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RURAL DEVELOPMENT PROGRAMMES—
ITS STRENGTH AND WEAKNESSES

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Planning in India is aimed at the eradication of poverty and unemployment. However, upto the Fourth Plan period there was no adoption of any poverty line concept as such in the Plans. The real massive work on proper and systematic identification of the poor was attempted only as late as in the Sixth Plan. Perhaps, this might have been due to the complexities of the problem and the inadequacy of the existing methodological and data base to furnish the requisite details to demarcate an acceptable line. The attempt to define poverty line has been beset with difficulties for it is not easy to agree on a common concept acceptable to all. The norms have varied from consumer expenditure, on the one hand, to calorie intake, on the other.

Realising the magnitude of the problem, a number of programmes including SFDA, MFAL, DPAP, CADA and the like were launched from time to time aimed at improving the economic conditions of the rural poor. The territorial overlap combined with the different funding patterns of these not only created considerable difficulties in the effective monitoring, it often blurred the programme objectives. Though these special programmes did bring about an improvement in the living conditions of the poor, it became clear that the dimensions of poverty in India were such that a far more ambitious and imaginative programme was required to remove the more degrading forms of rural poverty. With this objective of raising the poorest families in the rural areas above the poverty line by providing them with income generating assets coupled with access to credit facilities and other inputs, the new anti-poverty programme popularly known as the Integrated Rural Development Programme (IRDP) was launched in 1978-79. The IRDP aims at the reduction of unemployment in the rural areas and provision of assets and inputs to the rural poor for enabling them to work their way up the poverty line on a surer basis.

COVERAGE

The IRDP was initially taken up in 2,300 blocks in India. However, in view of the magnitude of rural poverty and unemployment, a major policy decision was taken to extend the programme to the target group of families in all the 5,011 blocks from October 2, 1980. Three thousand families from the poorest are to be identified and assisted during the Sixth Five Year Plan period at the rate of 600 families per year per block and 15 million families in all the blocks put together. However, of this, three million must come from the category of Scheduled Castes and Scheduled Tribes. The basic criterion for identifying a family for assistance under the programme is on income basis; the annual income should be less than Rs.3,500 from all sources. (The validity of this poverty line definition is, however, questionable.)

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The views are those of the author alone and the organization for which he works has nothing to do with this.

IRDP Implementation

Programme implementation is vested with the District Rural Development Agency (DRDA) and block agencies. The national policy is to have one DRDA in every district. The State Governments have been advised to entrust the implementation of other rural development programmes like National Rural Employment Programme (NREP) also to the DRDA.

IMPACT OF IRDP

It appears that there has been hardly any all-India study on the impact of IRDP implementation. However, data collected from Alwar, one of the early IRDP districts, are analysed to examine the impact of IRDP and the weaknesses in its implementation. The study was conducted in two blocks of Alwar district, *viz.*, Kishangarh and Kot-Kasim. The reference period of the study was the financial year 1982-83.

For the present study, a 20 per cent sample was selected by adopting a multi-stage sampling technique. As a first step, two out of 14 blocks were selected on random basis, *viz.*, Kishangarh and Kot-Kasim. Both these blocks accounted for five branches of Punjab National Bank. A list of all IRDP beneficiaries, regardless of the scheme, was collected from the selected branches. Out of the 400 beneficiaries covered by the selected branches during 1981-82, 20 per cent of the sample was selected on a random basis for field level investigation.

Blockwise and schemewise details of the selected sample beneficiaries are given in Table I.

TABLE I — DISTRIBUTION OF SELECTED SAMPLE BENEFICIARIES,
BLOCK AND SCHEMewise BREAK-UP

Scheme	Kishangarh	Kot-Kasim	Total
Dairy	30	10	40
Camel cart	10	12	22
Gobar gas	2	—	2
Sheep rearing	10	6	16
Total	52	28	80

Two cases of Gobar gas plants financed through Branch Office Bahadurpur of Kishangarh block were excluded since the number of selected beneficiaries was less than five, the sample was not considered adequate to be representative for drawing meaningful conclusions. The beneficiaries interviewed represented three schemes, namely, dairying, camel cart and sheep rearing. Thus, the final sample came to 78 beneficiaries. Nevertheless, these three schemes accounted for 92.75 per cent of the total beneficiaries covered by all the schemes considered.

FRAMEWORK OF ANALYSIS

To analyse the impact of IRDP a 'Before - After' Investment method was followed. While analysing the primary data collected from the field, the family

of the respondents was taken as one unit, instead of individual respondent. The socio-economic conditions of the respondents were studied. The benefits arising on account of IRDP investment were analysed, *inter alia*, in terms of income, employment and repayment of bank loans.

Limitations

The study mainly depends on the primary data collected from the beneficiaries who were mostly illiterate and did not keep any records. Despite sufficient care taken by way of incorporating adequate cross-checks in the interview schedules, it cannot be ruled out that their reporting was based on memory, to a great extent. Since the unit is the family, any change in the size of the family during the life of the investment would naturally have affected the size of the unit as well as income.

Occupational Pattern

About 60 per cent were landless who mainly worked as agricultural labourers before the advent of IRDP. Of the remaining 31 respondents who were owners of agricultural land, due to abysmally small and uneconomic holdings, 25.81 per cent were dependent on agricultural wages as the main source of income.

Economic Benefits

The major schemes covered under the study and considered for the analysis were: dairying, camel cart and sheep rearing.

Table II shows the sourcewise income details of the sample beneficiaries covered under dairying.

TABLE II — SOURCEWISE INCOME OF DAIRY SCHEME BENEFICIARIES

		(Rs.)		
Activity		Kishangarh	Kot Kasim	Total
Agricultural labour	Before	39,900 (54.38)	15,000 (56.97)	54,900 (55.07)
	After	39,900 (35.89)	15,000 (39.50)	54,900 (36.81)
Dairying	Before	2,333 (3.18)	2,770 (10.52)	5,103 (5.12)
	After	40,143 (36.11)	14,413 (37.96)	54,556 (36.58)
Farming	Before	26,035 (35.49)	3,760 (14.28)	29,795 (29.88)
	After	26,035 (23.42)	3,760 (9.90)	29,795 (19.98)
Others	Before	5,100 (6.95)	4,800 (12.64)	9,900 (9.93)
	After	5,100 (4.58)	4,800 (12.64)	9,900 (6.64)
Total	Before	73,368 (100.00)	26,330 (100.00)	99,698 (100.00)
	After	1,11,178 (100.00)	37,973 (100.00)	1,49,151 (100.00)

It could be seen from the above table that the total income realised by the beneficiaries from all sources was Rs.99,698 before the introduction of IRDP but rose to Rs.1,49,151 after IRDP. Income from agricultural labour worked out to 55.07 per cent of the total income before IRDP; it was 36.81 per cent of the total income after IRDP. Interestingly, in absolute terms, the income from this source remained the same. Dairying contributed only 5.12 per cent of the total income before IRDP; after the implementation of IRDP, it had gone up to 36.58 per cent of the total income. Income from other major sources (farming) remained the same in absolute terms; in terms of percentage it had accounted for 29.88 per cent and 19.88 per cent respectively before and after IRDP.

The average income per beneficiary from all sources before the implementation of IRDP worked out to Rs.2,492.45; after implementation it was Rs.3,728.77, showing an increase of 49.60 per cent.

Camel Cart Scheme

Twenty-two beneficiaries out of the selected 78 were covered under camel cart scheme. Under this scheme, the beneficiaries were financed for the purchase of a camel and cart. The unit cost per camel cart was fixed at Rs.4,900 (Rs.2,100 and Rs.2,800 for cart and the animal respectively). However, the average actual investment per beneficiary was Rs.4,695.45 only. On an average, camel cart plied for about five months (20 days a month) in a year, mostly during harvesting and festival seasons and for the rest of the year, it remained idle. Table III shows the sourcewise income details of camel cart beneficiaries before and after IRDP.

TABLE III — SOURCEWISE INCOME REALISED BY CAMEL CART BENEFICIARIES

		(Rs.)		
Activity		Kishangarh	Kot-Kasim	Total
Agriculture	Before	6,750 (24.30)	7,000 (20.71)	13,750 (22.33)
	After	6,750 (13.48)	7,000 (13.44)	13,750 (14.37)
Camel cart	Before	—	—	—
	After	23,500 (53.89)	32,500 (62.38)	56,000 (58.51)
Agricultural labour	Before	18,830 (67.78)	23,600 (69.38)	42,430 (68.90)
	After	11,160 (25.59)	9,400 (18.04)	20,560 (21.48)
Others	Before	2,200 (7.92)	3,200 (9.47)	5,400 (8.77)
	After	2,200 (5.04)	3,200 (6.14)	5,400 (5.64)
Total	Before	27,780 (100.00)	33,800 (100.00)	61,580 (100.00)
	After	43,610 (100.00)	52,100 (100.00)	95,710 (100.00)

It could be seen from Table III that the total income of the beneficiaries had increased by Rs. 34,130, an increase of 55.42 per cent after the introduction of IRDP. Prior to the introduction of IRDP, agricultural labour (68.90 per cent) and agriculture (22.33 per cent) had contributed the major share of the family income of the beneficiaries. However, this was reduced to 21.48 per cent and 14.37 per cent respectively after the introduction of IRDP. The major source of earning after the implementation of IRDP was from camel cart. As the main occupation, it had contributed 58.51 per cent of the total income of the beneficiaries. The average income per beneficiary of camel cart scheme from all sources worked out to Rs. 2,799.09 before the implementation of IRDP; it was Rs. 4,350.45 after the implementation, showing an increase of 55.42 per cent.

Sheep Rearing Scheme

Sheep rearing was only a subsidiary occupation for all the 16 selected beneficiaries except one. The unit prescribed for sheep rearing constituted 30 sheep and one ram. The unit cost was fixed at Rs. 5,400. Sheep rearing was already a subsidiary occupation for a few beneficiaries even before availing the IRDP loan.

Table IV shows the income details of the selected beneficiaries before and after IRDP.

TABLE IV — SOURCEWISE INCOME REALISED BY BENEFICIARIES OF SHEEP REARING SCHEME

		(Rs.)		
Activity		Kishangarh	Kot-Kasim	Total
Agricultural labour	Before	22,010 (80.91)	12,820 (69.26)	34,830 (76.20)
	After	20,500 (55.29)	12,220 (50.78)	32,720 (53.52)
Agriculture	Before	4,710 (17.32)	4,070 (21.99)	8,780 (19.21)
	After	4,710 (12.70)	4,070 (16.91)	8,780 (14.36)
Sheep rearing	Before	480 (1.76)	1,200 (6.48)	1,680 (3.68)
	After	11,463 (30.92)	6,576 (27.32)	18,039 (29.50)
Others	Before	—	420 (2.27)	420 (0.92)
	After	400 (1.08)	1,200 (4.99)	1,600 (2.62)
Total	Before	27,200 (100.00)	18,510 (100.00)	45,710 (100.00)
	After	37,073 (100.00)	24,066 (100.00)	61,139 (100.00)

Table IV shows that the total income of the sheep rearing beneficiaries after IRDP had increased by Rs. 15,429 to Rs. 61,139; an increase of 33.75 per cent over the pre-loan period. Agricultural wages remained the main source of income even after IRDP. Nevertheless, the share of total income from agricultural labour came down from 76.20 per cent to 53.52 per cent during the post-loan period. Of the total income, sheep rearing had accounted for the second largest share at 29.50 per cent after IRDP. As regards income from own agricultural land, though the absolute income remained the same, in terms of percentage, it came down from 19.21 to 14.36 after IRDP.

The average income per beneficiary from all sources was Rs. 2,856.87 before the implementation of IRDP; it was Rs. 3,821.19 after implementation.

Impact on Employment

The changes in labour utilization on account of IRDP financing and adoption of new economic activities or expansion of the existing ones were examined. Table V depicts the average increase in man-days per family of all selected beneficiaries under the above three schemes.

TABLE V — INCREASE IN MAN-DAYS OF ALL SELECTED BENEFICIARIES

Particulars	<i>(man-days)</i>		
	Kishangarh	Kot-Kasim	Total
Number of beneficiaries	50	28	78
Total increase in man-days	5,935	3,832	9,767
Increase in the average number of man-days per family	118.70	136.86	125.22

The average employment generated per beneficiary household was to the extent of 125.22 man-days after the implementation of IRDP. It worked out to 118.70 and 136.86 man-days respectively in Kishangarh and Kot-Kasim blocks.

Recovery Performance

In the matter of recycling of funds the actual repayment is as much important as the generation of additional income and employment for taking up challenging nation-wide programmes like IRDP. The performance in the sphere of repayment was studied separately for all the three types of schemes.

It was observed that most of the beneficiaries did not strictly adhere to the recovery schedule. The overall repayment performance of the sample beneficiaries of different schemes is shown in Table VI.

TABLE VI — REPAYMENT PERFORMANCE OF SAMPLE BENEFICIARIES

Schemes	Accounts settled	Regular accounts	Irregular accounts	Total beneficiaries
Dairying	7	13	20	40
Camel cart	2	9	11	22
Sheep rearing	—	6	10	16
Total	9	28	41	78

It could be seen from the above table that nine beneficiaries had already settled their accounts; seven in dairying and two in camel cart. Out of the remaining 69 beneficiaries, only 40.58 per cent were regular in repayment. The maximum defaulters were from sheep rearing (62.50 per cent) and minimum from camel cart (55 per cent). Lack of veterinary facilities, high mortality rate of sheep and lambs and inadequate marketing facilities were some of the major reasons which account for the poor recovery from the beneficiaries of sheep rearing scheme.

BOTTLENECKS AND LACUNAE

The beneficiaries were generally satisfied with the usefulness of the scheme and the assistance given. The assistance provided was, by and large, instrumental in increasing the family income. However, a few points of dissatisfaction were also voiced by the beneficiaries in their respective schemes.

A household survey had to be conducted in each block for identifying households eligible for assistance under IRD Programme. After completing the household survey, those families which were found below an annual income of Rs.3,500 were classified on the basis of their income and the families falling in the lowest income group were the first to be covered under the programme for providing assistance. In Rajasthan, the detailed instructions on the procedure to be followed for the identification of the families under IRDP were received only in early 1981. As a result, till the end of the year 1980-81, the beneficiaries identified under the 'Antyodaya Programme' were brought under the purview of the IRDP. The result was that many households who were identified under the 'Antyodaya Programme' and not eligible for the benefit of subsidy were given subsidies and loan under the IRD Programme prior to 1981-82 but from the year 1981-82, according to the DRDA, the beneficiaries were identified properly and systematically according to the procedure laid down by the Government of India.

However, the annual family income from all sources of about six per cent of the selected beneficiaries was above Rs.3,500 before the investment under IRDP and as per the basic criterion for identification of eligible families, they should not have been covered for assistance under this programme.

The attitude/views of the beneficiaries, utilization of the assets and the bottlenecks faced in the successful implementation of IRDP are as follows:

Dairying

Dairying proved to be attractive for both the small farmers and the landless agricultural labourers as a subsidiary activity to supplement their income. The quality breed of animals, availability of sufficient feed and fodder, veterinary aid and marketing facilities are some of the important factors required for the smooth implementation of milch cattle scheme. Forty-one buffaloes were financed under the scheme to 40 selected beneficiaries, with the solitary exception of one beneficiary who was financed for a 'two animal unit'. Out of 41, three buffaloes were reported dead due to inadequate veterinary facilities available in the area. Apart from this, eight buffaloes were sold out by the respective beneficiaries while one beneficiary reported that his buffalo was lost. The main reason given for the sale of buffaloes was the high maintenance cost. These beneficiaries were, more or less, finding it difficult to maintain them, especially during the 'dry period'. In other words, only 70.73 per cent of the assets in terms of milch cattle financed under IRDP assistance were in existence. Of the remaining, some 25 per cent of the assets were sold out, while about seven per cent of the milch cattle were reported dead.

Eighty-five per cent of the milch cattle beneficiaries under IRDP had no previous experience. The assistance under IRDP, though instrumental in adding to the income of the beneficiaries, affected the efficiency of these units due to lack of experience in maintaining the buffaloes.

Though it was generally agreed that cross-bred milch animals/exotic breed only should be financed, it was found that all the beneficiaries had purchased animals of local breed only due to non-availability of cross-bred animals. However, in most of the cases 'Murrah' buffaloes were purchased from the neighbouring State of Haryana. As if to fulfil the requirement of the IRDP, in almost all the cases it was reported that the buffaloes were purchased from outside the block.

87.50 per cent of the beneficiaries received financial assistance (comprising bank loan and subsidy) sufficient for the purchase of one buffalo. Five beneficiaries contributed from their own sources and purchased milch cattle at a price higher than the fixed 'unit cost'.

Eighty-five per cent of the beneficiaries reported inadequate veterinary facilities. They had to seek for these either at block headquarters or at district headquarters. The demand for illegal gratification by the veterinarians was also reported by certain beneficiaries; most of the beneficiaries were not satisfied with the "Veterinary Supportive Facilities".

Poor milk procurement and marketing arrangement came in the way of many beneficiaries in making the best out of dairying. Only 35 per cent of the beneficiaries could directly deal with primary milk co-operative societies; the rest had to depend upon the "Sordid interest lobby".

Beneficiaries, in general, were not aware of the facility and procedures of lodging the insurance claim in the event of death of animals. They also reported difficulty in obtaining the 'Certificate' in the case of death of animals. It takes a pretty long time, *i.e.*, 3 to 4 months, to 'settle a claim' and, as such, the borrowers had to bear the unnecessary interest burden in their loan account. In other words; the procedure of claiming under the insurance cover was found cumbersome; the reimbursement of the claim was not speedy.

Camel Carts

In four cases out of 22, instead of both camel and cart, only the camel was financed. Therefore, these beneficiaries were not operating the camel cart. In five cases, camel was reported dead and in another four cases, the camel cart was 'sold out'. In one case, the beneficiary was provided with bullocks only instead of camel cart. In other words, only 54.55 per cent of the beneficiaries were operating the camel cart and maintaining them. Out of the total of 21 camels, two bullocks and 18 carts financed to 22 beneficiaries, only 12 camels, 14 carts and two bullocks were in the possession of the beneficiaries at the time of the interview.

The camel cart was preferred to bullock cart by the majority of the beneficiaries due to easy maintenance in terms of feeding and veterinary care. It also carries more weight and covers more distance in comparison to the bullock cart. However, all the five cases of deaths in camels were reported to be due to lack of veterinary aid in the local area. As in other schemes, the beneficiaries of this scheme also were generally not aware of the benefits of insurance cover. Out of five cases of dead camels, insurance claim was settled only in one case. In two cases the matter was never reported to the bank; in one case, the insurance claim was rejected by the Insurance Company as the identity of the camel covered could not be established. In short, lack of knowledge on the part of the beneficiaries, procedural difficulties and inordinate delay on the part of the Insurance Company were the main difficulties in getting the benefits under insurance cover.

The unit cost fixed at Rs. 2,800 per camel, was found, more or less, adequate but the cost of cart fixed at Rs. 2,100 was reported to be inadequate to purchase a standard size cart. Beneficiaries had to contribute Rs. 300 to 800 from their own sources for the purchase of a new cart. However, out of the 18 beneficiaries who were owning carts, 66.67 per cent managed to purchase the carts within the stipulated amount of loan and subsidy. Non-availability of good carts in the area was another general complaint of the beneficiaries. All the beneficiaries reported that they were operating the camel carts by themselves and no hired labour was used.

In cases where it took 2 to 3 months to purchase the cart after the purchase of the camel, the beneficiaries developed the tendency to sell the

animal as they were unable to maintain them. Besides, if a good camel was purchased at a higher cost, the balance amount of the loan sanctioned was found insufficient to purchase a standard cart.

Sheep Rearing

The total investment for a sheep rearing unit of 30 ewes and one ram was fixed at Rs. 5,400 including subsidy. However, more than 50 per cent of the beneficiaries found it difficult to purchase healthy sheep within the amount. 87.50 per cent of the beneficiaries were of the view that the unit cost of 30+1 sheep should be fixed at Rs. 6,000 instead of Rs. 5,400.

Out of 16 beneficiaries covered under sheep rearing, six started the sheep unit for the first time, seven re-established sheep units and three beneficiaries took the bank loan to expand their existing units. A high mortality rate was noticed in the case of sheep, particularly of lambs. In all, 467 sheep and 17 rams were financed through bank loan while at the time of field investigations the total sheep and rams were 226 and 15 respectively. In other words, 49.79 per cent (241 sheep and 2 rams) died out of the total sheep purchased from bank loan. In one case the entire unit was wiped out. The death toll of sheep per borrower beneficiary came to 15 out of a unit of 30+1 animals. However, three beneficiaries did not report any mortality.

Proper marketing arrangements were not available for sale of wool in the local area. The local *khatiks* purchased the wool from the shepherds at a very low rate. In fact, the sheep rearing beneficiaries had to sell the wool at throw away prices in the absence of any organized marketing facilities. There was no proper follow-up by the bank officials or by the DRDA regarding the implementation of the scheme. Hardly any guidance was reported to be made available to the beneficiaries. Besides, no training was imparted to the beneficiaries under the scheme in regard to maintenance, medical care, etc.

While the infrastructural bottlenecks can be eased by the Government, effective monitoring can only be done through proper co-ordination between banks and the DRDA. A constant watch and evaluation of the physical and financial benefits accruing to the beneficiaries of various schemes under the programme through *Vikas Patrika* as well as the regular sample studies will go a long way in improving the performance of the programme. In this regard, various procedures of monitoring followed by the banks and DRDA should be made more uniform. Guidance can be provided through Rural Consultancy Centres to be jointly opened by banks, DRDA and voluntary agencies.

In a massive anti-poverty programme like IRDP, both formulation and implementation have to be flawless. In fact, monetised development does not mean only pumping money into the economy but it entails that supportive facilities are to be provided for its optimal absorption. This involves also public participation in a measure which is conducive not only to their own ultimate benefit, but to the smooth implementation of the programme. For this an awareness has to be created among the public, and this could be achieved only by closer and direct relationship with the beneficiaries. The future beckons, shall we falter?