EVALUATION STUDY OF INTEGRATED RURAL DEVELOPMENT PROGRAMME (IRDP)

1. The Study

The integrated Rural Development Programme (IRDP) was launched in 1978-79 in order to deal with the dimensions of rural poverty in the country. The programme covered small and marginal farmers, agricultural workers and landless labourers and rural craftsmen and artisans and virtually all the families of about 5 persons with an annual income level below 3500. The main aim of IRDP was to raise the levels of the BPL families in the rural areas above the poverty line on a lasting basis by giving them income generating assets and access to credit and other inputs. The programme was to be implemented by District Rural Development Agency (DRDA) with the assistance from block level machinery. The scheme for Development of Women and Children in Rural Areas (DWCRA) was launched in 1982 as a part of IRDP. Both in terms of the volume of aggregate investment planned and the number of families to be benefitted, the IRDP was the largest programme of the Sixth Five Year Plan for the alleviation of poverty in rural areas. Keeping this in view, at the instance of Ministry of Rural Reconstruction*, the Programme Evaluation Organisation (PEO) decided to undertake an All India Evaluation Study of this programme during 1983-84. The study report was brought out in May, 1985.

2. Objectives of the Study

The main objectives of the Evaluation study were as under:

i) to study the process of assistance including planning, formulation, advance action /preparatory steps and the procedure laid down and generally followed at the State, District, Block, Village and Beneficiary levels in relation to (a) needs and aspirations of target families, and (b) appropriateness of schemes,

ii) to study the organisational and administrative infrastructure,

iii) to study the economic infrastructure and selection of economically viable schemes,

iv) to study the existing credit infrastructure and flow of credit for financing economic activities,
v) to study the post-acquisition aspects including utilisation and maintenance of assets, supply of inputs, marketing linkage, etc, and

vi) to study impact of the programme on the target families.

3. **Sample Size/Criteria for Sample Selection**

Sixteen states conforming to 7 district area categories -(a) Tribal areas (Madhya Pradesh and Orissa), (b) Agriculturally developed areas (Haryana, Andhra Pradesh and Punjab, (c) Agriculturally less developed areas (Eastern UP and Maharashtra), (d) Hill Areas (J&K, West Bengal and Tamil Nadu) (e) Desert Areas (Rajasthan), (f) Areas with good Administrative structure for local level planning and implementation (Gujarat, Kerala and Karnataka) and (g) Areas with poor Administrative structure (Bihar, HP and MP) were selected for the study. The study was designed to be conducted at 4 levels districts, block, village/cluster and beneficiary. In all 33 districts 66 blocks, 132 villages/clusters and 2640 beneficiaries were selected. Though 2640 beneficiaries were proposed to be selected for the study, only 1170 beneficiaries could become available for selection.

4. **Reference Period**

The secondary data were collected for the period 1979-83. The field work was conducted in the period 1983-84.

5. **Main Findings**

1. The Ministry of Rural Development had recommended the setting up of District Rural Development Agency /Society(DRDA) for planning, project formulation, and implementation of IRDP. Guidelines were issued to states for this purpose. In course of the Evaluation study, no uniform pattern was found regarding organisational set up at the State Headquarters for the administration and execution of IRDP. The strong administrative setup recommended by the Ministry of Rural Development had not come into existence in most of the States except Gujarat and Rajasthan and to some extent Andhra Pradesh.

2. In most of the DRDAs, neither the resource surveys could be taken up nor the perspective plans were prepared as prescribed under the guidelines due to the lack of requisite planning. Due to reluctance on the part of officials in the absence of adequate perquisites and training, a large number of posts of the
Assistant Project Officer were lying vacant and there were other administrative problems.

3. A few States were also not ready to share the burden of even 50% of the cost of development due to paucity of resources.

4. Most of the States had constituted state level Coordination Committees for the supervision and coordination of the programmes. However, there was lack of coordination at the district and block level. In fact the block level machinery was found to be quite weak for providing an appropriate and integrated delivery system due to multiplicity of other sectoral programme being administered by ‘line' Departments.

5. 18 out of 33 districts had reported an inadequacy of infrastructure for providing benefit schemes/assets to the selected beneficiaries.

6. More than half of the States covered under the study had not attempted to prepare the 5 year perspective plan for the respective districts in spite of the emphasis in the guidelines.

7. In the 5 year perspective plan developed by DRDAs, too much emphasis was laid on the responsibility of the banks for the provision of credit facilities and the technical extension aspects. Supply of inputs, marketing and other infrastructural support needed for successful implementation of the programme had not been spelt out adequately.

8. Proper guidelines were not followed for the action plans/cluster plans for the blocks or even to cover the low income group families at the first instance by most of the States.

9. The number of families actually assisted exceeded the target by 14.42%. Of the families actually assisted, 22.5% belonged to SCs and 9.2% belonged to STs. 81% of the beneficiaries actually assisted were covered in the primary sector schemes, 8% in the secondary sector and 11% through tertiary sector schemes.

10. It is revealed that initially the State Governments did not make any attempt to prepare a shelf of bankable schemes suitable for their different areas. In many areas, the functionaries at the DRDA and the block levels were not very familiar with the details of the schemes covered under guidelines. Functionaries in many areas had not worked out the income generating
potentialities of specific schemes. Provision of one time benefit of milch animal alone did not help the beneficiaries to cross the poverty line. There were complaints regarding veterinary support in terms of necessary supply of medicines and timely medical attention to the animals.

11. There were no follow-ups regarding maintenance of the assets delivered to the beneficiaries. In the areas where cluster approach had not been adopted Milk Producers’ Cooperative Societies for the beneficiaries of the milch cattle had also not been organised. Most of the beneficiaries were not aware of the facility of an insurance cover against the risk of the death of the animals/birds.

12. The development of activities in the secondary sector had not been encouraging except for a few very popular activities organised by voluntary agencies and Khadi and Village Industries Board (KVIB). As a result of the setting up of artisan complexes with the help of NREP funds, a group endeavour for arrangement for supply of raw materials and marketing products became quite successful. The group endeavour also minimised the individual risk and assured regular income to beneficiaries in terms of wages.

13. The various functionaries felt that the cost of schemes, their economics and the loans and subsidies available under the rules were unrealistic due to price rise. Due to this about 29% beneficiaries were forced to borrow additional funds from the money lenders/or other sources.

14. During the period 1980-83, the amount of subsidy and credit per beneficiary came to Rs.704 and Rs. 1572, respectively. It was observed that per capita investment was the lowest in hill areas (Rs.1555) followed by agriculturally less developed areas (Rs.2166) and tribal areas (Rs.2399).

15. The data collected for the study showed that out of the total amount of loans advanced to the IRDP beneficiaries during the period 1980-81 to 1982-83 in the selected districts share of Regional Rural Banks was less than 6 per cent. The share of Commercial Banks, however, accounted for 67% and the Cooperative Banks accounted for 27 percent of the total loans.

16. In some areas it was reported that the subsidy amount was not adjusted immediately after providing assets to the beneficiaries with the result that the beneficiaries had to pay interest even on the subsidy portion of the cost of the assets. A few bank branches were also reported to be insisting on security from the beneficiaries even for loans upto Rs.1000. A large number of loan
applications were rejected on flimsy grounds. In a few cases the banks even refused to assign the reasons for the rejection of applications.

17. The percentage of overdues generally varied from 50 to 60, which meant that besides the adjustment of the subsidy no instalment of the loans had been repaid.

18. The Ministry of Rural Development had prescribed certain proforma to monitor the progress of implementation of the IRDP on monthly, quarterly and annual basis. It was observed that based on information supplied by the State Governments monthly progress report on IRDP were being prepared by the Ministry of Rural Development.

19. The involvement of banks in the selection of beneficiaries or in the preparation of project profiles in many States was nil. Only Government polytechnics were utilised for providing training under TRYSEM. Of those covered under TRYSEM for the period 1980-83, 31% belonged to the SC/STs and 24% were women.

20. The other important deficiencies observed from the field evaluation with regard to the implementation of the TRYSEM programme were:

a) Improper selection of trainees without base line surveys,

b) Undue concentration of a few vocations while selecting the trainees,

c) lack of aptitude on the part of the trainees,

d) minimum involvement of District Centres,

e) poor infrastructural support to enable the trainees to follow up the pursuits in which they had attained necessary skills under the Programme,

f) lack of coordination amongst the District Industries Centre, banks and training institutions, and

g) lack of follow up of the trained youth.

21. It was found that about 25.8% sample beneficiary households had an annual income exceeding Rs.3500 at the time of their selection. As per the norms of the Ministry of Rural Development, these households did not, qualify for the benefits provided under the IRDP.
22. The identification of about 42% sample households had been done through household surveys and 49% had to approach some functionary to get the benefits. The remaining 9% were not motivated by any official/ non-official agency.

23. Only 26% of the total sample households were selected in the open Gram Sabha meeting as laid down under the guidelines of the Ministry of Rural Development. 71% of the sample households were selected by BDO/Block level officials and VLWs/ VDOs. The selection of beneficiaries above the prescribed income level could perhaps have been averted if the selection had been made in the open meetings of the Gram Sabha as per the guidelines.

24. Only 65% of the sample households were selected as beneficiaries of the IRDP within one month of their identification.

25. It was observed that the delivery of benefits assets to nearly 83% of the sample beneficiaries was made within a period of one month of the sanction. The rest had to wait for obtaining the benefit assets for a period for three months or more. The main reason for the delay of more than one month mentioned by the beneficiaries were owing to cumbersome procedure followed by the authorities, lack of support from bank officials and non-availability of beneficial assets in the local areas/markets.

26. About 75% of the selected beneficiaries were provided with beneficial schemes pertaining to activities in the primary sector, 8% for secondary sector and 17% for tertiary sector. Thus the diversification of beneficial schemes in secondary and territory scheme was not noticeable to the extent envisaged.

27. More than 96% of the sample households felt that the benefits provided to them were according to their needs and aspirations and considered the schemes to be suitable in view of their talents and financial position of their families.

28. Only about 70% of the sample households had received the financial assistance only upto an amount of Rs.3000/-. 

29. Over 24% sample households were sanctioned loans @ 4% in DRI and the rest were required to pay the normal rate of interest prescribed by beneficiaries/financing agencies.
30. As regards the loan repayment, 62% of the beneficiaries had repaid the loans in monthly instalments, 17% in 6 monthly instalments and 21% in yearly instalments. About 73% of the beneficiaries were satisfied with the terms and conditions of the loan assistance provided to them, whereas 26% were critical and dissatisfied with the terms of loans due to a number of reasons.

31. Till the completion of field work of the study, 28% households had repaid their loans to the extent of 80 to 100%.

32. 82% of the sample households had made repayments out of income derived by them from the benefit schemes given to them under IRDP. The remaining 18% had to manage for the repayment from some other sources

33. About 90% of the selected beneficiaries felt that they had benefited from the IRDP. About 9.5% reported that they had not benefited. About 90.7% of the beneficiaries informed that as a result of the IRDP, their family employment had increased. Another 8.9% of the households reported that there had been no change in the employment position due to IRDP.

34. About 88% of the household reported increase in their income as a result of their coverage in the IRDP while 10.6% did not feel any material change. About 37% reported some increase in their family assets after their coverage. However, about 63% did not see any increase in their family assets position. While 77% felt increase in their consumption level, 23% of the household did not see any change in their consumption level. While 64% of the sample households felt that their overall status in the village society had been elevated as a result of their coverage under IRDP 36% observed contrary to that.

35. While 48% of the selected household did not report having faced any problem in obtaining the benefit schemes. The remaining 52% reported to have faced some problems in getting the benefit schemes owing to a number of reasons.

36. Quantum of subsidy per unit of benefit scheme was the lowest for the secondary sector and the highest for the primary sector.

37. The increase in employment of households covered under the tertiary sector schemes was the highest followed by primary sector schemes and secondary sector schemes, respectively. The highest increase in income of the sample households was in subsidiary occupation followed by tertiary sector schemes, animal husbandry schemes, secondary sector and agricultural schemes.
38. The highest incremental income was observed under tertiary sector schemes in areas with good administration, infrastructure followed by Agriculturally Developed Areas. The lowest incremental income under the tertiary sector was observed in Desert and Tribal areas. In case of primary sector, the incremental income was highest in case of schemes under subsidiary occupations followed by animal husbandry and agricultural schemes.

6. Major Suggestions

1. The State Governments should build up a strong and well equipped organisational set up at their headquarters for implementing this programme in effective manner at the earliest. Efforts should also be made to remove the structural weaknesses in its administrative set up.

2. State Governments should transfer key officials such as Project Officer, Assistant Project Officer of DRDA only in exceptional cases and the frequent transfer of such key officials should be avoided.

3. Regular training courses should be organised on the pattern arranged by the State Governments in the 1960s for Community Development Project Officers, BDOs, Extension Officers and Village level workers. The existing training institutions should also be suitably strengthened to cater to the requirements of the IRDP.

4. For the implementation of the IRDP, the BDOs should be made answerable to the Project Officers. The BDO in turn should have control over the block team of the technical staff placed under the respective ‘line’ Departments.

5. Efforts should be taken for consolidating and pooling the funds available for sectoral development with the funds allocated to the DRDA for effecting implementation of the programme.

6. Highest priority should be given to the formulation of perspective plan for each block based on the survey of resources, development potential as well as constraints of each area and the existing institutions and the ongoing activities in the area. A single planning team of technical experts should be set up under the DRDA which may be assigned the task of drawing up an integrated development plan for the block/district with due consideration to the local and regional priorities and financial and material resources available in the areas.
7. It may be worthwhile organising training farms somewhat on the model adopted in Kerala where a farm had been established with the assistance of DRDA to train people in dairying and poultery. There is also an urgent need for streamlining the procedure for the settlement and reimbursement of insurance claim.

8. To ensure development of activities in the secondary sector, there is a need to develop the capacity of the beneficiaries to acquire skills in respect of the activities for which they are to be employed. Intensive activities with adequate forward and backward linkage should also be encouraged.

9. Suitable steps should be devised to improve the final participation of cooperative banks in the IRDP.

10. The introduction of suitable checks and procedure to eliminate malpractices, such as making beneficiaries to pay interest on the subsidy portion of the cost of the asset, etc.

11. The pattern followed by Gujarat and Rajasthan in regard to verification of assets and also for studying the impact of the programme in terms of resultant increase in the income of the beneficiaries may be adopted by the other State Governments.

12. Steps should be taken to strengthen and streamline the monitoring arrangements at the State, district and block levels.

13. Ministry of Rural Development may consider undertaking indepth review of the existing training arrangements and of the syllabus prescribed by various training institutions. The Ministry may also examine the feasibility of establishing training-cum-demonstration -cum-production centre in each cluster of village with the assistance of KVIB and other related institutions, which may not only provide equipment raw materials etc. but also on the job training to the youth till they develop sufficient confidence to manage their own ventures.

14. It should be ensured that the resources are more controlled in areas inhabited by the poorest of the poor and programmes should not have the thin spread over wide areas as had been the pattern observed in the course of the study.
15. In future the physical targets regarding the coverage of beneficiaries under IRDP should be fixed with due consideration to the level of development and economic conditions prevailing in different areas.

16. Ministry of Rural Development should take steps to impress upon the State Governments the need to cover maximum number of IRDP beneficiaries under the tertiary and secondary sector schemes and also the schemes under the subsidiary occupation, like fishing and sericulture. The animal husbandry schemes should be provided only in areas where basic infrastructure facilities including marketing support are available.

17. There is a need for a comprehensive review of the viability of on-going schemes specific to the areas including their integration with the local level plans of the district and the blocks so as to make them more suitable for catering to needs and conditions of different areas. It is necessary not only for ensuring that the schemes devised are specific but also for enhancing the productivity and returns from the investments undertaken for the purpose.

18. Considering the general price rise since the adoption of the norm of poverty line, the escalated value of annual income of Rs. 3500 would have been higher even during 1981-82. The ceiling therefore, needs to be revised.