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Role of Government Development Agencies in Integrated Rural Development Programme: A Study of Two Districts in Orissa and West Bengal

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I

INTRODUCTION

Rural development is recently viewed largely as self-development of the rural masses, particularly of the rural poor who constitute a sizeable proportion of the rural population of India. The World Bank sector paper (World Bank, 1975) pointed out that "rural development is a strategy designed to improve the economic and social life of a specific group of people - the rural poor. It involves extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small-scale farmers, tenants and the landless" (World Bank, 1975, p. 83). The Integrated Rural Development Programme (IRDP) which is under implementation in all the blocks of the country for more than a decade and half (since April 1980) developed on the model of the World Bank as a programme which aimed at alleviation of rural poverty. It replaces the earlier beneficiary-oriented programme aimed at Small and Marginal Farmers and Agricultural Labourers (SFDA/MFAL) which were being operated by multiple agencies. As a centrally sponsored scheme funded on 50:50 basis by the centre and the states, its objective has been to enable the selected families in the rural areas to cross the poverty line by providing assets (and inputs) in the primary, secondary and tertiary sectors to the target groups through financial assistance in the form of subsidy by the Government and the term credit advanced by the financial institutions so that the income generation capacity of the beneficiary families is increased.

The Research Problem

The impact of the IRDP on the beneficiary poor families has not, however, been spectacular and uniform throughout the country (see, e.g., Rath, 1985; Bagchi, 1987, p. 139; Government of India, 1992).¹ The great variation across the states of India in respect of IRDP is evident from the data released by Concurrent Evaluation of IRDP which was conducted by the Ministry of Agriculture, Department of Rural Development, Government of India. It has been revealed that the percentage of IRDP beneficiaries who crossed the poverty line of Rs. 6,400 in 1987-88 varied from 23.5 per cent in Punjab to 13.2 per cent in Maharashtra, 11.4 per cent in West Bengal, 10.1 per cent in Orissa and 8.1 per cent in Madhya Pradesh (Table 1). The questions that naturally arise are: What factors would account for these differences? Can the differential effectiveness of the government development agencies, i.e., the role and efficacy of government development agencies relating to IRDP, viz., District Rural Development Agency (DRDA), block organisation, financial institutions, Government, etc.,

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explain such differential success across the states in respect of IRDP? This study, which has been funded by the University Grants Commission as a major research project during 1992-94, is a modest attempt to seek answers to these and other related questions. The need for such a study arises out of the inadequacy of the existing literature to give answers to some of the issues stated earlier.

TABLE 1. BENEFICIARIES CROSSING THE POVERTY LINE IN SOME SELECTED STATES, 1987-88

Sr. No. (1)	States (2)	Poverty line = Rs. 3,500 (3)	Poverty line = Rs. 6,400 (4)
1.	Bihar	45.5	12.7
2.	Gujarat	90.5	4.9
3.	Madhya Pradesh	52.7	8.1
4.	Maharashtra	58.7	13.2
5.	Orissa	49.2	10.1
6.	Punjab	95.0	23.5
7.	West Bengal	73.2	11.4

Source: Government of India, Department of Rural Development, Ministry of Agriculture, New Delhi.

Review of Existing Literature

Though a large number of studies on the subject of IRDP has already been brought out, which may be grouped in two broad categories, namely, (1) literature relating to philosophy, concept and theoretical foundations of IRDP (Parthasarathy, 1984; Aziz, 1984) and (2) studies relating to evaluation of the programme (Cochin University, 1984; Kutty Krishnan, 1984; Gupta, 1984), the role of development agencies in IRDP across the states has not been examined in adequate perspective. Rao (1986), however, tried to show the variation of the impact of IRDP across the states in accordance with variation in the level of their development (i.e., better developed the states the higher the impact (i.e., success) and vice versa. But no such analysis has been made at the district and the sub-district level and the differential role of the government development agencies as an explanation of the above theme has not been assessed. Swaminathan (1990) compared the village level implementation of IRDP in West Bengal and Tamil Nadu, and Ray (1992) compared the role of local level organisations like panchayats in the implementation of IRDP in West Bengal and Gujarat. But the roles of DRDA, blocks and banks have not been examined. Tripathi *et al.* (1985), no doubt, made a detailed evaluation of IRDP in the southern states of India and aimed at assessing the role and efficacy of government development agencies concerned with the programme. But here the questions of relevance and adequacy come up. While the work needs to be updated, the impact of the programme needs to be related to the role and efficacy of the government development agencies across the selected states. Thus the brief review of existing literature would indicate its inadequacy to give sufficient answers to our questions concerning the role of government development agencies associated with IRDP in examining the variation of the impact of the programme across the states of India. The present work is an attempt to remedy some of the gaps that exist in the existing literature.

Objectives of the Study

This study set the following objectives for itself: (i) to examine the role of government development agencies in IRDP; (ii) to relate the impact of the programme to the role and efficacy of government development agencies.

It is argued in the present work that differential impact of IRDP on rural poverty across the districts can be explained by the differential role and performances of the government development agencies and that variation in income out of IRDP across the households can be explained largely by the role played by the development agencies in respect of implementation and monitoring of the beneficiary schemes.

Outline of the Study

Section 2 provides the data base and methodology used in the study. Section 3 discusses in brief the profile of sample states, districts, blocks and villages and Section 4 presents the performances of the government development agencies at the state and district level. Section 5 examines the role of government development agencies in respect of planning, implementation and monitoring of beneficiary schemes. The impact of the programme and recovery of IRDP loan are discussed in Section 6. Section 7 analyses the factors that influence the IRDP project income of the households. Section 8, the final section, summarises the main points made earlier and makes concluding observations.

II

DATA BASE AND METHODOLOGY

While the broad objective of the present study is to examine the role of government development agencies in IRDP across the states, we try to make a comparative analysis at both the state and district level and for this purpose we take resort to the secondary data. However, on account of the limitations of the secondary data and for the sake of an in-depth study we have tried to collect and use primary data to analyse our research questions.

Our secondary data relate to physical and financial performances in IRDP, number of youths trained, census population and workers. *Basic Rural Statistics 1993* published by the Department of the Rural Development, Government of India, *Rural Development Statistics* published by National Institute of Rural Development, Rajendranagar (Hyderabad), *Census of India 1991* and *Annual Action Plan* of District Rural Development Agency (DRDA), Mayurbhanj and Midnapore districts, constitute our main data sources.

Primary data relate to the process of selection of beneficiaries, implementation and monitoring of schemes, impact of the programme and recovery of the IRDP loan.

The study area covered two states, namely, Orissa and West Bengal and two districts, namely, Mayurbhanj district of Orissa and Midnapore district of West Bengal. From each district we selected two blocks and from each block, two villages on the basis of stratified random sampling - strata represent relatively developed and backward categories. From the list of IRDP beneficiaries during the period of 1985-86 to 1990-91 of these 8 sample villages, we selected randomly 160 beneficiaries as the respondents for the study at the village level. The relevant banks which were involved in the process of IRDP in the sample villages also came under our study. At the district level the project Officer of the DRDA,

at the block level the Block Development Officer, at the bank level Branch Manager and at the Gram Panchayat level the Pradhans/Sarpanches are also the respondents of the study, who were interviewed. Primary data were collected on the basis of questionnaire and personal interview method. The collected data have been analysed with the help of various statistical and econometric techniques such as average, percentage, frequency distribution, regression, etc. We made a comparative analysis while relating the differential impact of IRDP across the districts to the role of development agencies.

III

PROFILE OF THE STUDY AREA

To make the perspective clear, a brief description of the socio-economic profile of the study area is made. Orissa is a less developed state in terms of per capita income, percentage of non-agricultural workers, percentage of urban population, poverty ratio, literacy rate, etc. In 1990-91, the per capita income of Orissa was estimated at Rs. 3,180 at current prices, in contrast to Rs. 4,730 in West Bengal. The percentage of non-agricultural workers to total workers in Orissa was 30.2 in 1991, while it was 35.2 in West Bengal. About 23.2 per cent of the total population in Orissa was urban, while it was 27.4 per cent in West Bengal. Rice productivity was higher in West Bengal (17.95 quintals per hectare) in 1990-91 than that in Orissa (12 quintals). As per the estimates of the Planning Commission, Government of India, 67.9 per cent of the population lived below the poverty line in the rural areas of Orissa in 1977-78; it was 58.3 per cent in West Bengal. The rural poverty ratios in 1986-87 were 40.1 per cent and 35.7 per cent in Orissa and West Bengal respectively. Literacy rate in rural Orissa was 37.8 per cent in 1991, while it was 41.2 per cent in rural West Bengal. Over 73 per cent of the villages were electrified in West Bengal in 1991, while this proportion was 68.2 per cent in Orissa. In respect of the average population per bank office, however, Orissa was better placed in 1992 than West Bengal since the former had one bank office per 15,000 while West Bengal had one bank office per 16,000.

Both the sample districts of the two states are, however, economically backward. Midnapore is the largest district spread over the southern part of West Bengal. In the entire sub-continent of India it ranks first in population size (8.35 million, of which about 90 per cent was rural) and area (14.08 sq. km) in 1991. The district comprises 54 blocks (panchayat samities) and 10 municipalities. Mayurbhanj, being relatively smaller, had a population of 1.87 million in 1991, of which more than 95 per cent was rural. It comprises 26 blocks and only one municipality. The economies of both the districts are mainly dependent on agriculture and allied activities. In industry sector, both these districts are definitely backward though Midnapore district has one industrial complex in Haldia, one big thermal power plant in Kolaghat, 2 paper mills in Jhargram and some small and medium scale industries in and around Kharagpore. In 1988-89, the percentage of foodgrains area irrigated to total foodgrains area was 31.28 in Mayurbhanj while it was 33 in Midnapore. The worker participation rate was 37.05 and 35.19 per cent respectively. The percentage of household industry workers to total workers was 5.53 and 4.85 respectively (Table 2). Thus it is observed that in respect of these development indices, the position (level of development) of Mayurbhanj and Midnapore districts has not been significantly different.

TABLE 2. SOME DEVELOPMENT INDICATORS OF SAMPLE DISTRICTS

Sr. No. (1)	Indicators (2)	Mayurbhanj (3)	Midnapore (4)
1.	Percentage of rural population to total population	95.00	89.90
2.	Percentage of foodgrains area irrigated (1988-89)	31.28	33.01
3.	Worker participation rate	37.05	35.19
4.	Percentage of workers engaged in household industry	5.53	4.85

Source: Government of India, *Census of India 1991*.

IV

PERFORMANCE OF THE DEVELOPMENT AGENCIES: STATE AND DISTRICT LEVEL COMPARISON

We have already seen that the economies of the two sample districts represent similar pattern. Despite this fact the impact of IRDP on rural poverty of these districts varies substantially. This variation may be explained by the variation in the roles performed by the development agencies in these districts. In this section, we compare the performances of development agencies of the selected states and districts. Quantitative performances are only analysed here with reference to (1) IRDP and (2) TRYSEM (Training for Rural Youths for Self-Employment) which is an allied programme of IRDP.

State Level Comparison

1. *IRDP*: The quantitative performances of development agencies in IRDP may be examined at physical and financial levels. While examining the performances of the development agencies in the two states under study in respect of this programme we observe that the physical achievements relating to number of beneficiaries exceeded the targets in both the states during the Seventh Plan and later. During the period 1985-86 to 1991-92, the number of beneficiary families exceeded the target by 35.9 per cent in West Bengal and 28.7 per cent in Orissa, while the said figure for India as a whole was only 14.3 per cent. The average per capita investment in Orissa was, however, very low, only Rs. 3,618 and it was below the national average of Rs. 5,339, while in West Bengal it was Rs. 5,647 and surpassed the national average. In West Bengal total bank credit mobilised relative to Government subsidy was higher than that in Orissa, which resulted in the lower subsidy-credit ratio for West Bengal (51:100) compared to Orissa (93:100). While examining the qualitative aspects relating to coverage of scheduled castes/scheduled tribes (SC/ST) and women beneficiaries during the said period we observed that in both the states and also in the whole of India the percentage of women beneficiaries to total beneficiaries was below the targeted 30 per cent. However, in West Bengal, the performance of development agencies in this respect was higher (28.55 per cent) than that in Orissa (20.19 per cent) and the whole of India (21.89 per cent). However, in respect of SC/ST coverage, Orissa showed better performance (51.65 per cent) compared to West Bengal (38.35 per cent) and the whole of India (46.37 per cent) (Table 3).

TABLE 3. PERFORMANCE OF GOVERNMENT DEVELOPMENT AGENCIES OF ORISSA AND WEST BENGAL IN IRDP, 1985-86 TO 1991-92

Performance indicators (1)	Orissa (2)	West Bengal (3)	All-India (4)
IRDP			
1. Physical (number of beneficiaries)			
(a) Target (thousand)	1,054.2	1,344.0	20,657.0
(b) Achievement (thousand)	1,356.6	1,826.3	23,614.5
(c) Percentage of (b) to (a)	128.27	135.9	114.3
2. Financial			
(a) Average per capita investment (Rs.)	3,618	5,647	5,339
(b) Subsidy-credit ratio	93:100	51:100	64:100
3. Percentage of SC/ST beneficiaries to total beneficiaries	51.65	38.35	46.37
4. Percentage of women beneficiaries to total beneficiaries	20.19	28.55	21.89

Source: Government of India, *Basic Rural Statistics 1993*, Ministry of Rural Development, New Delhi.

The differential performance of development agencies across the sample states may partly be explained by the number of villages served by each DRDA and block in those states and partly by the qualitative roles played by the development agencies there. We shall discuss the second point in the section that follows. As regards the first point it may be hypothesised that the smaller the number of villages served per block and DRDA, the higher their efficiencies and hence the higher the quantitative performances. We observe that in Orissa the average number of villages served per DRDA and block is higher than that in West Bengal (Table 4). In the former the performance rate has been observed to be lower than that in the latter.

TABLE 4. NUMBER OF VILLAGES PER DRDA AND BLOCK IN ORISSA AND WEST BENGAL (AS ON 31.3.1992)

States (1)	No. of villages (1981) (2)	No. of blocks (3)	No. of DRDAs (4)	No. of villages per DRDA (5)	No. of villages per block (6)
Orissa	46,553	314	13	3,581	148
West Bengal	38,029	341	17	2,237	112

Source: Same as in Table 3.

2. *TRYSEM*: West Bengal lagged behind Orissa in respect of the number of youths trained during the said reference period. While considering the percentage of trained youths employed to total youths trained it was observed that in both the states the performance was higher than the national average of 60.31 per cent, this figure for Orissa being 93.77 per cent and that for West Bengal being 68.52 per cent. Coverage of SC/ST youths and young women under this programme in the two states has been considerable; 36 and 48 per cent of the total trained belonged to SC/ST community in West Bengal and Orissa respectively. The percentage of women trained to total trained youths was nearly the same (around 36 per cent) in both the states. On an average, in both the states more than 60 per cent of the employed trained youths under the programme were found to be self-employed (Table 5).

TABLE 5. PERFORMANCE OF GOVERNMENT DEVELOPMENT AGENCIES IN ORISSA AND WEST BENGAL IN RESPECT OF TRYSEM, 1985-86 AND 1991-92

Items (1)	Orissa (2)	West Bengal (3)	All-India (4)
1. Total number of youths trained	95,704	72,975	15,29,577
2. Percentage of employed trained youth to total youth trained	93.77	68.52	60.31
3. Percentage of SC/ST beneficiaries to total beneficiaries	48.28	36.26	43.55
4. Percentage coverage of women beneficiaries to total beneficiaries	36.40	36.95	47.71
5. Ratio of self-employed and wage employed trained youth	64.36	69.31	72.28

Source: Same as in Table 3.

District Level Comparison

(a) *IRDP*: While examining the performance of the development agencies in respect of IRDP at the district level, it was observed that these agencies in Midnapore district of West Bengal were more active compared to those in Mayurbhanj district of Orissa. In respect of physical achievement, Midnapore district exceeded the target by 15.31 per cent during 1985-86 and 1991-92, while in Mayurbhanj district it fell short of the target by about 20 per cent. The achievement of Midnapore district in respect of per capita investment was also high. As regards the qualitative aspect it was observed that the percentage of SC/ST beneficiaries under IRDP was higher in Mayurbhanj (being a SC/ST dominated district) than in Midnapore. In regard to the coverage of women beneficiaries, however, the development agencies in Midnapore district performed better than those in Mayurbhanj district.

(b) *TRYSEM*: The performance of Mayurbhanj district was better than that of Midnapore district in respect of TRYSEM. The percentage of SC/ST and women beneficiaries under TRYSEM and also in regard to expenditure incurred per TRYSEM trainee, the development agencies in Mayurbhanj district played a greater role compared to those in Midnapore district during the period 1985-86 to 1991-92. During the same period, however, the total number of youths trained under TRYSEM in Midnapore district (being a big district) was 7,311, of which about 79 per cent was employed in either self-employment or wage employment; the corresponding figures for Mayurbhanj district were 5296 and 46.52 per cent only (Table 6).

TABLE 6. PERFORMANCE OF GOVERNMENT DEVELOPMENT AGENCIES IN IRDP AND TRYSEM AT THE DISTRICT LEVEL, 1985-86 TO 1991-92

Performance indicators (1)	Mayurbhanj (2)	Midnapore (3)
A. IRDP		
1. Percentage of number of beneficiaries to target	80.48	115.31
2. Average per capita investment (Rs.)	2,089	4,969
3. (a) Percentage of SC/ST beneficiaries to total beneficiaries	70.62	27.45
(b) Percentage of SC/ST beneficiaries to total SC/ST population	5.19	4.01
4. Percentage of women beneficiaries to total beneficiaries	14.36	27.65
B. TRYSEM		
5. Total number of youths trained	5,296	7,311
6. Percentage of employed trained youth to total youth trained	46.52	78.98
7. Percentage of SC/ST beneficiaries to total beneficiaries	67.69	19.50
8. Percentage of women beneficiaries to total beneficiaries	23.73	16.70
9. Expenditure incurred per TRYSEM trainee (Rs.)	4,557	685

Source: Annual Action Plan 1994-95, Midnapore and Mayurbhanj DRDA Office.

V

ROLE OF DEVELOPMENT AGENCIES AT THE DISTRICT LEVEL AND BELOW

A. Planning, Implementation and Monitoring of Schemes

It was observed that in both the districts DRDAs functioned as the central organisation at the district level. They plan and implement IRDP and supervise the block organisation which actually implements the programme. In both the states all tasks relating to formulation of the schemes and arrangement of bank loan are performed by the block staff.

In Midnapore district, the panchayat committee and gram sabha have actively participated in the process of selection of beneficiaries. In contrast, the selection of beneficiaries in Mayurbhanj district was dictated by the block and bank officials. In the implementation of the programme at the village level, the panchayat is not much involved in Mayurbhanj district, in fact Village Level Workers (VLWs) played an important role in this regard. It is also observed that there is a good deal of co-ordination between the block and the bank in Mayurbhanj and between the panchayat and the bank in Midnapore district in the identification of beneficiaries.

With regard to the implementation of the project it has been observed that the time taken between sanctioning and disbursement of loans was, on an average, 8.2 months in the sample villages of Midnapore district; it was 6.9 months in case of the sample villages of Mayurbhanj district. Almost all the beneficiaries of the sample villages of both the districts expressed their resentment of the delay in the sanction and disbursement of the loan at the bank level. The main reason for the tardy performance at the bank level was the inadequacy of staff in the rural branches of the banks. Besides, it is reported that most of the bank staff attend the bank office after a long journey from their residence and get fatigued to discharge their duties properly. The DRDA has also been responsible for delay in the release of subsidy. It may be noted that the long gestation lag dampened the effectiveness of the project through cost escalation of inputs due to the delay and hence led to reduction in the real value of assets and erosion in the viability of the projects.

It has also been observed that monitoring, which is an essential aspect of IRDP implementation for ensuring the generation of adequate income, has not been satisfactory in the study area. In more than 70 per cent of the cases, the number of visits by the representatives of the development agencies per year has been less than one for the sample projects. This may be due to multiplicity of agencies, viz., government officials, banks and panchayats, all of which think that it is anybody's job but nobody really makes any sincere attempt to do the job. This particular task has not been given due attention by the DRDA and the block. Though there has been comparatively commendable performance undertaken by banks in monitoring, such performance, however, need not be over-emphasised since illiterate rural beneficiaries can hardly distinguish between the visit for monitoring and that for loan realisation by the bank officials (Table 7).

TABLE 7. ROLE OF GOVERNMENT DEVELOPMENT AGENCIES AT THE VILLAGE LEVEL IN IRDP

Sr. No. (1)	Performance indices (2)	Mayurbhanj (3)	Midnapore (4)
1.	Percentage of beneficiaries identified by		
	(i) Panchayat	21	90
	(ii) VLW/Block	59	6
	(iii) Others	20	4
2.	Average project investment (Rs.)	4,575 (51.53)	5,363 (48.41)
3.	(a) Time delay (in months) in grounding the scheme at the level of		
	(i) Bank	2.5	4.6
	(ii) Block	3.0	1.5
	(iii) DRDA	1.4	2.1
	(b) Average time delay (months)	6.9 (48.93)	8.2 (57.60)
4.	(a) Percentage of schemes monitored by the agencies (during the last three years)		
	(i) Panchayat	0	27.5
	(ii) Bank	45.5	42.0
	(iii) Block	25.0	30.0
	(iv) DRDA	15.0	5.0
	(b) Monitoring (average number of visits)	1.87 (59.25)	1.91 (46.90)
5.	Average amount of repayment of IRDP loan (Rs.)	884	942

Source: Field Survey.

Note: Figures in parentheses are coefficients of variation.

VI

IMPACT OF THE PROGRAMME AND RECOVERY OF LOAN

IMPACT

The impact of the programme in generation of income of the beneficiary families for alleviation of their poverty has been found to be substantial and the people perceived IRDP as a programme for the poor and believed that it benefited them in different ways. The programme has won the trust of the people and they want it to continue. However, there are significant differences in respect of its impact on poverty alleviation across the states. While in Midnapore district 35 per cent of the sample beneficiaries have been able to cross the poverty line of Rs. 2,200 per capita annual income,² this proportion in Mayurbhanj district has been found to be 27.5 per cent. It has also been observed that there was a significant difference in respect of project investment, time delay in grounding the scheme, monitoring, income from IRDP assets, repayment of loan, land and other productive assets across the two selected districts (Table 8).

TABLE 8. ESTIMATED IMPACT OF THE PROGRAMME IN MAYURBHANJ AND MIDNAPORE DISTRICT

Sr. No. (1)	Indicators (2)	Mayurbhanj (3)	Midnapore (4)
1.	Percentage of beneficiaries that crossed the poverty line of Rs. 2,200 per capita annual income	27.5	35.0
2.	Average annual family consumption expenditure (Rs.)	3,693 (142.59)	7,935 (50.19)
3.	Average annual family income from IRDP project (Rs.)	2,330 (1.08)	2,860 (73.62)
4.	Average amount of per family cultivable land (acre)	0.48 (189.93)	0.65 (147.35)
5.	Percentage of beneficiaries with positive view about the role of the agencies of		
	(a) Panchayat	5.0	58.0
	(b) Block	52.5	15.0
	(c) Bank	38.8	25.0
	(d) DRDA	3.7	1.2
6.	Percentage of beneficiaries who repaid more than 50 per cent of IRDP bank loan	10.0	15.0

Source: Field Survey.

Note: Figures in parentheses are coefficients of variation.

Recovery of IRDP Loan

Repayment of IRDP loan is a good index of the success of the programme. In Midnapore district only 15 per cent of the beneficiaries repaid to the extent of above 50 per cent of the bank credit, whereas in Mayurbhanj district the number of beneficiaries who repaid the loan was 10 per cent only. However, in both the states, more than 50 per cent of the sample beneficiaries did not repay the IRDP loans. For realisation of loan camp meetings were held in the study areas but the volume of loan realisation was very poor. In this connection, the field survey revealed that the repayment was made before the Government announcement of agricultural loan remission upto Rs. 10,000. It is expected that different agencies of IRDP should visit the areas and make concerted efforts to recover the loan advanced. The field survey revealed that in both the districts the performance of bank officials in this respect has been satisfactory to some extent compared to other agencies. In Midnapore where the panchayat plays an important role in implementing the programme, it is observed that there is lack of co-operation between the bank and the panchayat as regards recovery of bank loan. The main reason for this poor recovery of bank credit is poor economic conditions of the beneficiary households. It was found that the correlation coefficient of the loan repayment with income of the beneficiary was 0.61 and that with productive assets was 0.73. Another important factor which might explain for loan default was the expectation of the beneficiaries about the Government announcement of further loan remission.

VII

FACTORS INFLUENCING IRDP INCOME

The factors which may explain the variation in income generation from the IRDP project across the beneficiaries have been examined through linear multiple regression analysis. It is argued here that project investment, beneficiaries' choice of scheme, time delay in grounding the scheme and monitoring are the important determinants of income generated

out of IRDP of the beneficiary families. Income from the project here refers to the annual net income which is equal to total revenue earned from the project during the year minus the total cost including the imputed cost of family labour used in the project implementation and depreciation cost of the project. Investment implies net investment which is equal to the value of the asset acquired through bank loan and government subsidy and this net investment is maintained over years. Monitoring is measured by the number or frequency of visits in the year by the bank officials and the government staff.

TABLE 9. ESTIMATED LINEAR MULTIPLE REGRESSION CONSIDERING PROJECT INCOME (PY) AS DEPENDENT VARIABLE

Districts (1)	Constant (2)	PI (3)	GT (4)	M (5)	D (6)	R ² (7)	F (8)	DF (9)
Mayurbhanj	-770.630	0.617* (6.71)	-64.488 (-1.53)	298.092 (1.39)	984.810*** (1.98)	0.722*	48.76	75
Midnapore	-717.652	0.387* (5.38)	5.141 (-0.16)	569.906** (2.43)	1091.964* (3.13)	0.756*	58.09	75
Total	-1111.710	0.483* (8.78)	-4.833 (-0.23)	510.367* (3.42)	1065.208* (3.59)	0.725*	102.16	155

Note: Figures in parentheses are t-ratios.

*, ** and *** Significant at 1, 5 and 10 per cent level respectively.

PY = IRDP Project Income, PI = Project Investment, GT = Gestation Lag, M = Monitoring, D = Choice of scheme (Choice=1 for beneficiary's choice of scheme and choice = 0 otherwise).

The results obtained from the linear multiple regression model in which IRDP project income of the sample beneficiary households (PY), is considered as dependent variable and project investment (PI), time delay in grounding the scheme (GL), monitoring (M) and choice of scheme (D) (choice = 1 for beneficiary's own choice of scheme and choice = 0 otherwise) as independent variables are shown in Table 9. The regression models are found to be statistically significant at one per cent level of significance, which in a way suggests that the variation in IRDP project income is explained to the extent of 76 per cent by the model in the case of Midnapore district and 72 per cent in the case of Mayurbhanj district. It has been observed that the project investment, monitoring and choice factor are important variables in explaining the variation in IRDP project income of the sample beneficiaries.

VIII

SUMMARY AND CONCLUSION

The empirical results of the study show that the role of government development agencies in IRDP is significant and it varies across the states of Orissa and West Bengal. This variation in the role of the development agencies accounts for the variation in the level of impact of the programme on the rural poor. Our study shows that while the variation in the initial level of development across the two selected states of Orissa and West Bengal is responsible for variation in the impact of the programme, at the level of sample districts, namely, Mayurbhanj and Midnapore, there is positive and significant variation in the performance of the government development agencies in IRDP and this variation accounts for the variation in the impact of the programme on the rural poor. At the village level, the panchayat has played an important role in improving the implementation of the programme in

Midnapore district of West Bengal whereas in Mayurbhanj district of Orissa the beneficiaries have been selected either through VLW or on their own initiative. People's participation, a necessary condition for success of a development programme, has been, to a large extent, followed in the former in determining the type of benefit. However, in both the districts there is absence of serious and imaginative local level planning. The time delay between sanctioning and disbursement of loan is longer in the sample villages of West Bengal. This delay has been disproportionately high at the bank level. The DRDA has also been responsible for delay in the release of subsidy. Regular monitoring by the development agencies in the study area has been absent and this is responsible for the unimpressive level of income generation and the erosion in the value of real assets. It has also been observed that there is lack of co-operation among the agencies in respect of recovery of loans advanced under IRDP. The bank has been active but the block and panchayat organisations could not be actively involved in this process. In both the districts the development agencies have not paid due attention to filling up the gaps in infrastructure or other facilitating components of the programme like TRYSEM which can make the programme implementation more effective.

The impact of IRDP on the rural poor has, however, been quite substantial in improving the level of living of the beneficiary families and it is observed to be higher in the sample villages of Midnapore than in Mayurbhanj. This higher impact in the sample villages of West Bengal may be attributed not only to the smaller number of villages per block and DRDA but also to the higher project investment and the positive role of the development agencies including the panchayats. There is a significant difference between the sample districts in respect of project investment, monitoring, time delay in grounding the scheme, amount of land and other productive assets, income generation out of IRDP and loan repayment, etc. Multiple regression analysis shows that the project investment, monitoring, and people's participation are important factors in explaining the variation in IRDP project income of the sample beneficiary households.

Our study points to the conclusion that the impact of IRDP can be enhanced through the increase in efficiency of the government development agencies involved in this programme. This conclusion vindicates the non-structuralists' view that the effectiveness of the programme can be enhanced and its objectives can be realised if the efficacy of the planning, implementing and monitoring agencies could be improved.

Received January 1997.

Revision accepted March 1998.

NOTES

1. The Eighth Five Year Plan also observes: "The number of households able to cross the poverty line was small" (Government of India, 1992, p. 28).

2. The poverty line is drawn at an annual income of Rs. 11,000 - for a standard family of five members, i.e., at Rs. 2,250 per capita (see D. Goutam, "Introduction", *Annual Action Plan 1993-94*, District Rural Development Agency, Midnapore, p. 1).

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