



## **CHAPTER-1**

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## **CHAPTER - 1**

### **INTRODUCTION**

India is a country of villages and its development is synonymous with the development of the people living in rural areas. India is a vast and second most populous country of the world. (According to the 1991 census, 74.28 per cent population of our country reside in the countryside). But a big part of this population has been leading an uncertain economic life due to non-synchronization of employment opportunities in agriculture sector because of the fast growing population.

Rural development has been receiving increasing attention of the governments across the world. In the Indian context rural development assumes special significance for two important reasons. First about two thirds of the population still lives in villages and there can not be any progress so long as rural areas remain backward. Second, the backwardness of the rural sector would be a major impediment to the overall progress of the economy.

India is predominately an agricultural country and farming is their main occupation. In terms of methods of production, social orgnaisation and political mobilization, rural sector is extremely backward and weak. Moreover, technical developments in field of agriculture have increased the gap between the rich and poor, as the better off farmers adopted modern farm technology to a greater extent than the smaller one's. The all India Rural Credit Review Committee in its report warned "If the fruits of development continue to be denied to the large sections of rural community, while prosperity accrues to some, the tensions social and economic may not only upset the process of orderly and peaceful change in the rural economy but even frustrate the national affords to set up agricultural production."<sup>♦</sup> It was therefore felt necessary to make arrangements for the distribution of fruits of development to the rural weak and backward section of society.

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<sup>♦</sup> Report of the All India Rural Credit Committee, New Delhi, 2003.

It is rightly pointed out that a purely agricultural country remains backward even in respect of agriculture. Most of the labour force in India depends on agriculture, not because it is remunerative but because there are no alternative employment opportunities. This is a major cause for the backwardness of Indian agriculture. A part of the labour force now engaged in agriculture needs to be shifted to non-agricultural occupations.

Literacy, another growth indicator, is more acute in rural than in the urban areas. It is 44 per cent in villages and 73 per cent in cities. Again, more poor people live in the rural than the urban areas. Out of the estimated 210 million poor persons in the country, 168 million are located in villages and 42 million in urban areas. Out of 108 million rural household, 30 per cent are agricultural labour households. Fifty eight per cent of households in the villages are marginal farmers, having less than 1 hectare of land and 18 per cent having less than 2 hectares.<sup>\*</sup>

These figures show that there is wide degree of diversity in some of the basic socio indicators of development between the rural and urban areas and call for concerted action to alleviate this disparity.

The stress on rural development is also due to many constraints facing the rural areas, which generally suffer from inadequate infrastructure facilities and technological advancements. The rural areas are not well placed in terms of even minimum needs like safe drinking water, primary health and road transport. This apart, the rural population suffers from indigence, ignorance and illiteracy. Their traditional outlook towards development has been preventing them from taking full advantage of the incentives offered by the Government. Also, the ownership of land and other assets has been heavily concentrated in hands of a few. It is precisely for this reason that the benefits of rural development programmes failed to reach the rural population targeted for these benefits to the extent expected.

Rural development requires a vast infrastructure. Provision of this is no easy task, because it has to be undertaken by the Government. Private investment in this area

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\* Structural Dimensions of Poverty in India, S. P. Gupta, Mittal Publications, Delhi, 1987, p.54

has been meager and continues to be so. But the trend of meager investment in the rural sector is gradually changing in terms of economic sustenance. However, evolving an appropriate technology for rural development is not an easy task. Such a technology has to simultaneously achieve the twin objectives of raising growth rates and stepping up opportunities of employment. The setting up of appropriate institutions and co-ordinating their activities are crucial to any rural development strategy. The potential of self-reliance in rural areas needs to be exploited in a planned manner.

A single approach to rural development would not be effective. In fact, rural development is the product of interaction between various physical, technological, economic, socio-cultural, institutional and environmental factors. Indeed, the rural sector should experience the required changes so that it can join the mainstream of national development and contribute its share for economic development. It has been rightly said, "In the end, however, rural development should not be seen as a package of specific needs but as a transformation of rural life and conditions."

### **1.1. Concept of Rural Development :**

The term is used to mean 'organizing things' so as to change existing conditions in favour of a better state. There may be many variants of development drawing their nomenclature from the sphere of activity where the change is managed or the type of change or the 'method' how the desired change is attained. For several decades the term was used, solely, for economic change, inclusive of the conditions which affect betterment. The concept was later extended to its wider meaning to embrace 'changes' of political, social, cultural, technological, economic and also the psychological frame of society. In its current meaning 'development' is used to express animated change for reaping utmost human potential. Technically, development is the name of a 'Policy' and its 'Consequent programmes', designed to bring about a desired change' in social, economic, political, or technological spheres of life. It is concerned with the promotion of human capacities : Physical or mental, to attain the cherished social goals. Development is potential-related, and it can be attained to the extent of the existing development potential, which is measured by the

un-exploited resources, talents, margin of sophistication and the ‘will power’ which implements development policy. Development is the conditioning of progress, and when efforts are laid towards the use of Growth potentials in rural economy and Society, it is rural development.

Rural development is not a charity programme and its objective is to raise the capacity of producing more crops, better crops, variety crops, greater output per unit of input and higher quality of output. It is concerned with creation of increased incentives for putting more efforts and investments for raising efficiency per worker. Therefore education, information, training, research, and application of research is within the range of rural development.

The term ‘rural development’ is of focal interest and is widely acclaimed in both the developed and the developing countries of the world. There is however no universally acceptable definition of rural development, and the term is used in different ways and in vastly divergent context. As a concept, it can notes overall development of rural areas with a view to improve the quality of life of rural people. In this sense it is a comprehensive and multidimensional concept and encompasses the development of agriculture and allied activities-village and cottage industries and crafts, socio-economic infrastructure, community services and facilities, and above all, the human resources in rural areas. As a phenomenon, it is the result of interactions between various physical, technological, economic, socio-cultural, and institutional factors. As a strategy, it is designed to improve the economic and social well-being of a specific group of people the rural poor. As a discipline, it is multidisciplinary in nature representing an intersection of agriculture social behavioural, engineering and management sciences. In the words of Robert Chambers, “Rural Development is a strategy to enable a specific group of people poor rural women and men, to gain for themselves and their children more of what they want and need. It involves helping the poorest among these who seek a livelihood in the rural areas to demand and control more of the benefits of rural development. The group includes small scale farmers, tenants and the landless.”\*

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\* Robert Chambers, *Rural Development in India*, Oxford University Press, 1987.

Thus, rural development may mean any one of these, depending upon our focus. To avoid ineffective floundering among the myriad definitions, we shall define rural development as a process of developing and utilizing natural and human resources, technologies, infrastructure facilities, institutions and organisations, and government policies and programmes to encourage and speed up economic growth in rural areas, to provide jobs, and to improve the quality of rural life towards self sustenance. In addition to economic growth, this process typically involves changes in popular attitudes, and in many cases even in customs and beliefs. In a nutshell, the process of rural development must represent the entire gamut of change by which a social system moves away from a state of life perceived as ‘unsatisfactory’ towards a materially and spiritually better condition of life. The process of rural development may be compared with a train in which each coach pushes the one ahead of it and is in turn pushed by the one behind, but it takes a powerful engine to make the whole train move. The secret of success in development lies in identifying and if needed developing a suitable engine to attach to the train. There are no universally valid guidelines to identify appropriate engines of growth, if at all they exist. It is a choice which is influenced by time, space, and culture.

Rural development has attracted the attention of the economists right from the Mercantilist era and Adam Smith down to Marse and Keynes, yet they were mainly interested in the problems which were essentially static in nature and largely related to a western European framework of social and cultural institutions. Their interest in the economics of development has been stimulated by the wave of political resurgence that swept the Asian and African nations after Second World War and thought to promote rapid economic development coupled with the realization on the part of the developed nations that ‘poverty anywhere is a treat to prosperity everywhere’. As Meier and Baldwin have remarked : “A study of the poverty of nations has even more urgency than a study of the wealth of Nations.” The Economists differ on its definition as some one says increase in the economy’s real national income over a long period and some says about the increase in the per capita real income of the economy which are not convincing as it lacks of human welfare.

As the Economists have different views on the concept of economic development and so, it is very difficult to define what rural development actually means. It is rather complex and multidimensional duplication which could not be conclusive. Generally, it is said that rural development means the development of rural areas through extension of irrigation facilities, expansion of electricity, improvements in the techniques of cultivation, educational and health facilities etc. But it seems a narrowness of the aims. Agriculture may be the part of the rural development but it cannot be the whole of rural development. Professor V.K.R.V. Rao looked upon the process of economic development essentially as a means to the development of human beings enabling them to realise their full potential. He was actually concerned about the nurturing of human values and attainment of human dignity by all. No wonder, his thinking on rural development was influenced by his larger human perspective. He further visualised that agricultural development by itself had serious constraints in alleviating poverty there and emphasized that non-agricultural development and growth of social and cultural services are as important as agricultural development for solving the complex problem of rural poverty and unemployment. There are different views on the concept of rural development but, rural development continue first to the basic needs of the rural population coupled with psychological and cultural needs to make them productive and enlightened so that they should create assets not to eat assets.

Since rural development intends to reduce poverty, it must clearly be designed to increase production and raise productivity. It is believed that improved food supplies and nutrition, together with basic services such as health, education and cultural activities would directly improve the physical wellbeing and quality of life of the rural poor, but also indirectly enhance their productivity and their ability to contribute to the national economy.

### **Rural Development in India pre-independence :**

Rural development traces back its history to the Seventeenth Century when voluntary efforts to serve the mankind were initiated. A religious society of people known as 'Friends' or 'Quakers' had emerged as a movement in this direction for the first time

in England and then in other parts of the world in rapid strides. It aimed at providing service to mankind transcending bonds of religion, territory and culture. The Quaker was a kind of rebel. In the mid of the seventeenth century, the main plank of the Quaker movement was that every human being has infinite dignity, that he is worthy of reverence simply because he is a human being and therefore, a temple of God. The main spirit behind this movement has been one of the selfless service and sacrifice and it runs like a wire, as it were among the exponents of the Quaker faith.

The Quakers constituted the international group, functioning on a global level. Since the very inception of their movement, the Quakers devoted themselves to the alleviation of human miseries, resulting from wars and natural calamities like famines, earthquakes, etc. The Quaker service to India was brought by Rachel Metcalfe. She left England in the year 1866 and came to India with meagre resources and with no previous arrangements for launching a project of social reconstruction. In last quarter of the nineteenth Century, a few more quakers arrived in India to actively participate in reconstruction of the society. But the unfortunate part was that the famines of 1895-96 and 1899-1900 converted these Quakers into simple relief workers.

It was at the beginning of the twentieth century that a training point was recorded in the history of rural reconstruction work when the Rasulia compound at the outskirts of Hoshangabad was acquired and the Rasulia workshop for learning was established. It was in this compound that a popular Hoshangabad was later developed. The trainees of the workshop manufactured furniture and supplied the same to the local market. Even today some of the furniture available in the Collectorate office and on the Hoshangabad railway station was manufactured in that workshop in those early days. A stage then arrived in 1920 when the Rasulia workshop had to be closed down mainly on account of an exit of the then grown up children from it. Beside, the Quakers had also carved out the two villages of Laki and Makoria from jungle in nearby areas of Hoshangabad and were pre-occupied with problems of inhabitants of these settlements.

A new phase started in the year 1932 when Hilda Cushmore visited India and opened a new chapter in the history of Rural development. Using her profound knowledge of working as a Warden of a university ‘settlement’ in Bristol and Manchester and as a quaker relief worker in France and Poland she conceived of the idea of an Indian rural settlement which could be named as Quaker Ashram. She established the Ashram with an intention that it should serve as a forum for exchange of ideas for the Indians and the English and for all other drawn from different parts of the world. Besides extending a variety of services to the villages through trained workers, young and old, fully equipped for both mental and manual work, it was deemed that the Ashram would grow into a living witness to the possibility of International co-operation and Goodwill.

The first attempt for rural development in India was made in 1885 with an ultimate objective of bringing immediate relief and development of rural areas in Baroda. In 1922, the Swaraj Ashram was established at Baroda by Maganlal Gandhi. The Ashram aimed at preparing for non-cooperation, and the civil disobedience movement launched by the Indian National Congress under the leadership of Gandhi. The resolution for non-cooperation was passed earlier in September 1920 at the Calcutta Congress under the President ship of Lala Lajpat Rai. This resolution included mainly two things : boycott of foreign goods and mass publicity for use of home-made Khadi clothes. It was thought that boycott of goods in particular might not affect adversely the British trade. But spinning and weaving as an instrument for training in the qualities of self-reliance and self-confidence would definitely bring about a favourable impact on rural development.

Moreover, with the start of the Reform movement by Adivasis during the period 1915-20, the Government suffered heavy losses in revenue, sales of liquor by contractors reduced, drastically and the Adivasis also refused to do the agricultural work on low wages. In 1935, reconstruction centers were organised at several places, but start of the Second World War in September 1939 thwarted the progress of achievement of these centre.

‘Grow More Food’ campaign was started in 1939 with a view to augmenting the level of food production through planning and implementation of short term and long term improvement programmes in agriculture. Besides, a good number of projects aiming at community development were introduced in different parts of the country by the Governments of states/union territories.

The next important step was taken by the Kisan Sabha under the leadership of the Communist party worker Mrs. Godavari Parulekar in 1945. For the first time, Adivasis made slogans against exploitation by landlord, money landers, and contractors. As a result, the Minimum Wages Act was brought under enforcement in Forties to safeguard the interest of Adivasis working for forest contractors and plantation owners. And since 1947, the Government started to encourage formation of cooperative labour contract societies for forest workers.

While summing up, we notice that since start of the last decade of the nineteenth century, quite a few centres parts of the country. These centres made systematic efforts for development of life and society of specific rural Communities and tried to make full use of technological knowledge. And by the end of the Forties of twentieth century a number of such centres based on well defined principles and approaches of community development were going on in various parts of the country. Some of these centres were started by the Government of sub-national level and some others were initiated by the great individuals and private organisations including Christian missionaries, Gandhian Constructive workers and independent voluntary associations.

### **Post Independence :**

After independence, in September 1948 the first and the for most ‘Pilot Project’ was started in an area of 64 villages scattered in the vicinity of Mahewa located at a distance of about 8 miles from the Headquarters of Etawah district. Subsequently, in the year 1949, there was again a move for ‘Grow More Food’ campaign with a view to attaining self-sufficiency in food grains by 1952. In the same year, on 18<sup>th</sup> April, the Bhoojan Movement was started under the leadership of Vinoba Bhave. The aim of the movement was to acquire land through donation from individual landowners

and distribute it fairly among the landless families. A similar kinds of movements like ‘Gramdan’ were also started in the direction of rural development during this period. But one of the major shortcoming of these efforts was that they were more or less ‘ad hoc’ and inco-ordinated in nature without any conceptually broad-based strategy. Besides, these efforts were also more in nature of trials rather than experiments with well defined approaches and methods. Those of Governmental authorities to improve the economic, social and cultural conditions of communities, to integrate these into the life of the nation and to enable them to contribute fully to national progress.

In India, objectives of the Community development add national extension programme were to assist each village in planning and carrying out integrated, multi-phased family and village plans directed towards increasing agricultural production, improving existing village crafts and industries and organizing new ones, providing re-creation facilities and programmes, improving housing and family living conditions and providing programmes for village women and youth.

For the implementation of the programme blocks were set up, each comprising about 70,000 people. Community development programme acquired a momentum following the introduction of Panchayati Raj institutions. This was done on the recommendations of a study team for community projects and national extension service appointed by the Planning Commission in 1957. The team in its report, submitted at the end of December 1957, had tried to find out what needs to be done to make the performance match with the promise. The committee observed that so long as we do not discover or create a representative and democratic institution which will supply the local interest, supervision and needed to ensure that the expenditure of money upon local objects conforms with the needs and wishes of the locality, invest it with adequate power and assign to it appropriate finances, we shall never be able to awake local interest and excite local initiative in the field of development.

In the second plan a shift in emphasis was made with relatively larger share of the plan outlay allotted to heavy industries in public sector. The plan further added that rapid industrialization and diversification of the economy was thus the core of development. It was also hypothesized by the planners that the first task should be to

make the cake larger and then one can think of its distribution. This led to the conclusion that “seek yet growth and all other thing will be added into it”

But in the third plan it was stated that in the scheme of development the first priority necessarily belong to agriculture. Experience in the first two plans, and specially in the second, has shown that the rate of growth in agricultural production is one of the main limiting factor in the progress of the Indian economy. It was also realised that development of agriculture, based on the utilisation of manpower resources of the country side and the maximum use of local resources holds a key to the rapid development of the country.

In view of the production trends during the second plan, it had become clear that importance of agriculture could not be undermined. The third plan explicitly stated that “more than any other factor, the success of the Third plan will turn on the fulfillment of its agricultural targets”. After the lapse of some years, the government launched programmes oriented to agriculture and allied services. The main reason for introducing the new programmes was the heavy import of foodgrains between 1947-1960.

The first among these programmes was Intensive Agricultural District Programme, an experiment in intensive agricultural development introduced in 1960. This step was taken by the government on the recommendation of the Agricultural production Team sponsored by the Ford Foundation. The team suggested that those crops and areas in each state having the highest potential for increasing production may be chosen. The purpose was to achieve rapid and significant increase in the agricultural production. Under the IADP, a package of improved practices were to be applied. It was thought that through measures of concentration of resources in such areas, a network of substantial production pockets could be built up within a few years.

Both positive and negative results can be expected from such a pilot programme. The basic idea of the programme was sound. It was also proved that the small farmers can be no less progressive than the big farmers provided the requisite pre-conditions for agricultural development are created.

The committee also described the programme as the “Path finder” and “Pace setter” for the whole agricultural programme. The main criticism level led against this programme was that the whole strategy was supply based without taking into consideration the demand aspect of inputs.

The Intensive Agricultural Area Programme introduced in 1963, was a diluted version of the IADP. The aim of the IAAP was also to bring about an increase in the production of main crops in selected areas by an intensive and coordinated use of various aid of production.

High-yielding varieties programme was introduced in 1965-66. The strategy was expected to benefit the rural economy in two ways : (a) by quick increase in the cereal output and (b) by raising the demand for agricultural labourers.

Under this programme, arrangements were to be made for the selection of areas in each state; working out a training programme at all levels and arrangement of inputs like fertilizer, seeds, pesticide, plant protection equipment and credit on the basis of proper need assessment.

Its chief merit was found in its immense potentialities to solve the food problem of the country in the shortest time. Out of a total increase in food grain production of 32 million tonnes envisaged in the Fourth Plan, nearly 21 million tonnes were estimated to be due to the successful adoption of the HYV programme. This programme brought about a ‘Green Revolution’ in the country. Another important finding has been that the new strategy has reduced unemployment among agricultural labourers in several states though its impact on the wage level of agricultural labours is not very clear. Inequality of income not only widened between the irrigated and run irrigated areas of implementation of this programme but also within the areas where this programme was introduced.

Adverse weather condition prevailed for three years. The sharp set-up in defence outlay and administrative rigidity contributed to the shortfalls in the Third Plan which ultimately resulted in to plan holiday for subsequent three years.

The basic goal of Fourth Plan to achieve rapid increase in the standard of living of the people through measures which also promote equality and social justice. Emphasis was placed on the common man; the weaker section and the less privileged. For this purpose, priority was given to labour intensive programme through development of agriculture, rural infrastructure including communication and transport links, rural electrification, water management, rural industries decentralization and dispersal of industrial investment and rural and urban housing.

Removal of poverty and attainment of self-reliance were two major objectives that the country had set out to accomplish in the Fifth Plane. The major thrust of policy was in terms of substantially widened employment opportunities in the agricultural sector, specially for agricultural laboures and small farmers. The National Programmes of Minimum Needs as incorporated in the Fifth Plan, therefore, envisaged a frontal attack on this problem. One of the major objectives was to substantially raise the per capita monthly consumption of the lowest 30 per cent of the rural population.

During these two plans, a number of special rural development programmes were introduced such as Farmer Training and Education Programme for commercial crop Oil Seeds Development Programme and Dry Land Agricultural Development Programme. The government was worried about frequent drought in some parts of the country. The drought prone area represents nearly 19 per cent of the total area and account for nearly 12 per cent of the population.

Apart from the outlay included in the Five Year Plans, the government used to provide annually a considerable amount to famine affected areas. Hence, Rural Workers Programme was initiated in 1970-71 with focus on execution of rural works and employment generation. The programme was reoriented on the basis of an area development approach and was redesigned as Drought Prone Area Programme at the time of mid term appraisal of the Fourth Plan. The basic objectives of the programme were (1) reducing the severity of the impact of drought, (2) stabilizing the income of the people particularly weaker sections of the society and (3) restoration of ecological balance. Under the programme various schemes were to be undertaken such as

medium and minor irrigation projects, soil conservation and a forestation and construction of roads.

Though employment opportunities were rooted through this programme, the other objectives were not achieved. Dr. Gadgil remarked : “The idea that a rural works programme can easily meet this need is not well founded. The experience of the Third Plan in relation to rural works programme was that both from the point of view of utility as a development programme and from the point of view of affording additional employment suitable to the need of the local population, the rural works approach left much to be desired.”<sup>1</sup>

One of the objectives of the Fourth Plan was to enable the small and marginal farmers and agricultural labourers to participate in the process of development and to share its benefit. In pursuance of this objective, the plan provided two sets of projects, viz., the project for small but potentially viable farmers and agricultural labourers.

The main functions of the Small Farmers Development Agency were : (1) to identify eligible small farmers on the basis of potential viability and their problems and formulate programmes for making them viable, (2) to promote rural industries and set up an adequate institutional, financial and administrative machinery, and (3) to promote, and strengthen common facilities such as cooperative institutions marketing etc.

The programme of Marginal Farmers and Agricultural Labourers was worked out in 1971-72. The projects under the MFAL programme were designed to make in-depth study of the problems of marginal farmers and agricultural labourers and to evolve suitable programmes and make institutional, financial and administrative arrangements for their implementation. irregularities were reported in the identification of target groups. Very little attention was paid to identification of agricultural labourers in several projects. The programme which was primarily addressed to help the weakest, tended to help the relatively better off among the small and marginal farmers and agricultural labourers.

The Command Area Development Programme was conceived towards the end of the Fourth Plan. The basic objective of this programme was to organize the use of irrigation

systems by modernizing them and adjusting the cropping pattern to soil and agro-climatic conditions of the command areas. Thirty seven command area development authorities converging 47 irrigation projects had been set up till March 1978.\*

Realizing the fact that a large number of people had been neglected in various development programmes, the government launched some programmes having a wider coverage than that of earlier programme.

Under the Hill Area Development Project, Tribal Area Development Programme and Integrated Trible Project efforts were made to provide benefits to tible people. The main aim behind these programms was to provide basic amenities and improve their living condition.

The Cresh Scheme for Rural Employment was conceived at a time when the various development programmes like SFDA, MFAL, DAAP, etc. had not spread out fully and a minimum measure of affort was considered necessary to relieve the stress caused by unemployment and underemployment The scheme was introduced in 1971. This scheme had two basic objectives, Viz., (1) direct generation of employment in the districts covered by applying labour intensive techniques, and (2) the production of assets of durable nature in consonance with local development plans.

Implementation of this scheme suffered from many difficulties. The injunction that the scheme will provide employment only to those household which had no adult earning member was found to be impracticable. Other drawback was the lack of follow up programmes. Proper attention was also not given to create useful durable asset through this programmes.

Based on the directive principles of the constitution social justice has been a basic objective of development planing. However, the past experience had revealed that the programme for the provision of social consumption did not have the desired impact partly because the related programmes had not been given high priority and partly because decisions regarding individual sector were taken without any effort to bring about an integration of the facilities provided.

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\* \* Indian Rural Problems, Ashok Navrang Murarilal & Sons, New Delhi, 2006, pp. 204-245.

The National Programme of Minimum Needs as incorporated in the Fifth Plan, therefore, envisaged a frontal attack on this problem by attempting to allocate adequate resources for social consumption for all areas. It aimed to establish throughout the country a network of certain essential services on a coordinated and integrated basis, given certain predetermined criteria of uniformity and equity. Since the programme includes both sectors urban and rural the government decided to give priority to the programmes in rural areas. In the Sixth Plan, therefore, a Revised Minimum Needs Programme was incorporated.

The new strategy of Integrated Rural Development (IRD) was announced in 1976. It was in outcome of prolonged minimum needs programme.

### **The Problem**

Until independence, India was exploited to the maximum by foreign rulers. Naturally, therefore, when the country gained independence, it inherited *inter alia* poverty in legacy. One of the main tasks before the vanguards of the nation during the post-independence era was to remove poverty and attendant misery of the masses and reconstruct the economic structure of the society.

The first thirty-six years of independence were devoted to the socio-economic uplift of the country. All efforts were made to translate the idles of independence laid down by Mahatma Gandhi - the Father of the Nation - into reality.

But, even after over six decades of assiduous talk of development and nine Five-Year Plans, one finds a deepening economic crisis. The wisdom of hind sight has now made it clear that the plans had an elite bias. Those who lead the way and anticipate progress were affected by various misconceptions about the economic growth that took place. Higher GNP was wrongly equated with development, and some superficial attributes of the affluent West acquired to fulfill the needs, aspirations and ambitions of the elite, was wrongly equated with the common welfare. In the process, a large section of countrymen suffered callous neglect.

The problems of poverty in India are immense. The poverty line continues to receive a new definition every quarter in order to prove that there has been no increase in the number of poor people and thereby to project an “improved” image of the poverty present a dismal reading. Defining the “poverty-line” in terms of either a minimum monthly per capita expenditure of Rs.15 to 20 (at 1960-61 prices) or of a minimum calorie requirement to 22 units, Ojha (1970 : 16-27)<sup>2</sup>, Bardhan (1970 : 129-36)<sup>3</sup> and Dandekar and Rath (1971 : 25-48 and 106-46)<sup>4</sup> find poverty either increase or constant at the high level. Ojha<sup>5</sup> says that in 1960-61, the poor constituted 51.8 percent of the rural population, in 1967-68 this rose to 70 per cent. Bardhan’s estimates of the rural poor are 38 percent in 1960-61 and 44.6 percent in 1967-68. Dandekar and Rath<sup>6</sup> strike a slightly more encouraging note. According to them, poverty in the rural and urban areas has been constant over years with 40 percent of the rural population and 60 percent of the urban population remaining below the poverty line<sup>7</sup>. However, the superficial examination manifests that differences have narrowed down, but a more thorough examination of the same figures shows that gaps between the rich and poor would widen “intolerably” and that such a narrowing down, in fact, has not occurred. Minhas (1970 : 97-128)<sup>8</sup> estimates some decline in rural poverty from 52.4 percent in 1956-57 to 46 percent in 1960-61 to 39.3 percent in 1964-65 to 37.1 percent in 1967-68. Whether one accepts the optimistic or pessimistic estimates, the fact remains that the country has an enormous problem in the dimension of its rural and urban poverty.

The majority of India’s population (76.27 percent) lives in rural areas of large number of the total population of India lives below the poverty line (48.1 percent), of which 50.8 percent are rural and 18.2 percent urban (Mukerjee, 1981 : 3-4)<sup>9</sup>. The plans that were made to ameliorate the conditions of the poor are said to have urban bias Lipton, 1975<sup>10</sup>; Harriss, 1980 : 33-64)<sup>11</sup>.

“Elimination of abject poverty will not be attained as a corollary to a certain acceleration in the growth of the economy alone” (Das, 1973)<sup>12</sup>. India contains a large number of “ultra-poor” people and has raised real income per person relatively slowly” (Kuznets, 1972)<sup>13</sup>. Although Indian average reality income is, at least 40

percent higher than in 1950 (Pandey, 1975)<sup>14</sup>, While the India's poor are scarcely less poor (Minhas, 1974)<sup>15</sup>.

### **Importance of the study :**

We can know the deepness of poverty in India. We find components to alleviate poverty. We can measures to poverty on the basis of absolute and relative criteria. We can know where and how the poverty alleviation programmes are to be implemented. We can measure and identify poverty in rural area. Government can review the alleviation programmes implemented by them, know the present situation regarding the monetary position of our country, by support of the study. Govt. machinery can identify the practical difficulties raised while implementing poverty alleviation programme. Hidden and concealed poverty of rural masses can be identified, measured and steps could be taken accordingly to alleviate poverty. In this way, this study would be immensely important to planners, administrators, policy-makers, Government machinery, Reserve Bank of India, academic community, researcher, future researchers, students and the people as well.

### **1.2 Review of Literature :**

Review of literature is an important aspect of research work as it helps in understanding specific problems and in drawing some hypotheses. Keeping in this view, literature connected with the problem in hand has been reviewed gleaned it from various sources, viz., relevant books, journals, dissertations, reports, research projects, surveys, etc. This part of the present chapter takes into consideration the conclusions and views of various scholars regarding the overall performance of Integrated Rural Development Programme (IRDP) and causes of its success or otherwise, and various drawbacks associated with the programme. Thus, the major issues related to the criteria of identification of the poor and its related aspects, viz., fairness/genuineness of procedure for selection of rural poor, various loopholes, technical flaws, suggestions for improvement, utilization of loan and bribe given for loan, etc., have been given due attention in the review.

Kulkarni et al (1989)<sup>16</sup> carried out a study in Bijapur district of Karnataka. They find that different socio-economic factor affect the success of failure of different schemes of IRDP. According to them the success of IRDP mainly depends upon the level of education, family size, ownership of livestock, durable assets and occupational structure. The study highlights that one of the reasons for poor performance of IRDP was the delay in actual sanctioning of loans and releasing of the subsidy amount by the development authorities. They suggested that single window approach both for subsidy and loan would reduce the time gap and transaction cost of borrowing for the beneficiaries.

Calling it the world's most ambitious credit-based poverty alleviation effort, the World Bank (1989:5) attributes the failure of India's Integrated Rural Development Programme (IRDP) to its inability to ensure continued access to institutional credit for disadvantaged rural households. Unless constraints, which continue to block access of the poor to institutional finance, are not removed effectively, the window of opportunity to banking services offered by the IRDP will remain closed. Welfare gains derived thus far by beneficiaries of their IRDP are likely to be short lived without the opportunity to replenish working capital and undertake additional investment, using term credit.

Thippaiah and Devendra Babu (1986)<sup>17</sup> have come out in their study with some major defects in the implementation of the programme Non-identification of proper persons as beneficiaries, non-availability of trained personnel, misuse of loans and poor repayment position and lack of infrastructural facilities are some of such defects.

Rao and Natarajan (1988)<sup>18</sup> in their study on evaluation of impact and progress in implementation of IRDP in Warangal district note the deficiencies prevailing in IRDP. Their study brings to the limelight various deficiencies in the whole chain of IRDP in the district which are under-financing, providing cash credits by violating the norms, lack of supervision, lack of knowledge on the part of the beneficiaries to utilize the assets lack of adequate training to the schemants, the IRDP loans not being utilized to the extent of their real objectives.

Mohansundaram (1988)<sup>19</sup> conducted an evaluative study in two blocks of Coimbatore district of Tamil Nadu, entitled “How IRDP schemes can be better implemented ?” He suggests some important measures regarding effective implementation of IRDP schemes. He states that very low perception of the rural poor indicates the dire need for increasing awareness among them about the special schemes meant for their welfare. The *lackadaisical* attitude of the implementation machinery should also be changed. Selecting deserving and bonafide beneficiaries by conducting household surveys, credit camps and involvement of Gram sabhas, etc. will ensure assisting of right beneficiaries. The major advantages of such exercises are cutting across the dominance of intermediaries and avoidance of leakages. This can be done by active and effective coordination among the various village level developmental functionaries. According to him the programme has promoted the income of the beneficiaries.

Taneja (1989)<sup>20</sup> researches the conclusion that despite too much proclaimed claims about the success of various anti-poverty programmes, such as IRDP, NREP, RLGP, and TRYSEM most of the labour households are still not able to meet their minimum consumption requirements. These are the people who do not have a bare sufficiency of anything neither food, clothing, nor shelter, leave alone education or medical care. The author observes that the fact we find such utter destitution here in Panjab (reputed to be the home of India’s most progressive farmers) raises doubt about the designing and implementation of the poverty eradication programmes.

Singh (1988)<sup>21</sup> in his paper entitled “Socio –Economic Impact of IRDP on Weaker Sections in Panjab”, infers that the IRDP does have its impact on the weaker sections. Those who took advantage of the facilities were in a better position to improve their socio-economic life than those who did not avail themselves of such facilities. He observes that comparatively well-off sections of the society derived more benefits from IRDP than the weaker sections.

In an evaluation study entitled “Finance under Rural Development Programmes”, the State Bank of Patiala (1987)<sup>22</sup> concludes that 42 among 100 persons seem to have crossed the poverty line but according to these beneficiaries the additional income so generated has not improved their living conditions to the desired so much that the

additional income generated has been nullified. However, almost all the beneficiaries under the scheme admitted that they increased their annual income and now they were living in somewhat better conditions than those obtaining before availing of loans under the IRDP.

Rao (1987)<sup>23</sup> states that the reduction in the extent of poverty is not significant among those who have taken up village industries. He feels it ambivalent that the IRDP can be successful in improving the skills of labourers.

Regarding the nature of utilization of the IRDP loan, the State Bank of Patiala (1987)<sup>24</sup> on the basis of the report by the Branch Manager/ROOS has come to the conclusion that in 98 cases the funds at the initial stage were utilized properly, while in two cases animals were reportedly disposed of immediately after purchase within the same cattle fair. However, 19 borrowers later on disposed of their assets and utilized the sale proceeds for some other purpose. The study discloses that these 19 persons also actually misutilizing the funds.

Basu (1988)<sup>25</sup> infers that IRDP, a strong policy instrument for poverty alleviation has brought about mixed consequences in the district of Nadia. Its performance has varied in various areas and sectors. From identification of beneficiaries to raising and sustaining them above the poverty line, there have been insidences of satisfactory as also those of poor results.

Hirway (1988)<sup>26</sup> notes the following deficiencies in the IRDP : First IRDP emphasizes self-employment rather too much. It assumes that the poor and especially the poorest of the poor are capable of self-employment and managing independent enterprises successfully. This assumption is not realistic as many of the poor are illiterates, have low risk capacity, process little entrepreneurial abilities, and have no or very little assets. Therefore, they are not credit worthy. They are not capable of managing enterprises independently. Many of them would be better off if they are given wage employment.

Secondly, IRDP assumes that the poor need a subsidized income generating asset and when it is given the needs of the poor are largely satisfied. This assumption also is

not fully correct as the asset will perhaps meet a part of their needs, but it will not help them in meeting their urgent needs. In this sense, IRDP is a partial approach which tends to create leakages in the working of the asset schemes and in running of the programme successfully.

Thirdly, IRDP assumes that the special arrangements made for the poor will reach them. It is difficult to accept that IRDP, which does not attempt to change the prevailing socio-economic system in which it operates, will change the process of percolation of economic programmes in favour of the poor. The planning component of IRDP also is found to be weak. First of all, there is no systematic approach regarding allocation of IRDP funds among various schemes, various areas and households. There is no provision in IRDP which provides for allocation of resources. To allocate specific schemes to the poor households mainly on the basis of their own demands is definitely not a sound way of planning.

Rao (1987)<sup>27</sup> points out that the IRDP in Maheswaran block of Ranga Reddy district has achieved partial success only. According to him, the absence of a proper set-up at the block level was hindering the planning and implementation of programmes. Although the programmes chosen were based on the capacity and preference of the beneficiaries, they were neither integrated properly nor did they form part of any long term strategy. There was no scope of community involvement in planning the rural development programmes and the emphasis was only on giving subsidies to the rural poor from available funds.

Devi's study (1986)<sup>28</sup> holds that the IRDP as an anti-poverty programme is good in intention but intention alone is not enough to cater to the needs adequately. Measurement of poverty in absolute terms, i.e. in terms of per capita income required to meet subsistence needs of the family is essential but it has limited utility. Having defined and measured poverty purely in economic terms, there is no need to have social categories within the poor such as SCs, backward classes and others. The only relevant and meaningful categories for the purpose of providing appropriate capital assistance under IRDP are landless agricultural labourers, artisans and small farmers. In fact, there is every reason to exclude small farmers with more than one hectare of

land from the category of poor as they have less coercion, different priorities and more potential to develop independently without any external assistance. The more homogeneous are the poor in their needs and priorities, the more efficient will be the transfer of IRDP inputs to them and the more effective will be the programme.

Since the immediate goal of all the antipoverty programmes is to improve income or financial condition of the poor, the ultimate goal clutches will have to be to free them from the clutches of the upper caste or class and thereby reduce the degree of their despondence and exploitative elements of the system in economic, social and political terms. One should not forget that the poor are really poor due to some serious and real constraints which can not be overcome overnight and there is a cumulative effect of disadvantages leading to deprivation and both of them leading to despondence and dependence at the end. It may also be essential to organize the identified poor, encourage their own leadership and get them involved in decision making which ultimately encourage them with a view to avoiding the feeling of alienation and poorlessenss. Hence, the need was to create a sense of competence which is so decisive for the success of any anti-poverty programme.

Sidhu (1986)<sup>29</sup> concludes that the income generation under IRDP indicates that income generation under IRDP indicates that there were only 22 per cent of families whose income was between Rs. 2,001 and Rs. 3,000. At the same time, there were 20 families whose one or more members were in government job. These members earn from Rs. 7000 to Rs 8000 per year. Moreover, there were five families whose land exceeded the unit of small and marginal farmers and they owned tractors. Thus, it is not the IRDP which has increased the income but they were already living above the poverty line. Moreover, some beneficiaries were running small businesses and should not have been given assistance under IRDP.

Through their study, Satanarayan and Peter (1985)<sup>30</sup> arrive at the conclusion that among various apparent constraints, uneven, untimely and inadequate financial and supervisory support for the IRDP schemes, the traditional dominance of the rich and powerful political personnel links in the rural areas, expanding population illiteracy and unemployment inherent inferiority complex and lack of enthusiasm and

confidence among the rural poor are the significant factors mainly responsible for the overall hindrance in the process of poverty alleviation. In the presence of such chronic rural problems, the responsible job of managing the IRDP schemes has rendered helpless, the socially weaker group of village level workers and school teachers. As a result, the alignment in the planning and implementation of the IRDP schemes could not be a properly organized.

Singh (1986)<sup>31</sup> evaluates the performance of IRDP in six districts by taking a sample of 220 beneficiaries. He reveals that close monitoring of major anti-poverty programme for integrated rural development shows that in 28 per cent cases, assets created with the help of the programme were not intact with the beneficiaries.

Mishra (1986)<sup>32</sup> investigates the question of failure of IRDP and notes that the IRDP has failed to lift the majority of the target group above the poverty line on a permanent basis. The IRDP, in its conceptualization and planning designs and operational strategy, leaves many things to be desired. Among the problems faced by the IRDP are the problems of identification of beneficiaries, remote control owing to centralized planning and implementation, administrative problem on account of linking of subsidy with loans, target-oriented approach, lack of coordination between IRDP agencies and other institutions, cumbersome loaning procedure and inadequate supervision mechanism. He, therefore, suggests that certain changes are essential in order to achieve the objectives with regard to IRDP. In view of the insufficient command over goods and inadequate entitlements legitimatized by the legal and institutional systems of the poor, the IRDP should be an integral part of land reform programme that tries to redistribute land to the landless or ownership rights at least to the poor tenants.

Kurien (1987)<sup>33</sup> in his detailed note made on the basis of the data collected by various agencies, opines that the concurrent evaluation of IRDP has clearly brought out the fact that the programme has a great potential, though it suffers from a number of limitations at present. Many of those criticizing this programme have also appreciated this fact. Another important aspect which is brought out by the survey is the fact that the programme, though so important, is left entirely in the hands of the bureaucracy,

professional politicians and middlemen. It requires much more intellectual inputs and clarity of thought for conceptualization and planning at all levels than what is provided at present. Implementation and monitoring have to be necessarily a much more involved and cooperative effort between the implementers and the beneficiaries.

Ghose (1986)<sup>34</sup> in an article on IRDP, remarks that one of the most important findings concurrent evaluation is that the investment per beneficiary family under the IRDP has been rather low, particularly in view of the fact that the poverty line has now been re-drawn at an annual income of Rs 6,400. It was previously Rs. 3600 only. Due to this reason, a large section of the families which has received loans and subsidy during the Sixth Plan to increase their income by exploiting assets acquired by such beneficiaries have to be given a supplementary does of assistance so that they crossed the poverty line and the investments already made on them did not go waste.

Prasad (1986)<sup>35</sup> organized a study of the planning for the removal of rural poverty in India. He made a critical assessment of various policies adopted for this purpose like the trickle-down strategy, land redistribution, beneficiary-oriented programmes for the poor such as the IRDP, NREP and so on. The study expresses itself against the continuance of the uniform approach in different part of the country because of wide variation in techno-economic and socio-economic conditions and makes a case for more flexible approach. It is concluded that poverty alleviation is possible in the next ten years or so if concerted efforts are made in terms of change in the objectives and strategy of planning and adoption of a set of interrelated policy measures.

On loopholes of rural development programmes, Maheswari (1985)<sup>36</sup> comments that rural development programmes in India suffer from a high degree of centralization as illustrated by the IRDP. This programme has been formulated in great detail at the central level with little flexibility permitted at the implementation level so much so that it may not be inappropriate to say that this programme is for the people but certainly not by the people and of the people. India is an example of a country which is seeking to promote rural development purely through its regular bureaucracy with little involvement or participation by the people.

Sharma (1985)<sup>37</sup> is of the view that experience of implementation of IRDP clearly shows that while the IRDP has helped the targeted families in augmenting their income and to cross the poverty line, the desired improvement in the overall quality of their life has not been brought about. It is, therefore, obvious that other services, particularly social inputs, have not been delivered to them. This underlines the need of convergence of services and inter-linking of economic and social development programmes for the poor.

In respect of identification of beneficiaries and bringing out problems in implementation of IRDP, Manrai (1986)<sup>38</sup> confirms that selection of beneficiaries was arbitrary. According to him, a common reason for this was that the programme was implemented in a hurry without adequate preparation and sufficient time for proper identification of eligible families. The development staff at the field level was also observed with the idea of target achievement. The traditional power structure in the rural areas was another major reason for this situation.

Khatkar (1986)<sup>39</sup> undertook a study to examine the identification of beneficiaries and impact of IRDP, taking 70 beneficiaries of IRDP in Rewari block of Mahendragarh district of Haryana. They observe that only 37.1 per cent of the beneficiaries are properly identified while as many as 48.6 per cent of them are misidentified. Over 14 per cent the beneficiaries misutilized all IRDP assistance resulting in outright leagues.

Chandakavate (1985)<sup>40</sup> conducted a study in Singdi taluka of Bijapur district in Karnataka to evaluate the IRDP and unearthed a number of loopholes. Regarding identification he states that the identification of suitable beneficiaries for assistance and their categorization is found defective. A formal discussion with the beneficiaries has revealed that about 7 per cent of the families surveyed are ineligible as they are above the poverty line. These families have either government/private job holders as members or have big landholdings. Some small and marginal farmers have been assisted under the same programme treating them as separate families. Bankers are not a party in the identification of beneficiaries.

Subbarao (1985)<sup>41</sup> made an attempt to critically examine the impact of IRDP on the basis so field work done by various agencies like NABARD. He believes that wrong identification of beneficiaries is one of the major failings of the programme. He further writes that wrong identification is related not so much to the efficiency of administrative infrastructure as to the method adopted in identification of the poor. A part of the difficulty also arose because of the absence of any preparatory work and the anxiety for target fulfilling

Tewari (1985)<sup>42</sup> made an attempt to analyze the issue of IRDP on the basis of data collected by the State Bank of India. Chair at the public system Management Center, Xavier Institute of Management and Labour Studies, Jamshedpur. Regarding deficiencies of IRDP and shortage of staff he notices that : (a) Field staff with target group interface are very few and assignments too many. As a result they concentrate on such assistance that render quick and conspicuous results, and have no time to ascertain beneficiaries genuine interest or for innovating activity. Further, follow up of the investment is almost non-existent. (b) Considering the role, responsibility and labour in promoting activities for rural poor, functionaries feel that the reward and advancement system (a facet of personnel policy) is unattractive Field level staff particularly VLWs, do not have much choice but to manage transfers and do not like the existing organizational structure and duties as compared to options available to them. (c) Intensive and specialized training of DS personnel in business promotion and development is not a prominent feature. They happen to be in the DS, therefore, presumption is that they can promote it. Absence of induction training is felt.

Rao (1987)<sup>43</sup> regrets that a serious handicap at the grassroots level of the implementation of IRDP is the lack of sufficient time and staff. Lack of technical staff is a serious handicap to implement the programme. Each agency has given a clear-cut idea that additional staff is required but the selection and posting have not yet been done. Further, he states that the family income survey is rarely useful because of lack of suitable staff.

Some scholars have also discussed in their studies about malpractice by the officials in implementing the programme.

Guhan (1986)<sup>44</sup>, in his paper, notes that there is rampant corruption among government and bank officials with political brokers taking advantage of the situation. This has reduced the real benefits to the beneficiaries.

Gill (1983)<sup>45</sup> opines that dairying has reportedly reached the saturation point. It is openly said that veterinary surgeons on the purchase committees have to be bribed before an animal is approved.

Judge (1989)<sup>46</sup> says that corruption among the officials is pointed out by many respondents. The officials who often take bribes include veterinary doctors, bank personnel and block staff. Further, the provision of subsidy has brought in corruption among the officials, as also among the beneficiaries.

Singh and Deb (1986)<sup>47</sup> conducted a study to find out the nature of people's participation in IRDP, by choosing two clusters - one from Bhatinda and the other from Ludhiana district. Their study reveals that more people from amongst the big farmers participate in larger numbers in IRDP than others. The participation of the functionaries and agricultural labourers is minimum in both the areas. The researchers assert that it is imperative that efforts have to be made to educate the people about the objectives of the programme to enable them to participate in large numbers. Efforts should be made to create better employment opportunities for landless and small farmers under IRDP to seek more participation from rural people. If proper consideration is given to the functioning of IRDP and in formulating various facets of the scheme it may show better participation than at present.. Further, planning of IRDP may take these points into consideration.

Nagaraja (1987)<sup>48</sup> reviewed the prevailing conditions of poverty in rural India. The author has observed that the basic objective of the eradication of poverty is to provide the acceptable standard of food, clothing, shelter, education and health for the people. In 1938, the National Planning Committee of the All India National Congress started the programme for eradication of poverty all over India. The majority of the rural population in our country lived below the poverty line (50.82%) in 1977-78. However, overall poverty was 48.13 per cent. Owing to implementation drawback and

weaknesses in the receiving system, there is unemployment and poverty among the rural weaker sections. It is suggested that the rural weaker sections should be provided the education which may enable them to attack the deceptive and exploitative middlemen and intermediate agencies and to become a force to reckon with to fight corruption and malpractice.

Singh (1987)<sup>49</sup> investigated the problems and prospects of poverty alleviation programmes. The author observes that although these programmes contain the basic objective to uplift the socio-economic conditions of the rural poor and the downtrodden, the implementation of these programmes suffer from a large number of problems and bottlenecks. Owing to the lack of suitable and sufficient infrastructure in the rural area, these programme have not been able to benefit the poorest section of the population upto the level of expectation. It is suggested that adequate regional planning, strong central coordination effective local level organizations and participation of the rural poor in the planning can make these programmes more effective.

Regarding the adequacy of loan amount Guliani (1986)<sup>50</sup>, in his study, speaks about inadequate loans and subsidies. According to them the loans advanced for different purposes are not sufficient to meet the actual requirements of the loans. All the beneficiaries, except two, state that the amount sanctioned insufficient for them to get rid of poverty once for all. The recipients of loans for new well sinking and development of old wells expressed that they need assistance for pump sets.

On this issue of recovery of IRDP loans, according to Chandakavate (1985)<sup>51</sup> an unpleasant aspect of the programme is the poor recovery performance. It is revealed that 6 per cent of them have not repaid at all and the remaining beneficiaries have partly paid the amount of loan. However, the existence of willful defaulters in many instances cannot be ruled out.

Manarai (1986)<sup>52</sup> highlights the problem of the middlemen in loan getting and states that even when the selection of the poor is alright, the fall amount of the assistance

does not reach any beneficiary because of the middlemen. A class of politically influential middlemen has arisen which has began to benefit itself from the system.

Murari (1988)<sup>53</sup>, while commenting on the various rural development programmes in a historical perspective, suggests that all development programmes should be started after understanding of the totality which includes, social political and operational aspects of the strategy. He infers that what use need is “System Orientation Progamme Development,” as any other approach would be like repeating the mistakes of a Community Development Programme. To implement IRDP in its true spirit, the operational, political and bureaucratic infrastructure should be understood in totality.

The Agricultural Credit Review Committee (Report August 1989)<sup>54</sup> has highlighted the major shortcomings of IRDP and has given useful suggestions to improve the efficiency of this programme. They can be briefly stated as under :

- (i) Selection procedure for the poor has been faulty and banks have not been involved in the same banks must be given a greater say in the selection of the poor.
- (ii) Targets are not linked with the resources, opportunities and capabilities of the poor.
- (iii) Repayment schedules are not reasonable and there is lack of working capital.
- (iv) There has been misuse of subsidy; this may be adjusted with the final repayment of installment in future.
- (v) Project approach is more viable.
- (vi) High targets for high incidence of poverty areas are not suitable.
- (vii) Very poor people prefer wage employment to self-employment because normally they cannot manage the assets properly.

Mishra (1996)<sup>55</sup> explains awareness about poverty alleviation programme among the urbanites. He points out that extent of awareness among the beneficiaries about various programmes varies. In the case of IRDP, as per his study, it is 41 per cent.

Dasgupta (1997)<sup>56</sup> observes in his article that various poverty alleviation programmes are essential for providing supplementary employment to the poor and underemployed. According to him, the unabated population growth cuts at the root of all the rural development efforts, and unless this problem is tackled on a war footing, it will be futile exercise to bring about the changes as envisaged.

Devi (1997)<sup>57</sup> recommends assistance to the group instead of individuals to make the programmes effective in generating income and to improve economic independence and status of women.

Ali (1998)<sup>58</sup> has carried out a study to analyze the income and employment generated through IRDP in Nalgonda district of Andhra Pradesh. He observes that IRDP has positive impact on generation of income and employment level of beneficiaries. His study also reveals that the marginal farmers have sold out all their assets created through IRDP.

Pandey and Kumar (1998)<sup>59</sup> conducted a study in Uttar Pradesh to assess the extent of awareness of rural poor about development programmes meant for them. They conclude that majority of respondents (56.5 %) are aware about the IRDP which is indicative of its popularity in the study area.

Sinha and Singh (1998)<sup>60</sup> suggested various measures/steps for all-round socio-economic development. They opine that IRDP has a distinct role both in poverty alleviation and overall development. So long the programmes play this role, and rural poverty continues at high levels, there will be a need for programme of this type, more so during the period of economic restructuring.

After going through the views expressed by various scholars on several aspects of IRDP, which are a mix of encouragement as well as failures, some common conclusions may be drawn. They are summarized here.

The studies conducted by the scholars on overall performance of IRDP by and large are of the view that IRDP has not been yielding the desired results. The researchers have highlighted several loopholes and deficiencies prevailing in the programme, such as wrong policy formulation by the planners, inadequate philosophical and methodological knowledge, lack of coordination, over-centralization of IRDP, lack of entrepreneurial ability and dynamism on the part of the poor, lack of flexibility for implementation of the programme, and, above all, lack of political will to improve the lot of the poor. However, some of the studies have shown encouraging results too. It has been noted that some schemes have led to an increase in income and employment potential of small and marginal farmers, and agricultural labourers. The scholars have given a number of suggestions which may be helpful for effective implementation of the programme.

Identification of the poor under IRDP is another important aspect of the studies discussed in the chapter. Substantiating with empirical data, most of the scholars are of the view that identification is faulty due to one reason or the other. Some of them have concluded that the procedure for selection of beneficiaries is not systematic and has many loopholes for the acquisition of subsidized loan by non-deserving people. Another section of researchers has noted that political interference, lack of will and lukewarm attitude of staff as well as officers concerned, whose sole aim is to show achievement of the stipulated target of beneficiaries, lead to wrong selection. Further, people quite often show false deeds to get loans in connivance with various officials, hindering the percolation of benefits of IRDP to the down trodden. Scholars have given a number of suggestions for streamlining the procedure of selection of beneficiaries. However, there is no consensus among the researchers and other scholars with regard to selection of beneficiaries, but there is a general idea that identification may be done with the help of Gram Panchayat/Gram Sabha without any political interference and bias. Some of them have suggested that a household survey can be made to find out exactly the people who deserve special assistance.

Broadly, all the scholars have inferred that there is shortage of staff with implementing agencies. This impairs the effective and efficient functioning of IRDP further, most of the officials have no special training for the very purpose of rural

development, and frequent transfers, especially of project officers, hamper the effective implementation of IRDP. A general view of various scholars on the issue in question is that more staff specially skilled should be recruited so that functioning of IRDP is made increasingly dynamic.

Most of the scholars have indicated in their studies that corruption is deep-rooted in the system. The poor are not able to receive their dues without paying illegal gratification. There is need to curb this practice. So far as participation in the development programme is concerned, most of the studies indicate that involvement of the real poor in the programme is minimal. Rather well-off sections from amongst the lower strata manage to take the benefits of governmental efforts for development. Beside other factors, lack of courage and confidence among the poor hampers their involvement in the programme.

Results of studies relating to the issue of utilization of IRDP loan indicate that most of the recipients of loan do not use it properly rather they use it for some other domestic needs. Some researchers state that lack of monitoring, documentation and follow up action on the part of DRDA encourage misutilization and diversification of loan money.

With regard to amount of loan sanctioned for different schemes, it may be concluded from the studies that loans given to the poor were not sufficient for their respective purposes/business; this creates financial problems for them at the time of initiation of new business.

Studies pertaining to the recovery of IRDP loan reveal that recovery varies from scheme to scheme. In some of the schemes, the rate of default is quite high while in some cases recovery is normal. Lack of help from DRDA to the bankers for recovery is major cause for defaults.

### **1.3 Research Methodology :**

#### **(a) Objectives :**

The objective of the present study are the followings

1. To make comparative study of various schemes of poverty evaluation in Charotar area of the Gujarat state.
2. To search out characteristics of rural poverty.
3. To identified the factors, which are affecting to the rural poverty.
4. To review in the exacting poverty alleviation programme in Gujarat and find out the major constraint in it's implementation.
5. To study the various elements related to poverty.

I have explained here major objectives of the study. We have considered this type of objective which purely depends on availability of data. Therefore we have dropped some items of analysis in our study.

As per review of the study on particularly poverty we have decided above objectives in our study. These objective are based on following hypothesis or assumption.

#### **(B) Hypotheses :**

- (1) Rural and urban poverty differ from each other in relation to different components that form the vector of poverty.
- (2) The rural poor have inadequate income and asset in comparison to urban poor.
- (3) Rural poor have also less occupational opportunities as compare to urban poor.
- (4) The rural poor tend to consume less nutritional element than those of the urban poor.
- (5) The problem of shelter is very inadequate and is likely to be more acute in poor rural society.

- (6) The rural poor tend to be less educated than those of the urban poors.
- (7) The nuclear family is likely to be prevalent norm of the urban while joint families of the rural.
- (8) Urban poor are more likely to be oriented towards modern values than the rural poor.
- (9) The urban poor are more benefited from poverty alleviation programmes than of the rural poor.

**(C) Source of Data/ Information :**

This study has an exploratory-cum-descriptive research design. This study will be based on primary and secondary data, which will be taken from different sources like records of Incentive Agricultural Development Programme (IADP), Incentive Agricultural Area Programme (IAAP), Draught Prone Area Programme (DPAP), Small Farmers Development Agency (SFDA) High Yielding varieties programme (HYVP), Integral Rural Development Programme (IRDP) etc. DRDA (District Rural Development Agency) records as well as Government of India and Government of Gujarat's Records and publications, Reports, of various committees and commissions on poverty. Different studies and reports of rural development schemes, as well as Journals, Research studies, Articles also be used in this study. Issuing secondary data, district-wise analysis will be carried out in this study.

Primary data are collected through our prescribed questionnaires which are developed by us. This study is based on personal interviews of beneficiaries as well as concerned government officers, Experts as and others as and when necessary.

After a detailed review of literature is done and the data availability from various sources are decided, the hypotheses or a set of research questions to be answered is devised or formulated keeping in view the theoretical ideas underlying the study.

A detailed and an appropriate research design is devised for the entire research work to make the study more useful and the presentation more scientific and simple to understand.

**(D) Areas Covered under the Study :**

Economists have divided economic analysis into two branches To the first branch they have given the name of microeconomic or partial analysis while the second is called the macroeconomic or aggregative analysis. Micro economics takes as the unit of study particular individuals, households, firms, industries or prices of different goods and services. In other words, microeconomics is concerned with the ‘elements’ of economic activity, the firm and the consumer. Its goal is to study given the level of aggregate output in the economy.

Macro economics, on the other hand is the study of economy as a whole; of the aggregate national income; of the total consumption and demand; of total saving. Investment and employment in the system. It deals with the great aggregate and averages of the system rather than with particular parts of it and attempts to define these aggregate in a useful manner and to examine how they are related and determined. It studies the behaviour of the aggregate price level. Booms and slumps which cause economic instability in the economy from the subject of macro economic analysis.

In this study, the researcher would try to get and analyse alleviation programmes for poverty would review various schemes and its strategies for the future of India and particularly Gujarat.

At micro level, the researcher has selected two districts of central Gujarat i.e Anand and Kheda, the area which is broadly famous as Charotar

**(E) Time period of study :**

This study is aimed to analyse last fifteen years span of poverty alleviation programme i.e. 1990-91 to 2004-05. This period may divide in Three part for our purpose (1) 1990-91 to 1999-2000 and (2) 2000-01 to 2004-05. (3) Whole Perior 90-91 to 2004-05.

At grass root level poverty alleviation programme was mainly implemented during the region of prime minister Mr. Indira Gandhi (i.e. 1966 to 1984) Before that the

term was written and was utilised only in the five year plans. Mrs. Gandhi gave this basic thought as her prime priority.

After globalisation world policy makers and administrators interwind this priority with equality and infrastructure development. World Bank and other developed countries also gave generous grants to developing countries for various poverty alleviation programmes. Hence, with the help of these grant various programmes of poverty alleviation were formulated. One can perceive the fruits of these programme in last fifteen years.

So this study is aimed to analyse last fifteen years of poverty alleviation programme i.e. 1990-91 to 2004-05 This period may be divided in three span for our purpose as follow :

- (1) 1990-91 to 1999-2000
- (2) 2001-01 to 2004-2005
- (3) The whole period i.e. 1990-91 to 2004-05

**(F) Sample Selection :**

Our purpose is, as stated earlier to study poverty alleviation programme implemented by Central and State Govt. of last fifteen years. Hence the inquiry will be conducted in the towns and villages of Anand and Kheda districts. Primary and Secondary data will be collected and, analyzed its inferences, results, and suggestions will be summarised in the last chapter of the thesis.

The social characteristics of the sample would include age, caste, religion, marital status, yearly income, urban or rural occupation, Education and whether occupy land or landless labourer.

The Qualitative and quantitative techniques of data collection would include (I) interview schedule (2) case study (will not be mentioned in the written report) (3) observation (4) documentary facts.

### **(G) Analysis of Data :**

A comprehensive approach will be used for this study. Contact to the Experts in this field as well as the beneficiaries of the poverty alleviation schemes. The sources of information and data would be of three kinds :-

1. First hand information will be collected through interviews with the relevant persons.
2. Information will be collected by extensively studying the attitudes and feelings of professionals as well as beneficiaries of poverty alleviation programmes will be collected.
3. Text books, journals, periodicals other published-unpublished materials and Government's reports, publications etc.

Filled in questionnaires were collected and fed to the computer for the purpose of consolidation and analysis by using computer software SPSS package. The method of coding the fields was used for data entry. Questioner replies were based on 'prima facie' study, various points in support of the hypotheses are sought to be picked up and finally data in the form of tables are obtained for analysis. The hypotheses were tested using the data and comprehensive analysis are aimed to be written based on the findings of analysis.

### **(H) Limitations of the study :**

- (1) This study is restricted to Kheda and Anand districts of Gujarat only.
- (2) This study will be based on available data. Due care would be taken to remove any bias. Even though it would be a manual work. So it is possible to have any bias in collecting primary data.
- (3) The aim of this study poverty alleviation programme in rural Gujarat. The secondary data would be collected from Government machinery, offices, channels and printed materials. So any limitation or constrain at any stage may occur bias in data collecting stage and will be resulted in inferences.

#### **1.4 Chapter scheme :**

Our Study will be divided in six sections as per following manner.

##### **1. Introduction**

Rural development in India. Meaning and Philosophy of poverty and concept, and Review of Literature are made here. Research Methodology of the study also is postulated in this chapter.

2. **Second chapter** illustrates rural poverty in India, which includes on Indian Scenario, Concept of poverty, the biological or subsistence approach, the inequality approach, relative and absolute approach, definition and criteria of poverty, etc.
3. **The third chapter** contains Introduction and briefs of various schemes and programmes of poverty, comparative study of these schemes programmes at National level and State level, poverty alleviation programmes in India and Gujarat.(especially in rural area)
4. **Chapter Four** describes Impact and constraints of the rural development programmes.
5. **The fifth chapter** comprises with Analysis of Data : Strategies and policies for poverty alleviation programmes. Its problems and prospectus, covered in this chapter.
6. **The sixth and final chapter** contains Conclusion and suggestions. Major finding, conclusion of the study and further suggestions are described briefly.

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