
CHAPTER - I I

REVIEW OF RELEVANT LITERATURE

CHAPTER - II

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ON IRDP

The working of Integrated Rural Development programme has not attracted due attention of the policy makers, researchers, academicians and the public at large. Though various attempts have been made in recent past to evaluate the working and implementation of the programme, yet, the success or failure of IRDP remains a matter of controversy. The issues and problems which have seriously affected the performance of this programme are being hotly debated by the academicians. On the one hand, a number of field studies have high-lighted serious flaws in the working of this programme, while on the other hand, some studies have painted a rosy picture of the performance of IRDP.

In the present chapter an attempt has been made to review the available and accessible literature on various aspects of IRDP relevant in the context of the present work.

1. AWARENESS ABOUT IRDP :

Lack of awareness about the broad details of IRDP before availing of the loan is indicative of the inadequacy of extension efforts by the implementing agencies to educate the rural poor about the programme.

K. Adinarayana Reddy (1988;8) pointed out that the government is trying to adopt the Westernised methods of T.V., Radio, News papers to disseminate the information to rural poor about I.R.D.P. which may not be

relevant to Indian conditions. A number of studies conducted by various social scientists else where, have come to the conclusion that modern mass media have not been able to create the necessary motivation, enthusiasm and consciousness among that group of people which has a low socio-economic status.

[A study by D. Venkateswaralu and Venkatraman (1995; 59) reveals that the backward class people are unaware of various governmental schemes and programmes. Only a part of these communities, are benefited by the concessions, but those unaware remained as backward as ever. So there is much need for extension of propaganda by all means.

The Mandi District (of Himachal Pradesh) study (1995; 52) pointed out that awareness of the target group about the philosophy of the programme has great bearing on its performance. Majority of beneficiaries 75.6 % cases were aware of programme the VLW and B.D.O's being the main sources of their information, while in the remaining (23.9 %) cases, the beneficiaries had received such information from village Pradhans.

According to Sanjay Sinha (1986; 823) a little attempt was made to explain the methodology or to provide training to the district and block level staff charged with its implementation. As a consequence, much of the initial conception of the programme was poorly understood, programme guidelines were poorly and variously interpreted and implemented.

Vasant Desai (1991; 15) concluded that the absence of creating awareness of rural development among the rural poor, the benefits of these varied programmes experimented since the commencement of the first plan have, by and large, not reached the target groups.

2. IDENTIFICATION AND SELECTION OF BENEFICIARIES:

IRDP guidelines stipulate that the identification of households is to be completed with the help of a survey of the households living below the poverty line. Most of the studies have pointed out that no such survey was conducted in their respective study areas. Wherever these studies were conducted, the function or staff members had not been trained for such purposes.

Vasant Desai (1991;6) has observed that the majority of the beneficiaries were not eligible for assistance under the programme. Targets are fixed without realistically understanding the magnitude of poverty in a specific region, resulting in benefits being liberally passed on to well off sections.

According to K.M. Sharma and N.K. Sharma (1991;71), the work of identification of these families was found to be got done through the Patwaris and Gram Sevaks, the needy families are deprived of the benefits of the schemes which are meant for them.

G. Thimmaiah (1988; 1188) has stated that the selection of beneficiaries being confirmed to the nearness to the accessible road without bothering about the spatial distribution of the needy poor leads to neglect of poor people located in interior area particularly in hilly areas.

Kripa Shankar (1991;2339) evaluates IRDP in U.P. and points out that a very small % of the intended beneficiaries have succeeded in deriving any real benefit. In all probability, the successful cases are those who belong to the better off categories and who are really not eligible for the scheme.

V. V. Barthwal (1991; 82) observes that the % of wrong identification was found to be very high falling some where between 3-30 %.

The National Bank for Agriculture and Rural Development (NABARD) and programme evaluation division of the planning commission have shown that there are leakages of IRDP benefits to ineligible households. (EPW 1996; 2492).

Some studies pointed out the following main reasons for wrong identification of the beneficiaries under the IRDP (PEO, 1985; RBI 1984; NABARD 1984 and IFMR 1984 see Jasbir Singh, 1996 : 51).

- a) Reliance on list of households identified under the SFDA where the identification was based on the land holding rather than income;
- b) Non-involvement of people's institutions in the survey and selection process ;
- c) Bank-ability of those having an asset base and
- d) Collusion between the government functionaries and vested interests in some cases.

In addition, it was also observed that the lists were prepared in haste, enumerators lacked adequate training and problems involved in estimating household income had affected the selection process.

3. DELIVERY SYSTEM :

The implementation of IRDP involves numerous hurdles in delivery system.

K. Subbarao (1985; 1829) notes that implementation of IRDP failed mainly because of wrong identification of beneficiaries and unsound delivery of credit system.

J.L. Bajaj and Rita Sharma (1995; 74-77) categorized weakness of Government delivery system as :

- 1) Lack of clarity of objectives
- 2) Lack of Community participation.
- 3) A blunt cutting edge
- 4) Rentier System
- 5) Over centralisation and complicated procedures.
- 6) Weak interdepartmental linkages and
- 7) Inadequacies in government procedures.

Author also listed issues affecting the quality of the delivery system. They are : 1) Low motivation 2) Regularity mind set and 3) Inadequate skill.

Neela Mukharjee(1995;41) pointed out that the people's bias operating within the delivery system where the system has revealed a bias in favour of better off people. The neglect of remote area road side bias also makes for exclusion of poor households who are mostly located in the interior parts of villages or in remote villages which are not easily accessible and hence not convenient for the delivery system to approach. The local power groups collude with the implementation authority to manipulate the delivery system in their favour often working against genuine beneficiaries from poor groups. There is mismatch of priorities of poor households with project specifications and either a project is virtually imposed on a poor household by delivery system which the household can abandon and not feel interested in or alternatively. Further, it lacked enough skills and resources to efficiently

manage a project in the absence of complementary inputs from the delivery system in appropriate doses.

According to K.M. Sharma & N.K. Sharma (1991; 72), the most important problem of the poor farmers in getting credit from the co-operative as well as from the commercial banks is that they are unable to offer security in the form of tangible assets and as such they are not considered to be credit worthy.

4. REPAYMENT SYSTEM:

Regular recovery of bank loans is an important parameter to judge the success of a loan-based development programmes like IRDP, as recovery is closely dependent on adequate income generation.

The intra-institutional committee consisting of representatives from RBI, NABARD and a few nationalised banks has observed that the recovery under IRDP is 69 % which was not less than the recovery in general. The public accounts committee, however, observes that the situation is not uniform in this respect. One major reason for poor recovery is the scaling down unit cost and project cost resulting in adverse impact on the viability of the scheme. [Indira Hirway (1988; 90).

According to evaluation report of IRDP (1996; 61-62), nearly 16 % of the selected beneficiaries had made repayment ranging between 20 and 40 % of loan amounts, 17 % repaid between 60 and 80 % of loan amounts and 28% between 80 and 100 % of loan amounts where as about 9 % beneficiaries could not pay back the loan amount. The study further revealed that 82 % of

sampled beneficiaries made repayments out of the income generated by the scheme and the remaining 18 % repaid from some other sources.

R.K. Mahajan (1996;62) found that loan repayment position of the beneficiaries was not so encouraging. According to him 45 % of the beneficiaries had either no loan installment or only upto 20 % of the total amount where as 40 % of the beneficiaries had repaid their loans amounting to 20 to 50 % of the total amount. The reasons elicited by him were economic; non-variability asset, non-possession of asset due to illness of animals, natural calamities etc. and promise made by one of the political parties during their election campaign to erase all the loans upto Rs. 5,000/-.

Sawai Madhopur (1996;62) study revealed that the 18 % of beneficiaries had repaid the entire amount of loan. In addition, 60 % of beneficiaries were repaying the installments regularly. The reasons reported for non-repayment by this study were in 42 % cases, no follow up facilities maintained by bank, in 22 % cases, the loan amount used for household consumption, in 23 % cases, inadequate income generated by the schemes and in 6 % cases, loan amount had been spent on marriages.

Pothuluru K. Someshwar (1993;47) pointed out that IRDP repayment system has failed because it has not effectively created sufficient opportunities for employment to its beneficiaries in rural area.

According to V.V. Barthwal (1991;83) the loan repayment schedule is also very short which is unrealistic. It results in defaulting in repayment and inability to use it productively. The repayment performance of beneficiaries is also very poor. Inadequate generations of monthly income through initial investment is due to inadequate infrastructure.

M. Jayaraj (1993;186) clearly reveals that the poor socio-economic conditions such as illiteracy, small size of land holdings and indebtedness of Scheduled Caste and Scheduled Tribes have adversely affected the capacity to retain the asset provided by IRDP with an improvement in the literacy level basis, adequate land holdings and the provision of suitable assets depending upon the local conditions will definitely improve the living conditions of Scheduled Caste and Scheduled Tribes.

These studies clearly indicate that IRDP repayment system is not satisfactory.

5. INCREMENTAL INCOME GENERATION:

Income generated by the assets provided under the programme helps the beneficiaries to raise their standard of living. This enables them to cross the poverty line. Therefore merely providing an asset to a beneficiary is not enough. The asset provided should be such which generates sufficient incremental income for the beneficiary.

J. George (1988; 988) has argued that the emphasis on asset creation and income generation activities in IRDP can be viewed as a deliberate consequence of the privatisation syndrome. It is a profit chasing proprietary class oriented strategy producing exclusively for profit and for the market. This has brought about a sharp decline in the communication ethos. A low priority both in terms of budgetary allocation and implementation in the present scenario is not surpassing. Asset transforms so common under the IRDP and it generated poverty instead of alleviating poverty.

[Vasant Desai (1991;6) has pointed out that the programme has not helped in raising the income of those families who were below poverty line to the desired level and the large scale financing under a scheme in an area restricts work availability and creates a problem of marketing.

C.H. Hanumantha Rao (1996;81-82) pointed out that there was 32.6 % net increase in income of the beneficiaries. He further observed that this was largely due to favourable capital output ratios in secondary and tertiary sector activities.

V.V. Barthwal (1991;81) argues that not more than 40 % of families assisted may have been able to cross the poverty line. One of the main reason for a large number of beneficiary are not being able to cross poverty line because of inadequacy of assistance made available by loan and subsidy.

G. Haragopal and Bala Ramulu (1996;59) have pointed out that only 18% beneficiaries could improve the income with the help of assistance, 43 % remained at the same level of income and 39 % beneficiaries experienced a decline in their income because the scheme did not generate sufficient income.]

It can therefore, be inferred from various studies cited above that the assets provided under different I.R.D.P. schemes had in fact generated incremental incomes though in many cases those were not sufficient enough to enable beneficiaries to cross the poverty line. Moreover, the secondary and tertiary sectors had generated more income than the primary sector schemes.

6. IRDP : ADMINISTRATION , IMPLEMENTATION, EVALUATION AND IMPACT :

G. Thimmaiah (1988;1188) has observed that, the absence of administrative flexibility to link the scheme to the varying needs of the poor beneficiaries leads to non correspondence between the requirements of the poor and the pre-determined schemes under which the I.R.D.P. assistance is available. This leads to ineligible people getting assistance and the consequent misutilization of the assistance.

Indira Hirway (1988;89) mentions that the poor are implemented simultaneously aiming at more or less the same group of people. This creates overlapping which results in confusion, and weak planning and the programmes are implemented by a large number of Ministries and departments of the Central and State governments. This multiplicity of agencies, without any satisfactory level of co-ordination among them, adds to the confusion.

Indira Hirway also points out that the planning for I.R.D.P was causally done by the concerned staff. No systematic annual plans, block plans or district plans were prepared to take care of the infrastructural and other needs of the anti-poverty schemes. The plans were prepared, their quality was far from satisfactory. Identification of beneficiaries was done in an adhoc fashion without conducting the required surveys. The funds for I.R.D.P. were released to DRDA without examining the utilisation of the previous funds and a large number of posts in DRDA were vacant. The strength of the staff also was found to be inadequate to implement the programme. The monitoring of I.R.D.P. is not satisfactory. First of all, there is no in-built monitoring and evaluation system for the foolproof reporting of the ground level results and

achievements of the programme. Secondly, the supervision of the programme by the higher authorities has not been satisfactory. If the programmes are periodically reviewed at a high level, it would go a long way to improve the quality of the programme. Thirdly, each State has not set up monitoring cell.

Ragini Handa(1991; 197) pointed out that IRDP have not shown positive results as per expectations, The diversification of jobs in secondary and tertiary sector was greater than the desired level. The backward and forward linkages also have been disappointing the identification of beneficiaries and the charges of corruption vitiated the programmes.

In the opinion of C.H. Hanumanth Rao (1992; 2603) devising appropriate institutional mechanism for planning the activities under poverty alleviation programmes within the framework of area development planning and more particularly, for their effective implementation, constitutes the biggest challenge in the drive for eradication of poverty in rural areas.

According to H.D.Dawarakanath (1995; 453-454) rural development becomes an uphill task because of the absence of a strong development administration at the micro-level, and the presence of an unfavourable power structure. The dominant aspect of the rural socio-economic scenario is its feudal nature. Enormous power thus gets concentrated in the hands of these socially dominant classes while the poorer section in turn remains passive.

He further observers that all is not well with the implementation of IRDP. A wide gulf exists between the bureaucratic culture and that of the rural people, and unless this is bridged there cannot be an effective implementation of rural development programmes.

K.M. Sharma and N.K. Shrama (1991; 73) have pointed out that in the case of I.R.D.P., inadequacy of trained staff at the district and block levels has been mainly responsible for non-utilising the funds released by Centre as well as the State Governments. In this context, the role of the District Collector and the Project Officer is indeed very critical. They have to play a dynamic role in using these rural development agencies as instrument for assisting the poor in a systematic manner so that the poor sections of the population get the desired benefits flowing from the anti-poverty programmes. Obviously, it is essential that the Collectors and the Project Officers need to be trained properly.

V.M. Rao and S. Erappa (1987; 157) have observed that the anti-poverty programmes remain pre-occupied with the objective of providing relief rather than making the poor viable and development oriented. More specifically, IRDP remains weak as thrust for widening the base of rural economy through substantial addition of non-agricultural activities.

The land linked schemes form the major component of IRDP activities. The village industries and service schemes are not only small in number but they absorb only the households having these activities as their traditional occupations and not categories like landless labourers whose need for self-employment opportunities are more pressing. As a consequence, the impact of IRDP in terms of diversification of rural economy remains very modest. The enduring benefits of the programme go to a few households having a land-base and only the poor relatively close to the poverty line manage to cross it.

Pradhan H. Prasad (1988; 2224) notes that target group-oriented programme like IRDP do not so far provide any evidence of a significant

positive impact, on the contrary it is strengthening the traditional rural oligarchy.

IRDP implementation has many problems, wrong identification of the beneficiaries has been pointed out by the most of the evaluation reports. There have been complaints of outright leakages through corruption and malapactices, other problems include non-involvement and lack of awareness among the beneficiaries and defective working of administration. There has been a tendency even now to concentrate on petty business activities. Absence of backward and forward linkage has also been cited as one of the important problems which have been highlighted by the evaluation studies. Inadequacy of infrastructure, complexity in getting credit facilities, misuses of credit by the poors due to lack of proper supervision and monitoring by the finance agencies, vested interests towards the prosperous farmers and lack of knowledge about the various programmes due to illiteracy are the main problems. Despite of various short-comings in the programme, it has mobilised the government machinery for helping the poor. It has given some relief to the poor people. An increase in income and employment was also experienced. The quantum of benefits can be increased by removing those shortcomings.

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