

**A REVIEW OF LITERATURE ON SOME
ASPECTS OF THE IMPACT OF INTEGRATED
RURAL DEVELOPMENT PROGRAMME ON
JUNNAR BLOCK**

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INTRODUCTION

Integrated Rural Development Programme is the single largest scheme for providing direct financial assistance to the poorest among the poor. This was first introduced in the country in 2,000 blocks, covered by MFAL and SFDA. After Government of India took a policy decision in 1978 to place greater emphasis on providing productive assets and generating employment for weaker sections of the society so as to raise them above the poverty line, the Programme was extended to all the 5,011 blocks in the country on 2nd October 1980.

Main objectives of the Integrated Rural Development Programme (IRDP) are growth and distributive justice, specially benefiting the target group and with emphasis on self-employment within a time bound programme. The target group comprises small and marginal farmers, rural artisans, Scheduled Castes, Scheduled Tribes and other disadvantaged groups like rural women, etc.

At the time of the inception of the Programme, it was envisaged that on an average 3,000 families would be assisted in each development block during the Sixth Plan period (1980-85). It was estimated that 15 million families living below poverty line would be benefited under the programme, of which 30 per cent of the benefited under the

(viii)

programme would belong to Scheduled Castes and Scheduled Tribes. Therefore, almost 600 families from each block each year were to be assisted under the Programme during the Plan period. To achieve this target each block was provided with a uniform allocation of Rs. 35 lakh to be shared between the Centre and the States on a 50:50 basis.

Families having an annual income below Rs. 3,500 are considered living below the poverty line and are eligible for assistance under the Programme. It is intended to provide such families assistance in the form of subsidies and loans to enable them to take up viable economic activities, which would generate adequate incremental income. The beneficiaries will be assisted to acquire productive assets and engage themselves in various land based and non-land based activities, like minor irrigation, dairy, piggery, cottage industries, trade and services through integrated support by way of credit, technical assistance including training, supply of inputs and marketing facilities.

CHAPTER I

INTRODUCTION

1.1 The Background to Integrated Rural Development Programme

In India during the past three decades many steps have been taken to improve the lot of the rural people. The Community Development and other programmes were aimed at improving the economic condition in the rural area. On an average, 20 to 25 per cent of the plan budget is spent on rural programmes. In addition, there are several programmes which bring direct and indirect benefits to the rural people such as elementary education, adult education, rural water supply, electrification, etc. Over the years a large number of specific programmes have come to be evolved and taken up for implementation.

1.2 General Introduction of Integrated Rural Development Programme

In India approximately 77 per cent of the population lives in villages and nearly 90 per cent of the rural population depends on agriculture and allied activities, for its livelihood. About 50 per cent of the rural population lives below poverty line (BPL). A vast number of rural poor belongs to Scheduled Castes, Scheduled Tribes, Backward Classes, landless labourers, small farmers and rural artisans.¹

¹ Atul Sinha. "IRDP: Concept and Contents," Kurukshetra, Vol. 21, 1980, pp. 8-11.

Before Independence, not many programmes were launched for the development of rural poor. But after Independence various development programmes were started for the development of rural sectors, with the objective of raising the poorest families in the rural area above the poverty line.

A new programme known as the Integrated Rural Development Programme was launched in April 1976. It was started on a pilot basis with ad hoc provision of Rs. 15 crores for one year, for the 20 selected districts in the country. It was extended to 2,000 blocks during the 1978-79 and to most all blocks of the country from 2nd October, 1980.²

The Integrated Rural Development Programme target groups include small and marginal farmers, agricultural and non-agricultural labourers, rural artisans, craftsmen, Scheduled Castes, Scheduled Tribes, in fact, all persons who live below the poverty line.³ Poverty line has been defined in terms of annual income of a family. A family having an annual income of Rs.6,400 or less is considered to be living below the poverty line.

The cut off line for identification of the families for assistance would be Rs. 4,800 annual income per family. However, in order to ensure that the poorest of the poor get the

² Ministry of Rural Development 1981-82. In 1983-84 number of blocks were raised to 5,092.

³ S.C. Varma. Integrated Rural Development Programme. Ministry of Rural Development, New Delhi, January 1980.

assistance, initially it would be ensured that families with an annual income upto Rs.3,500 are assisted first.

Small Farmer: A cultivator with a land holding of 5 acres or below is a small farmer. Where a farmer has Class I irrigated land, as defined in the State Land Ceiling Legislation, with 2.5 acres or less is a small farmer.

Marginal Farmer: A person with a land holding of 2.5 acres or below is a marginal farmer.

Agricultural Labourer: A person without any land other than homestead and deriving more than 50 per cent of his income from agricultural wages is an agricultural labourer.

There are 5,76,000 villages in which 77 per cent people of our country live, of them 35 crores of people estimated to be falling below the poverty line in the country. The IRDP target groups include Agriculture, Animal Husbandry, Fisheries, Forestry, Rural and Cottage industry, Service activities and these are eligible items for assistance under the programme.

It is a poverty alleviation programme. This, unlike all others, is a special programme. Its aim is not just to increase production but to bring about an all-round development of rural areas and to solve the problem of unemployment within a definite span of time.⁴

⁴ M.K. Ghadoliya. "Lessons from IRDP," Khadi Gramodyog, September 1986, p. 561.

1.3 The Present Study

The study was conducted in two modes.

(1) Macro-level : Achievement under the programme vis-a-vis the target allocated and the adherence to the guidelines issued for the implementation of the programme, firstly examine the progress and take review of programme, since inception.

(2) Micro-level: A special field survey was conducted in the selected district. A total of 100 beneficiaries were interviewed.

1.4 Scope of the Study

The study has been divided into altogether five chapters. The first chapter deals with introductory aspects of the study. This relates to conceptual framework and broader perspectives and objectives of the study. The second chapter covers early attempts made in the direction of rural development with a review of available literature on IRDP. Chapter three deals with some of the micro studies in Pune district especially, as a case study in Junnar block. Chapter four presents economic impact of programme in selected block. And the last chapter while presenting the summary and conclusion tries to put forward some meaningful suggestions.

1.5 Objectives of the Study

The major objectives set for the study were:

- (1) To review the progress of implementation of the programme.

- (2) To identify shortcomings/deficiencies, if any, in implementation of the programme.
- (3) To evaluate the role played by the participating agencies in the implementation of the programme.
- (4) To assess the benefits derived by the beneficiaries under the programme.
- (5) To find out the operational bottleneck of the programme and to suggest the possible solution.
- (6) To find out the increases in incomes due to introduction of IRDP.

1.6 Methodology

The study was based on primary and secondary data collected from the borrowing families, implementing agencies, lending institutions and from personal discussions with the officials concerned with the implementation of the programme.

The field study was undertaken in Pune district. The study covers the beneficiaries financed during the years 1984 to 1987. It has been undertaken in 10 villages of Junnar Block. The ten villages having 100 beneficiaries were divided into two parts. Only those beneficiaries who were financed by the concerned bank branch under IRDP during the period 1984 to 1987 were considered for the purpose of sampling.

CHAPTER II

PROGRESS OF INTEGRATED RURAL DEVELOPMENT PROGRAMME SINCE INCEPTION

2.1 Review of Literature

The Government schemes can be divided into two heads:

- (i) Agricultural Development Programmes.
- (ii) Rural Development Programmes.

2.1.1 Agricultural Development Programmes

During the 1950s the agricultural development programme was a part of the Community Development programme. But nowadays due to population expansion, food shortages, technology leads to the creation of some intensive and specific programme, on focussing some new schemes for agricultural development such as:

- (i) Intensive Agricultural District Programme,
- (ii) Intensive Agricultural Area Programme,
- (iii) High-Yielding Varieties Programme,
- (iv) National Demonstration Programme,
- (v) Farmer's Training and Education Programme,
- (vi) Multiple Cropping Programme,
- (vii) Special Programme for Commercial Crops,
- (viii) Dry land Agricultural Development,
- (ix) Drought Prone Area Programme,
- (x) Small Farmer Development Agency,

- (xi) Marginal Farmers and Agricultural Labourers,
- (xii) Command Area Development Programme.

2.1.2 Rural Development Programme

A general community development programme (CDP) with the multipurpose aim such as adult literacy, health, drinking water, roads, cottage and village industries could not achieve its targets and thus yielded place to the special areas and specific target group development programmes. Among these mention may be made of:

- (i) Hill Development Project,
- (ii) Applied Nutrition Programme,
- (iii) Crash Scheme for Rural Employment,
- (iv) Pilot Intensive Rural Development Project,
- (v) Tribal Area Development Programme,
- (vi) Integrated Tribal Development Project,
- (vii) National Programme of Minimum needs, and so on.

Among these special programmes operating in the country some have been there for as long as the last ten years and some others are introduced only recently. A review of the various on-going special programmes of rural development taken up by the Government of India during 1976-77 has confirmed the need for a new comprehensive programme for rural development.

With the objective of raising the poorest families in the rural areas above poverty line a new programme was introduced known as 'Integrated Rural Development Programme' (IRDP). After the introduction of the Integrated Rural Development

Programme, a few more development programmes have been started by the Government. They are: Training Rural Youth for Self-Employment, National Rural Employment, Desert Development Programme.

2.2 Objectives of Integrated Rural Development Programme

- 1) To identify the poorest of the poor families in the rural areas and help them to rise above the poverty line.
- 2) To cause increase in production and productivity to achieve at least 50 per cent increase in Agricultural production.
- 3) To bring equity (a) in access to opportunities to earn income and (b) in access to public service and to productive inputs.
- 4) To provide gainful employment : To removal of unemployment and significant underemployment.
- 5) To ensure that weaker sections of the rural people participate in the development process.
- 6) To maintain ecological balances i.e. proper management of natural resources such as land, water and forest.
- 7) To cause appreciable rise in the standard of living of the poorest section of the population.
- 8) To narrow down the inequalities of wealth and income in the rural community.

2.3 Main Features of Integrated Rural Development Programme

- 1) Integrated Rural Development Programme is more comprehensive than Small Farmer Development Agency.
- 2) Integrated Rural Development Programme will eventually cover all the blocks in the country.
- 3) Six hundred poor families per block per year is proposed to be assisted.
- 4) Emphasis is on providing substantial assistance to the beneficiary.
- 5) At least 20 per cent of the number of beneficiaries and amount of subsidy and bank credit should go in each block to Scheduled Caste and Scheduled Tribe families.
- 6) Selection of the beneficiaries under which the poorest of the poor are to be selected first for assistance.
- 7) Household has to be taken as the basic unit of development.

2.4 Distinguishing Features of Integrated Rural Development Programme with the On-going Rural Activities

- 1) Integrated Rural Development Programme most probably is not a substitute in any way for any other rural development programme.
- 2) It is, at the same time, not envisaged as a separate entity but it is supposed to help

bring sophistication, scientific and technological outlook to the on-going programme.

- 3) Integrated Rural Development Programme is supposed to undertake study and assessment of the needs of the area and then to correlate them with the on-going programme.
- 4) Integrated Rural Development Programme helps to bring in coordination, cooperation and linkages at different levels and within different disciplines of knowledge, agencies and all others who are either engaged or interested in rural development work.
- 5) The basic thrust of the Integrated Rural Development Programme is an integrated approach to solve the problems of rural areas.
- 6) Based on more scientific and technological programme, it helps to translate and inject science and technology in the daily life of the rural people. It is a conscious attempt to bring science and technology nearer to rural population.
- 7) Backed up by scientific organizations like Council of Scientific and Industrial Research, etc.
- 8) Integrated Rural Development Programme confines its activities to economically backward areas, remote and interior villages and even to hitherto inaccessible areas.

2.5 Concept of Integrated Rural Development Programme

Integrated Rural Development Programme is an attempt towards the elimination of poverty by providing jobs to the majority of rural poor and render other facilities towards their all round development.

Animal husbandry organized and encouraged with a clear perspective and a plan for the rural areas can contribute substantially to increasing employment opportunities. Increased income, employment, standard of living, etc., can bring about a new wave of optimism in rural areas.¹

Integrated Rural Development may be defined as the development and utilization of local resources by bringing about necessary institutional, structural and attitudinal changes and by creating infrastructure facilities for economic as well as social networks for programme implementation. The ultimate objective of Integrated Rural Development is to improve the quality of life of the rural poor.²

The concept of the Integrated Rural Development is more broad-based. It is different from the concept of growth and development and it has a broader connotation than the community development. It is viewed as "Systematic, scientific and integrated use of all our natural resources and as

¹ R.S. Kamat. "IRDP a Conceptual Rethinking," Kurukshetra, Vol. XXXIV, No. 3, December 1985, p. 4.

² Tripathy. "Seminar Papers on Rural Development," in B.P. Mishra (ed.), Delhi, 1985.

part of this process enabling every person to engage himself in a productive and socially useful occupations and earn an income that would meet at least the basic needs."³

"It may mean interrelationships among various agencies which work in different sectors of the village economy. It may mean integration of activities."⁴ All the locally available resources are to be utilized to the best advantages of the people living in the area.

In the eyes of a Geography' the concept of integrated rural development is much broad based.⁵ It is a systematic structural and multi-dimensional change in the socio-economic systems of the rural areas. In brief, the development of a region is a function of spatio-functional integration.

According to Lalit Sen its twin aspects namely functional and spatial integration mean appropriate location of Social and Economic activities over a physical space for the balanced development of a region.⁶

We define Integrated Rural Development as "Integrated development of the areas and people through optimum development and utilization of the local resources, physical,

³ E. Nagabhushana Rao. Strategy for IRD. B.R. Publishing Corporation, Delhi, 1986.

⁴ Tarlok Singh. "Integrated Rural Development," Kurukshetra, Vol. XXVI, No.1, 25 October 1977, p. 13.

⁵ B.H. Farmer. Area Studies and the Study of the Area Transaction. The Institution of British Geography, 1973.

⁶ Lalit Sen. "Role of Area Development in Multi Level Planning," Journal of Public Administration, Vol.19, No. 3, July-September 1973, pp. 278-288.

biological and human, bringing necessary institutional, structural and attitudinal changes by delivering a package of services to encompass not only the economic field but also in the establishment of the required social infrastructural services in the areas of health, nutrition, etc."⁷

According to United Nations Asian Development: "It was based upon the humanistic values rather than narrower techno-economic notions of the development. The core of this concept is the delineations of the man vis-a-vis both material forces of production and society and purposeful growth of human personality."⁸

"It is a package programme of various rural development. It is closely related to improvement in the communication system services and activities of a Government which are closely interrelated. This involves horizontal integration. Horizontal integration is concerned with functional complementarity between various sector programme. Vertical integration is introduced to improve the relationship between Government agencies at the different levels with respect to rural development."

"This is what in new discipline of development administration is known as 'Management by Objectives'. Broadly speaking, it includes management or mobilization of all

7 M.A. Ghadoliya. "Lessons from IRDP," op.cit.

8 Wahidul Haque. Toward a Theory of Rural Development. UNAD, December 1975.

available resources - natural, human, cultural, social, institutional and political - and putting them to optimum use for the achievement of the stated goals of IRDP. Hence the concept of IRDP encompasses all the avenues of development - planning, implementation, monitoring, evaluation, etc."⁹

The concept of Integration implies a strategy of development that emphasizes, "Scientific management of resources and providing adequate work to the mass of workers in the region and in the process increase the internal potential rate of growth."¹⁰

"The rural development should mainly aim at the masses of the low income population residing in rural areas and making the process of rural development self-sustaining."¹¹

The concept of Integrated Rural Development Programme is different from the development approaches adopted so far. Ever since the introduction of economic planning in India various programmes and approaches have been adopted for rural development. By and large all the programmes and their approaches were selective, sporadic, piecemeal or sectoral in nature. They had just covered one or two aspects of rural

⁹ Jyoti Kumar. Integrated Rural Development Programme— Perspectives and Prospects. New Delhi, 1987.

¹⁰ Uma Lele. The Design of Rural Development: Lessons from Africa. The John Hopkins University Press, London, 1975, p. 20.

¹¹ Sulabha Brahme and Kumud Pore. "Regional Planning: A Case Study of Marathwada Region," Artha Vijnana, Vol. XVII, March 1975.

people, in the selected areas. With a view to remove these drawbacks the Integrated Rural Development Programme was introduced in 1978-79.

The concept of Integrated Rural Development Programme in its full-fledged form is more comprehensive than the so called Integrated Rural Development Programme in operation. It is an all pervasive, multi-dimensional, multi-disciplinary, and comprehensive approach to development covering all aspects: economic, social, cultural, etc., through planning for the integrated development of human resources, development of infrastructural facilities, development of agriculture and rural industries. It is based on micro level planning.

It involves several categories of integration:

Spatial integration i.e. integration between areas.

Integration of the various sectors of the rural economy: agriculture, off-farm activities, industry, etc., with forward and backward linkages.

Integration of economic development with social development.

Integration of total area approach and target group approach.

Integration of human resources development with manpower needs by dovetailing education and training programme to the anticipated manpower needs.

Integration of income generating schemes with the minimum needs programme of education, rural health, water supply and nutrition.

Integration of credit with technical services.

Thus, Integrated Rural Development Programme involves integration both in its ends and means. The Integrated Rural

Development Programme to be successful calls for management approach in the moral sense of the word. It should be properly planned, organized, directed, monitored, reviewed and evaluated.¹²

2.6 Administrative Structure of Integrated Rural Development Programme

For implementation of the Integrated Rural Development Programme, District Rural Development Agency were formed all over the country. At the block level assisting staff is attached to the Block Development Officer. The Village Level Worker (VLW) is the most important official at the grass-root level in Integrated Rural Development Programme who is expected to play the key role of motivating the beneficiaries.

Level	Body	Function	Personnel
State	Coordination Committee	To oversee the implementation of the IRDP	Chief Secretary. One Representative of the Ministry of RD. Officials of concerned departments.
District	District Rural Development Agency	Responsibility for implementation of IRDP	District Collector. Project Director. Assistant Project Directors in Agriculture, Animal Husbandry and other departments. Monitoring and accounting personnel. Administrative Staff.
Block	Panchayat Samiti	Programme implementation	Block Development Officer. Extension Officers. Village level Workers.

¹² O.P. Krishnaswami. "Strategy for IRDP," Kurukshetra, Vol. XXXIII, No. 11, August 1985, pp. 4-8.

The Guidelines suggest that the responsibility to execute block level planning be shared by various functionaries at the Block and Village levels. They include Block Development Officer and his planning assistants, lead bank officers, village school teachers, village level workers, bank officials and statistical assistants.

The Block level Banking/Credit plans in the study are prepared either by the District Rural Development Agency or by the lead Bank. Only these two agencies have coordinated in the formulation of the plans.

Block is the unit of development. It comprises 100 Villages with a population of sixty to seventy thousand, coverage of approximately 250 sq.miles. The country was thus delimited to 5,264 blocks.

Block Development Officer is a trained administrator who heads the block. He has eight technical extension officers under him. They look after agriculture, animal husbandry, cottage industries, rural engineering, public health, co-operation, panchayats and social education. The key person at the village level is the Village level Worker, who covers about eight villages communicating with the farmers on improved methods of cultivation, health care and sanitation, and cattle diseases and their prevention. At the district level District Collector is in-charge of development activities. At the State level Commissioner is the overall head who appoints the administrative staff of the blocks. The policy

and planning of programme is conducted by Central Ministry of Community Development.

Proper administration of a programme, particularly a rural programme is very important factor for its success. Many times, a programme drawn up with great care fails in the field because of lack of proper administration. As Integrated Rural Development Programme will involve schemes of many departments great efforts will be required in proper dovetailing of the schemes to achieve a properly integrated programme.

The diagram overleaf gives general idea about the administrative set-up of Integrated Rural Development Programme and official agencies involved.

The Integrated Rural Development Programme will be coordinated in the community development department at the State level. To help the Development Commissioner, the post of Joint Development Commissioner has been created. He will be the whole time Senior Officer responsible for the coordination and implementation of the programme.

At the district level the programme will be put under the charge of the Deputy Commissioner to be helped by the Additional Deputy Commissioner for the purpose of coordination officers like Project Officer, Deputy Registrar, Cooperative Societies, Chief Agricultural Officer, District Animal Husbandry Officer, District Development and Panchayat Officer, etc., would be attached to the additional Deputy Commissioner.

IRDP

Structural Coordination - District level

At State level

Department of Rural Development

Directorate of Institutional Finance

SLBC Convenor

KVLC KVIB

Irrigation Board Cooperation etc.

Insurance Co.		District Industries Centres
Lead Bank Office		District Agricultural Office
Lead District Officer of RBI	District Rural	District Animal Husbandry Office
NABARD Representation	Development Agency	Public Works Department
General Manager of Cooperative Bank		District Registrar of Cooperative Society
Land Development Bank		
Voluntary Association		

Block Development Officer

Extension Officer (Agriculture)

Extension Officer (Animal Husbandry)

Extension Officer (Rural and Cottage Industries)

VLWs from a group of Villages

He would be given necessary administrative control over these officers.

At the block level, the Block Development and Panchayat Officer will be in-charge of the scheme. To begin with only one cluster of five to six villages is being taken up in each block. However, as more of such clusters are selected more focal points are established.

At the focal point the staffing pattern would be as follows:

- 1) Agricultural Inspector - One
- 2) Cooperative Inspector - One
- 3) Agricultural Sub-Inspector - One
- 4) Cooperative Sub-Inspector - One
- 5) Village level Workers - Two

The above staffing pattern at the cluster level is being adopted so as to ensure that in each village there is a functionary for extension work and implementation of the programme.

With the involvement of the existing administrative structure at the district and block level, it would be ensured that the Integrated Rural Development Programme for the cluster is not implemented as a separate programme but it will be linked and coordinated with other block level programmes.

Officers at State, District and Block levels would be given necessary administration power to coordinate the

programme with other departments. There would be delegation to financial powers also. The Block Development and Panchayat Officer would also be authorized to recommend cases to banks for loans, though the Development Commissioner will be responsible for implementation of the programme.

2.7 Progress of Integrated Rural Development Programme in the Sixth Plan

During the Fourth and Fifth Five Year Plans, various programmes like Small Farmers Development Agency, Marginal Farmers and Agricultural Labourers Development Agency, Drought Prone Area Programme and Command Area Development Programme were started. A review of all these programmes was taken and a need for a new comprehensive programme for development of rural areas was indicated, and from 1978-79 Integrated Rural Development Programme was launched.¹³ It was decided to select 2,000 blocks out of 3,000 in which one or more of these programmes were to be implemented. It was also decided to take up 300 additional blocks per year from outside the special programme and with effect from 2nd October 1980 it was extended to all the blocks. It has by and large stabilized during the Sixth Plan period.

According to the Ministry of Rural Development, the overall progress of Integrated Rural Development Programme during the first five years is as given in the Table 2.1.

¹³ The first pilot Integrated Rural Development Programme was initiated in the year 1976-77.

Table 2.1 : Integrated Rural Development Programme : Progress in the Sixth Plan

Sr. No.	Item	1980-81	1981-82	1982-83	1983-84	1984-85	Total 1980-85	Target 1980-85
1.	Total allocation (Rs. crores)	300.66	250.55	400.88	407.36	407.36	1766.81	1500
2.	Central allocation (Rs. crores)	127.80	153.36	204.48	207.72	207.72	901.00	750
3.	Total expenditure (Rs. crores)	158.64	264.65	359.59	406.09	472.20	1661.17	1500
4.	Total Term Credit mobilized (Rs. crores)	289.05	467.69	713.98	773.51	857.48	3101.61	3000
5.	Total No. of beneficiaries covered (lakhs)	27.27	27.13	34.55	36.85	39.82	165.62	150
6.	No. of Scheduled Castes/Scheduled Tribes covered (lakhs)	7.81	10.01	14.06	15.37	17.38	64.63	50
7.	Subsidy per family (Rs.)	582	975	1,001	1,102	1,186	1,003	1000
8.	Credit per family (Rs.)	1,060	1,723	2,066	2,099	2,153	1,873	2000

Source : The Seventh Five Year Plan 1985-90. Government of India, Planning Commission, New Delhi, October 1985, pp. 52-53.

Upto the end of 1979-80 the number of blocks covered under Integrated Rural Development Project was 2,600 and total number of families identified was of the order of 32.50 lakhs. In 1980-81 the coverage of programme was extended to all the 5,011 blocks.¹⁴

The Integrated Rural Development Programme allocation in the Seventh Plan has shown a fourfold increase that is, Rs.16,000 crores as against Rs. 4,500 crores in the Sixth Plan, which is to be shared by State and Central Government on 50:50 basis.

The Integrated Rural Development Programme is all pervasive multi-dimensional and comprehensive approach to development. "The latest 1983 National Sample Survey reveals that due to steady growth in agriculture, reinforced by special scheme to help the weaker, around 36 million persons have crossed the poverty line between 1977-78 to 1983-84."¹⁵

During the Sixth Plan period (1980-85) against the target of 15 million families a record number of 15.4 million families, including 6.45 million belonging to Scheduled Castes and Scheduled Tribes, were assisted to cross the poverty line.

¹⁴ In 1983-84 number of blocks was raised to 5,092.

¹⁵ Sita Ram Singh. "How to Improve Rural Scenario Faster," Yojana, Vol. 30, 16 May 1986, p. 21.

The progress of Integrated Rural Development Programme at the national level is given in Table 2.1 over a period of 5 years (1980-81 to 1984-85), the number of beneficiaries covered is 165.62 lakhs. In terms of sectorwise coverage the Primary Sector accounts for 93.5 per cent. However, the relative share of primary sector gradually declines and shares of other sectors increase.

One of the objectives of the Seventh Five Year Plan (1985-90) is the alleviation of poverty, reduction in inter-class, inter-regional and rural-urban disparities. It is also proposed to bring down the people below the poverty line to less than 10 per cent by 1994-95. The Seventh Plan Working Group on Integrated Rural Development Programme is of the view that the level of subsidy is to be increased from the present Rs. 1,500 to Rs. 3,000 per family taking into account the erosion in the value of money and the scope of its coverage is to be increased to 1,000 from the existing 600 families per block per year. 'It is gratifying to note that the Government is considering to increase the present income ceiling of Rs. 3,500 for identification of families living below poverty line to Rs. 5,000.'¹⁶

Integrated Rural Development Programme is one of the major programmes for poverty alleviation. There is a large subsidy component in the Integrated Rural Development Programme.

16 The Hindu, May 4, 1985, p. 6.

The rates of subsidy are different for different categories of beneficiaries which is shown in Table 2.2.

Table 2.2 : Categorywise Allocation of Subsidy

Sr. No.	Category	Percentage	Ceiling on subsidy (Rs.)
1.	Small Farmers	25.00	3,000
2.	Marginal Farmers	33.50	3,000
3.	Agricultural Labourers	33.50	3,000
4.	Non-agricultural Labourers	33.50	3,000
5.	Scheduled Tribes	50.00	5,000
6.	Rural Industries/Artisans	33.50	3,000

Source: Manual on Integrated Rural Development Programme.
Government of India, Ministry of Rural Reconstruction,
New Delhi, January 1980.

The basic principle of subsidy is that subsidy should not be passed on to the participants in cash, but should be paid in kind.

CHAPTER III

PROGRESS OF INTEGRATED RURAL DEVELOPMENT PROGRAMME

3.1 Profile of Pune District and Selected Block

1) Location: Pune District lies between 17°54' to 19°24' North latitude and 73°19' to 75°10' East longitude.

2) Boundaries : It is bounded on the North by Ahmednagar District; on the East by Ahmednagar and Solapur Districts; on the South by Solapur and Satara Districts; and on the West by Kolaba and Thane Districts.

3) Topography : Hill ranges: The main range of Sahyadri runs North and South for length at about 117 km. Harichandragad, Jivdhan Dhak and Ahupe are the leading peaks that lie in the extreme north of the Sahyadri range.

4) Rivers : The Bhima is the main river of the District; Indrayani, Mula, Mutha, Nira, Karha, Kukadi, Pasana, Meena, Gunjvani, Pushpawati, Shivaganga and Valvandi are the other rivers flowing in the district. All these rivers flow with the abundant volume of water during the rainy season and shrink into a narrow thread during the hot season.

5) Soil: The soils of the district are lighter in the west than in the east. They broadly belong to three

classes: black, red, and brown.

6) Climate: Pune District is divided into four agro-climatic zones, namely Ghat Zone, Transition I, Transition II and Scarcity Zone.

Ghat Zone : Covers only a small portion of Maval tahsil.

Transition I: This is formed by western part of Junnar, western part of Ambegaon, Khed, Bhore and western and central portions of Maval, Mulshi and Velhe tahsils.

Transition II: The zone comprises of the mid-Western parts of Junnar and Khed, Eastern half of Ambegaon and Eastern strips of Velhe, Mulshi, Bhore and Western portion of Haveli Tahsils.

Scarcity Zone : This zone covers the Eastern corner of Junnar, South-eastern portion of Khed, Eastern half of Haveli and entire portions of Shirur, Purandhar, Daund, Baramati and Indapur Tahsils.

7) Rainfall: The District receives its rain mostly from the South-West Monsoon, during the June and October. The annual rainfall varies from 700 to 4000 mm. The Ghat zone gets 3000 mm to 4000 mm, in the Transition II zone it ranges from 700 mm to 1250 mm. The average rainfall is 1225 mm.

8) Area: Pune District has an area of 15,642 sq.km, as per 1981 Census of which urban area constitutes only 578 sq.km.

9) Population: The population of the district as per 1981 Census is 41,64,470 and the density of population is 266 persons per sq.km. The population of Scheduled Castes is 7.54 per cent and that of Scheduled Tribes is 3.81 per cent. The following table gives the rural and urban break-up of population.

<u>Category</u>	<u>Percentage</u>	<u>Total</u>
Rural	53.00	21,93,338
Males		11,03,277
Females		10,90,111
Urban	47.00	19,71,082
Males		10,46,811
Females		9,24,271
Literacy Rate	54.03	
Rural	47.33	
Urban	52.67	
Males	65.16	
Females	42.14	
Below Poverty line people		1.53 lakh

<u>10) Livestock Population</u>	<u>Total</u>
Cattle ('000)	720
Buffaloes ('000)	204
Sheep ('000)	386
Goats ('000)	463
Poultry ('000)	2432
Others ('000)	17

11) Agriculture

Gross irrigated area 1.57 lakh Hectares

Net irrigated area 1.19 " "

Total cropped area 11.00 " "

Major irrigation projects: Ghod, Bheema, Pawana,
Mula, Khadakwasla, Kukadi, Chaskaman Bhima.

Major Crops: Cereals, Cotton, Sugarcane, Pulses,
Groundnut, Fruits, and Vegetables.

12) Number of villages : 1,768

13) Number of towns : 26

14) Number of Gramsabhas : 1,070

15) Industrial Area: Pimpri-Bhosari, Nagar Road,
Kothrud, Satara Road.

16) Number of Cooperative Societies : 4,873

17) Railway Length : 311 km

18) Road Length : 9,224 km

19) Post Offices (31-3-1981) : 653

20) Number of Telegraph Offices : 124

3.2 Profile of the Study Area

Junnar is one of the 13 blocks in north-east area of the Pune district. The geographical area of the block is 1385 sq.km. Headquarters of the block is located at Junnar town.

1) Population: There are 166 villages in the block. The total population of the block, as per 1981 Census, is 2,46,425. The rural population was recorded at 2,28,114 and urban population at 18,311. The total population of the block consists of 1,20,867 males and 1,25,558 females, out of which 73,329 males and 42,225 females are literates. Of population 6,149 belong to Scheduled Castes and 44,250 belong to Scheduled Tribes which together constitute 20.32 per cent of the block population, which provides ample potential for implementation of the Integrated Rural Development Programme.

2) Cropwise Distribution of the Area:

Crops	Area in Hectares
1. Sugarcane	720
2. Tomato	1,200
3. Banana	2,500
4. Vegetables	1,800
5. Baga	498
6. Bajra	33,504
7. Jowar	2,700
8. Rice	5,478
9. Potato	1,100
10. Wheat	6,600

3) Irrigated Area by:

a) Well	9,809 Hectares
b) Tank	50 "
c) River	235 "
d) Canal	892 "

4) Total cultivated area : 92,674 Hectares

5) Major Crops: Bajara, Jowar, Rice, Sugarcane, Potato, Tomato, Banana, etc.

6) Occupational Distribution: (1981)

	Males	Females
a) Total Main Workers	56,150	33,915
b) Cultivators	33,575	21,339
c) Agricultural Labourers	6,133	9,509
d) Other Workers	14,919	2,584

7) Livestock Population:

<u>Category</u>	<u>Total</u>
Cattle	77,807
Buffaloes	93,422
Sheep	37,490
Goats	54,843
Poultry	1,60,900
Others	5,161

8) Rivers: Kukadi, Meena, Pushpawati, Madavi.

9) Number of Panchayats	125
10) Number of inhabited villages	164
11) Number of towns	1
12) Number of wells	10,740
13) Number of Post Offices	54

14) Number of Pump sets	5,585
15) Number of Oil Engines	1,753
16) Primary Schools	312
17) Secondary Schools	69
18) Technical Schools	5
19) Junior Colleges	3
20) Degree Colleges	2
21) Hospitals	4
22) Health Centres	24
23) Police Stations	6
24) Banks:	

<u>Bank</u>	<u>Branches</u>
Bank of Maharashtra	5
Bank of India	4
Pune District Cooperative Bank	10
Land Development Bank	2
Canara Bank	2
Central Bank of India	1
State Bank of India	1
Dena Bank	1
Janata Sahakari Bank	1
Lala Urban Cooperative Bank	1

25) Sugar Factory : 2

26) Historical Places:

1) Shivaneri

2) Harichandragad.

- Sources: 1) Junnar Taluka Panchayats Samiti. Roupya-mahotsav Smaranika, 1987.
2) Census of India, 1981.
District Census Hand Book - Pune District.

3.3 Structure of Questionnaire

Though the major interest is to find out the impact of Integrated Rural Development Programme assistance on the beneficiary families, it is necessary to collect the data on all the economic activities of the family. It is also necessary that the background information on a number of items like number of member in the family, their educational level, age, occupation, land holding, animal holding of the family and so on to facilitate proper economic analysis of data. Therefore, it was decided to prepare the questionnaire in six parts. Parts I and II contain general information and accounts of all the economic activities of the beneficiary. Part III contains the information regarding the amount of loan, subsidy, purpose of borrowing, repayment arrangement performance, and so on. Parts IV and V contain land holding, complete account of income, net income, benefits of the bank loan and view of the interviewers based on physical verification of units.

3.4 Schemewise Performance

3.4.1 Primary Sector

This is one of the major sectors for which the loans have been distributed under Integrated Rural Development Programme. From this sector 47 beneficiaries were covered in the sample. This is shown in Table 3.1.

Table 3.1 : Primary Sector : Activitywise Distribution of Beneficiaries

Nature of Activity	No. of Beneficiaries
1) Goat rearing	22
2) Bullock pair	5
3) Buffaloes	2
4) Donkey	3
5) Poultry	4
6) Cow	11
Total	47

I.) Goat Rearing Scheme

There are a large number of beneficiaries in Junnar taluka, who were given loans for the purpose of goat rearing. There are 22 beneficiaries included in our sample survey. Out of 22 beneficiary households 10 had land and 12 are landless.

The economic impact of the goat rearing scheme appears to be quite insignificant. A total number of 22 beneficiary households were taken up for the study to find out the economic and other gains derived. Three beneficiaries were given one goat each. The unit cost varied from Rs. 300 to Rs. 500 with one-third subsidy. The repayment period varied from 15 to 24 months. The rate of interest also varied from 4 to 10 per cent. The goats were maintained for the production of milk and surplus stock. The average

income derived by the sale of milk per goat was Rs. 3 per day. The average feeding cost worked out at Rs. 467 per year. Thus no direct cash benefit was derived from the sale of milk. It was really showed a negative average income. The average number of kids per kidding was 1.5. But the sale of kids beneficiary could hardly avoid the negative income. The beneficiary can repay the loan only after selling the goat after 5 or 6 years.

Of the 5 beneficiaries financed at two goats per beneficiary under this scheme, the average unit cost was Rs. 900 with a subsidy of Rs. 300 per unit. Looking at the production performance of a unit of three goats of the seven beneficiaries, the average cost of investment was Rs.1,350 with a subsidy of Rs.450. Five beneficiaries maintained unit of 4 goats each with a unit cost of Rs.1,800 including subsidy of Rs. 600.

It was observed that the main reason for a negative income was the high cost of rearing, the major part of which was made up by the feed cost. It was also observed that the dry period was longer and animal was not of very high quality breed. The units remained unproductive for longer periods resulting in high maintenance costs. The income derived from these units could not help the beneficiary to cross the poverty line. Rearing of goats did not involve any additional employment. The main reason for this failure was the very low scale of assistance given to the beneficiaries and the very low milk yield of the goats, though a flock of 5 goats was the size of the recommended unit of assistance under the scheme.

II) Buffaloes

Two borrowers in the case of buffaloes started the activity for the first time, without any experience. Both the borrowers covered under the study purchased buffaloes of local breeds. Dairy-loan borrowers were financed for purchase of one or two buffaloes. It is desirable to buy animals in 1st or 2nd lactation in order to derive maximum benefits. However, generally this stipulation was not adhered to as the scarce availability of such animals. On an average, duration of lactation cycle was 430 days of which 260 were dry days. Performance of buffaloes in terms of number of milking days was rather very poor and affected the economy of the unit.

The asset becomes liability during dry period (unproductive period), unless second buffalo is provided. Further the price of the milk obtained by the beneficiary in the villages is not remunerative. The cost of the inputs like concentrates, fodder, etc., has increased but the milk price has not increased proportionately. Project profiles of two buffaloes.

<u>(1) Capital Cost</u>	<u>Amount (Rs.)</u>
i) Cost of shed	800
ii) Cost of equipments	200
iii) Cost of two buffaloes (each Rs.2,500)	5,000

	<u>6,000</u>
iv) Subsidy 1/3	2,000
v) Loan given	<u>4,000</u>
Term of loan	Three years
Rate of interest	4 per cent

<u>(2) Expenditure</u>	Amount (Rs.)
i) Concentrate required for buffaloes (2 kg per buffalo at the rate of Rs.2) For one year	2,920
For three years	8,760
ii) Green fodder 20 kg per buffalo per day at the rate of Rs.150 per ton, for three years	6,570
iii) Dry fodder 5 kg per day per animal at the rate of Rs.250 per ton	3,000
iv) Maintenance cost Rs.30 per month per young buffalo	2,170
v) Repayment of loan and interest	4,400
Total cost	----- 24,900 -----

<u>(3) Income</u>	
i) No. of lactation days in one year 250 per animal	1,500 days
ii) Milk yield, per day 5 litres per buffalo	7,500 litres
iii) Sale of milk at the rate of Rs.3.50 per litre	Rs. 26,250
iv) Income from sale of calves	Rs. 2,000
v) Value of manure	Rs. 250
Total Income	----- Rs. 28,500 -----

(4) Net Surplus

Income - Expenditure	
28,500 - 24,900 =	Rs. 3,600 for three years
Net surplus for per year	Rs. 1,200 -----

III) Bullocks

Of the five beneficiaries studied, it was observed that, two beneficiaries had completely misutilized the loans.

The feeding expenses of bullocks are considerable, unless there is a regular work-load for bullocks the borrower may find the situation difficult to maintain the bullocks.

The data for bullocks used were obtained from the beneficiaries.

- | | |
|--|----------|
| i) Agriculture in one's own farm
(i.e. for planking ploughing
seeding) | 150 days |
| ii) Hired for working in other farms | 100 days |

Taking the market rate of Rs.30 per bullock per day the expenditure saved could be Rs. 7,500 (i.e. 250 x Rs.30). On the other hand the feeding expenses of bullock would be about Rs. 20 per day per animal, total feeding cost would be Rs.7,300 (i.e. 365 x Rs.20). However, the farmer does not include cost of the left-over parts of plants, which are used for feeding. Buying bullocks are more a matter of social prestige than an economic proposition.

IV) Poultry

Four units could be studied under this category. The unit cost was varied from Rs.2,500 to Rs. 5,000, with a subsidy component of 33.5 per cent. The period of loan was 3 years. There was no proper control over diseases and the activity could not proceed as desired. Proper follow up, lack of timely veterinary facilities, inadequate skill and knowledge on the part of the beneficiary also contributed to the loss suffered.

Cost-benefit statement

	Amount (Rs.)
(1) Capital Expenditures	
i) Cost of shed and cages	2,800
ii) Feeders, water trays, etc.	500
iii) Cost of chicks (at Re.1 each)	500
iv) Feed cost	2,000
v) Medicines, etc.	200

	6,000

(2) Investment	
i) Subsidy	2,000
ii) Loan	4,000

iii) Term of loan	Three years
iv) Rate of Interest	4 per cent
(3) Recurring cost of 1 year electricity, depreciation, etc.	5,000
(4) Annual instalments for the repayment of loan and interest	1,500

Per Year Total Cost	6,500

(5) Receipts	
i) Sale of eggs 240 per bird per year at 50 paisa	15,000
ii) Sale of manure	500

	15,500

(6) Net Surplus (Rs.15,500 - 6,500)	Rs. 9,000

V) Cow

Eleven units were studied of milch animals. The unit cost was varied from Rs. 2,000 to Rs. 5,000 with a subsidy component of thirty-three per cent.

(1) Capital Expenditure	Amount (Rs.)
i) Cost of shed	800
ii) Cost of equipments	200
iii) Cost of superior breed cow	5,000
Total	6,000
<hr/>	
(2) (a) Subsidy (33 per cent)	2,000
(b) Loan	4,000
(c) Term of loan 3 years	
(d) Rate of Interest 10 per cent.	
<hr/>	
(3) Expenditure	
i) Green fodder (20 kg per animal per day at the rate of Rs.200 per ton)	2,880
ii) Dry fodder (5 kg per day per animal at the rate of Rs. 250 per ton)	900
iii) Miscellaneous and maintenance of two calves	600
iv) Repayment of loan and interest	1,400
Total cost per year for two animals	5,820
<hr/>	
(4) Income	
i) Number of lactation days in one year	250 per animal
Total lactation days	500
ii) Milk yield per day (average 5 litres per animal)	2,500 litres
iii) Sale of milk (Rs.3 per litre)	Rs. 7,500
iv) Sale of calves	Rs. 1,000
v) Sale of manure	Rs. 500
	Rs. 9,000
<hr/>	
(5) Net Surplus: from 2 animals Rs. 9000 - 5820	Rs. 3,180 per year

VI) Donkey

Of the three beneficiaries studied, the unit cost was Rs. 1,200 with a subsidy of Rs. 400.

(1) Cost of animals (Three Donkeys)	Rs. 1,200
a) Subsidy	Rs. 400
b) Loan	<u>Rs. 800</u>
(2) Repayment period	2 years
Rate of interest	4 per cent
(3) Annual net income	Rs. 5,000
As each donkey Rs.20 per day worked 250 days in a year	
(4) Repayment of loan and interest	Rs. 432
(5) Net Surplus (Rs.5000 - 432)	<u>Rs. 4,568</u> -----

3.4.2 Secondary Sector

The beneficiaries in this sector are availing of the Integrated Rural Development Programme facilities for different activities like carpentry, rope making, basket making, brick making, wool work, cobblers, etc.

Table 3.2 : Secondary Sector: Activitywise Distribution of Beneficiaries

Activity	No.of beneficiaries
1. Cobbler (Leather work)	9
2. Rope making	5
3. Basket making	2
4. Wool work	2
5. Brick making	1
Total	19

I) Cobblers

In the secondary sector the major activity for which Integrated Rural Development Programme facilities were given was leather work (cobblers). The number of beneficiaries in this category is quite large because this is an important activity.

As shown in Table 3.2 there were 9 cobblers in the sample. They prepared chappals and sold to the consumers. The major raw material being leather. It is purchased by most of them from local market. Only two cobblers purchased sewing machines through the finance provided to them under Integrated Rural Development Programme. Other beneficiaries purchased various implements.

1) Total cost of assistance	Rs.2,000
a) Subsidy (33 per cent)	Rs. 667
b) Loan	Rs.1,333
c) Repayment period 2 years	
d) Rate of interest 4 per cent	
2) Annual instalment for the repayment of loan and interest	<u>Rs. 710</u>
3) Expected net annual income (Rs. 200 per month)	<u>Rs.2,400</u>
4) Net Surplus (Rs.2400 - 710)	Rs.1,690 per ***** year

II) Rope Making

There were five beneficiaries in this class, the raw material for making ropes is 'Ghaypat' (cactai). All the five beneficiaries used ghaypat. The plants are soaked in

water for about a week and then are dried and beaten to get fibre which is then spun to get ropes of various thickness. The spinning is done by hand using a simple wheel. One person moves the wheel and the other feeds the fibre. By using this fibre various items are made, which are used in rural areas. They sell these items in weekly markets.

(1) Total cost of assistance	Rs. 500
a) Subsidy	Rs. 166
b) Loan	<u>Rs. 334</u>
c) Repayment period	2 years
d) Rate of interest	4 per cent
(2) Annual instalment of repayment of loan and interest	Rs. 175
(3) Expected net income per month (Rs. 150)	
Total annual income (Rs. 150 x 12)	Rs.1,800
(4) Net Surplus (i.e. Rs. 1800 - 175)	Rs.1,625 per ***** year

III) Basket Makers

These are known locally as 'burud'. They prepare various types of baskets, used in villages, bird cages, grain-bins, 'tattyas' and for housing purpose. Bamboo is used as raw material. They sell their products in their own villages, neighbouring villages and in weekly markets. There is little market for baskets, in the villages.

(1) Total Cost	Rs. 500
a) Subsidy	Rs. 166
b) Loan	Rs. 334
c) Repayment period	2 years
d) Rate of interest	4 per cent

(2) Annual instalment of repayment of loan and interest	Rs. 175
(3) Expected net income per month	Rs. 125
Expected annual net income (Rs. 125 x 12)	Rs. 1,500
(4) Net Surplus (Rs. 1500 - 175)	Rs. 1,325 -----

IV) Brick Kiln

The sole beneficiary owned the kiln, which is fired only once a year. Around 50,000 to 1,00,000 bricks are made. He is engaged in this activity for 4 to 6 months in a year, and during this period he also employs labourers. The bricks are sold throughout the year. He has used Integrated Rural Development Programme finance for the purpose of soil and fuels.

(1) Total cost of assistance	Rs. 5,000
a) Subsidy (33 per cent)	Rs. 1,650
b) Loan	Rs. 3,350
c) Repayment period 2 years	
d) Rate of Interest 4 per cent	
(2) Working Expenses:	
i) Soil (Five truck loads at Rs. 100 per truck)	Rs. 500
ii) Fuels (bagasse coal one truck at Rs. 800)	Rs. 800
iii) Labourers (4 persons for four months per labour Rs.10)	Rs. 4,000

	Rs. 5,300
iv) Annual instalment for loan and interest	Rs. 700

Total Cost	Rs. 6,000 -----

(3) Income	
1) Sale of bricks: 50,000 (Rs.300 per 1,000 bricks)	Rs.15,000
(4) Net Surplus: (i.e. Rs. 15000 - 6000)	Rs. 9,000 *****

V) Wool Makers

These persons prepared 'Jane' (coarse blanket), which is a woollen rug made out of local wool by indigenous method. 'Jane' is a multipurpose rug used in village houses for spreading on the ground, for sitting, and sleeping purpose.

(1) Cost of unit	Rs. 2,000
(a) Subsidy	Rs. 666
(b) Loan	Rs. 1,334
(c) Repayment period 2 years	
(d) Rate of interest 4 per cent	
(2) Annual instalment of loan and interest	Rs. 700
(3) Expected Net income per year (Rs. 300 per month)(For 10 months)	Rs. 3,000
(4) Net Surplus per year (Rs. 3000 - 700)	Rs. 2,300 *****

3.4.3 Tertiary Sector

There were a number of activities like tailoring, provision shop, pan shop, Hotel, Bangle Seller, Laundry, Saloon, Cycle shop, etc. The distribution of 34 cases according to activity is presented in Table 3.3.

Table 3.3 : Tertiary Sector: Activitywise Distribution of Beneficiaries

Business activity	No. of beneficiaries
1. Tailoring (Sewing machine)	6
2. Provision shop	14
3. Petty shops	4
4. Hotel	1
5. Hair Cutting Saloon	1
6. Cycle shop	3
7. Bangle Vendor	2
8. Flour mill	1
9. Laundry	2
Total	34

I) Tailoring (Sewing Machine)

All the six tailors have fixed location for their business, at their residence. All six tailors were already in the business, before they obtained Integrated Rural Development Programme assistance. Among the six, two were women. All tailors have purchased one sewing machine each through the Integrated Rural Development Programme assistance and also some instruments like scissors, scales, etc.

(1) Capital Investment

i) Cost of sewing machine	Rs. 1,000
ii) Cost of show case, table, etc.	Rs. 500
iii) Cost of tapes, iron, scissors, etc.	Rs. 150
	<u>Rs. 1,650</u>
iv) Subsidy (33.5 per cent)	Rs. 550
v) Bank loan	<u>Rs. 1,100</u>
vi) Loan period	2 years
vii) Rate of interest	4 per cent

(2) Working Cost

i) Raw material Rs. 3 per day for one year	Rs. 900
ii) Rent, electricity, etc.	Rs. 500
iii) Depreciation	Rs. 150
iv) Annual instalment of repay- ment of loan and interest	Rs. 600

	Rs. 2,150

(3) Income

Annual: As Rs.20 per day for 25 days in a month	Rs. 6,000
--	-----------

(4) Net Surplus (Rs. 6000 - 2150) per year each tailor	Rs. 3,850 -----
---	--------------------

II) Provision Shops

Of the fourteen cases of provision shops, three were new entrants. These three were earlier employed as salesmen in some other provision shops. All these three have established their shops in their villages. The major items purchased by them were wooden racks, tin containers, weights, balances, etc., and grocery goods for sale. One of the old shopkeepers was an itinerant moving from one market to another for selling provision goods. They use loan as working capital to purchase groceries.

Cost-benefit analysis:

(1) Capital Investment	Rs. 5,000 -----
(a) Subsidy	Rs. 1,665
(b) Loan	Rs. 3,335
(c) Term of loan	3 years
(d) Rate of Interest	4 per cent

(2) Working Expenses

1) Material purchases for one year	Rs.18,000
ii) Rent, electricity, etc., for one year	Rs. 500
iii) Repayment of loan and interest	Rs. 1,200

	Rs.19,700
(3) Expected monthly income sale of goods	Rs.2,000
(4) Annual income (Rs.2000 x 12)	Rs.24,000
(5) Net Surplus (Rs.24000 - 19700)	Rs. 4,300

III) Cycle Shops

The three beneficiaries in this activity studied, each has purchased new bicycles for their shops for hiring purpose. They also have purchased some spare parts for selling them in their shops.

(1) Total Cost	Rs. 1,800
(a) Subsidy	Rs. 600
(b) Bank loan	Rs. 1,200
(c) Repayment period 2 years	
(d) Rate of interest 4 per cent	
(2) 1) Two bicycles (Rate of Rs.800)	Rs. 1,600
ii) Spare parts	Rs. 200

	Rs. 1,800
(3) 1) Annual instalment of loan and interest	Rs. 625
ii) Depreciation	Rs. 175

(4) Expected hiring per day income : Rs. 6.5	Rs. 800
(5) Expected Annual Net Income	Rs. 2,373
(6) Net Surplus (Rs. 2373 - 800)	Rs. 1,573

IV) Petty Shops

There were four beneficiaries in this business, of whom two were already in the business while other two were new entrants. All the four have fixed location of their shops, and none is a mobile vendor. The new entrants purchased wooden shop structures, and the raw material. The old shopkeeper also invested in shop structure by renovating his old shop.

(1) Capital Expenditure:

(1) Wooden structure	Rs. 3,000
(2) Cost of equipment	Rs. 500

	Rs. 3,500

(2) (a) Subsidy	Rs. 1,165
(b) Loan	Rs. 2,335

(3) Expenditure :

i) Material purchased per month Rs. 500	Rs. 3,000
ii) Repayment of loan and interest	Rs. 1,175

Total cost for one year	Rs. 4,175

(4) Income (Annual) (Sale of Pan and other Rs.15 per day)	Rs. 5,400
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(5) Net Surplus every year (Rs. 5400 - 4175 =)	Rs. 1,225

V) Hotel

In this activity there was only one sample beneficiary. He purchased wooden racks, tables, chairs, benches, stove, etc. A part of the loan is also used as working capital. The unit cost is Rs. 5,000 with 33.5 per cent subsidy. The

repayment period is 2 years.

(1) Cost of unit	Rs. 5,000
(a) Subsidy	Rs. 1,665
(b) Bank loan	Rs. 3,335

(2) Repayment instalment of loan and interest	Rs. 1,850
(3) Expected net annual income (Rs. 50 per day)	Rs. 18,000
(4) Net Surplus (Rs. 18000 - 1850)	Rs. 16,150

VI) Bangle Sellers

In our survey, two bangle sellers were studied, who were already in the business, one being a woman who continued this business with the help of Integrated Rural Development Programme. They sold the bangles at their houses, and also went to weekly market in their own villages. The repayment period is 2 years.

(1) Cost of units	Rs. 600
(a) Subsidy	Rs. 200
(b) Bank loan	Rs. 400

(2) i) Purchase of bangles (for a year)	Rs. 2,400
ii) Repayment of loan and interest	Rs. 215

Total Cost	Rs. 2,615

(3) Income	
i) Sale of bangles (one year) (month Rs. 350)	Rs. 4,200
(4) Net Surplus Per Year (Rs. 4200 - 2615)	Rs. 1,585

VII) Flour Mill

The one beneficiary had flour mill unit. He purchased machines and started business at his own premises. The unit cost is Rs. 6,000 with a subsidy of Rs. 2,000 and bank loan of Rs. 4,000.

(1) Capital Cost

(a) Cost of Machines	Rs. 5,000
(b) Pucca Shed	Rs. 1,000

	Rs. 6,000

(2) Working Cost

i) Electric Bill (Annual)	Rs. 1,000
ii) Depreciation and others	Rs. 250
iii) Repayment of loan and interest	Rs. 2,250

	Rs. 3,500

(3) Income

i) Expected monthly income 100 kg flour per day at rate of 50 paisa per kg	Rs. 1,500
ii) Annual Income	Rs. 18,000

(4) Net Surplus : Per Year
(Rs. 18000 - 3500)

Rs. 14,500

VIII) Hair Cutting Saloon

The one beneficiary was studied, who was already in the business. He continued this business with the help of Integrated Rural Development Programme.

(1) Total assistance

(a) Subsidy	Rs. 2,000
(b) Bank loan	Rs. 675
	Rs. 1,330

(c) Term of loan	2 years	
(d) Rate of interest	4 per cent	
(2) i) Expected net annual income (As Rs.20 per day for 25 days in a month)		Rs. 6,000
ii) Repayment of loan and interest		Rs. 675
(3) Net Surplus (Rs. 6000 - 670)		Rs. 5,330 -----

IX) Laundry

In this activity there were two sample beneficiaries. They started this business at their own houses with the help of Integrated Rural Development Programme Assistance. The unit cost is Rs. 500 with subsidy of Rs. 167.

(1) Unit Cost		Rs. 500
(a) Subsidy		Rs. 167
(b) Bank loan		Rs. 333
(c) Term of loan	2 years	
(d) Rate of interest	4 per cent	
(2) Repayment of loan and interest		Rs. 175
(3) Net expected Annual Income (As Rs. 10 per day)		Rs. 3,500
(4) Net Surplus (Rs. 3500 - 175)		Rs. 3,325 -----

CHAPTER IV

ECONOMIC IMPACT OF THE INTEGRATED RURAL DEVELOPMENT PROGRAMME IN SELECTED BLOCK

4.1 Coverage of Beneficiaries

All the 100 sample beneficiaries belonged to the target group of being below poverty line (BPL). Of these 100 households selected for the impact study, 47 were from the primary sector, 19 from secondary sector and 34 from the tertiary sector.

Table 4.1 : Some Details Pertaining to Population, Number of BPL's, IRDP Beneficiary and Sample Beneficiary Households Belonging to Sample Villages in the Selected Block: Pune District

Name of the village	Total Population of village	No. of BPL families	IRPD beneficiary	Sample beneficiary
1. Vadagaon Anand	3,363	104	58	15
2. Pimpalwandi	7,975	311	122	9
3. Ale	6,138	239	146	14
4. Umbraj	4,390	214	94	5
5. Pimpri Pendhar	4,051	86	25	5
6. Otur	11,711	312	113	18
7. Rajuri	7,218	408	120	20
8. Ane	1,815	172	100	5
9. Khamundi	1,091	34	18	5
10. Vaishak Khede	385	31	4	4
Total	48,137	1,911	800	100

Table 4.1 presents 10 selected villages, their total population, number of BPL families, IRDP beneficiaries and sample beneficiaries. In all, 800 BPL families are covered in 10 villages of IRDP beneficiaries. Among the 800 IRDP beneficiary households we have selected 100 for the present study.

4.2 Performance of Programme in Junnar Block

The survey to identify the target group was done in 1982 and the list of BPL families was prepared by the Development Block. The basis of survey is annual income of Rs.3,500 or less and land holding of 2 hectares or below.

Table 4.2 : Distribution of the Households 'Below Poverty Line' According to the Range of Annual Incomes

Income group (Rs.)	No. of BPL families	Percentage
1) Upto 1,000	1,795	15
2) 1,001 to 1,500	2,687	24
3) 1,501 to 2,000	2,571	22
4) 2,001 to 2,500	2,185	18
5) 2,501 to 3,000	1,593	13
6) 3,001 to 3,500	1,020	8
Total	11,851	100

Source: Junnar Taluka Panchayats Samiti. Roupamahotsav Smaranika, 1987.

Table 4.2 gives some idea about the income distribution of below poverty line families. Fifteen per cent of

BPL households show annual income upto Rs.1,000; 24 per cent are in Rs.1,001 to Rs.1,500; 22 per cent are in Rs.1,501 to 2,000; 18 per cent are in Rs. 2,001 to Rs.2,500; 13 per cent are in Rs. 2,501 to Rs. 3,000 and only 8 per cent are in Rs.3,001 to Rs. 3,500. In other words, 60 per cent families were under below Rs. 2,000 annual income.

4.3 Coverage of Scheduled Castes and Scheduled Tribes

Table 4.3 : Coverage of Scheduled Castes and Scheduled Tribes in Selected Block

Total BPL in Junnar Block	Scheduled Castes	Scheduled Tribes	Others
11,851	1,297	4,739	5,815
100%	11%	40%	49%

It appears from Table 4.3 that, 11,851 families are living below poverty line in Junnar block. Among the BPL's Scheduled Castes and Scheduled Tribes constitute 51 per cent and others are 49 per cent. Taking the block as a whole, 11 out of every 100 poor households are Scheduled Caste households and 40 are Scheduled Tribe households.

4.4 Yearwise Progress of Integrated Rural Development Programme in Junnar Block

The following is the progress achieved under the Programme in the block during 1981 to 1987.

Table 4.4 : Yearwise Progress of Integrated Rural Development Programme in Junnar Block

Year	Total Beneficiaries	Of which number of			Subsidy (Rs. Lakhs)	Target (Rs. Lakhs)
		Scheduled Castes	Scheduled Tribes	Others		
1980-81	161	11	12	138	3.95	5.00
1981-82	649	303	1	345	6.10	7.95
1982-83	1,042	200	275	567	7.94	9.85
1983-84	890	197	278	415	9.65	9.91
1984-85	647	97	194	356	8.00	8.00
1985-86	648	123	225	300	10.24	10.03
1986-87 Double Benefit	568) 986 418)	78	246	662	11.50	12.29
1987-88 Double Benefit upto March	333) 458 125)	36	145	277	10.28	20.40

Source: Junnar Taluka Panchayats Samiti. Roupamahotsav Smaranika, 1987.

It appears from the Table 4.4 that progress of Integrated Rural Development Programme during the years 1981 to 1987 was more than that targeted except for the first year in terms of coverage of households.

The block has achieved the target of 600 beneficiaries every year during 1981-82 to 1987-88. The share of Scheduled Caste and Scheduled Tribe families assisted is 44 per cent. It is much above the stipulation of 30 per cent.

Table 4.5 : The Sexwise Distribution of Heads of the Selected Beneficiary Households

Category	Male	Female	Total
1) Scheduled Castes	12	2	14
2) Scheduled Tribes	2	1	3
3) Backward Castes	30	4	34
4) Others	42	7	49
Total	86	14	100

Male heads constituted 86 per cent of total sample beneficiaries while the percentage of female head beneficiary families was 14 per cent only. Fourteen per cent beneficiaries belong to the category of Scheduled Castes, 3 per cent to Scheduled Tribes, 34 per cent other backward class and 49 per cent are general category.

The block population has a sizable percentage of Scheduled Castes and Scheduled Tribes.

Table 4.6 : Agewise Distribution of Beneficiaries

Age group	No. of beneficiaries
18 to 25 years	9
26 to 40 years	75
41 to 59 years	10
Above 60 years	6
Total	100

The age distribution shows a higher concentration of beneficiaries in 26 to 40 years age group which means the younger group is relatively very active in having the forms filled up and getting benefits. Nine per cent of beneficiaries were of the age group of 18 to 25 years. Ten per cent are 41 to 59 years and only 6 per cent were above 60 years.

Table 4.7 : Family Size of the Selected Households in Junnar Block

Family size	No.of beneficiaries
Small family 1 to 5 members	39
Large family Over.5 members	61
Total	100

Thirty-nine per cent of beneficiary households belonged to small sized families having members upto 5, while 61 per cent of beneficiaries were having more than 5 family members.

Table 4.8 : Level of Education of the Selected Households in Junnar Block

Level of Education	No.of beneficiaries
Illiterate	37
Primary upto 7 std.	35
High School level 10 std.	25
College level above 11 std.	3
Total	100

Thirty-seven of the sample heads of the beneficiary households are illiterate, 35 per cent possessed education upto primary level that is 7th Standard, 25 per cent had studied upto Matric i.e. 10th Standard, and 3 per cent had studied above Matric of whom one beneficiary obtained post-graduate education.

4.5 Supervision and Follow up

The branch officials are required to visit the beneficiaries periodically and also verify the assets created out of the loans. Supervision and follow up at the post-investment stage is not only important for attaining good recovery performance but also for actual implementation of the programme itself. Follow up measures were found to be inadequate, as the visits were not made by the field staff, both of the district agencies as well as banks, on regular intervals. Vikas Patrika was issued but not filled up properly. The problems faced by the bank in follow up are lack of time, inadequate transport facilities and field staff bogged down with desk work.

4.6 Maintenance and Utilization of Assets/Loan

The composition of sample beneficiaries according to activities and position of asset utilization are given in Table 4.9.

The reasons given by 14 beneficiaries for the non-possession of the assets are given in Table 4.10.

Table 4.9 : Composition of Sample Beneficiaries According to Position of Asset Utilization

Sector activity	No. of units in the sample	Assets not in possession	Assets in possession and being put to proper use
A) Primary Sector	47	10	37
B) Secondary Sector	19	-	19
C) Tertiary Sector	34	4	30
Total	100	14	86

Table 4.10 : Reasons for Non-Possession of Assets

Reasons	No. of beneficiaries
Sold	8
Died (livestock)	2
Not purchased at all	4
Total	14

It will be observed from the Table 4.9 that, 86 per cent of the sample beneficiaries were in possession of the assets and put to proper use. Only 14 per cent of the sample beneficiaries were not in possession of the assets. Among these not in possession, 8 per cent of total sample beneficiaries had sold their assets as they did not have resources for the proper maintenance of the assets. Only 2 per cent recorded that assets in the form of animals had died and 4 per cent are recorded as not purchased the asset at all.

4.7 Time Taken for Loan Sanction

Under the Integrated Rural Development Programme a three tier system has been adopted for sanction of loan and there is some time lapse at each stage. It is observed that the average period required from the time of identification to actual date of release of loan works out to 6 months. In our sample survey, 23 applications were forwarded within a month's time, 52 applications took two months' time, 25 applications took more than 6 months. The time taken by the bank for sanction of applications is also varied from bank to bank. As far as the beneficiary is concerned it is important for him to get the sanction as early as possible. It is clear that there is a need for expediting the processing of application at the BDO's Office and also at the banks. There is a considerable delay in the payment of subsidy under Integrated Rural Development Programme. The main reason for rejection of application is, beneficiary not approached the bank and also beneficiary is not interested in taking loan.

4.8 Repayment Performance

According to Prof. Sudhakar Gadam in his study in Sangli district: "It is clear that the differences in repayment performance cannot be explained through the total income of the family, per capita income of the family or the retainable income obtained through the IRDP activity."¹

¹ Sudhakar Gadam. Evaluation Study of IRDP, Sangli District, August 1986.

In the total sample of 100 cases there were 72 cases where the repayment of loan was done according to instalment plan. Remaining cases were overdue in payment. The percentage of recovery is quite high.

Table 4.11 : Net Income Incremental Due to Integrated Rural Development Programme

Income increasing (Rs.)	No. of beneficiaries
Upto 500	15
501 to 1,000	15
1,001 to 2,000	42
2,001 to 3,499	26
Above 3,500	2

Net income is the difference between gross income derived before the loan taken from Integrated Rural Development Programme and that of the position after the loan utilization.

Thirty per cent of the sample beneficiaries were able to generate an additional income upto Rs. 1,000; 42 per cent beneficiaries between Rs.1,000 and Rs.2,000; 26 per cent of the beneficiaries generated an additional income between Rs.2,001 and Rs.3,499; and only 2 per cent of the beneficiaries generated an additional income over Rs. 3,500.

4.9 Economic Impact

The programme has not been able to make the desired

impact on the rural scenario as a poverty ameliorating and employment programme. This has been mainly due to the inherent deficiencies in implementation and in respect of selection of beneficiary. In order to overcome some of these shortcomings, the government has decided for providing second dose of assistance to the beneficiaries already financed.

The proportion of male beneficiaries is 86 per cent. The message of small family is also reaching the Integrated Rural Development Programme beneficiaries as 39 per cent of small beneficiaries family members upto 5 only. The illiteracy percentage of 37 per cent in Integrated Rural Development Programme beneficiary is also a positive sign of development.

The agewise classification of the beneficiaries reveals that 75 per cent are in the age group of 26 to 40 years which is an indication that youth is an active participant under the programme. The beneficiaries have not reported delay in sanction of loans but bank branch record reveals that the loans have generally been sanctioned during the last three months of the financial year. The 'Vikas Patrika' which can be a good tool for follow up but it is not put to use as no entry except the initial entries are recorded on it.

CHAPTER V

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary

The present chapter provides a bird's eye view of what has been discussed in the preceding chapters.

Due to leakage in policy making, leakage in selection of target group, leakage in resource allocation, leakage in programme implementation the programme has not fulfilled its real objective.¹

It aims to provide income generating assets and employment opportunities to the rural poor for enabling them subsequently to rise above the poverty line. Generally it has been criticised for its novel strategy of selecting poorest of the poor first, but in actually practice, however, the 'Antyodaya' Principle is not strictly followed. This is due partly to some genuine difficulties in following this principle and partly due to some deliberate defaults on the part of Panchayat Sevaks. It was found that the VLWs and Panchayat Sevaks have a lot of scope for arbitrary action in selection of the beneficiaries. Also there are lack of income generation norms for various activities and lack of rigorous scrutiny by the block level.

¹ Raghunath Jha. "What Ails IRDP?" Yojana, Vol. 30, 1st September 1986, p. 18.

There is a need for training of VLWs and extension officers like block agriculture officers and animal husbandry officers as regards income estimation. As per the guidelines framed by Government of India, Gram Sevaks are to be involved in the process of selection of beneficiaries. Nevertheless, it creates avenues for political intervention in the selection process.

The poverty line set up by the Government of India in 1979, that an annual income of Rs.3,500 for a family of five members, has become outdated. Definition of poverty has been changed in the Seventh Plan. Now a family having annual income of Rs.6,400 or less is considered to be a family below the poverty line. In order to ensure that the poorest of the poor get the assistance first, it would be ensured that the families with an annual income level below Rs. 3,500 are assisted first.²

During the survey it was noticed that a very large number of beneficiaries did not receive adequate financial assistance and hence could not attain the minimum level of investment.

According to the guidelines by RBI and NABARD, loan application sponsored by BDOs must be disposed of within a fortnight. In actual practice, however, it was found that in most cases banks have taken more than two months in disposing of the loan application. Some cases are rejected but

² Ibid., p. 22.

reasons for rejection are not recorded clearly on the application form.

In most of the cases assets are purchased by beneficiaries alone. There have been some cases where no assets are purchased at all, but certificates to that effect are issued by the member of purchase committee allegedly on consideration of bribe. There is a need for streamlining the purchase process so as to minimize the corruption. The link between the authorities and the beneficiaries is not uniformly maintained. 'Vikas Patrika' is not given to each and every beneficiary and the few cases in which it has been given it has not been filled in properly and not being kept updated. There is no follow-up of the scheme given to the beneficiaries.³

The survey shows some wide variations in the classification of the households as poor. However, it would not be improper to suggest that at least 15 per cent of those identified as poor and help under the Integrated Rural Development Programme did not really belong to the category of the poor.

'It would not be far wrong to estimate that at the end of 7th year of operation of IRDP, about 3 per cent of poor households in rural India would have become helped to live above poverty line.'⁴

3 Ibid., p. 18.

4 Nilakantha Rath. "Impact of IRDP on the Village Economy: An Appraisal," in B.P. Bhadouria (Ed.). Reflections on Indian Economy, p. 32.

Naturally it leaves ample scope for favouritism and corruption. Once the block level official agency classifies a household to be poor and recommends its case for loan assistance for a specific enterprise the bank does not verify its present as well as expected income position.

The availability of good quality inputs and proper marketing facilities are other constraints emerging due to universalization of Integrated Rural Development Programme. In the absence of availability of good breed animals beneficiaries are forced to purchase whatever is available in the market at whatever price.

Most of the State governments had not followed the guidelines issued by the Central government, in the implementation of Integrated Rural Development Programme. No preliminary survey was conducted to assess the infrastructural facilities available. Selection for a scheme was based on their relationship with the officials.

One may draw some lessons from the functioning of Integrated Rural Development Programme.

1. The programme should be implemented strictly in accordance with the guidelines.
2. Fulfilment of the targets should not be the only criterion for judging the success.
3. Blocks giving good response must be provided with additional funds while the blocks giving poor response should be dealt with separately.

4. Bank should be provided with additional staff specially trained for such activities.
5. Training course may be organized by the Government.
6. Proper follow up actions should promptly be taken up.

5.2 Problems

In actual practice the Integrated Rural Development Programme is faced with certain problems and it has got its own limitations. These are as mentioned below.

1) Lack of understanding of the concept of Integrated Rural Development Programme. The official machinery at the block and district level only desires to achieve target of 600 families per block per year without being prepared to do the ground work envisaged in the Programme. The subsidy component of the loan is advertised to such an extent that an uneducated farmer understands that he has not to repay the entire amount of the loan. This creates a problem of recovery of loan.⁵

2) Most of the beneficiaries belong to the weaker sections of community and being illiterates, they are ignorant about Integrated Rural Development Programme. As a result, the eligible borrowers are not getting financial assistance for their development.

⁵ M.K. Ghadoliya. "Lessons from IRDP," op.cit.

3) Even though RBI and NABARD have stipulated that Integrated Rural Development Programme proposal should be disposed of within 15 days time, banks often take longer time for issuing the loans.

4) The beneficiaries are made to spend some money in this connection for sanctioning the loan amount. Moreover, in the selection of beneficiaries some bribes are taken by the officials.

5) Present system of handing over the asset to the beneficiary through purchasing committee or dealer does not seem to be effective.

6) One major problem is urban orientation of the officials, mainly at the higher level and, bureaucratic approach in implementing the programme is the main drawback.

7) Mid-term appraisal of the Sixth Plan has revealed that there has been wrong selection of beneficiaries under the programme. Many small farmers not suitable to be selected under Integrated Rural Development Programme due to higher income level were assisted under the programme.

8) Another problem with the implementing mechanism of the programme is the lack of follow up and supervision. The government agencies consider that their work gets over by identifying the beneficiaries and distributing subsidy. The rest of the work is considered to be done by the banks.

9) There is lack of coordination between government agencies and banks on the one hand and, the beneficiaries

and these agencies on the other. This leads to lack of follow up and supervision by these agencies on the activities financed and timely sanction and disbursement of loan.

10) The bank is neglecting the rules of Government by asking security for sanctioning of loan. Most of the beneficiaries are faced with this problem.⁶

11) A few beneficiaries stated that they have not yet received subsidy amount.

12) The surveys undertaken by NABARD (1984) and some State Government agencies pointed out that all the households that have been identified as poor and covered under the programme were not really poor. They are shown as poor. This will give large scope for favouritism and corruption. As a result, the people who are really poor are deprived of the benefits of the programme. Some beneficiaries said that selection for any scheme was based on their relationship with the officials.

Frequent changes of development programmes.

Lack of proper coordination among different development programmes.

Not strengthening village institution.

Very weak people's participation in rural development programme.

⁶ P. Malyadri. "Success of IRDP: Myth or Reality: A Study," Khadi Gramodyog, Vol. XXXII, August 1986, p. 507.

Lack of education and training of farmers.

Illiteracy as a barrier for rural development.

Forty per cent rural population still below poverty line. No adequate creating of employment opportunity at village level.

No special programme for rural women.

No appropriate technology for rural development.

Rural development work is not a simple task, it poses a number of problems of different nature especially those arising from pressure of local rich and leaders, discomfort in staying in villages and a lot of other problems as has been highlighted in different studies.

5.3 Recommendations

The present study has brought to light some of the major weaknesses involved in the implementation of the Integrated Rural Development Programme. There is a tremendous scope for improvement in respect of all major areas, of the implementation of the programme. The following are some of the suggestions for removing the defects and difficulties in the way of implementation of Integrated Rural Development Programme.

1. A dynamic programme like Integrated Rural Development Programme should not be tied rigidly to any specific set of instructions and guidelines but it should be more flexible and easily understandable to the villagers who are illiterate and ignorant of the Programme. Credit camps can be conducted by the concerned agencies in villages. It is

necessary that the officials involved in this Programme are imparted proper training to enthuse them with a sense of sincerity and dedication.

2. State Government should create proper infra-structural facilities and find buildings for opening of new bank branches in rural areas. The problem of overdues can be reduced by linking future assistance with repayment performance and to allow interest subsidy to non-defaulters.

3. Proper identification of beneficiaries by household surveys and monitoring services after the loans are sanctioned will help in curtailing misutilization of the loan and also prevent wilful defaults.

4. It is desirable that there must be insurance facility to all assets created under Integrated Rural Development Programme particularly in the case of livestock.

5. State Government should examine the feasibility for setting up of an independent and separate development authority for rural development keeping in view the complexities and magnitude of rural development.

6. The subsidy should be passed on to the beneficiaries in kind and not in cash.

7. The existing target of 600 families per block per year coverage for development is inadequate and it should be doubled.

8. Gramsabhas should be conducted regularly and select the eligible borrowers without indulging in the bribes.

9. It was found that there was bunching of applications during the months of August and September. There is a need to see that there is a more even flow of applications throughout the year to facilitate efficient working at every level.

10. Mobile veterinary services should also be arranged in the area in such a way that each village where animal husbandry activity has been financed substantially.

11. The activity under the programme should not only be selected and determined in accordance with the availability of local resources but it should also be based on the aptitude, skill, expertise and environment of the beneficiary.⁷

12. It is essential that the beneficiaries are given adequate training in the feeding and maintenance of their animals as also in the prevention of diseases and such training programme can be organized by the district level Animal Husbandry Officer.⁸

7 Ibid., p. 508.

8 V.K.B. Rao. "IRDP to Alleviate Rural Poverty," Kurukshetra, Vol. XXXIII, August 1985, p. 33.

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