



AgEcon SEARCH

RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Vol XLI
No. 3

ISSN 0019-5014

CONFERENCE
NUMBER

PART I
JULY-
SEPTEMBER
1986

INDIAN JOURNAL OF AGRICULTURAL ECONOMICS



INDIAN SOCIETY OF
AGRICULTURAL ECONOMICS,
BOMBAY

RAPPORTEUR'S REPORT ON SPECIAL PROGRAMMES LIKE IRDP,
NREP, EMPHASISING POSITIVE ASSISTANCE AND
'REVERSE' DISCRIMINATION

*Rapporteur: S. C. Jain**

The response to the invitation to contribute papers on Poverty Alleviation and Allied Programmes has been enthusiastic. In all, 41 papers have been accepted for discussion at the Conference. Most contributors have focussed their attention mainly on the issues of implementation. Accordingly, a large number of papers are evaluative in character and outline measures to improve the effectiveness of implementation within the existing framework of approach and design of IRDP, NREP and allied programmes. A couple of papers, however, make a plea for reorienting the approaches and the concept.

The major poverty alleviation programmes covered by the papers are IRDP, NREP, DPAP and the adjunct programmes like TRYSEM. Lab-to-Land and Intensive Cattle Development Scheme have been discussed by a couple of contributors. Comments are given under different programme heads.

I

INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

Thirty-three papers deal with the various aspects of IRDP. Most of these papers are based on small sample studies conducted by the authors in a specific area of programme operation selected by them. They cover a wide range of implementational issues.

Identification of Eligible Participants

Almost every contributor who has written on the issue has confirmed that the identification process was faulty and resulted in inclusion of non-poor families. The only exception is the study of IRDP in Sikkim by S. Bhattacharjee and R. C. Mondal where they did not find any evidence of leakage. The sample, however, is extremely small (20) to permit any firm generalisation. On the other hand, the Haryana study by Malkit Kaur *et al.* found that only 13.48 per cent of the respondent households had an annual income below Rs. 3,500 which is the cut-off point for IRDP eligibility. The variations are, thus, very wide.

The lapse is mainly attributed to lack of care or deliberate bias on the part of village level worker (VLW) and pressure from local influentials. Almost all the contributors have suggested association of *Gram Sabhas* in the process of identification. The frequency of transfer, frustration born out of stagnation, inadequate training, workload, time shortage and geographical characteristics of the area may have played some role in identification errors. If this is so, consultation with *Gram Sabha* alone will not solve the problem.

* SBI Chair Professor and Head, Department of Rural Studies, South Gujarat University, University Campus, Surat.

Identification of Schemes: Household Package Formulation

While marginal errors of identification may be condonable, the selection of an appropriate scheme is the kernal of successful investment activity. There is very little light which has been shed here. The Industries, Services and Business (ISB) schemes in general have been found more successful as compared to other schemes like irrigation, equipment, milch animal, bullocks, etc. The assessment of skills, risk bearing capacity, provision of fixed and working capital margins, local demand, margin shrinkage during contingencies, input supply problems, price fluctuations, maintenance services, discounted flows of costs and gains, depreciation and replacement provisions, etc., have hardly been consciously applied in the identification of schemes. The *Gram Sevak* has hardly any training in project formulation techniques. The assumption that existing schemes and lending norms are good enough and that stated needs or prescribed proportions are sure guides have hardly been questioned.

The scheme lending was in vogue so far. Transition to household package lending would require application of assessment skills on the part of the worker and the banker. The identification of household/group package with a suitable mix of old and new scheme items is a rising challenge to professional practice.

Subsidy Administration

A number of studies point to the delays and leakages of benefits. None of the paper-writers discusses the rationale and the quantum which are the key issues considering the theme, 'reverse' discrimination. Instructions to banks for automatic adjustments from District Rural Development Agency (DRDA) accounts will cut down delays but a single window can cut down administrative costs drastically.

Credit Delivery

Two papers have discussed this issue, one of which (A. K. Sarawgi *et al.*) relates to a study of lending by State Bank of India in Patan block. The sample studied is very small, only 45 families. The paper notes that 71 per cent of the beneficiaries crossed the poverty line and that the Scheduled Caste/Scheduled Tribe families were well represented. But it does not discuss any operational issue. The paper by B. D. Shukla *et al.* discusses the problems of subsidy adjustment and repayment of loan. After dealing with preliminary identification details, the paper reports that subsidy adjustment was not made (at the time of their study) in 28.6 per cent of the cases. In 18 per cent of the cases it was due to deliberate delay by the officials. In others it was lack of information or approach. Seventeen per cent of the cases were only partially aware. The reasons of non-payment were mainly: failure of business (16.2 per cent), failure of crop (9.6 per cent), crises in domestic life (6 per cent) and death of animal (2 per cent). The major faults in service were rigidity in periodicity of instalment, uncertainty of interest, lack of guidance by bank officer, non-issue of pass books and delay by middleman. These are practical issues and can be thrashed out within the existing parameters. The adequacy of credit norms, provision of working capital for asset maintenance and development, ration-

ing and restrictive effects of Differential Interest Rates, credit supervision, rehabilitation assistance in cases of genuine entrepreneurial failures, second loans, etc., have not been touched at all. Insurance procedure for IRDP loans has been lined up recently. However, there are serious gaps in information which has produced disastrous consequences in many tribal areas. These credit aspects need separate attention especially in terms of fixing responsibility for casualties and settlement of compensation.

Income and Employment Effects: Diversification

Very few studies deal with employment effects. Changes in income resulting from participation in IRDP have been reported in a large number of studies. The range varies from State to State and scheme to scheme (45 per cent in Jabalpur study to a near disaster in Ranchi study by M. L. Singh). The ISB sector has provided better income in relation to IRDP investments. The model is before-after comparisons with no attempt to adjust incomes to price changes. There is no effort to compare income changes amongst comparable non-participating groups to find out the contributions of non-IRDP inputs. The real gains attributable to IRDP are thus much less than what the studies would seem to suggest. Hardly any study has analysed income flows over a time period. The income-erosion effects could affect recoveries as well as employment levels. The CII ratio would change if these effects are taken into account. As would be expected, the percentage of beneficiaries reporting favourable changes of income is higher than the percentage crossing the poverty line. The impact of IRDP on diversification has received favourable mention even though it is marginal. There is no mention of displacement effect and earning rates per man-day which might be even lower than the minimum wage rates.

Input-Output Linkages and Co-ordination within Sub-sectors of Poverty Alleviation Programmes

While the studies generally comment on the failure of schemes to achieve linkages with marketing and input supplies, especially in relation to milch cattle scheme, detailed attention has not been given to these aspects: Poor co-ordination of IRDP with NREP and MNP is now documented.

Organisation of Services and Participation of Beneficiaries

There are no papers on these vital aspects. There is one paper by M. K. Ghadoliya on the opinion and awareness of beneficiaries but the organisation of services, especially qualifications and experience, training, transfer, number in position, organisation of work, supervision, work relationships all need attention to explain the performance variations.

Consumption and Social Effects

No study has drawn attention to these important aspects. What happens to additional income? How much of it is saved and cycled back and how much of it is used for various types of consumption? Reports from other studies suggest the seriousness of these proportions. The effects of IRDP on school drop outs,

health and family welfare have not received any mention although there is evidence of both positive and negative social consequences flowing from participation in schemes.

PROPOSED ISSUES FOR DISCUSSION

It is not possible to cover the scores of issues for fruitful discussion due to time constraint. The major issues need to be selected for focussed attention. Amongst the major issues which relate to basic structure, concept and culture of poverty alleviation programmes, attention may be focussed on the following:

1. Integration of Resource-based Planning with Sectoral Planning of Household Programmes

The guidelines of IRDP aver about the characterisation of IRDP approach as a combination of area development approach with beneficiary oriented approach. The Report of the Committee to review the Existing Administrative Arrangements for Rural Development and Poverty Alleviation Programmes (CAARD) has also emphasised this. But the collapse of perspective planning is now recognised as a key failure of IRDP ground work. Where have matters gone wrong?

2. Dependence Reduction

This would at once add new significant dimensions to IRDP. The participants might consider various welfare and social inputs including food security and wage and work guarantees. Once the IRDP concept and practice is broadened and the planning process responds to broader frame, the issues of organisation, training and implementation would be put in proper perspective. Indira Hirway's agenda seems to be the minimum for the new deal.

3. Regional Disparity in response to Poverty Alleviation Programmes

In Eastern and Central regions poverty declined only by 14.5 per cent as compared to the national average of 21.1 per cent during the period 1977-84. The per capita expenditure on poverty alleviation programmes in these regions is below the national average. M. L. Manrai suggests concentration on small irrigation works and appropriate changes in the cropping pattern. However, if there are deep rooted structural problems like concealed tenancy forms, absence of effective local organs of government, high population pressures, casteist politics, political and administrative corruption, etc., a mere rise in investment through a recent correction of allocation policy would not do. The participants may identify the true factors for slow response and appropriate remedy for the same.

4. The CAARD has suggested reorganisation of administration of poverty alleviation programmes and has strongly come out with the recommendation for strengthening local self-government institutions (Panchayati Raj) and devolving on them planning and implementation of poverty alleviation programmes. This would mean merger of DRDA with Zilla Panchayat and transformation of planning process. What safeguards are necessary to preserve the gains which may be lost through discontinuity?

5. Peoples' participation and organisation in IRDP has been chiefly conceived in terms of 'escort' and 'watch dog' function. This represents an advance over purely administrative approach. However, the issue is not only leakage-plugging but allocative proportions, factor returns balances and entitlement creation. Parti-

cipation will have to be conceived on a much higher plane to influence these conditions of poverty alleviation action.

This should be sufficient agenda for discussion. The group discussion of course needs to identify areas for guiding further research efforts. Some of these areas have been hinted in this report. More can be added by the participants.

II

RURAL EMPLOYMENT PROGRAMME

In all, four papers have examined the rural employment programme. The paper by D. Namasivayam *et al.* analysis the performance of NREP in Tamil Nadu, based on secondary data and applies Wroclaw's taxonomic method to determine the issue of equity. While the methodology seems to be pertinent to straighten out the issues of target setting, it is confusing to equate performance deviation from an ideal unit with inequity on indicators of utilisation of cash and food grants.

Another paper on the working of National Rural Employment Programme (NREP) in Tamil Nadu by C. Arputharaj and E. C. Rajayan notes favourable outcomes—near doubling of incomes of participants and increase in the number of days of employment ranging between 43 and 77 per cent. However, the study of NREP in the districts of Assam by T. N. Saikia finds the performance much less encouraging. The NREP provided between 13 and 18 per cent of additional man-days of employment and 11.6 per cent of additional income to the sample participants. In one case 39 per cent and in another 54 per cent of the workers did not come from below poverty line families, which raises questions on the assumption that employment programmes as compared to self-employment programmes are better adopted with the participation of the poorest amongst the poor. Kanwar Prakash Chand *et al.* reporting on their Himachal Pradesh experience found that NREP contributed between 6 and 30 per cent of the total income per household and generated additional employment ranging from 50 to 100 man-days per worker. However, most of the assets created were not of durable nature and the projects and period selected for implementation were faulty.

The major recommendations which emerge from these papers relate to changes in the criteria of resource allocation for districts from the existing level of 75 per cent in favour of marginal farmers and agricultural labourers to 50 per cent, changes in the registration system, and increase in the element of kind wage payments (pulses, potatoes, sarees, utensils and the like) and more detailed consultation with local village community institutions in selecting the works. The duration of employment and quality of grains also required improvement. The need for co-ordination and proper technical supervision has been emphasised. These are useful suggestions. The issues which have not been touched in these papers but which are vital for achieving goals of employment policy may be stated now.

(1) *Employment Planning*

We have manpower budgeting, iterative and modified IRDP household survey-cum-registration approaches for need-assessment. For project identification, the community consultation as also departmental recommendations are now recognised

practices. However, the planning practice is yet to solve the question of linkage with other development programmes, private sector employment and figuring out maintenance and regenerative inputs with their flow of costs and benefits over the imputed life period of the asset. A further question is what happens to additional values created through the employment programmes. Who appropriates them? With what purpose? And with what consequences? The question of productivity and equity is not answered simply on the basis of immediate effects of investment in employment programmes but in terms of what happens in terms of long-time flow of costs and benefits, who gets them and how he uses them. This should involve outflows and inflows in the State system. The allocative criterion at present is simple. Given labour-material ratios, the budgeting allocation is split into labour-material parts. Dividing the labour part by man-day rate the target man-days are obtained. As budget-input this may be a quick and convenient method but decentralised, detailed and coherent planning would be needed in the interest of economy and efficiency.

(2) *Implementation*

The works are generally executed by the departments or local bodies following the public works execution procedures except for the fact that private contractors are not permitted. There is no State which has set up a systematic registration system for casual employment and collection of vacancies in various works projects. The development and involvement of local bodies, training of local officials in the techniques of managing employment programmes, promoting labour co-operatives, etc., have not been thought of. Given the departmental capacities for normal work, there are enormous gaps in technical supervision. Leakages are rampant. The co-ordination with IRDP and MNP is still an unresolved problem. What can be done to remove these weaknesses of implementation?

(3) *Monitoring and Evaluation*

The principal form of reporting is in terms of expenditure, foodgrain releases and utilisation and man-days of employment created. There is very little monitoring about how the below poverty line families are succeeding in their efforts to supplement their incomes through participation in NREP; how are their incomes being utilised, especially in relation to the nutrition goals of NREP? What is the condition of asset in terms of employment yielding flows? What are the unit costs and how they compare with unit costs of similar activities under the auspices of different agencies?

Rural employment programmes need a penetrating look. Considering the importance of the issue and the size of investment, these aspects need to be carefully considered.

III

ALLIED PROGRAMMES

Among the papers on other allied programmes, two papers deal with DPAP which is itself a major programme area. The evidence coming from these papers

is so confusing that it is worthwhile to recommend a thorough evaluation of the achievements and strategy. The evaluation of intensive cattle development scheme, gobar gas plants, technology transfer through lab-to-land scheme, and focal point development schemes shows their positive potential for IRDP. These are new allies to be welcomed. However, rural housing scheme implementation shows serious snags which should cause worry about the enormous outlays being set aside for the purpose.

INDIAN JOURNAL OF AGRICULTURAL

ECONOMICS—REPRINTS

Many back issues/volumes of the Indian Journal of Agricultural Economics are currently out of print. Enquiries have been received by the Society for the supply of the back volumes of the Journal. With a view to enabling the interested readers, agricultural universities, colleges and other research institutions to complete their holdings of the back issues/volumes of the Journal, the Society has entered into an agreement with the Researchco Reprints, Delhi whereby the Researchco Reprints has been given full rights of reprinting of all the issues of Volumes 1 to 29 of the Journal which are out of print now. The Researchco Reprints has brought out the reprints of the abovesaid volumes. Kindly direct your orders and enquiries for back issues/volumes of the Journal (including reprints) to the Researchco Reprints, 1865 Trinagar, Delhi-110 035 (India).