ramotra (2008) observed the problems of upliftment of the scheduled castes has been attended to by means of special programmes and provisions, but these programmes, have not proved much effective to remove their disabilities and socio-economic regional backwardness.

Very few studies have been conducted for reviewing schemes aimed at economic betterment exclusively of scheduled castes. There are, however, quite a few studies reviewing IRDP programme which was aimed at helping poor sections of the society in general but not exclusively for scheduled castes though the latter constituted 30 per cent to 40 per cent (approximate of) beneficiaries of IRDP. Our study differs from IRDP studies in this crucial aspect i.e. it aims at reviewing “Direct lending scheme” meant exclusively for scheduled castes. Keeping in view the specific problems of this economically deprived segment of the society. Though this study derived its inspiration from IRDP studies and follows their methodology to assess benefits of this scheme under review in terms of income generation, asset creation etc. but it is not mere a replica of IRDP studies as we also propose to observe whether, in addition to economic mobility, there has been (and up to what extent) geographic and occupational mobility following grant of loans.
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