

## CHAPTER 'II'

### RATIONALE OF I.R.D.P. IN INDIA

India is predominantly an agricultural and primary producing country. Between 1951 and 1981, the rural population in absolute number increased from 229 millions to 525 millions, which gives population increase by 2.5% per year. Therefore, the rural development is a central point as strategy of economic development during the planning period. The concept of rural development implies the structural change in the agrarian and allied sector in rural areas which will lead some substantive increase in the standard of living of masses through increase in output, employment and production potentials in rural areas.

As a result of sincere efforts of the Government, there is overall growth rate at the annual rate of 5%. In spite of this, the problem of poverty and unemployment took a serious turn. It means that, today, growth rate of 5% is very inadequate to solve the problem of poverty and unemployment.

In order to deal with the multidimension of rural poverty in our country, the Government of India launched very ambitious programme, known as Integrated Rural Development Programme in 1978-79. This covered 2,300 development blocks which were earlier included a Special Programme such as SFDA, DPAP, MFAL, DDP, FWP, CAD etc.

#### The Concept of I.R.D.P.

The I.R.D.P. is the unique strategy of rural development

which directly attack the problem of poverty of the masses. We organise the rational of I.R.D.P. in India. It is essential to know about the genesis of the definition of the concept of I.R.D.P.

1) According to the Moshi Conference held at Tanzania, "I.R.D.P. is the outcome of a series of quantitative and qualitative occurring among a given rural population and whose covering effects indicate, in time, a rise in the standard of living and favourable changes in the way of life of the people concerned".

It covers industry as well as agriculture in rational policy of national physical planning as also changes in the attitude of rural population to make them grow with self-reliance. It includes "Strategy policies and programme for the development of rural area. With the ultimate aim of achieving a fuller utilisation of available physical and human resources and thus, higher income and better living conditions for the rural population as a whole, particularly the rural poor and effective participation of the latter in the development". What is relevant is that, it squarely deals with the rural - urban dichotomy and directly intervenes in favour of the weaker sections.

2) According to F.A.O. - I.R.D.P. is a concept and an approach to planned progress in the rural areas. It is based on the assumption that economic and social progress are mutually reinforcing that all natural, technical, economical, social

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and institutional inter-relationship and their changes are taken into account and that they are combined in such a way as to serve the well-being of men and social integration as the ultimate goal.

The Evolution of the Concept of I.R.D.P. in India -

In India, we are familiar with the concept of Integrated Rural Development, in rudimentary form from the 5th Five Year Plan. The Draft 5th Plan stated : "This integrated development should encompass both special and functional integration of all relevant programmes bearing an increased agricultural production and reduction of unemployment and under employment among small farmers and agricultural labour. The aim is towards all-round development and not confined to the increasing production alone".

During the period of internal emergency, C. Subramaniam, the then Finance Minister, making an official reference to the 'Strategy of Integrated Rural Development' defined its broad objectives as follows :

- a) Full employment of labour and physical resources;
- b) Agro-industrial complexes;
- c) Minimum productivity standards;
- d) Minimum standards of performance by public agencies;
- e) Tempur steeped in science.

Integrated Rural Development, according to him, means "something more comprehensive and fundamental", "systematic, scientific and integrated use of our natural resources, and as

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part of this process, enabling every person to engage himself in a productive and socially useful occupation and earn an income that would meet at least the basic needs."

The 6th Plan summarised the approach and strategy as follows :

- i) I.R.D. Programme will consist of programmes of agriculture, animal husbandry, fishery and forestry which will be brought into focus in one compact form of maximising land, water and cropping in a holding through a mixed farming approach.
- ii) Programme relating to agriculture, animal husbandry, dairying, fisheries and forestry and plans for cottage and village industries development will be integrated.
- iii) Drinking water supply, rural roads, education, nutrition and health programmes are urgently required in rural areas. Linking up of the developmental programme with those of infrastructure and social services may result in their relative importance being diluted. Therefore, the infrastructure services programme would form part of their respective sectors and will be settled on the basis of established criteria and priority.
- iv) The programme will be especially focussed on target group comprising small and marginal farmers, agricultural labourers and rural artisans whose economic improvement is an important concern of rural development.
- v) A major effort will be made to formulate specific area plans at the grass-roots level. With this in view,

it is proposed to formulate comprehensive block level plans and identify programmes for development of the areas which aim at making full use of the local endowments.

- vi) Rural growth centres will be developed for integrated rural - urban growth in the rural areas. Opportunity for self-employment in such growth centres will be developed as far as possible to absorb unemployed educated youth to run service centres, custom service units and retail shops for farmer's requirements. The rural industries organisations that are being developed during this plan in the districts will give the necessary consultancy coverage to such programmes and supervise the proper utilisation of funds.
- vii) Active involvement and participation by the people for whom the developmental programmes are meant, can go a long way in making the programme to produce greater impact and becoming more successful.

Integrated Rural Development as implemented in our country has limited objectives of providing full employment through productive programmes in a selected area. It is designed to create additional employment and rise the income level of the identified target groups consisting of small and marginal farmers, share croppers agricultural labourers, rural artisans and people belonging to scheduled castes and schedule tribes. It lacks in sharpness of focus. The approach does

not propose changes in conditions of production policies and institutions as a prelude to rural development. It has 'target groups orientation' but it does not outline the modus operandi of shift of power to these groups. The contradiction between the objectives of integrated Rural Development and the existing structure of production relationships are too strong to be ignored. Though its promoters talked about Gandhian alternative path of development, it resembled Gandhian approach in a remote sense. As Jendekar says, Gandhian path is a completely different path leading to an alternative goal of human life and existence. It is a society which limits and minimizes its material needs and one in which every one earns his daily bread by a full day's physical labour seeking happiness as a mental condition detached from the material conditions of life.

- i) Integrated Rural Development is not substitute to any programme;
- ii) It has adopted a novel integrated approach to problems of development.
- iii) It is a welfare-cum- developmental programme;
- iv) It is a multi-disciplinary approach to development;
- v) It is a science-based and technology oriented programme;
- vi) It transfers socially appropriate technology;
- vii) It makes indepth survey of areas correlating with ongoing projects and identifies the gap;
- viii) It draws up a time-bound schedule and implements it with urgency;

- ix) It takes account of the policy and planning in order of priorities and relevance;
- x) It co-ordinates and links, at different levels, agencies of rural development.

The Progress of I.R.D.P.

Initially I.R.D.P. was introduced in 20 district in country. The block was accepted as the unit of planning and implementation.

The following table

Statewise progress under I.R.D.P. is given in the following table (1980-84) 2.1

State	Achievement of Physical Target	Achievement of Financial Target	Coverage of SC/ST
Haryana	181.1	104.9	24.9
Uttar Pradesh	129.8		
Tamil Nadu	128.5	110.8	30.6
Kerala	121.5		24.1
Andhra Pradesh	120.2	115.5	52.09
Punjab	114.2	111.6	49.9
Orissa			43.2
Karnataka		121.3	24.1
Gujarat	110.7		
Maharashtra	102.5		
West Bengal		33.1	
Assam	44.3		
Delhi	113.7	115.7	28.4
Andaman & Nicobar	3.6	27.8	17.5
Arunachal Pradesh		43.5	100.0

The Primary Sector still accounts for larger share in employment under I.R.D.P.

Segmentwise distribution of Beneficiaries

Year	Primary	Secondary	Territory
1980-81	93.56	2.32	4.12
1981-82	83.02	4.92	12.06
1982-83	68.70	15.70	15.60
1983-84	58.90	15.20	27.9

An evaluation study conducted earlier revealed that of the total beneficiaries, 50.6% were agricultural labourers 22.4% were cultivators, 19.7% and the rest others. SC and ST were 42% and 13% of the beneficiaries respectively. 80% of the beneficiaries were males.

Thus the sixth five year plan envisaged extension of assistance to 600 families on an average every year and total 15 million families through a mix of subsidy and loans- subsidy of Rs.1,500 crores and loan of Rs. 3,000 crores. The subsidy actually disbursed during 1980-84 was of Rs.1188.97 crores. The mobilisation of credit for IRDP during 1980-84 was Rs. 2244.13 crores and the target of Rs. 3000 crores would be exceeded by the end of 1984-85. During 1980-84 12.58 million families have been assisted and in 1984-85 3.01 million families are targeted to be covered. Number of beneficiaries covered cumulatively increased from 6.24 lakhs

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in 1978-79 to 27.27 lakhs in 1980-81 and to 125.80 lakhs in 1980-84. Coverage of SC/ST families under the programme increased from 7.81 lakh in 1980-81 to 47.25 lakhs in 1980-84 which accounted for 37.5% of the total beneficiaries.

The seventh plan aims at bringing down the number of these below poverty line from 37% 23% by 1990 and 10% by 1995. IRDP has got a very predominant role in achieving this target. The working Group constituted by the Ministry of Rural Development recommended to the planning commission and allocation of Rs.7,000 crores as budgetary resources and commitment of Rs. 16,000 crores from the banking sector for effective implementation of IRDP. The Govt. proposes to assist 1000 families per block every year and a total of 25 million families during the plan period with budgetary support of Rs.5,000 crores and institutional credit estimated at 11,000 crores. The strategy for development is to be channeled in to three directions;

- i) For SC/ST, it is a mix of beneficiary oriented and infrastructure and human resource development programme;
- ii) Women will be given for greater recognition than neither to and equipped with and trained for appropriate skills to operate such productive assets which would contribute to rising their own and household incomes;
- iv) Since the incidence of poverty varies among and within the states, there has to be a degree of selectivity in terms of approach, outlays and programmes for different states.

With implementation of three fold strategy of development, the seventh plan maintains that the tendency to view poverty alleviation activities in isolation would be given up and effective linkages forged with other developmental activities in the rural areas to ensure that the flow of benefits from all these schemes would converge on the poverty str group as a package.

The achievements of the IRDP during the sixth plan from also given the following table No 2.3

Item	Sixth Plan (1975-80)	
	Target	Achievement
1. Plan Allocation	1500.00	1661.17
i) Central Allocation	750.00	788.89
ii) State & UTS Contribution	750.00	872.78
2. Credit mobilisation	3000.00	3101.61
3. Total Investment 1+2	4500.00	4762.78
4. No. of Families Covered	150.00	165.62
5. No. of SC/ST families covered.	50.00	64.63
6. Per Capita subsidy	1000.00	1003.00
7. Per Capita Credit	2000.00	1873.00
8. Per Capital Investment	3000.00	2876.00
9. Subsidy credit ratio	-	1:1:87
10. Sectorwise coverage		
1) Primary	-	71.7
2) Secondary Sector	-	10.4
3) Territory Sector	-	17.9

It can be seen from table.2.3 that the target at the national level have been fully achieved in respect of all the parameters fixed in the programme guidelines. However, the performance has been uneven between the States. Besides studies conducted by PEO, RBI, NABARD and numerous other institutions/individuals indicate following short-comings :-

1. Nearly 40% beneficiaries have crossed poverty line (Rs. 3,500/pa) although 55 to 90% earned additional income due to the assets created from IRDP funds.
2. The extent of wrong identification was quite high i.e. around 20 to 25%. The main reasons for wrong identification were:
  - i) reliance on list of households identified under SFDA, where the identification was based on land holding, rather than income,
  - ii) non-involvement of people's institution in the survey and selection process,
  - iii) better bankability of those having assets base ans,
  - iv) Collusion between Government functionaries and vested interests.
- 3) Nearly 70% beneficiaries purchased animals, more particularly milch cattle as this activity has considerable employment and income generation potential. But studies have indicated that considerable number of animals either died or changed hands. Non-availability of quality animal, artificial increase in prices and absence of linkages and support

- structure for feed, shelter, health cover and marketing of produce have also been noticed.
- 4) No backward and forward linkages were established with credit and marketing. Institutional support for the supply of raw material and marketing of finished goods was the missing link. Backup support from sectoral departments was also found to be largely missing, consequently durable assets like sowing machines, bullock carts etc. were not fully utilised.
  - 5) Inadequacy of a banking infrastructure in certain areas, particularly in North East has affected credit flow adversely; short fall of staff, almost every where, have resulted in-sufficient scrutiny and delayed disposal of loan applications, and absence of supervision and followup; insistence on security in spite of instructions to the contrary has resulted in the exclusion of the poorer among the target group.
  - 6) Non-adoption of cluster or group approach was another weakness of IRDP.
  - 7) The uniform financial allocation and physical target without regard to the incidence of poverty, or even the size of population resulted in the selection of ineligible families.
  - 8) Out-right leakages through corruption and malpractices have also been noticed. This was mainly due to -

- i) Non-involvement and lack of awareness among beneficiaries,
  - ii) Methodology of administration of subsidy,
  - iii) Insufficient investment in terms of project cost norms resulting in purchase of sub-standard asset.
- 9) Administrative weakness in terms of qualified staff at the block and district levels has been an important bottleneck in respect of vertical and horizontal co-ordination and integration between different departments.
- 10) There is no involvement of financial institutions in the process of either identification of beneficiary or project formulation, as such there was a general feeling that the programme was thrust upon them.

#### Strategy for Seventh Plan

The poverty alleviation and generation of additional employment opportunities in rural sector will continue to be the aim of the seventh plan, accordingly the poorest among the poor below annual household income Rs. 4,800/- will be identified greater care will be exercised in the process of selection of beneficiaries. Detailed household survey, with maximum involvement of local community, will be carried out with the dual objective of identifying those who have already received assistance in sixth plan, require supplemental assistance to achieve economic viability and those in the

lowest strata of poverty group, who have not been approached so far.

Since the poorest among the poor have low absorption capacity, group and total household approaches will be adopted. Thus provision for total package of benefits and services under different programmes will be made for the selected household.

With a view to ensure balanced sectoral coverage, emphasis will be given on decentralised planning and district block and village levels. Due emphasis will also be given to augmenting productivity by taking up land based activities like minor irrigation, dry farming, horticulture and reforms, land distribution and grant of ownership rights to share cropper etc. will also be initiated.

Concrete steps will be taken to setup activities under ISB Sector. Accordingly, realistic project profiles will be worked out for household and larger group enterprises in areas of traditional skills.

Infrastructural support and backward and forward linkages were missing links during sixth plan period. As such in the seventh plan period special attention will be given to these aspects. Arrangement for the production of appropriate technology and transfer of quality assets with marketing of finished products will be linked with credit.

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