

SEMINAR PAPERS ON RURAL DEVELOPMENT

Edited by :

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ORISSA ECONOMICS ASSOCIATION

PREFACE

As has been indicated in my letter to the Government (published at the end of the seminar papers) a seminar on Rural Development was organized by the Orissa Economics Association in collaboration with the Orissa University of Agriculture and Technology and the Government of Orissa in the Department of Community Development and Rural Reconstruction from 10th to 11th of March, 1984. Not only the rapporteurs, I have also summarised some of the important findings of the papers presented and discussions held by different participants. There was inordinate delay in publishing the papers since a number of participants could not submit their manuscripts in time. I could not also give sufficient time to edit the papers due to my preoccupations in different types of work.

Any way, the papers are now published. One thing is noticed from the papers that there is no proper rapport between the Academics and the Government Officials. The Govt. officials are enthusiastic about their programmes of activity. They think that a lot of things has been done to change the economic scene of Orissa. The academics feel that there is a lot of mismanagement. Programmes conceived are good, execution is faulty. Those who are involved are excited. Those who are not, are indifferent. It is wrong to say that nothing has been done. It is also wrong to say that everything that has been done is splendid.

Bureaucracy alone cannot do the job of development. It has to seek the support of the Academics who play a vital role in moulding public opinion. Such interaction is therefore necessary in preparing a congenial atmosphere for development. It prevents the isolation of bureaucracy, makes the bureaucrats understand the realities of the situation. It also helps the academics to understand the dynamics of development, the problems and constraints of social and economic change. Both act and interact. I hope the criticisms made by the academics should not deter the officials to open their shops. Flowers blossom only in the open, not in closed doors. The academics should not also search for a sun in the midnight. In that case, they cannot enjoy the beauty of the stars. Let me hope that such interactions will continue in future to understand and appreciate the problems of each other.

Many people have helped in organizing the seminar. I thank all of them who have contributed to the success of the seminar. My thanks are particularly due to Sri K. Srinivasan, IAS who jumped at the idea of the seminar and contributed his mite for its success, to Sri A. J. Alex, IAS for his enthusiastic interest and participation, to Sri Bhavani Prasad Dash, Secretary, Orissa Economics Association who was the driving force in the organization and to Dr. Bimalendu Mohanty, who did a splendid job in organizing boarding and lodging for the delegates. They did not work all alone. They had a host of supporting staff. All of them deserve our thanks. I also thank all those who contributed papers, chaired the sessions, prepared the rapporteurs' reports and participated in discussions and finally the Government for their financial assistance without which the seminar could not have been organized.

B. Misra
VICE-CHANCELLOR,
O.U.A.T.

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RURAL DEVELOPMENT THE INDIAN EXPERIMENT

SRI K. SRINIVASAN, I. A. S.

I am very grateful to Orissa Economic Association and the O.U.A.T. for the rare privilege of allowing me an opportunity to explain some of the experiments in Rural Development in our country. While, no doubt, I have drawn on my experience as a civil servant implementing these programmes in Orissa for the past 2 decades, the opinions I have expressed are my own and do not reflect Government policy or views.

2. THE CHANGING RURAL SCENE :

2.1 Fifty years ago Mahatma Gandhi said that India lives in its villages. That statement is true even today since a remarkable feature of social life in India is the relatively unchanging nature of the proportion of people living in rural and urban areas. If we look back at the rural scene since the beginning of this century, we can broadly identify three phases of development. First, the period covering the first half of this century was marked by stagnation in economic and social evolution. This is because agriculture which is the backbone of the rural economy was practically stagnant. The growth rate in agricultural production between 1900 and 1946 was only 0.3 percent per year. Other than agriculture there was hardly any other avenue of employment in rural areas. Hence, when rains failed there was no work. Promoting rural works became the major method of fighting famine.

2.2 Secondly, the period between the initiation to the First Five Year Plan in April, 1951 and the Sixth Plan in April, 1980 has been characterised by a considerable growth in infrastructure for rural development. Agricultural production increased by about 2.7 percent per year during this period. The process of socio economic evolution took different forms starting with steps for the transfer of assets like land and livestock to those who has no asset base. The programme of land reforms instituted right at the beginning of the planning era involved the abolition of the Zamindari and intermediary tenures. Tenancy reforms, protection of sharecroppers, land ceiling and land consolidation measures were introduced

later. This process of land reforms is still on with some States having made satisfactory progress and others yet to make the needed impact. The Community Development Programme initiated during of First Plan Period led to the gradual development of basic amenities in the field of education, health care and communication. Programmes specifically designed for assisting small and marginal farmers and landless labourers were taken up in the early seventies. Special area development programmes, such as the tribal, hill, desert and drought prone area programmes were initiated. A minimum needs programme designed to provide to the rural population within a specific time-frame certain basic human needs was initiated during the Fifth Five Year Plan. This programme covers the areas of elementary education, health, water supply, roads, housing, nutrition, electrification and environmental improvement. Changes were also introduced in agricultural credit and marketing systems. As a result, the system of co-operative credit has spread over large areas. Also institutional term finance for agriculture and allied activities has grown with the reorientation of the banking system and the establishment of Land Development Banks, Regional Rural Banks and the Agriculture Refinance and Development Corporation now called National Bank for Agriculture and Rural Development. In addition to Co-operative Marketing Organisations, the Food Corporation of India was established in the mid-sixties to assist Government in operating as efficient price support and procurement mechanism.

2.3 When viewed in statistical terms, some of the advances made during the period 1951 to 1980 are indeed striking. Thus the primary school system now covers nearly 95 percent of the rural population. The average life span registered a dramatic rise from 32 years in 1951 to 46 years for men and 45 years for women in 1971. While only about 3,000 villages has electricity in 1950-51, over 2,16,000 villages had been electrified by 1977-78. Similarly, while only 21,000 pump sets were used in rural India in 1950-51, this number jumped to over 3.3 million by 1977-78. While there was hardly any mineral fertiliser used in food crops in 1950-51, the consumption this year will exceed about 5.5 million tonnes in terms of potash nutrients. Irrigation potential was raised from about 22 million hectares in 1951-52 to over 56 million hectares in 1979-80. Food production increased from about 50 million tonnes to over 130 million tonnes during the last 30 years. All this, however, can not hide the fact that rural poverty is still very extensive and that we are yet to make a significant dent even on the problem of destitution. According to 1977-78 estimates, 50.8 percent of our rural population were living below the poverty line which

implies that they could not even afford a per capita consumption worth Rs. 65 per month. When we analyse the data relating to inter state variations in the incidence of poverty, we find that in States like Punjab, Haryana and Jammu & Kashmir, the incidence of poverty was less in rural areas as compared to towns and cities. Thus states which have improved their agriculture have simultaneously enhanced rural income. Hence, if we wish to diminish disparities in rural income in different parts of the country, the first step is an improvement in the management of land and water based occupation. However, this alone will not be enough since over 70 percent of farmers cultivate less than two hectares of land each and over 30 percent of the rural population have no assets- either land or livestock. This then is the challenge for the third phase in our rural evolution, which has just begun with a manifestation of various forms of agrarian unrest.

2.4 The aim of rural development must be to improve the purchasing power of the rural poor through opportunities for gainful employment. Employment generation in turn will have to be based upon strategies for the scientific management and utilisation of local resources. How can this be achieved? Here again the answer was provided by Mahatma Gandhi over 50 years ago when he said that the bane of rural India is the divorce between intellect and labour. The area of the problem hence lies in enabling people to help themselves through economically viable packages of relevant technology, services like training, credit and marketing and public policies in the matter of land reforms, pricing and trade. The two key requirements for launching rural areas on the road to prosperity are organisation of relevant services including producer oriented marketing. Diversification of employment opportunities is essential for looking after the income needs of landless labour households. The institutional device proposed in the Sixth Plan for achieving this goal is a household approach to poverty alleviation. This involves concurrent attention to economic emancipation, provision of minimum needs and the voluntary adoption of the small family norm. If the educated elite and Central and State Government accept this challenge of attending to the twin needs of the organisation of services and diversification of income base in rural areas, hunger and destitution can soon become problems of the past.

3. OUR PLAN EXPERIENCE :

3.1 We can analyse these problems with our experience in the plan process as the basis. Despite considerable expenditure on various plan schemes it was found that the really poorer sections in the rural

community have not benefited from different plan schemes. They were left out of the main stream of development. Government of India appointed a Committee under the Chairmanship of Shri Venkatappiah to examine this problem and make recommendations. Based on the recommendations of this Committee, by about middle of the Fourth Five year Plan, certain basic changes both in policy frame work as well as in administrative procedure were implemented by Govt of India in the field of rural development. Some of these important changes will now be described.

3.2 SMALL FARMERS, MARGINAL FARMERS AND AGRICULTURAL LABOURERS DEVELOPMENT SCHEMES :

Persons with less than 5 acres of land are defined as small farmers and those with less than 2 acres are defined as marginal farmers, if the lands are non-irrigated. In case of irrigated land, the limit is reduced by half. Those who do not have any land and who have their principal source of income from agricultural wages, are defined as agricultural labourers. Making a departure from the earlier strategy of taking up development schemes which are more or less oriented towards specific projects, specific beneficiary-oriented schemes were suggested for the large number of poorer sections of the rural population. The basic object of the beneficiary oriented schemes was to improve the economic status of the targetted group. Some of the important schemes are (i) providing minor irrigation sources such as dug well to the beneficiaries, (ii) giving the beneficiaries a unit consisting of different types of animals such as cows, goats, pigs, sheep etc. (iii) providing the beneficiaries with poultry units and so on. Schemes were also formulated for developing the economic condition of the artisans and those engaged in village industries such as blacksmithy, carpentry and handloom and so on. These schemes are to be taken up depending upon the asset base available in the area as well as aptitude of the beneficiaries. Thus, to a certain extent rural development programmes including those in Tribal areas were made dependent upon the family as the unit of development and not the village or the Gram Panchayat as was the case in the earlier development schemes. The second major policy change was in the method of implementation process itself. In each district under the leadership of Collector, a legal entity called the 'Agency' was created with power to open bank accounts, raise loans, receive funds from Government, operate the financial resources in implementing different schemes and act as catalytic agent for obtaining loan from financing institution to the beneficiaries for various schemes and so on. The funds provided in the

budget of the State and Central Government were passed on to the Agencies and they were allowed considerable financial flexibility to operate these funds. The third important administrative innovation was the concept of the subsidy. Normally if a person wants to start any economic programme he is supposed to find some portion of the total requirement of funds from his own source when he can expect a large portion to be available to him from financing institutions. This money which has to be fund by the individual himself, which in sense can be called the margin money, was just not there in the case of poorer farmers. Hence, Government decided that this portion of the total investment required for economic development of the family will be made available by Government as a subsidy so that the balance amount can be obtained by the individual from financing institutions. To ensure this, it was necessary for Government to make various schemes of economic development viable in financial terms or to put in another way preparing "bankable scheme" which will be accepted by the financing Banks. Thus beneficiary oriented schemes for economic development, creation of a separate legal entity called the Agency for implementation and ensuring bank finance alongwith a programme of grant of subsidy for different schemes, were the three major changes made in the overall policy of rural development. A large number of Small Farmers Development Agencies (SFDA) and Marginal Farmers and Agricultural Labourers Agencies (MFAL) were formed all over the country.

3.3 DROUGHT PRONE AREA PROGRAMME (DPAP) :

There are certain areas in the country which are, 'rain shadow areas'. These areas do not get adequate rainfall for various reasons and are chronically drought affected. In such areas it would not be enough if only beneficiary oriented schemes are taken up. It was, therefore, felt necessary that in such areas, it would be necessary to take up schemes which will develop suitable conditions of economic development. Such Area Development Programme consists of large number of irrigation projects, overall development of land itself by an integrated scheme of afforestation, social forestry, horticulture and drought resistant crop, husbandry alongwith intensive dairy development. These components of Area Development Programme are no doubt not strictly related to individual beneficiaries, but they were expected to provide suitable infrastructure where beneficiary oriented schemes of rural development will be able to succeed. This type of project was called Drought Prone Area Programme (DPAP).

3.4 COMMAND AREA DEVELOPMENT SCHEMES :

Despite substantial funds having been invested in various irrigation projects in the country, it was found that irrigation has not led to any significant improvement of the agronomical practices or increase in overall agricultural production. The yield rate of principal crops in irrigated areas was not substantially different from those in non irrigated areas. It was also found that the intensity of land utilisation in irrigated areas was not much better than that in non-irrigated areas. To handle this problem it was found necessary that a single Agency should be given the overall responsibility for all matters connected with irrigation, agriculture, co-operation, communication net work, processing industries and marketing activities. This meant coverage of the work of a wide range of Departments. It was, therefore, decided that the functionaries of these Departments will be brought under the control of a single senior official. The Senior Officer was made Chairman of a legal body with other Departmental Officers as members. This body was called Command Area Development Authority. The CADA was formed to take over integrated management of the Command Area of the major Irrigation Projects. In these command areas emphasis was laid on beneficiary oriented schemes also so that poorer sections of the rural community in such irrigated command areas get proper attention through beneficiary oriented schemes.

4. These administrative innovations and a redesigned policy frame work for rural development has succeeded to a large extent in improving the economic status of the poorer section of the community. By about middle of the Fifth Plan among the various schemes attempted, the most successful was the minor irrigation schemes (providing dugwells) and dairy schemes. In each of these two schemes about half million poorer families were benefited. About Rs 100 crores was given as subsidy in such cases. Thus, about 1 million families, have been able to take advantage of the economic development at a total cost of about Rs. 100 crores of subsidy besides about Rs 300 crores of institutional finance from co-operatives and commercial Banks. This strategy for handling problems of economic development of the rural poor is an important development in Indian planning.

5. I. R. D. PROGRAMME :

5.1 Government of India took stock of various Rural Development Programmes such as SFDA, DPAP and Command Area Development. They

came to the conclusion that an integrated approach will be necessary to expedite the programme of Rural Development. The objective of the newly devised programme was very clearly indicated as providing employment through productive programmes. Emphasis was laid on preparation of plans for individual families. The various beneficiary oriented schemes under implementation in SFDA, DPAP and Command Area Development were all made part of a single strategy and guidelines were indicated for individual programmes and the extent of subsidies available. Certain new concepts in the Rural Development were also introduced such as combination of Dairy Development Programme with a programme of developing fodder trees farm forestry schemes on a more intensive scale last but most important item an elaborate development of infrastructural facilities such as Soil Conservation on Government land, raising of nursery for ensuring availability of planting materials, setting up of artificial insemination centres and chilling plants, providing transport vehicles to Marketing Societies, training of the beneficiaries to modernise and up-date their skills, support of credit institutions in the shape of interest-free capital loan, managerial subsidy etc. and a comprehensive programme for development of village industries and village artisans. The IRD programme also made available funds on a much larger scale than was available earlier. The total financial allocation was of-course shared between State Government and Government of India.

5.2 DIFFICULTIES :

But the very extensive nature of coverage in such programme has thrown up a large number of problems. It was found that adequate field staff was not there to supervise and monitor the programme of construction of dug-wells. Electrical distribution system was found inadequate to handle large programme of energisation. Where dug wells were constructed, the Agricultural Extension machinery was not efficiently at work in making the dug-well owners exploit fully the technology of intensive irrigated cropping programme. Good quality animals for dairy and other schemes were found to be in short supply. Health coverage for animals was found inadequate. Cattle feed requirements could not be met. Marketing problems arose as a result of rapid development of animal husbandry schemes. A large number of village industries and artisan development schemes were found to be not very effective and faced severe problems of raw material availability, training and marketing. The various development Departments found great deal of difficulty in implementing and monitoring the schemes since their field machinery was not adequate for such extensive work in rural areas.

6. SOME WELCOME DEVELOPMENTS :

Despite these problems, it will be worthwhile to mention certain outstanding developments which have enabled the Government in different States to handle rural development programme along new lines of technological development. In the land use pattern itself a large number of options became available due to technological developments in dry farming. In Orissa for example side grafting of cashew plants enabled a dramatic increase in the yield from plants which have been side grafted with grafting material of good trees. Plantation of indigenous seeds for horticulture species like mangoes etc. and grafting them when the plants are one or two years old, has opened up a new vista for good mango and other fruit plantations. In dairy scheme frozen semen technique has assured production of upgraded animals, which could give very high milk yield. Some fodder trees like Kubabul has been identified which can grow practically in all climatic conditions and stand considerable water stress and yet yield good amount of fodder for cattle. The technology of induced breeding of fish has enabled very high level of production in tanks etc. Composite culture of major carps, intensive culture of high value species like prawn etc. circular hatchery called Chinese Hatchery for production of fingerlings on massive scale have brought down the cost and enabled high yield under pisciculture. In the field of sericulture also improved technological developments have taken place. Production of good disease free seed material has been made possible. Improvement of equipment for reeling has also taken place. Disease free seeds, high density plantation of food trees like Arjun/ Asan/ Mulberry, proper management and processing for cocoon rearing with improved equipment for reeling and spinning and co operative institutions for handling marketing problems, all these have enabled. Tussar and Mulberry culture to reach very high levels of income. The striking feature of these technological inventions is that high level of production has been made neutral to size so that even on small scale of operation high levels of economic returns become possible.

7. POOREST FAMILIES LEFT OUT :

A quick review of these schemes in operation for quite sometime indicated that among the poor, it is relatively the better off farmer who has been able to take advantage of these programmes. The bulk of the beneficiary oriented schemes, consists of providing dugwells and dairy schemes. This has mainly helped the small farmers and not the agricultural labourers.

Allotment of land to the landless has not produced the desired result as the allottee did not have the wherewithal for rapid development of the land made available to him. Sometime in June, 1980 a meeting was organised in Orissa to gather experience of the Technical and Administrative Officers administering various programmes of Government aimed at poverty eradication. Based upon the experience in the execution of these programmes, a comprehensive new programme called "ECONOMIC REHABILITATION OF RURAL POOR" (E. R. R. P.) was formulated.

8. E. R. R. P.—SALIENT FEATURES :

The salient features of this Scheme are :

Selection of 10 Poorest Families

a) In each village a meeting of the villagers will be organised and villagers themselves will select on an average 10 poorest families of that village. For operational purposes, a poor family is defined as one whose total annual income does not exceed Rs. 1,200/- and which has no income producing asset. The meeting will be attended by key field officials such as Revenue Inspector and V. L. W. and so on. Since Orissa has about 50,000 villages, the total number of families to be covered by the scheme works out to about 5 lakh families. The programme has a time frame of five years beginning from 1980-81.

Programme Objective

b) The object of the Programme will be to enable the beneficiary to get a steady income of about Rs. 3,000/- per year.

Specific Schemes

c) A number of schemes have been devised for this purpose. The scheme which has been given the highest priority will be the land based scheme. Large patches of Government land have been identified. In areas where irrigation will be possible through either dug wells, or Lift irrigation, each selected family will be allotted $1\frac{1}{2}$ acres and be engaged as labourer for developing the land and bringing it under cultivation. All expenditure required for land development, irrigation, cultivation operations etc. will be made available by Government. After the land has produced two crops, alongwith the produce of the two crops, the land will be made

available to the selected beneficiary. Thus, the beneficiary will receive wages during the development work and crops that will be harvested and in the course of about one or two years, he will become the owner of the land. Where irrigation facilities are not available and the quality of the land can not sustain annual crops, plantation crops will be attempted. The important plantation species are Cashew and Sisal. Here also the same beneficiary will be engaged as a labourer till the patch of the plantation land starts yielding steady optimum yield. In some areas where there are long canal embankments, coconut plantations along the embankment will be attempted again engaging the selected beneficiary as labourer. After the coconut palms start steady yields, each family will be allowed usufructory rights over 20 such palms. Compact patches of coconut plantation will also be attempted. While in an annual cropping, the beneficiary will be handed over the land in the course of one or two years, in the case of cashew and other plantation, the gestation period will be longer, spreading over five to six years. Whatever be the period taken for developing the land, throughout the period, all the expenditure on the land will be met by Government and the selected beneficiary will be engaged as labourer for all labour intensive works. Where no land is available but there are derelict tanks, the tank fishery schemes will be attempted. The tank will be renovated, properly manured, adequately stocked with fingerlings and the beneficiary provided with facilities for marketing the catch. The beneficiary will be assisted in taking up cultivation of small patches of vegetables etc. on the tank embankments as well as on the tank bed also wherever possible. The beneficiary will get ten year lease of the tank which will be renewed in his favour from time to time. Where there are Government reservoirs, the selected families will be given fishing boat and net. In all the fishery schemes, the entire cost will be borne by Government. The next set of schemes are those where we will provide cows, goats, pigs etc. to the selected families. In these schemes 75% of the cost of the animals will be given as subsidy by Government and 25% as loan from the financing institution. In the Animal Husbandry Schemes, Government will take full responsibility for ensuring good quality animals, adequate health cover, fool proof marketing arrangements and adequate supporting activities for fodder availability. Sericulture schemes will also be attempted where some skill has developed among the beneficiaries. Arjun/ Asan/ Kusum tree plantations are either already existing or could be taken up on a plantation basis. Elaborate training in both Mulberry and Tussar occupations starting from rearing of

the cocoons right upto the reeling will be given to the selected beneficiaries. Facilities such as rearing houses etc. will also be provided. The entire cost on sericulture will be provided by Government. There may be beneficiaries who have developed some skill in various types of Village Industries. A number of schemes such as tailoring, laundry, small shops, bullock cart etc. will be taken up for economic rehabilitation of such families. In these cases 75% of the total cost will be subsidy and 25% will be loan from financing institutions.

9. SOME RECENT DEVELOPMENTS :

While Orissa attempted to handle the problem of helping the poorest families through E.R.R.P., at the national level also two important schemes have been taken up for helping the poorest families, namely, NREP and RLEGP. In the rural area the landless labourers form the poorest sector of the population. In Orissa such a landless agricultural labourer perhaps gets employment for about 100 days in a year in rainfed areas which account for 80% of cultivated area and for a slightly larger number of days in the irrigated area. The main objective of National Rural Employment Programme and the Landless Employment Guarantee Programme is to provide additional employment to landless labourers and at the same time create permanent community assets in the process. Thus, besides beneficiary oriented programmes, two schemes with emphasis on providing employment opportunities in rural areas have also been attempted. This is an important new dimension in Government's strategy to reduce the burden of poverty.

10. SOME ISSUES POSED FOR CONSIDERATION :

The preceding paragraphs have attempted to outline our country's massive and extensive efforts for Rural Development. In such a gigantic task a number of important issues have come up for decisions. I will like to list out some of these important issues in the hope that academic circles and distinguished scholars can throw light on these vexed matters.

i) Who should be responsible to select the beneficiaries? One view is that an independent and technically competent professional team should do this. The other view is that in each village all the villagers will meet and select the beneficiaries.

ii) Are the schemes in operation viable and what should be the method for devising the schemes? One view is that technical officers of

different disciplines should formulate the schemes allowing for location specific factors. The other view is that full freedom should be given to local field officers and Bankers to formulate the schemes.

iii) What should be the role assigned to non-official and elected authorities and persons in Rural Development ? One view is that Rural Development should be freed from Government and bureaucratic control and left to elected representatives and institutions. The other view is that the programme should be free from all non-official influences.

iv) What has been the overall effect of Rural Development Programme ? One view is that there is very negligible improvement in the economic status of poor families. The other view is that by and large the family income of a number of families has registered a significant improvement.

v) How effective has been the role of academic institutions in Rural Development ? One view is that academic institutions have done excellent work but Government is not paying proper attention to this. The other view is that academic institutions are very far removed from realities and are discussing about Rural Development in a totally theoretical framework.

vi) Is beneficiary oriented programme (with loan from Bank and subsidy from Government) the correct strategy for reducing poverty ? One view is that beneficiary oriented programmes are not effective and leads to inflationary trends. The correct strategy is to ensure overall development of the total economic system which will automatically lead to income increases and higher employment levels. The other view is that beneficiary oriented schemes are the only effective means of tackling poor families.

These are very vital issues. Unfortunately a general consensus is yet to take shape. Perhaps this Seminar will be able to discuss in depth these issues and give the considered views.

A STUDY OF THE E. R. R. P. PROGRAMME

**For Promoting the Socio-Economic well being
of the Poorest of the Poor with Reference to the
Brahmagiri Block of the Puri District**

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Orissa is one of the poorest states in the country. Nearly 66.4 percent of the total population in the state remained below the poverty line in the year 1977-78. Concentration of poverty is, however, more pronounced in the rural areas than in urban areas. The percentage of population living below the poverty line in the rural areas was 68.9 and that for urban areas it was 42.1 in the aforesaid year. This poverty line is calculated on the basis of the per-capita monthly expenditure of Rs. 39.2 for rural areas and Rs. 60.2 for urban areas according to 1973-74 prices ¹.

The major task of economic development in the state is, therefore, to remove poverty from the rural areas at the earliest. The state government has adopted various developmental activities during different plan periods for bringing about an all-round development of rural areas. Such developmental activities mainly include development of agriculture, promotion of village and cottage industries, expansion of infrastructural facilities, network of transport and communication facilities and education and health services etc. Apart from this the state government, following the national objectives and goals of rural development, adopted various target-oriented beneficiary schemes during the different Five Year Plans. Such special programmes for rural development comprised Small Farmers Development Agency (SFDA), Marginal Farmers and Agricultural Labourers Development Agency (MFAL), Drought Prone Area Programmes (DPAP), Integrated Rural Development Programme (IRDP) Command Area Development Programme (CADP), etc. The state government had incurred a total outlay of Rs. 567 lakhs by the year 1979-80 on all these rural development programmes and projects ².

It was, however, noticed that the various developmental activities and special programmes for rural development had not very much benefited the actual rural poor who did not possess any assets. It has been rightly observed: the poorest families who have no assets at all are left out of the main stream of development. It is only the comparatively better off of the rural population that could take advantage of the various poverty eradication programmes ³.

In view of this, the state government launched a nationally sponsored new programme in June 1980 known as the 'Economic Rehabilitation of Rural Poor' for the economic upliftment of the poorest of the poor in the state.

The E. R. R. P. scheme was launched for a period of five years beginning from June 1980 up to the end of June 1985. Although short-run in character to start with, the scheme is expected to continue beyond the stipulated period on the basis of its present performance. The scheme envisages for the identification of the 10 poorest of the poor families in a village for receiving benefits. As per the guideline issued for launching the programme, the poorest of the poor family has been defined as one which has no income yielding asset of any kind and the principal means of livelihood is through wage earning with an annual income not exceeding Rs. 1200/-. The primary objective of this programme is to ensure a net income of not less than Rs. 1500/- per year to each of the individual poorest families. The E. R. R. P. Programme aims at covering 20 percent of the villages in a block in each year during the period 1980 to 1985. With a view to helping the poorest families to cross the poverty line some important asset yielding schemes have been introduced through the E.R.R.P. Programme. These schemes include, land based scheme, animal husbandry scheme, Fishery scheme and Non-agricultural Employment scheme. Of all these schemes, the landbased and fishery schemes are subsidised to the extent of 100 percent, whereas Animal Husbandry and NAE schemes are subsidised to the extent of 75 percent and the rest 25 percent is required to be supplied by the lending institutions in the form of a loan. The implementation of the E. R. R. P. scheme broadly aims at the following objectives : (a) generation of income, (b) increase in output, (c) acquisition of income yielding assets and (d) expansion of family employment etc.

In Orissa, the E.R.R.P. programme intends to cover 5 lakh poorest families with a capital investment of Rs.152 crores during the period

1980-81 to 1984-85. By now, the scheme has already been in operation for the last four out of five years. It is considered worthwhile at this juncture to make an evaluation of programme for assessing its impact on the poorest of the poor, in the light of its multi-pronged objectives.

This study is mainly confined to the Brahmagiri block, for the obvious reason that it is one of the backward blocks of Puri district. As per 1981 census, the block has a total number of 86,175 population. Percentagewise, the ratio of population in Brahmagiri block to the total population in the district is 3.7 percent in the year 1981. The block has a total number of 165 inhabited villages with 11 gram panchayats. Agriculture no doubt is the principal economic activity in the block although it is not yet modernised to any extent. It continues to be highly traditional till date. For instance, percentages of area under HYV crops to total cropped area in the block is only 1.93 percent in the year 1975-76⁴. Likewise, percentage share of net irrigated area to net area sown is 9.0 percent in the year 1975-76 as against 55.36 percent in the district as a whole. Mechanisation of agriculture has not taken place in the block to any significant extent. As per the available data, there are only 27 irrigation pumpsets in the block compared to 602 in the district as a whole. Similarly, there are only 24 lift irrigation points in the block as against 129 in the entire district in the year 1975-76. Moreover consumption of fertiliser is only 6kg per hectare in the Brahmagiri block compared to 27kg per hectare at the district level in the year 1975-76⁵. Thus agriculturally the Brahmagiri block remains relatively backward.

Non-agricultural activities are comparatively non-existent in the block. Till date there are no registered small scale and village industries operating in the block. Even the number of institutional lending agencies functioning in the block is far and few. Except a branch of the Puri Gramya Bank, there is no other financial institution operating in the block.

Furthermore, social overhead facilities in the form of educational and infrastructural facilities etc., are inadequate in the block to a great extent. The available data reveals that the number of primary schools per 1000 population was only 1.1 in the year 1975-76. Similarly percentage of villages linked with pucca roads was 1.3 percent in the year 1975-76.

The E R R P. Scheme is in operation in 86 out of the 165 inhabited villages in the block by the end of 1983. The number of poorest families

identified under the E R R P. Programme is 495 as against an expected number of 3000 poorest families living in the block by the end of December, 1983. Percentage wise, the ratio of the number of beneficiaries actually covered under the programme to the total anticipated number of beneficiaries inhabiting in the block is 16.5 per cent only. An analysis of the available data pertaining to the operation of the E R R P. Scheme in Brahmagiri block vis-a-vis Puri district well highlights the fact that the programme has not yet gathered adequate momentum in the block.

Table I reveals that the percentage distribution of the number of beneficiaries in Brahmagiri block between 1981-82 and 1982-83 and the amount spent for them to the total in the district as a whole was appallingly low. It is further noticed that the land-based scheme has not yet been implemented in the Brahmagiri block, although the said scheme is in operation in other blocks of the district. In view of these facts, an in-depth study of the E R R P. Programme pertaining to Brahmagiri block was deemed necessary.

The study was undertaken in three villages of Brahmagiri block, selected on a random sampling basis. These villages were Kapileswarpur, Khilakantia and Bhubanpur. The selection of these villages was further made on the ground that they had adopted specific schemes under E R R P. Programme. For instance, the Non-agricultural Employment scheme (N.A.E) was adopted in the village Kapileswarpur, Animal Husbandry schemes in the village Khilakantia and fishery scheme in the village Bhubanpur. But no land-based scheme was introduced in any of the villages in the block. A short questionnaire was convassed to the selected E R R.P. beneficiaries in each of the villages for eliciting relevant information and primary data regarding the operation of the programme.

VILLAGE PROFILE :

Kapileswarpur village is situated at a distance of 14 kilometres, towards the east of the Brahmagiri Block headquarter. As per 1981 census, the village has a total population of 5,812. The village is divided into four parts or 'Khandies' and includes 13 hamlets lying scattered around the village. The number of scheduled castes population in the village is 859 as per the recent census. The village has no scheduled tribes population. Percentagewise, the ratio of scheduled castes population to the total population in the village is 14.8 percent.

Table-1

Performance E. R. R. P. Scheme in Brahmagiri Block : vis-a-vis the Puri District
1980-81 to 1983-84

(In lakh of Rs.)

SCHEMES	1980-81			1981-82			1982-83			1983-84		
	No. of beneficiaries actually covered	Amount spent	No. of beneficiaries actually covered	Amount spent	No. of beneficiaries actually covered	Amount spent	No. of beneficiaries actually covered	Amount spent	No. of beneficiaries actually covered	Amount spent	No. of beneficiaries actually covered	Amount spent
1. Land based Scheme	Puri 1462 Brahma-giri	14.79	4823	34.04	1573	23.24	1769	3.82	—	—	—	—
2. Animal Husbandry Scheme	Puri 2018 Brahma-giri (2.4)	30.83 0.73 (2.4)	2100 60 (2.9)	27.09 0.32 (1.2)	1890 12 (0.6)	30.79 0.59 (1.9)	1385	11.66	—	—	—	—
3. Fishery Scheme	Puri 14 Brahma-giri	0.31 —	103 10 (9.7)	4.60 0.40 (8.7)	102 24 (23.52)	4.60 0.66 (14.3)	539 240 (44.5)	26.95 12.00 (44.5)	—	—	—	—
4. Non-Agricultural Employment Scheme	Puri 900 Brahma-giri (0.9)	9.00 0.71 (7.9)	1900 39 (2.0)	26.15 0.48 (1.8)	1910 54 (2.8)	19.10 0.62 (2.1)	1883	17.16	—	—	—	—
Total	Puri 4394 Brahma-giri (1.3)	54.93 1.44 (2.6)	8926 109 (1.2)	91.88 1.2 (1.3)	5475 90 (1.6)	87.73 1.87	5576 240 (4.3)	63.59 12.00 (18.9)	—	—	—	—

Figures in the bracket indicate percentage of the total Source : D. R. D. A. Puri

The number of anticipated poorest families in the village is around 150. Of this, only 10 poorest families have been identified under the E R R P. Programme. The family particulars of the 10 poorest families reveal that the average number of family members in each of the poorest families is 8.4. It is further seen that each of these poorest families is burdened with a large number of dependent children. The data reveal that the average number of dependent children in each poorest family is 4.7 in the year 1983.

The E R R P. Scheme was introduced in the village Kapileswarpur in the year 1980-81. Prior to the adoption of the scheme, the identified beneficiaries were mostly earning their livelihood as day labourers. The average annual income of each of the beneficiaries prior to the adoption of the scheme in the year 1980-81 was Rs. 912. Since the introduction of the E R R P. Programme in the year 1981, the Non-agricultural Employment scheme covering different activities has been adopted in the village for the benefit of the identified beneficiaries. Amongst the identified beneficiaries adopting the NAE scheme, 4 beneficiaries have opted for carpentry, one beneficiary each has opted for cycle-repairing, blacksmithy, tailoring and bullock cart driving and 2 beneficiaries have opted for paddy processing. As per the E R R P Programme, each beneficiary was provided with a financial assistance to the extent of Rs. 3000, once for all during the whole tenure of the scheme, 75 per cent of this financial assistance is provided by the state government in the form of subsidies and the balance 25 per cent is supplied in the form of bank loans at a differential rate of 4 per cent per annum.

The village Khilakantia is situated at a distance of 2 kilometres towards the west of Brahmagiri block headquarters. The village comes under Bentapur Gram Panchayat and was a total number of 146 population as per 1981 census. It is a tiny village consisting of only 27 households. Of these households, 20 households belong to the poorest of the poor families in the village. With the introduction of the E. R. R. P. Programme in the village in the year 1980-81, 10 poorest families have been identified for adopting goatery under the animal husbandry scheme. Prior to the adoption of the scheme, the identified poorest families earned their livelihood mainly through wage earning. The average annual income of each family was Rs. 810. With the adoption of the scheme, each of the identified beneficiary was provided with a sum of Rs. 1800 as financial assistance, 75 percent of this financial assistance was provided in the form

of subsidy by the Govt. and the balance 25 percent was provided in the form of loans by the lending agencies. The subsidy component was utilised by the government in the form of supplying 10 does to each of the identified beneficiary in the village. On the other hand, the loan component was disbursed in cash by the lending agencies for helping the beneficiaries to procure medicine and feeds etc.

The village Bhubanpur comes under Gauaradanga Gram Panchayat and has a total number of 263 population as per 1981 census. The village is situated at a distance of 10 kilometres towards the west of Brahmagiri block headquarter. The Chilika lake is another 6 Kilometres away from this village. The village has a total number of 38 scheduled caste population only as per the recent census. The percentage share of scheduled caste population to the total population in the block is 14.2 percent. There are a total number of 62 households in the village, of which 28 households belong to the poorest of the poor families. As against this, 10 poorest families have been identified in order of poverty in the year 1982-83 for the purpose of adopting fishery scheme under E R R P. Programme. Almost all the identified beneficiaries have opted for brackish water prawn cultivation due to assured market for prawns in the overseas countries.

Prior to the adoption of the scheme the average annual income through wage earnings was Rs. 940 per family. After the adoption of the scheme, each of the identified family was allotted a sum of Rs. 6100 for undertaking prawn cultivation under E R R P. Programme. The entire amount was wholly, subsidised by the Government. As per the provisions of the scheme, the state government utilised a sum of Rs. 5000 initially for the construction and development of a tank for the purpose of pisciculture by each beneficiary. The balance amount of Rs. 1100 was disbursed to them in the form of fries and fingerlings, feeds and manure etc.

A study of the implementation of the E R R P, Programme in all the three villages selected for our purpose reveals certain interesting findings. The broad finding of the study are as follows :

I. GENERATION OF INCOME :

As referred to above, one of the important objectives of the E R R P Programme is to enable the identified families to earn at a minimum a net income of Rs. 1500 each per annum. A socio-economic survey of the

implementation of the E R R P. Scheme in all the three villages reveals that almost all the identified poorest families, with the exception of those who opted for goatery, have improved their earnings over the earlier period. This is seen from the table given below.

TABLE II

Average Annual Net income earned by identified beneficiaries in Kapileswarpur, Khilakantia, and Bhubanpur : 1981-82 and 1982-83.

Villages	Average annual Income Prior to E. R. R. P.	Post. ERRR 1981-82	Period 1982-83
Kapileswarpur	912	2610	2425
Khilakantia	810	936	916
Bhubanpur	941	3106	3004

It is revealed from Table II that as against the national target of Rs. 1500 net annual income per family under the E R R P. Programme, beneficiaries in all the three villages, with the exception of Khilakantia, have succeeded in improving their income much in excess of the prescribed national minimum. This trend is more pronounced in case of those beneficiaries who opted for non-agricultural development schemes including brackish water prawn cultivation. The average annual net income per family in the villages Kapileswarpur and Bhubanpur was Rs. 2610 and Rs. 2425 and Rs. 3106 and Rs. 3004 in the year 1981-82 and 1982-83 respectively. It is, however, seen that those beneficiaries, who opted for goatery under animal husbandry scheme, have no doubt improved their earning capacity over the earlier period, although it is much less than the nationally prescribed minimum of Rs. 1500 per annum. A few factors like the premature death of goats, gynaecological and obstetrics troubles and kidnapping of goats by tigers etc., are alleged to be responsible for the relatively poor earning by the beneficiaries who opted for goatery activities.

GROWTH OF PRODUCTION

Prior to the adoption of the E R R P. Programme, almost all the beneficiaries earned their livelihood as wage-earners. Accordingly, the contribution of each identified beneficiary to the growth of output was not clearly known. After the adoption of the scheme, however the identified beneficiaries are found to have contributed positively towards the increase in output. This is due to the fact that the means of production are now

mostly owned by them. In the earlier situation, the means of production were owned by the employers who used to engage the beneficiaries as wage earners for producing the output. The major part of the proceeds of such output was received by the owners of the means of production. The relative contribution to the growth of output by different categories of beneficiaries can be estimated from the type of activities undertaken by them. As for instance : the carpenters are found to be manufacturing on an average 130 to 140 furnitures of different types in a year. Similarly the tailoring units and the blacksmithy unit are also in a position to manufacture more of products with the assistance rendered by the government and the banks. The same is the case with the prawn cultivations under fishery scheme, whose catch on an average is estimated at 90 kg to 110 kg of prawns in a year. At the prevailing market price of Rs. 80 per kg, the prawn cultivators are found to be earning a gross income of Rs. 7,200 to Rs. 8,800 per annum. Even the beneficiaries who opted for goatery also received some benefits of acquiring more number of goats at the end of a year. It is estimated that the beneficiaries under the goatery scheme have acquired an additional number of 6 goats each on an average, over and above the initial number of animals supplied to them by the government. Thus in case of such beneficiaries, the increase is however, less than the prescribed minimum.

ACQUISITION OF ASSETS

As is well known, the E. R. R. P. beneficiaries had initially no income generating assets. They used to earn their livelihood with the help of the assets owned by others. With the adoption of the E. R. R. P. scheme however, they have got an opportunity to own assets of various types. Those beneficiaries who adopted different activities under the non-agricultural employment scheme are found to have possessed new assets like tailoring machine, bullock cart, blacksmithy wheels, brass vessels, tools and implements and spare parts etc. Similarly, the beneficiaries who adopted fishery scheme are in possession of assets like boats, nets, storage pots and Trolley-rickshaws etc. But those of the beneficiaries who opted for goatery scheme however, could not acquire any assets of durable nature. Their only assets are goats which are prone to various hazards. The goatery scheme, as a matter of fact, has not helped the beneficiaries to acquire any permanent assets for generating more income and output in the future. The extent of asset formation by the beneficiaries under different schemes can be seen from the following table.

Table - III

Capital formation (gross) under the E. R. R. P Programme.

Scheme	No. of beneficiaries.	Amount supplied @ Rs. 3000/- per beneficiary	Description of assets.	Quantity.	Value
NAE Scheme					
Carpenters	4	12,000	Tools and implements	60 nos.	2,000
			Other accessories*	—	2,000
Cycle Repairer	1	3,000	Tools and implements	40 nos.	1,000
			Other accessories**	—	500
Tailoring	1	3,000	Sewing machine	1 no	1,500
			Other accessories***	—	500
Black Smith	1	3,000	Tools and implements	10 nos.	800
			Construction of Furnace	—	400
			Other accessories	—	400
			Bullock Cart	1 no.	2,000
Bullock Cart	1	3,000	Bullocks one pair	2 nos.	1,600
			Brass Handa	4 nos.	3,500
Paddy Processing	2	6,000	Kadei	4 nos.	500
Total	10	30,000		122	16,700
Fishery Scheme					
Prawn Cultivators	10	61,000	Nets	20	6,000
			Boats	10	15,000
			Storage pots	20	2,000
			Trolley Rickshaw	4	12,000
Total	10	61,000		44	35,000

Animal Husbandry Scheme

Goatery	10	18,000	Goats	80	12,000
Grand Total	30	1,09,000		266	63,000

* Other accessories mostly refer to consumable materials in case of carpenters other accessories refer to paints and chemicals, nails, raw wood etc

** In case of tailors other accessories refer to threads, Buckrums, Tapes, Scissors, buttons etc.

*** In case of Black smith other accessories refer to coal and raw iron etc.

It is revealed from Table—III that altogether 30 beneficiaries under different schemes have been provided with a financial assistance to the extent of Rs. 1,09,000 during the period 1981 to 1984. With this financial assistance the identified beneficiaries could manage to acquire a total number of 266 assets of different kinds. However, most of these assets are of durable nature. These assets help the beneficiaries to produce outputs and to earn additional income in the process of their use. The value of these assets at current market price is estimated to be Rs 63,700. It is revealed that out of the total amount of Rs. 1,09,000 disbursed under the E. R. R. P. Programme the beneficiaries managed to acquire total assets worth Rs. 63,700. This is 58.4 percent of the total amount utilised.

The total volume as well as the value of assets acquired by the beneficiaries under the E. R. R. P. Programme in Brahmagiri block during the period 1981-83 appears to be satisfactory.

INCREASE IN FAMILY EMPLOYMENT :

Prior to the adoption of the E. R. R. P. Programme, the identified beneficiaries were working as wage earners on an average 15 days in a month or 120 days (15 days \times 8 months) in a year at the wage rate of Rs. 6 per day. During this period, opportunities for employment were mostly available to the male members only. There was very little scope for the other family members getting employment outside the home. With the introduction of the E. R. R. P. Programme, however, the scope for self-employment for the family members has considerably increased. The available data reveals that the number of whole-time workers and part-time workers in different activities has increased considerably. The extent of family labour utilised in different activities can be seen from the table given below.

Table—IV

Average number of persons employed per family and number of days worked per annum in different schemes under E.R.R.P. Programme : 1982-83.

Scheme	Prior to ERRP. Programme				Post ERRP. Programme			
	Whole time		Part-time		Whole time		Part-time	
	No. of persons employed	No of days worked	No of persons employed	No. of days worked	No. of persons employed	No of days worked	No. of persons employed	No of days worked
NAE Scheme	1	120 days	—	—	2	280 days	1	102 days
Goatery	1	120 days	—	—	1	300 days	1	102 days
Fishery	1	120 days	—	—	2	300 days	1	102 days
Average	1	120 days	—	—	1.6	290 days	1	108 days

It is evident from the table that after the adoption of the E R R P. Programme both the number of persons engaged per family and number of days worked by them per year have increased considerably. Prior to the adoption of the programme, one member only in the family was engaged as a wage earner on a whole-time basis. He was working on an average 120 days or 4 months in a year for earning his livelihood. With the implementation of the E R R P. Programme, however, the scope for family employment has considerably improved. It is seen that 2 family members on an average are now engaged as whole-time workers and one member is engaged as part-time worker. The whole-time workers are getting an opportunity to work for 290 days or nearly 10 months in a year and part-time workers find themselves employed for 108 days or nearly 4 months in a year. Another redeeming feature is that whereas previously they were seeking employment outside the home, now they are getting the scope of employment in their own establishments. It is thus, evident that the E R R P Programme has provided increasing scope for family employment under different schemes. Compared to other schemes like NAE and fishery the goatery scheme has, however, provided a relatively less scope for employment to family labourers.

PROBLEMS ENCOUNTERED :

In spite of its noble objectives, the actual implementation of the E R R P. Programme is ridden with a number of problems and to that extent, the beneficiaries are constrained. The various problems encountered by the cross-section of beneficiaries under the E R R P. Programme have been listed below.

a). FINANCIAL

It is seen that the amount allocated by the government for each scheme falls far short of the total financial requirement of the beneficiaries. This is observed in the table given below.

Table—V

Average amount of financial assistance disbursed and average amount of financial assistance required by each beneficiary under the ERRP. Programme : 1982-83.

(Amount in Rs.)

Scheme	Average amount of financial assistance required per beneficiary	Average amount of financial assistance supplied per beneficiary	Amount sanctioned as percentage to the amount required %
NAE Scheme	7,000	3,000	42.9
Goatery	4,000	1,800	45.0
Fishery	8,000	6,000	76.0

It is seen from the above table that the ratio of disbursement to the amount required by each beneficiary is 76.% in case of the fishery scheme in 1982-83. As against this, the other two schemes accounted for 45.0 and 42.9 per cent respectively. It is thus, evident that there is further need for funding each beneficiary for adopting different activities under ERRP. Programme.

(b). ECONOMIC :

Marketing is one of the important problems of the ERRP. beneficiaries. The prawn cultivators are however, an exception to this. They

sell their products mainly to outside buyers, who offer a remunerative price. The other beneficiaries belonging to non-agricultural employment scheme and animal husbandry scheme, however, sell their products mostly in the local *hats* and in the neighbouring villages, where the prevailing prices are very low. There is further the problem of storage of raw materials and finished products. Their present living accommodations do not provide adequate space for the storage of the products. Besides, there is also the important problem of transport and communication facilities in the villages. Absence of any governmental organisations undertaking the supply of raw materials and marketing of the finished products also to a great extent hamper the interests of the beneficiaries.

(c) ORGANISATIONAL :

There is further the dearth of extension facilities in the block. At present, there are a total number of 26 extension staff covering 86,175 population in 165 villages in the Brahmagiri block. One extension staff is therefore expected to cover 3320 population inhabiting in 6 villages during a year. There are however, some extension staff like Veterinary Assistant Surgeon, Agricultural Extension Officer and Industry Promotion Officer who are required to undertake extension work in almost all the villages in the block. The problem of extension network in the block is found still more unsatisfactory when the staff engaged exclusively for E. R. R. P. Programme is considered. There are at present 5 extension staff engaged in the block. The extension staff mainly consist of one Progress Assistant, one Industry Promotion Officer, one Veterinary Assistant Surgeon, one Fishery Extension Officer, and one Village Level Worker. Each extension staff is therefore required to cover 100 identified beneficiaries and 8 adopted villages on an average during a given year. The lack of adequate extension staff for implementation of the E. R. R. P. Programme severely handicaps the activities of the beneficiaries.

Besides, there is the dearth of adequate training facilities in the block. Most of the E. R. R. P. beneficiaries have adopted different activities on the basis of ancestral skill which they have inherited. The need for training is however imperative particularly for those beneficiaries who have no formal training of any kind nor any inherited skill. For such beneficiaries, the Government sponsored training programmes at the door steps is of vital necessity. The present practice of imparting training occasionally at the block headquarters not of much significance to the E. R. R. P. beneficiaries.

OPERATIONAL :

The identified beneficiaries under different E. R. R. P Schemes also encounter certain operational problems. These operational problems do, however, vary as between different E. R. R. P. Schemes.

(i) Non-Agricultural Employment Scheme :

The main operational problem of the beneficiaries who opted for Non-agricultural Employment Scheme is that the amount of assistance supplied to them by the Government and the Bank is highly inadequate. As against an average financial requirement of Rs. 7000 per beneficiary, each identified beneficiary received a sum of only Rs. 3000 during the whole tenure of the scheme i.e. five years. Furthermore the identified beneficiaries are badly in need of a renewal of financial assistance atleast for once in course of five year tenure of the scheme, so as to enable them to sustain in the profession for long. At present, the identified beneficiaries under the scheme fail to get tools, implements, and raw materials from the Governmental agencies at subsidised rates. As a result, they are compelled to procure their requirements from the open market at high prices. Besides, there remains the problem of possessing a shed of their own, in the absence of which they conduct their activities under inconvenient conditions.

(ii) Goatery Scheme :

The identified beneficiaries who opted for goatery scheme were supplied with an inadequate number of goats. Moreover whatever goats they received, they all consisted of she goats only. In the absence of he-goats the identified beneficiaries experience immense difficulty in multiplying the number of goats through regular births. The local varieties of he-goats are incapable of procreating more doe for the economic benefit of the E. R. R P beneficiaries. There is further the problem of grazing the goats in the village. The village Khilakantia is mostly surrounded by cultivable land. In the absence of waste lands and fallow-lands in the neighbourhood, the beneficiaries used to graze their goats in the nearby forests where there is the danger of their animal being kidnapped by tigers. Further, the identified beneficiaries under goatery scheme also face the problem of premature death of goats due to lack of vaccination and timely supply of verterinary medicines. The available data reveals that the number

of deceased goats per beneficiary was 5 and 6 in the year 1982 and 1983 respectively. These beneficiaries are also handicapped by the absence of shed facilities. In the absence of sheds, they are forced to maintain the goats outside their homes where the chances for burglary and theft are there.

(III) FISHERY SCHEME :

As referred to earlier, each of the identified beneficiaries under the fishery scheme has been allotted a tank measuring 50 decimals. As per the provisions under the E. R. R. P. Programme the construction and maintenance of the tank is the responsibility of the State Government through the Block. Besides the State Government also undertakes the responsibility of supplying fries and fingerlings to the beneficiaries through the Fishery Department. It is however, noticed that the tanks provided by the State Government for the purpose of prawn cultivation are not properly excavated and developed. As against the required depth of 3'. 6" of a tank, most of the tanks possessed by the beneficiaries are less than this minimum. Consequently, the minimum water level required for prawn culture is not assured. This, to a great extent, adversely affects prawn cultivation by the identified beneficiaries. Poor excavation and improper management of the water level are mainly due to the inadequate attention paid by the authorities for soil testing, ground water survey and percolation aspects etc. As a result, average prawn catch, at present is only 25 kg. which is much below the anticipated catch of 35 kg. per year.

The identified beneficiaries also face some difficulties with regard to procuring adequate number of fries and fingerlings. In the absence of the supply of fries and fingerlings by the fishery department, the identified beneficiaries usually procure these from the neighbouring areas which is of very poor quality.

Besides, the tank embankments are also at a low level. On account of the heavy percolation of water into the tank during the rainy season and the entry of flood water there arises further the problem of overflow of water from the tank, in which case the beneficiaries sustain the loss of prawns from the tank to a great extent.

(IV) LAND-BASED SCHEME :

The land-based scheme has not yet been adopted in any of the villages in the block till date. This is due to the fact that sufficient

Government waste land for purpose of annual cropping is not available in the block. However, there is enough of scope for introducing plantation crops like coconuts, cashew, mango saples etc. in the canal embankments and in the embankments of the Bhargavi River. The existence of a large number of government, coconut farm in Goruala, Rendha and Brahmagiri proper provides good opportunities for adopting plantation crops under the land-based scheme. However this has not yet been introduced in the block to suit to the requirements of the beneficiaries.

(V) ADMINISTRATIVE :

The block office at Brahmagiri is not adequately staffed at present. Besides the implementation of the E. R. R. P. Programme, the block is also entrusted with other programmes like Intergrated Rural Development, and Small Farmers Development etc. It is noticed that for the implementation of the E. R. R. P. Scheme, there are no additional staff in the block engaged for the purpose. As a result, the implementation of the programme has practically become a routine work in the overall administration of the block. For the implementation and monitoring of the E. R. R. P. programme in the block, there are only two to three officials besides the Block Development Officer. As a result the maintenance and furnishing of statistics by the staff have become a difficult task. As for instance statistics with regard to the village-wise and year-wise performance of E. R. R. P. Programme under different scheme are difficult to obtain from the block readily. There is also the conspicuous lack of coordination between the staff at the block level and the staff at the office of the District Rural Development Agency, who are engaged for the implementation of E. R. R. P. Programme. It is noticed that often the statistics supplied by the block office and the statistics maintained by the D. R. D. A. Office at puri are at a great variance.

STEPS RECOMMENDED

1. Need For The Adoption of Land-Based Scheme :

As observed earlier, the block has not adopted any land-based scheme till date. The reason for this is that the block has no sufficient cultivable waste land either for the purpose of annual cropping or for the plantation crops, whatever little surplus lands are availbale, they are highly unsuitable for annual cropping for the reason that the block is being regularly visited by natural calamities like cyclone and flood etc. There are however, some prospects for plantation crops on canal embankments and

river embankments. In this regard, the government may undertake steps to supply finance for the said purpose, and to sanction 'defayati rights' in respect of eligible beneficiaries to adopt plantation crops on canal and river embankments. Such a scheme has the merit of benefitting the beneficiaries by providing opportunities for more employment and income.

2. NEED FOR EXTENDING THE COVERAGE OF THE PROGRAMME TO MORE NUMBER OF BENEFICIARIES

At present only 10 beneficiaries from each village are identified for the purpose of the adoption of the E R R P. Programme. But this may not be rigidly followed while identifying the poorest of the poor persons in each village. All those, who satisfy the two main eligibility conditions (a) No-income earning asset and (b) average annual income not exceeding Rs. 1200 per family through wage earnings may be covered under the E R R P. Programme. The present practice of identifying only 10 beneficiaries in a village is arbitrary and procedurally not very sound. For instance, the village Kapileswarpur only 10 beneficiaries have been covered under the programme as against a total number of 150 poor families. The similar is the case with other villages in the block. It is therefore, suggested that all the poorest of the poor families in a village need be covered under the programme with a view to enabling them to cross the poverty line.

3. NEED FOR A PROCEDURAL CHANGE IN THE MATTER OF IDENTIFICATION

Apart from this, there is also the need for a change in the procedure of identification. The beneficiaries are at present, identified by the Gramasabha consisting of the villagers of the respective villages, the B.D.O, Tahasildar, the Village Level Workers and the local members of Panchayat Samiti. But at no stage of the identification, the branch managers of local banks are associated for this purpose. Since the banks are required to shoulder a part of the financial burden of the beneficiaries, their involvement in the process of identification is of crucial importance. Besides, the bank managers may be involved for the purpose of supervision and monitoring of the programme.

4. NEED FOR TRAINING FACILITIES :

At present training facilities provided by the block do not extensively cater to the requirements of the beneficiaries. Not all the

beneficiaries at present avail of the training facilities. This is either due to lack of time or disinterestedness on the part of the beneficiaries. In order to train the beneficiaries properly the training programmes may be organised at convenient places for more than once in a year. Besides, the training programmes may be oriented in a manner so as to produce a group of trained workers, skilled enough to adopt different activities in their villages.

5. STRENGTHENING THE EXTENSION STAFF AT THE BLOCK LEVEL :

As observed earlier, the number of extension staff in the block is grossly inadequate. For 165 villages and for more than 3000 poorest families living in the block the strength of the extension staff is relatively low. This is equally true in case of administrative staff engaged for monitoring the programme. It is, therefore, necessary that a separate cadre of extension staff exclusively meant for the implementation of the E.R.R.P. Programme, should be created in the block. This staff may be required to work under the supervision of a special officer in charge of the E. R. R. P. Programme who will assist and aid the B. D. O. on all matters relating to the programme. The staff for E.R.R.P Programme will undertake all the responsibilities of extension, supervision, monitoring, compilation of statistics and co-ordination etc.

6. PATTERN OF FINANCING THE PROGRAMME :

It is the common feeling that since the entire programme is government sponsored, the government should undertake to finance all the schemes without invoking the assistance from the banks. At present the involvement of the banks in the E.R.R.P. Programme is confined only to a nominal extent and for a limited number of schemes. The present practice of a nominal participation by the financial institutions in the E. R. R. P. Programme is not a very healthy practice as it does not invoke the genuine involvement on the part of these institutions for promoting the socio-economic wellbeing of the poorest of the poor. Our field experience clearly reveals the fact that this is to some extent detrimental to the interest of the beneficiaries. In view of this we recommend for dissociating the banks altogether from the E. R. R. P. Programme and to make it fully government sponsored as well as financed. The Government may, however, either make it 100 percent subsidy oriented or subsidy cum loan schemes depending upon the resources available for the poverty eradication

programme. This is expected to increase the responsibility and commitment of relevant government officials in the implementation of E. R. R. P. Programme and at the same time to increase the accountability of the beneficiaries to the sponsors.

More financing of such schemes by the Government does not, however, ensure their success unless and of course there is a sizeable expansion of the rural infrastructural facilities like marketing, storage transport and communication etc.

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RURAL DEVELOPMENT IN ORISSA,

A Case Study Of The E. R. R. P Scheme in some villages of the Tirtol Block (Cuttack District.)

BENUDHAR MISHRA

Reader in Economics.

Tirtol Block is situated in the Jagatsingpur Sub-division, at a distance of 50 K.ms. from the district headquarters at Cuttack. It comprises of 247 villages (of which 6 are uninhabited) with a population of 1,14,177 divided into 17 gram panchayats. The E. R. R. P scheme has been in operation in the Block for three years starting from 1981-82.

I

The E. R. R. P scheme was born in Orissa in June, 1980 in a state-level meeting called for making a review of the working of the I. R. D. Programme in the State. The main purpose of the new scheme was to make the programme of rural development free from the strict financial rules of the commercial banks. The review pointed out that schemes for eradication of rural poverty had been in operation for quite some years in the State, comprising of distribution of land to the landless, special projects like S. F. D. A., MFAL, IRD, IADP, ITDP, DPAP and so on. It was seen that the main constraint in all these schemes was not so much in finding the resources of government for the subsidy component of the respective schemes, but in ensuring that the financing institutions would be able to grant loans to the beneficiaries to the extent of the loan component. It was observed that the Banks were by and large security-minded with the result that the rural poor had not been able to participate in these programmes. These schemes had not been successful in removing poverty. The poorest families who had no assets to be offered as security were left out of the main stream of development. It was only the comparatively better off of the other rural population that could take advantage of the various poverty eradication programmes. The causes of the impasse were analysed in detail in the review meeting of June, 1980 and a new scheme was launched in the name of Economic Rehabilitation of the Rural poor, in short E. R. R. P. The main features of the scheme were :

(i) The poorest families of the village would be selected by the villagers themselves in a village level meeting to be attended among others by (a) the B. D. O or his nominee, (b) the tahasildar or his nominee, (c) the V. L. W and (d) the local member of the panchayat samiti.

(ii) The important schemes would be those where there would be no loan component. Alternatively the loan component of the existing schemes would be reduced to the minimum extent.

(iii) Government would develop their assets until an optimum income level was reached before withdrawing from the project.

(iv) The poorest family for this purpose would be one which has no income yielding assets of any kind and whose principal means of livelihood is through wage earnings with an annual income not exceeding Rs. 1200/-

II

With a view to assessing the progress of the E. R. R. P scheme in the Tirtol Block, a survey was conducted of the beneficiaries of some of the schemes in operation as indicated below :

Sl. No.	Particulars of the Scheme	No. of beneficiaries surveyed.	Name of villages covered
1.	Bullock cart scheme	10	Nausira and Kharda.
2.	Animal husbandry scheme.		
	(a) Piggery	10	Dandamiri
	(b) Goatery	5	Nausira
	(c) Dairy	5	Nausira
3.	Tank fisheries scheme	10	Garam
4.	Small traders scheme	5	Nuapokhari and Nausira.

Data were collected by personal contact with the beneficiaries at their own place through the questionnaires.

The survey has led to the following findings scheme-wise.

(a) 10 beneficiaries under the bullock-cart scheme were interviewed. Out of them only one beneficiary has been able to rehabilitate

himself in an effective way. He has fully repaid the loan component for the assistance and has in his possession a pair of bullocks and a quality cart whose present asset value would be equal to the total assistance of Rs. 5,000/- (Loan and subsidy taken together) given to him. It has been a steady source of income to him now to maintain his family and take up new activities like construction of a new house to live in. In other cases the quality of carts and the bullock is much inferior and their asset value will come to less than 50% of the total assistance given. In 7 cases no portion of the loan has yet been paid even though more than two years have gone by from the date of sanction of the scheme. In one case the loan has been repaid by selling a portion of the land belonging to the family thus weakening the economic base of the family to a further extent.

(b) The animal husbandry scheme has been running in a most unsatisfactory way. Firstly, the animals are of the ordinary type and do not justify the amount of money sanctioned. There have been definite over valuation of the animals at the time of purchase. The benefit has gone to the pockets of the technical and official staff and the local political functionaries of the lower level. The beneficiaries complained of being cheated by these persons, particularly when the milch cows were purchased. It was gathered from the non-beneficiaries that in some cases no new animals were purchased at all. The whole thing was in the nature of a shady deal in which all the above mentioned persons had their illegal share of gratification.

Secondly, the maintenance of the animals is not done in a scientific manner. The cows mainly are a victim of it and their yield has been reduced considerably leading to loss of income. The pigs and goats are not given any recommended diet. The veterinary staff do not regularly see these animals at all.

Thirdly, the loans have not been repaid, because, as the beneficiaries allege, they do not get adequate return out of this scheme. This they forget, is due mainly to poor quality of animals and improper maintenance.

c) The story of the beneficiaries of the Tank fisheries scheme is still more disheartening. Three of the five beneficiaries surveyed, have tanks adjacent to each other. There is no sign of any fish farming scheme being undertaken in these tanks. All the tanks are filled with thick weeds

of nearly two years old and perhaps the money has been diverted for some other purpose. The other two beneficiaries have clear tanks. They complain that the entire fish stock was destroyed, by jealous neighbours by applying chemicals. In the first three cases, the instalment of money has been paid and they are awaiting the release of the next instalments. In the last two cases even though the entire amount has been paid, they are not in a position to repay because of loss of fish. They plead for cancellation of loan component of the scheme.

d) The small traders scheme is working in an equally uneconomic way. Three of the beneficiaries have started tea-cum.sweet stalls and two have grocery shops. Even though each has been paid a sum of Rs. 3000/- but the value of the stock hardly would come to 500-600 rupees at the maximum. They have eaten away the rest amount of capital. They complain that the flood of 1982 washed away all their belongings in these shops and they have not recovered from that back till now. But the fact is that the flood water reached their area two days after, the actual breach of the embankment was at Bagula and by that time the stocks could have been transferred to safer places. The plea forwarded by them therefore is vague and untenable and is meant only to claim writing off the loan which has been eaten away by them.

III

Against this sordid experience of the working of the E. R. R. P scheme, one is bound to feel frustrated so far as rural development is concerned. There can be no two opinions on the benevolence and most liberal terms of the schemes in operation. One cannot even imagine a more liberal investment scheme than one in which the subsidy component invariably is 75%, sometimes extending to 100%. All these are meant for the poor people in rural areas. But they remain where they were. Sometimes they are made worse off because they repay the nominal loan component by selling family property. The scheme is most liberal but the outcome is horrible. We are held up in a dilemma. For the way out we may look to the following suggestions, emanating from the villagers, themselves who mean business and believe in action.

i) The individual beneficiary approach should be given up forthwith and merit-goods approach should be emphasised. Good roads, better health care, supply of drinking water, facilities for effective vocational

education should be more wide-spread. In Tandikul Gram Panchayat the Lift Irrigation Corporation is laying underground pipelines for supply of drinking water which is much appreciated by the villagers in preference to the E. R. R. P. expenses. One is reminded of the success of a similar technique in Bhismagiri Panchayat of Ganjam district. Tank fisheries maintained by the Panchayat has been a flourishing source of income for taking up other developmental activities in that panchayat.

ii) In any investment scheme the subsidy component should be kept at a minimum. If the scheme works in a profitable way the loan component can be converted to a subsidy. This conversion should also be based on strict cost-benefit evaluation. Availability of liberal money has made the beneficiaries corrupt. The local touts have impressed upon the illiterate and poor rural folk that unless they take to the (corrupt and shady) way as dictated by them no money will be available to them. A poor man has no alternative than to fall an easy prey to the evil design of the local touts who have political links and enjoy patronage of the powers that be. To see them out of the scene is very difficult. But once the morale of the poor is lowered through these schemes of easy money, it will be difficult to lift them to any socially or economically higher level.

iii) The E. R. R. P. scheme seems to be the outcome of the lofty thinking of the so called sympathisers of the rural poor, whose ultimate aim is to be in good looks of the rural voters. The felt needs of the rural community has not been analysed, discussed and schemes framed in consultation with the rural people. Their cultural background has not been properly studied before deciding upon the schemes to be launched in a particular area. The social viability of the schemes should thoroughly studied.

iv) The responsibility for the success of the scheme seems to be nobody's concern. Every official is busy to see that the targets are fulfilled, lest they will be taken to task. Nobody seems to be worried about the final outcome. There is an awful lack of a monitoring mechanism at the village level to make the schemes work in a viable manner. There has also been no honest and proper evaluation of the progress achieved except at the official level which is also responsible for its implementation. Creation of such agencies either on a voluntary basis or through independent official manner is urgently necessary for proper and efficient monitoring and honest evaluation.

The overall strategy should be to help those in a substantial way who are willing to fall in line with strict financial rules with a view to making the schemes productive. At no point the beneficiaries are to be made to feel that what they are getting is mere charity from government. Let one claim, through show of efforts and honest intentions, what one gets. Otherwise the whole scheme will be reduced to (as has already been started to move towards) a mere 'Daridranarayan Sava' of the big Zamindar-the Government. Poverty cannot be eradicated through this technique, it can only perpetuate it.

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KEY NOTE ADDRESS ON E. R. R. P.

SHRI A. J. ALEX, I.A.S.

Director of Special Projects & Addl. Secretary,
C. D. & R. R. Department.

It is a well-known fact that Orissa has 66 percent of its population living below the poverty line. In fact, ours is the only State in the country where the percentage exceeds 60. The next State from the bottom namely Tripura has 59 per cent of its people living below the poverty line. The national average is 48 per cent. The gap between Orissa and the more advanced States is even more yawning.

2. Many well meaning people say that the Integrated Rural Development Programme is the answer to the problem stated above. This is substantially true. However, it must be kept in mind that IRDP being an All India Programme applies to all the States equally. Thus, IRD will not, by itself, enable our state to climb up from its present bottom position to a high place among the States of the country. This is because other States are also helping about 600 beneficiaries in each block to avail the benefit of IRD. It was in this context that the State Government launched special programme called 'Economic Rehabilitation of Rural Poor' in 1980 with a view to assisting about 5 lakh families to cross the poverty line.

3. E. R. R. P. envisages schemes for the poorest 10 beneficiaries in each of the approximately 50,000 villages in the State over a 5 year period. The beneficiaries are to be identified with the help of villagers themselves in a meeting called for the purpose. Schemes for the identified people are to be selected in consultation with the beneficiaries taking into account the available resources in each area. Broadly speaking schemes are to be selected from among 4 sectors namely land, fishery, animal husbandry and artisan sectors.

LAND-BASED SCHEMES.

4.1. For the success of any land-based scheme, good quality land and availability of water are essential. It is an admitted fact that this State possesses a very large extent of good quality land in almost all the

districts. The state also possesses approximately 10 per cent of the ground and surface water potential of the country. This is an ideal back drop for making a success of land-based schemes meant for ERRP beneficiaries.

4.2. Over the years thousands of acres of land have been distributed to land-less people in the State. This includes Government waste lands as well as lands vested with the State under the Land Reforms Act. It has been our experience that most of the allottees of such lands being very poor people do not know how to put this land to good use. Moreover such allottees being mostly agriculture labour had to look for work in other people's lands to sustain themselves. They cannot afford to develop their lands and obtain a reasonable income. This has been observed in most of the districts. I have myself seen hundreds of acres of such lands lying unutilised. ERRP had tried to remedy the situation by investing Government funds on behalf of the beneficiaries and developing the lands with his active involvement. For instance, under the annual cropping scheme where $1\frac{1}{2}$ to 2 acres of land are given to each beneficiary and where Rs. 9,000/- is being spent for him, the beneficiary is expected to take part in all aspects of work including land development, provision of irrigation, growing of crops, harvesting, marketing and depositing the surplus funds in a Bank. It is thought that such involvement will really enable the beneficiary to have a wide range experience over a period of nearly 2 years which ultimately helps him to stand on his own feet. Emphasis is being given to growing high value crops which can generate substantial income with maximum speed. If executed properly, the scheme can enable a beneficiary to cross the poverty line in a matter of months.

4.3. It would not be possible to locate suitable lands for annual cropping schemes all over the State. Some categories of land particularly high lands where water availability is less are suitable for growing tree crops. It has been found that in certain parts of Orissa plantation crops like coconut, cashew, coffee etc. can come up exceedingly well. The advantage of tree crops is that they can give sustained incomes over a period of several decades to the beneficiaries. The main disadvantage is that the beneficiary has to wait for a period of 4 to 5 years for the initial returns to come in. In order to solve this problem ERRP has provided for inter cropping among plantations which apart from preserving the soil from erosion would also give some returns to the beneficiaries. Normally Field Officers are encouraging leguminous crops for this purpose. Cashew plantations have been taken up in the districts of Balasore, Mayurbhanj,

Keonjhar, Cuttack, Dhenkanal, Puri, Ganjam and Koraput districts fairly successfully. In the other districts also cashew has been attempted but due to inclement weather the returns are not as rewarding as in the districts mentioned.

4.4. Orissa has considerable potential for taking up coconut plantation on canal embankments. In fact, nearly 35 lakh coconut plants can be taken up on canal embankments alone. Already nearly 4 lakh trees have been planted on such embankments mainly in the districts of Balasore, Cuttack, Puri and Ganjam. Coconut trees are extremely popular with the beneficiaries and since they are planted on canal embankments sufficient moisture is available to ensure the growth of the plants. The main problem faced on canal embankments is that they are situated in many cases, some what away from the place of residence of the beneficiaries. They find it difficult to look after them on a regular basis. Moreover it is difficult to provide proper protection to the plants since cattle grazing particularly after harvest is acute. It is true that the Watch and ward staff of the Horticulture Department are there but the main interest has to be shown by the beneficiary himself since he will receive usufructury rights over the tree during the life time of the plant. The beneficiaries have to be motivated suitably so that they realise the importance of preserving the trees till they come to the fruiting. ERRP has also provided for taking up mixed orchards at a cost of Rs. 7,000/-. Other important land-based schemes include sisal, betel vines and banana.

4.5. Originally only land-less persons were intended to be included as ERRP beneficiaries. Subsequently it is decided that even persons owning up to 1 acre of land can be included provided income of the family does not exceed Rs. 1200/- a year. Still later finding that the allottees of ceiling surplus and waste lands though possessing nearly 2 acres of lands each have not crossed the poverty line, they have also been brought under the purview of ERRP provided again that their income does not exceed Rs. 1200/- a year at the time of selection.

4.6. The problems of canal embankment coconut plantations have already been indicated. The main problem facing cashew plantations is that lands have been located in big patches of 50 to 200 and in some places up to 500 acres. Since ERRP envisages only 10 beneficiaries in each village, it is difficult to locate sufficient beneficiaries from villages which are close to the lands identified. Some times beneficiaries have to be selected from distant places who find it difficult to look after their plantations.

5. FISHERY SCHEME :

5.1. Orissa has considerable potential for fishery development in the form of a large sea-coast, several reservoirs, large back waters and large number of tanks. It is a fact that these have not been adequately exploited. The ERRP programme has sought to tap the above mentioned sources for its beneficiaries. Assured of marketability, fishery based schemes have been very popular with beneficiaries.

5.2. The main emphasis under fishery based ERRP schemes has been laid on exploiting thousands of tanks spread all over the districts which generally belong to the Gram Panchayats. Since excavation of altogether new tanks would have been a costly proposition existing tanks are being given on a long term 10 year lease to the selected ERRP beneficiaries at the rate of half acre water area to each beneficiary. A provision of Rs. 6,000/- has been made for each beneficiary. This includes cost of renovation and supply of in-puts. It has been found from a survey conducted by the Directorate of Fisheries that the majority of the ERRP beneficiaries taken up under the scheme have derived substantial incomes.

5.3. The main difficulty experienced in executing tank fishery scheme has been that in some places conflicts have arisen between the beneficiaries and some members of the village community who have become jealous of the additional income derived by the beneficiaries. This has happened inspite of the fact that the consent of the villagers was taken before leasing out the tanks. Fortunately, such instances are not too many. Instances of theft of fish from the tanks have also happened. In such cases the District Administration has promptly taken steps to deal with the culprits.

5.4. Prawn-culture has done well in the districts of Puri and Ganjam. For this scheme also just over Rs. 6,000/- has been provided for each beneficiary. It may be possible to extend the scheme to parts of Cuttack, Balasore also. Due to high value realisation of prawn the beneficiaries have come forward enthusiastically for the scheme. The major difficulty experienced in this sector has been the fact that the land suitable for excavation of prawn culture tanks are available in a narrow strip along the Chilka lake. Even though thousands of tanks can be dug in this area, the local people do not relish the idea of beneficiaries from villages other than

their own benefiting. To sort out this problem Government have decided that 10 beneficiaries per village norm will not apply in this area provided the extra beneficiaries to be selected qualify under other ERRP norms.

5.5 Efforts have also been made to provide boats and nets to those beneficiaries living near the reservoirs as well as along the sea coast. A group of 5 people is given a common boat and a net at a cost of Rs. 2,500/-.

6: NON-AGRICULTURE EMPLOYMENT SCHEMES

6.1. Many of the poorest beneficiaries selected under ERRP happen to be from traditional artisan families like carpenters, blacksmiths, cobblers, weavers, stone cutters etc. The ideal way of rehabilitating such beneficiaries would be to give them traditional schemes with improved tools after appropriate training. About 50,000 such beneficiaries have already been rehabilitated all over the State under different schemes. Since from experience it was found that these schemes are doing well in the field, greater emphasis has been laid on covering more such beneficiaries with newer schemes.

7. ANIMAL HUSBANDRY SCHEMES

7.1. Under the above sector, cows, buffalos, goats, sheeps, poultry, duckery and piggery schemes have been financed. In these cases subsidy to the tune of 75 per cent is provided and the remaining 25 per cent is a bank loan. About 67,000 beneficiaries have so far been covered with these schemes.

7.2. The ERRP beneficiaries have shown interest in animal husbandry schemes because of the fact that immediate benefits accrue. However, several lacune were noticed in the above schemes when reviews were conducted in different districts, about ten months back. Many beneficiaries complained of malpractices in purchase of animals. In many cases, sub standard animals were purchased at exorbitant cost. In some areas unusually high mortality was noticed among the animals. In other areas animals were given without ensuring whether market exist for the produce. In view of these difficulties, Government have taken a series of steps to streamline this sector. Apart from taking disciplinary action against several Government functionaries some schemes like goatery, sheepery and bullock

carts were also suspended for some time. It has been decided to supply dairy animals only designated milk routes. Purchase of animals has been entrusted to a District Level Committee instead of the Block Level Committee. Further, it has been decided that these schemes will be given only in those areas which are recommended to be suitable by the District Development Board. It is hoped that with the recent steps taken on the above lines, animal husbandry schemes under ERRP will fair better in future.

8. E. R. R. P. has succeeded in all those areas where the spirit of the programme has been imbibed by the beneficiaries as well as Governmental agencies executing the programme. Proper selection of beneficiaries along with the right selections of schemes for them constitute the key elements. In addition the beneficiaries have to be on *constantly motivated* to persevere in their new occupations. Lack of sympathy and understanding at levels which matter to the beneficiaries can undo the programme as such. The implementing agencies should always bear in mind the fact that the persons whom they have set out to help are the poorest of the poor and hence deserving of their utmost attention.

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7.2. The ERRP beneficiaries have shown interest in animal husbandry schemes because of the fact that immediate benefits accrue. However, several factors were noticed in the above schemes when reviews were conducted in different districts about two months back. Many beneficiaries complained of malpractices in purchase of animals. In many cases, sub-standard animals were purchased at exorbitant cost. In some cases, unduly high mortality was noticed among the animals. In other cases, animals were given without ensuring whether market exists for the produce. In view of these difficulties, Government have taken a series of steps to streamline the sector. Apart from taking disciplinary action against several Government functionaries who were involved in malpractices, sheep and poultry

STRATEGIES OF INTEGRATED RURAL DEVELOPMENT

Dr. R. N. TRIPATHY

The Indian experience with rural development in the sixties and seventies is a classic example in the evolutionary approach towards realisation of revolutionary development objectives. The strategies and policies in this regard have been evolved through distinctive phases, each phase synchronising, by and large, with the respective five-year Plans. Beginning with community development the programme was enlarged to cover panchayati raj as a system of local self-government, the objective being to strengthen government efforts with popular participation. The third phase was earmarked by a shift from broad based community development approach to a narrow focus on intensification of agriculture emphasising intensive approach in resource areas increasing food production. But the unintended consequences of this effort was the growing disparities between areas and sections of population which led to the introduction of targeted group and area oriented special programmes of development which constituted the fourth phase of rural development. The new found integrated rural development, discussed below, is the current phase based on the continuous search for appropriate strategies and programmes to achieve the objective of an egalitarian society within the democratic framework as unshrined in our constitution.

THE INTEGRATED RURAL DEVELOPMENT : THE NEW APPROACH TO POVERTY ERADICATION :

The gains of CD programme primarily accrued to the upper strata of rural society because of their higher resource endowment. Side by side, the various other rural development programmes also placed emphasis on wealth generation and not on wealth distribution or distributive justice. One of the significant points which emerged out of the past attempts at implementing rural development programmes was that the large majority of the small and marginal farmers, agricultural labourers and rural artisans did not benefit from these programmes to an appreciable extent. The strategy of rural development from the mid-seventies has therefore, began to concern itself with channelising benefits to these categories of rural

people. In this backdrop, target group or beneficiary oriented approach to rural development has been evolved as the new strategy called Integrated Rural Development (IRD.)

CONCEPT AND OBJECTIVES OF IRD :

The concept of IRD based on the integration of functional and spatial dimension of development is being variously interpreted with emphasis either only on functional integration or on coordination between subject matter specialists to the neglect of spatial integration which provide the basis for correction of regional or area imbalances as well as reduction of disparity among different income groups. IRD may be defined as the development and utilisation of local resources by bringing about necessary institutional, structural and attitudinal changes and by creating infrastructure facilities for economic as well as social networks for programme implementation. The ultimate objective of IRD is to improve the quality of life of the rural poor.

The micro objectives of integrated rural development are therefore, quite comprehensive and line with the current international concepts of rural development. It is not merely a provision of opportunities for development but also actual utilisation of those opportunities by the people for whom these are intended by creating organisation for such utilisation.

Political power structure, its class composition and its unequal incidence upon the interests it serves, institutions—social, economic and political, the state of law, the state of knowledge and use of science and technology, information and communication, bureaucracy monitoring and evaluation are all within the scope of IRD. Integrated rural development therefore, means planning and implementation of the diverse aspects of rural life not in isolations but by taking into account the mutual interactions and linkages—forward and backwards, temporal and spatial with a view to achieving universalisation of wealth and income to enrich the quality of rural life. Needless to say that the quality of rural life would be within the reach of the rural people only through augmenting their capability to add to their income. In the ultimate analysis, therefore, the question boils down to : how do we enable the rural poor to increase their income. The increase in income can come only through increased opportunities for employment in rural areas. Everything else would be the mechanics of achieving this primary objective.

The operational objectives of IRD therefore, are :

- a) the removal of unemployment and significant underemployment;
- b) the appreciable rise in the standards of living of the poorest sections of the population;
- c) provision by the state of some of the basic needs of the people for these income groups like clean drinking water, adult literacy, elementary education, health care, and rural roads and housing for the landless.

While the third of the above objectives is expected to be achieved by a number of other plan schemes, the IRD programme with which other on-going special programmes, such as SFDA, DPAP, CADA and operation flood phase-II have now been merged, is expected to contribute significantly to the realisation of the first two goals mentioned above the essence of which is generation of incremental employment and income.

OPERATIONAL STRATEGY :

In this new strategy, the emphasis is on 'block planning' and intensive development of the blocks. Earlier IRD programme was extended only to 2000 blocks. However, the Government of India took a bold decision to extend the programme to all the 5011 blocks in the country in October 1980. During the Sixth-five-year Plan each block will receive Rs. 35 lakhs in a phased manner in addition to the allocations for other on going and earlier special programmes which have now been merged with IRD.

The strategy of IRD lines in formulating an IRD plan for each block with emphasis on identification of the rural poor, particularly those belonging to the scheduled castes and scheduled tribes for whom employment and increased income should be assured through extended employment opportunities. For identification of the rural poor, an income criterion has been fixed. The income has to be assessed from both farm and non-farm sources and all those families with income of per capita less than Rs. 700 per annum or Rs. 3,500 per family would be categories as beneficiaries of IRD programme living below the poverty line. Thus the earlier identification criteria under SFDA and other related programmes have been revised to adopt an income test to decide as to who is poor. It may be mentioned here that IRD is an approach and IRDP represents a number of action plans for implementation.

ORGANISATIONAL SETUP :

This programme, in very many ways, different from the past ones, required an integrated organisational set-up at the district level which has been established in all districts of the country and is known by the broad nomenclature of District Rural Development Agency (DRDA). In some states the organisation is also known as District Rural Development Society or District Rural Development Corporation. In order to impart flexibility for decision making in accordance with the local conditions, the organisation has been registered as a society under the Societies Registration Act. From this point of view strictly speaking, it is not a government organisation.

The reason why a different organisational structure was created for implementation of IRD programme is based on the recognition of the fact that the day-to day general administration of the district with its sectoral approach may not be in a position to provide the needed concentration on implementing anti-poverty programmes that IRDP seeks to actualise.

As mentioned above, the DRDA as an integrated planning and implementation structure headed by a senior administrator, has expert functionaries representing agriculture, animal husbandry, cooperative and rural credit, rural industries, monitoring and evaluation.

FINANCIAL ARRANGEMENTS :

The cost of the programme is shared equally by the Central and State governments. In addition to the financial resources coming from the central and state governments, the nationalised commercial banks and the cooperative banks do provide substantial credit support to the programme. Apart from Rs. 35 lakh provided by the centre and the states, which constitute one third of the investment for the programme, the bank provide the remaining two thirds of investment for each block.

For an individual beneficiary, enfolded in the programme, the DRDA provides a subsidy assistance to the extent of Rs. 3,000/- representing one-third of the unit cost of the programme. The remaining two-thirds i.e., Rs. 6,000 come by way of credit support from the banks. Thus for each beneficiary, a micro project is formulated with an investment of Rs. 9,000. In certain cases, the subsidy limit is raised to even 50 per cent for the beneficiary if he belongs to be scheduled tribes.

BLOCK PLAN :

The IRD implementation is based on block plan which is an attempt at blending the 'top-down' and 'bottom-up' approach to IRD. The objectives of block plan are directly derived from those of integrated rural development namely, reduction of unemployment and increase in income for the rural poor. The specific objectives of block plan are :

1. to identify the growth potential of the block in terms of physical and manpower resources;
2. to review the on-going development activities and their relevance for optimising production and generation of employment and income;
3. to identify the households living below the poverty-line and the occupations suitable for them to help them cross the povertyline;
4. to identify the magnitude of the problem of unemployment in primary, secondary and tertiary sectors for assessing feasibility of different types of schemes intended to be the likely solutions for income generation;
5. to identify and formulate projects aimed at harnessing local resources and other economic opportunities to be given to the identified beneficiaries in the block, and
6. to identify and distribution of social facilities and economic infrastructure so as to devise measures to fill these gaps for successful implementation of the proposed programmes.

The major thrust of the planning exercise at the block level is to locate economically viable schemes and also to find out which of them can be offered to the beneficiaries among small and marginal farmers landless agricultural labourers and rural artisans, particularly those from scheduled caste and tribes.

OPERATIONAL DESIGN AND METHODOLOGY OF IRDP :

The operational design and methodology of IRDP is a shade different from the usual method followed by the government department in aggregating the sectoral plans at the block level. Such sectoral plans do not make an attempt to identify the beneficiaries on a total income criterion nor do they go into the question of formulating schemes and

establishing a relationship between them and the resource potential of the block. The inter-sectoral consistencies and linkages are also not the strong points under the existing system of plan formulation. The methodology adopted for the purpose of formulating a block plan is indicated below :

BASE-LINE SURVEY :

A base-line survey is conducted in the block to identify the families living below the poverty line so that these could be the beneficiaries for assistance from IRD programme. Certain instruments for data collection are prepared with the basic objectives of ascertaining base level income, feasible micro projects— assets— holding pattern of the people and preferred choice of occupation. The income survey is based on complete enumeration of all households except those who have higher land holdings for obviously high off-farm income. Generally speaking, in absolute terms, 15,000 to 20,000 families are enumerated to ascertain their income and assets holding position.

POVERTYLINE :

The poverty line as defined by the Planning Commission of the Government of India is adopted to decide as to how many families are below this line. As hinted earlier, a person earning less than Rs. 700 per annum from all sources is considered as falling below the povertyline. Thus a family consisting of five members which according to this criterion, earns more than Rs. 3,500 is considered to be above the povertyline. It is reasonable therefore, to argue that all those families with an annual family income of less than Rs 3,500 would fall below the povertyline. For the purpose of calculating per capita income an attempt is made to estimate net income. The concept of income level implied in the povertyline would, of course, vary from area to area. In certain areas Rs. 3,500 might be the floor instead of the ceiling of the povertyline. In such areas however, special attempt should be made to redefine the povertyline for estimating number of families below it.

(After identification of families below the povertyline, they are sub-divided into various income groups such as Rs. 0-175, Rs. 176-350, Rs. 351-526, and Rs. 527-700. These categories represent per capita income. Within each category a further division is made in terms of occupations to find out how many families earn what level of income from the existing occupations that they depend upon),

DATA FROM THE SECONDARY SOURCES :

In addition to data collected from the primary sources through base line survey, a good deal of information is collected from the block office and various other district level offices through unstructured pro-formae. Information is collected from secondary sources in respect of agriculture, irrigation, extension services, industries, health and education, forestry, cooperation, roads and communications, electricity, markets, veterinary facilities, rural transportation system, groundwater potential and other geographical data, banking and other financial institutions and population. In addition, information with regard to the on-going projects and their impact is collected to understand the level of development the block has achieved.

SPATIAL ORGANISATION :

On the basis of existing social and economic interaction pattern, clustering of the villages is undertaken following the principles of geographical proximity, presence of policy and non-policy functions and accessibility, the social and economic facilities available in the block. All the beneficiaries in different income and occupational categories are then identified villagewise and aggregated at the cluster level. This is done to provide spatial as well as functional linkages for the beneficiary oriented programmes and to integrate them with the sectoral schemes at the cluster level.

RESOURCE APPRAISAL :

Information collected on various items through secondary sources is analysed to examine the pattern of distribution of resources and social economic facilities and the present level of utilisation. The assessment of development potential is also made.

SECTORAL LINKS WITH BENEFICIARY ORIENTED SCHEMES :

The information on each household collected through base line survey is further processed to categories all the households identified below the poverty line according to their preference for avocation/occupation. Based on the preference shown by the beneficiaries, schemes for individual households are prepared linking them with sectoral programmes.

Such programmes are aggregated first at the cluster level and then at the block level.

INFRASTRUCTURAL DEVELOPMENT :

The requirement of infrastructural facilities to support different sectoral schemes as well as beneficiary oriented schemes under each sector is assessed and planning for additional facilities is done.

NATURE OF ASSETS CREATED :

In the Indian context land, of course, is the best form of asset which can provide employment and income to the rural poor. However, land is in short supply and distribution of land on an equal basis will make the holding uneconomic and it may be difficult to realise the full productive capacity of the land. Nevertheless, the land reforms programme in India is carrying forward the land re-distribution programme through imposition of ceiling etc. and it is hoped, in course of time, a large number of agricultural labour would have some assets by way of land. As a part of IRD programme, the major attempt is centred round creation of assets to ensure self-employment of the rural poor. To achieve this, milch cows and buffaloes, poultry units, piggery units, pisciculture units etc. are generally being given to the identified poor to augment their employment and income. Very great emphasis is also being placed on imparting new skills and upgrading the existing skills of rural artisans so that their productive efficiency would increase and with it their income. As a part of IRD, a programme called TRYSEM, the acronym stands for Training of Rural Youth for Self-Employment. The programme has been introduced in the background that there is a vast backlog of unemployment and underemployment in the rural areas and the problem is steadily accentuated due to massive addition to labour force. To add to this, economic compulsions force students to drop out of schools at various stages. While resources are available the entrepreneurs are scarce. The countryside needs young men and women who, trained for self-employment, can utilise the vast resources and take a quantum leap into a world of comparative affluence.

ROLE OF BANKING INSTITUTIONS :

In this task, the nationalised commercial banks and cooperative banks as also the regional rural banks are playing a vital role in providing

credit support for the programme. Now in the country, a branch of commercial bank is available to serve a population of 17,000. The bankers and the DRDA Project Directors together with the assistance of block organisation are advancing credit to the identified beneficiaries in the assets building programmes. In order to increase the flow of credit for rural development programmes, recently, the Government of India have established the National Bank for Agriculture and Rural Development (NABARD). The Banking sector not only provides credit for building of small assets, it also provides composite loan upto Rs. 25,000 on differential rate of interest to rural artisans. Agricultural labourers are also given credit on differential rate of interest of 4%.

NATIONAL RURAL EMPLOYMENT PROGRAMME (NREP) :

Another important aspect of rural development is National Rural Employment Programme (NREP) which has replaced the earlier food for Work Programme. It is much wider in scope and in dimensions and it is intended for providing continued wage employment to weaker sections of the rural society who are still not in a position to make the best use of bank credit. It has the following objectives :

1. Employment opportunities mainly for the agricultural labour during the lean season;
2. Planned utilisation of manpower for economic development and creation of productive community assets;
3. The efficient public distribution system for the rural poor.

The programme like its predecessor, uses food-grains towards payment of wages which has not only ensured the best utilisation of buffer foodgrain stock in the country but also has held the inflation in check.

IMPLEMENTATION AND MONITORING :

The Government at the centre and in the states have made elaborate arrangements for monitoring and for evaluation of IRD programme. Three things which are necessary for monitoring are : 1. the information system, 2. unit of control and 3. adequacy of personnel.

The beneficiaries have been given identity-cum-monitoring cards (Vikas Patrika) on the basis of which monitoring of programme implementation and accrual of income is done. The Village Level Worker (VLW) the last link in the administrative chain is responsible for collection of information at the village level. Such information is collected and compiled at the block district levels and are utilised for providing the necessary follow-up action. The other sectoral organisations at the district level are also providing the necessary assistance in monitoring the programme. However, the main responsibility of monitoring the impact of the programme rests with the Project Director, DRDA. The state government as well as the Government of India also regularly receive reports about the functioning of the programme and issue, from time to time, guidelines and instructions to correct the course of the programme.

TARGETS AND ACHIEVEMENTS :

The various rural development programmes initiated during current Five-year Plan are now gaining momentum. It would be too early to assess the qualitative achievement and impact of these programmes on the rural poor, however, based on the key indicators of targets and achievements it could be observed that the progress made till now is satisfactory. The progress of achievements with respect to IRD and NREP are given below :

A target of three million families annually are supposed to be assisted for providing them employment and income generating assets/avocations. Against a total target of nine million families for 1980-81 to 1982-83, about 7.446 million families were covered till January 1983. Of these 2.383 million (31.40 percent of the total) were scheduled castes and scheduled tribes. Sectorwise about 0.920 million families were provided schemes related to industries, service and business (ISB) sector and 0.1853 million families under TRYSEM. Detailed year-wise and cumulative information in these respects are provided in tables 1, 2, and 3.

As already discussed, the objectives of this programme is to generate employment and permanent assets for community use. In this regard besides generating 66.317 million mandays of wage employment, a substantial number of various types of assets have been created. The statistics showing the progress of achievement upto January 1982 is given in table 4.

Table—1

Achievements under I. R. D. programme.

Sl. No.	Item	Year			Cumulative (upto Jan. 83)
		1980-81 (provi-sional)	1981-82 (provi-sional)	1982-83 (upto Jan. 83)	
1.	Central allocation (Rs. in million)	1,278.0	1,533.6	2,044.8	4,856.4
2.	Central release (Rs. in million).	825.8	1,284.5	1,106.1*	3,216.4
3.	Total expenditure including state share	1,562.4	2,623.9	1,900.8	6,087.1
4.	Term credit disbursed (Rs. in million)	2,366.2	4,846.5	3,807.2	11,019.9
5.	Total No. of families assisted (in million)	2.783	2.829	1 834	7.446
6.	No. of SC/ST families assisted (in million)	0.663	0 982	0.743	2.388
7.	Percentage of SC/ST families to total.	24.0	35.0	40.50	31.40
8.	Percapita investment (Government subsidy-in Rs.)	1,411	2,641	3,114	—

Source : Govt. of India, Ministry of Rural Development, Annual Report, 1982-83.

* Upto February, 1983.

Table—2

**Progress of Achievement under Industries, Service and Business
components of Integrated Rural Development programme**

(As on November 1982)

Year	Families assisted (Nos.)
1979-80	111,877
1980-81	178,863
1981-82	386,912
1982-83 (upto Nov. 1982)	242,183
Total	919,834

Source : Govt. of India, Ministry of Rural Development, Annual Report, 1982-83.

Table—3

Progress of Achievement under TRYSEM

Year	Number trained	Self employed
1979-80	40,184	13,735
1980-81	122,596	45,494
1981-82	179,044	82,571
1982-83 (April to Sept. '82)	75,904	43,485
Total	417,728	185,285

Source : Same as above.

Table—4

**Progress achieved under National Rural Employment Programme
(upto January, 1982)**

Items	Unit	Achievement
1. Employment generated	Mandays (in million)	66.317
2. Physical Assets created		
a) Area covered under soil conservation	Hectare (in thousands)	103.996
b) Area brought under major/minor irrigation	-do-	246.263
c) Area reclaimed through flood protection	-do-	59.784
d) Area covered under plantations	-do-	200.414
e) School buildings constructed/ repaired	Nos.	14,615
f) Panchayatghar/community halls constructed	Nos.	1,260
3. Road work :		
a) Maintained/improved	Kms (thousand)	189.332
b) New construction	-do-	18.915
4. Construction of intermediate maindrains, field channels, land levelling etc. in irrigation command areas	Hectares	2,459
5. Others	Nos. (in thousand)	212 00

Source : Govt. of India, Ministry of Rural Development, Annual Report, 1981-82.

PEOPLE'S PARTICIPATION :

The increasing complexity of rural development requires that there is a professional and management approach to it. It is also equally true that rural problems require a sensitive appreciation of the technological, spatial, environmental, motivational and communicational dimensions. It is in this context, that people's participation has to be viewed. In the context of block level planning for integrated rural development, the need to vitalise the panchayati raj institutions can hardly be overemphasised. These institutions can help in bridging the gap between imputed and the actual needs of the people. Expert studies have pointed out the contribution of panchayati raj institutions to the effective planning and the efficiency with which available resources can be utilised, to the mobilisation of resources, to the provision of inputs and services, to the integration of inputs and their timely supplies, and to the articulation and the processing of rural problems in general so that the goals, priorities and operations of the programme can be responsive to the needs of the people. It is needless to say that the future success of IRD programme to a very large extent depends on the active support and cooperation of the people in the planning and implementation of the programme.

VOLUNTARY ACTION :

The importance of voluntary action specially in democratic societies cannot be overemphasised. Voluntary action is a two stage process. In the first stage it is based on social consciousness which is 'the feeling of discomfort on the part of the people in comfort about the people in discomfort'. (Beveridge : *Voluntary action*). The result is voluntary action by charitably disposed philanthropists who organise donor-centred welfare work. Such programmes result however, in increasing dependency on the part of the rural poor. In the second stage voluntary action is based on social consciousness which is generated by middle class activists or groups of intellectuals who go into the rural areas to attempt and develop the latent leadership among the poorer sections. This is the people-centred approach in which people's participation is on terms that are understood and approved by them. It is an active process of education, awareness, interest, and organisation which cuts across traditional barrier and castes and occupation. The IRD programme is in dire need of such a support based on voluntary action. There are signs all over the country that this support is increasingly coming forward to implement antipoverty programmes.

AN OVERVIEW OF THE ELEMENTS OF IRD PROGRAMME :

Before we close this section, it would be worthwhile to trace the various elements of IRD programme and also of the new approach to rural development as follows :

- a) Ecology and environmental planning for conservation of physical resources;
- b) Development with social justice in respect of distribution of means of production, that is, land and other resources, inputs, technology and knowledge as well as skills with special reference to the poverty groups;
- c) Diversification of occupational pattern with greater emphasis on secondary and tertiary sectors, rural industries, services and business to be actually promoted, and training of rural youth for self-employment;
- d) Increase in income, employment, levels of living and quality of life of the rural poor;
- e) Provision of institutional finances through commercial banks, cooperatives and the National Bank for Agriculture and Rural Development (NABARD) which would act as the apex agency to coordinate the rural credit requirements for rural development as a whole;
- f) Local level planning (block planning) with thrust in favour of the poverty groups linked with planning for village clusters to ensure a balanced blend of top-down and the bottom-up approaches;
- g) Population policy to form an important focus of the new approach to rural development promoting acceptance of small family norm by all in general and the poverty groups in particular;
- h) Human resource development to be actively promoted through education, health, sanitation, nutrition and related programmes;
- i) Training to form an important input in all programmes of rural development for augmenting the efficiency of top, middle and junior level executives as well as block and field level workers. Training is also needed for elected representatives at all levels and for target groups at the village level;

- j) Science and technology for promotion of agriculture and allied sectors, rural industries should increasingly form part of national research and development with special reference to rural development;
- k) Transfer of new technology to the target groups through an appropriate extension system;
- l) People's participation to be actively promoted through a network of organisations of panchayat raj bodies and people centred non-government organisations.
- m) Provision of infrastructure support in the form of general and programme specific items.

THE FUTURE SCENARIO :

In the foregoing sections, we have presented analyses of the historical process by which rural development has evolved out of community development to the stage of integrated rural development. The logic of the situation demands that we judge the future of rural development in the years to come.

The preoccupation with the problems of the poor is a global phenomenon stemming from the massive increase in rural population in the third world countries. The concern for the poor is heightened in contrast with conditions prevailing in the developed countries. There is therefore, much greater need for equity which far from being opposed to efficiency is in fact complementary to it.

In the context of this growing concern for rural development and the lot of the rural poor all over the world the Indian Government has taken far reaching policy decisions in this regard. However, there is need for further thinking on the speed and magnitude of structural changes regarding ownership and control over means of production. Similarly very clear decisions are required to be made with regard to choice of technology and the place to be assigned to large, medium, small, tiny and cottage industries sectors in the entire range of individual activities. There are other hard decisions to be made with regard to proper policy on terms of trade between rural and urban sectors, maintenance of price stability, and controlling the growth of population. It is a happy feature that the Government of India has shown considerable evidence of the capacity and willingness to take such decisions.

The bureaucracy is not the same as it used to be in the colonial era. The present day administrators are trained in the latest methods of management to face the challenges of the new developmental tasks. They have also shown greater resilience in adjusting to the elected representatives of the people at all levels ensuring a harmonious working relationship.

A related dimension where we have to cover a long gap is the training of beneficiaries. While already a good deal is happening in training, the present training infrastructure is not adequate to meet the growing requirements particularly at the lower levels.

The present strategy practically leaves out of account the involvement of rural people in the process of plan formulation and implementation. This aspect has to be built-in component of the planning process through intensive participation of panchayati raj bodies, various other people's organisations as well as voluntary agencies having experience and capability in planning and implementation of rural development programmes.

It has been proved the world over, that improving the condition of rural poor is difficult of achievement without their active support and cooperation in the programmes meant for their development. In the future this aspect should be emphasised by organising functional groups of rural poor built around commonality of interest. Government support and supply system should be so reorganised that it helps these functional groups by making available to them technological inputs as well as advice.

Income generation in the case of rural poor is largely dependent on availability of assets and inputs in required quantity and quality. Scarcity on this front has caused considerable set back to the various schemes meant for them. It is, therefore, necessary to augment production of such inputs through allocation of funds from the state sector. The sectoral government departments should be made responsible for adequate production and timely supply of these inputs.

Infrastructural facilities like roads and communication, marketing system, banking facilities, energy system, and support services like animal health cover, feed and fodder supply, sale and service of agricultural implements and godown and storage facilities should be ensured at appropriate locations to improve the accessibility of the people to these facilities.

The success of rural development schemes are directly proportional to the management capability of the rural people particularly the rural poor. To ensure this, intensive monitoring is necessary to teach them the rudiments of project management. By and large, this has to be achieved through the block and banking organisations and the panchayati raj bodies at all levels. Proper deployment of staff at the block level has to be worked out for this purpose.

As far as Integrated Rural Development programme is concerned, the coverage has to be enhanced and as against 600 families, a much larger number should be enfolded in the programme so that by the end of the Seventh Five year Plan a substantial dent into rural poverty would have been made.

E. R. R. P. IN DHENKANAL DISTRICT

A case study of Sadar Block (Land Utilisation scheme)

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Poverty in Orissa is as old as its history. Notwithstanding all the drive against it through the plans poverty remains at large. The Sixth Plan documents reveal that 68.97 P. C. of people in rural area and 42.19 P. C. of people remaining in Urban area are living below poverty line. As per NSS data monthly per capita consumer expenditure in Orissa was the lowest among that of other states.

The rural poor in Orissa include the small and marginal farmers, agricultural workers, rural artisans and persons belonging to SC and ST. Agriculture has turned out to be the mainstay of life for the people of Orissa as 79.6 P. C. of the working population depend on it for earning their livelihood. Irrigation facilities being quite inadequate major part of agriculture in the state has become a gamble of monsoons. Various schemes for eradication of poverty have been under execution for the last 30 years. A few examples of such programmes are the Small Farmers Development Agency (SFDA), Marginal Farmer's and Agricultural Labour Development Programme (M. F. A. L.), Command Areas Development (CAD) and Integrated Tribal Development Programme (ITDC). The main objective of such programme is to make an intensive enquiry to the problem of poverty of the target groups and to find remedies for rendering them economically viable. But in all these the main constraint lay not in obtaining Govt. subsidy component but in ensuring flow of institutional finance to the beneficiaries as Banks had to follow a rigid formality of attaching security to a loan, which could not be furnished by all the beneficiaries. Thus the poorest of the families who had no asset of their own were cut off from the main stream of development. It is the only comparatively well-to-do persons in rural areas who could take advantage of the various measures intended for eradication of poverty.

As such with a view to ameliorating the economic condition of the poorest families in the state, a new programme was launched during the Sixth Plan known as ERRP (Economic Rehabilitation of Rural Poor). The salient features of the programme are (a) The Poorest families will be identified by the villagers themselves. (b) Important land based schemes will have no loan component and (c) Government is pledged to develop their assets until an optimum level is achieved before withdrawing from the project. The scheme is based on the development strategy of generation of employment and income in the agricultural sector by enriching land and labour which are the two chief factors of production in a village economy. The basic frame work of this programme undertaken on a top priority basis in the stateies in allotment of suitable cultivable land to beneficiaries who are mostly landless agricultural workers and in provision of other categories of income generating assets like (a) Plantation areas suitable for cashew, coconut, coffee etc. (b) Animal Husbandry units- Dairy, Piggery, Goatery etc. (c) Long term lease of Community, Gram Panchayat Tanks and water spread areas for pisciculture. (d) Sericulture (Tusser, Mulberry) and non-agricultural employment schemes.

OBJECTIVES :

The poorest families live in hand to mouth condition. They hire their only form of asset i.e. labour primarily in agricultural sector and what ever seasonal employment they can find is not sufficient for their subsistence. The objectives of this programme is to ensure a minimum annual net income of not less than Rs. 1500/- for the identified families. During a period of 5 years (1980-81 to 1984-85) 5 lakh poorest families are to be included in this scheme or on the average the figures come to 10 such families in a village

ADMINISTRATIVE SET UP :

At the Block level the BDO will be the kingpin for implementation, co ordination and monitoring of the programme. At the District level the Collector will coordinate and supervise the entire programme will ensure indentification of compact patches of Govt. waste land, ceiling surplus lands and lands in ayacuts of newly developed irrigation projects. He will ensure handover of such lands to the field officers of concerned departments. The Head of the concerned Department will form detailed schemes, supply all technical aid advice. At the State level the Agriculture and Co-operative Departments will be the Administrative Department for the programme.

FINANCIAL ARRANGEMENT :

A sum Rs. 50000/- is to be spent per family under the programme. The pattern of financing and subsidy component vary from scheme to scheme. In case of land based schemes, Fisheries, Sericulture and non-agricultural Employment scheme the entire expenditure will be met by the government and there is no loan component. Animal Husbandry schemes will be subsidised to the extent of 75% where only 25% loan component remains. The loan money shall be financed by co-operative institutions or commercial banks.

In the light of the above stated features of the scheme we shall attempt to examine the operation of the programme in the district of Dhenkanal with respect to land based scheme. The district of Dhenkanal ranks 8th in the state with regard to population. According to 1981 census the population of the district is 12.94 lakhs out of which 92.15 P. C. is rural and 7.85 P. C. urban. The SC and ST population of the district are 15.61 and 12.27 P. C. respectively of the total population.

The district has a total work force numbering 4.12 lakhs. Cultivators and agricultural labourers together account for 79.09 P. C. of the total working population. Thus it is seen that agriculture is the single most important activity and the mainstay of the district's economy. Industries employ 11.08 P. C. of the working population, which is not very significant.

Under the ERRP programme implemented since 1980-81 total amount of allotments for 1980-81 to 1982-83 was Rs. 1.66 crores. Out of which Rs. 1.53 crores was spent. The following tables reveal the target and actual expenditures.

Table—1 (A)

(Rupees in lakhs)

Schemes	1980-81		1981-82		1982-83	
	Allotment	Achievement	Allotment	Achievement	Allotment	Achievement
Annual Cropping	31.18	15.90	17.46	4.78	30.01	1.11
Cashew Plantation	0.36	14.68	6.60	54.09	7.8	6.40
Animal Husbandry	8.53	7.96	15.10	5.98	—	13.57
Pisciculture	0.60	0.60	2.24	0.89	—	4.33
Others	2.62	2.00	7.38	5.01	36.66	16.17

Source : District Statistical Office, Dhenkanal.

Table—1 (B)

No. of beneficiaries of ERRP Programme.

Schemes	1980-81		1981-82		1982-83	
	Target	Achievement	Target	Achievement	Target	Achievement
Annual Cropping	1683	448	253	93	105	25
Cashew Plantation	119	1064	463	5724	531	491
Animal Husbandry	618	515	728	57	1514	1541
Pisciculture	21	12	224	25	540	180
Others	267	250	790	438	1710	1307

Source : District Statistical Office, Dhenkanal.

Table—1 (C)

Abstract of all the three years.

Year	Beneficiaries		Amount spent	% of Achievement
	Target	Achievement		
1980-81	2708	2289	41.13 lacs	
1981-82	3655	7008	70.75 lacs	109.16
1982-83	5490	3544	41.18 lacs	
Total	11763	12841	1,53.07 lacs	

Source : D. S. O., Dhenkanal.

A perusal of these data reveal that in case of Cashew Plantation scheme the achievement is singularly spectacular. Schemes like Annual Cropping, Animal Husbandry, Pisciculture and others have fallen short of targets set against each throughout all the three years of operation. Further, total amount of allotment for all these schemes could not be spent in course of operation means that there is lack of proper implementation of these schemes.

As regards the total numbers of beneficiaries the above figures show that after the end of 1982-83, the achievement was 109.16% of the

target fixed. The figures *prima facie* are quite satisfactory but unless an empirical study in the area where the programmes are under execution is made with a view to examining the change in economic conditions of the beneficiaries we will fail to know the actual state of affairs. Beneficiaries may be existing in all the masterplans and schemes but no real benefit in the form of higher earning capacity may be accruing.

For the purpose Sadar Block of the district of Dhenkanal has been chosen for empirical study.

A brief outline of the socio-economic set up of the block would reveal the following. The Sadar Block has a rural population of 1.03 lakhs out of a total of 2.16 lakhs. Total number of cultivators and agricultural workers of this block is estimated to be 13,113 and 9952 respectively. On a block-wise comparison Sadar Block has 64% of its geographical area under cultivation, the highest in the District. But unfortunately the said block has a total area of 2658 hectares under irrigation which is 9% of the total sown area, while the district average is 19%. This particular difficulty has stood on the way of success of Annual Cropping under ERRP as we shall examine later.

Out of different utilisation schemes Annual Cropping and Cashew Plantation were taken up in the Sadar Block. Annual cropping has been implemented on a limited scale in view of lack of water resources throughout the year. In the village Krushnaprasad limited acreage has been put under Annual Cropping Scheme since 1980-81. This being the only patch of area devoted for Annual Cropping incidentally it was selected for field survey.

The following table gives us a bird's eyeview of the progress of Annual Cropping in this village.

Table-2

Year	Total acreage	No. of bene- ficiaries	Crops	Expendi- ture incurred	Esti- mated income	Profit Rs.
1981-82	10	10	Ground Nut, Cotton, Maize.	Rs. 2,922	Rs. 10,707	7765
1982-83	8	10	Brinjal, G. Nut	Rs. 2,640	Rs. 11,358	8724
1983-84	The scheme was abandoned.					

Source : D. A. O., Dhenkanal.

During the period from 1980-81 to 1982-83 the total acreage was devoted to annual cropping is merely ten acres which was distributed among ten numbers of beneficiaries. From the year 1982-83 the scheme was dropped due to lack of perennial source of water and the decision was taken at top level. Because the scheme failed to generate the desired level of income per family as only Khariff crops were raised but not the Rabi Crops. Rs. 1,500/- which was earmarked for irrigation per family probably could not be used failing which cropping in the Rabi season was not possible. The beneficiaries were interviewed with regard to the achievement of the scheme and certain observations were made.

- a) In the first year of operation of the scheme each family received Rs. 500/- approximately towards wages. The schematic expenditure on this head per acre is Rs. 1000/- but the waste land available for the purpose did not require so much of expenditure.
- b) In the second year in the khariff season good harvest was made with govt. assistance of Rs. 2922/- against which various crops were raised which was, estimated at that time to be worth Rs. 10,707/-. As a result 10 beneficiaries per head received Rs. 776/- on the average. By the time Rabi season came irrigation to this patch could not be done. Either the cost of dug-well was very high in this hilly region not commensurate with the benefit or Govt. decision to divert this money from this zone to some other better productive zone, finally led irrigation programme to a standstill. However, the reasons are best known to the concerned authorities. In the subsequent year less allotment was received for conducting the Khariff crop for 1982-83 and as such instead of 10 acres earlier, 8 acres were put under annual cropping, with an expenditure of Rs. 2640/- against which Rs. 11,350/- was realised as sale proceeds. Thus each beneficiary received slightly above Rs. 800/- for the whole year as Rabi Crops could not be raised this year too.
- c) As the rate of return per family was less than expected and on that ground after 1982-83 Khariff season the scheme was dropped leaving 10 listed beneficiaries at that stage. They are not taken as beneficiaries in any other land based schemes

so far. To put in other words Annual Cropping scheme has failed in Sadar Block. The picture is not unique in Sadar Block alone. In other blocks too similar dry patches have been abandoned for want of development of regular irrigation facilities. There is sufficient reason to fix the responsibility on the agency meant for irrigation programme and in general on the co-ordinating machinery. It may also be noted in fine that this dry patch selected for annual cropping was not a very right decision amply evidenced by the poor annual return realised from the patch.

CASHEW PLANTATION :

In Sadar Block six patches are put under cashew plantation covering a total area of 156 acres. But after the very first year of implementation of the programme 15 acres of land were diverted from cashew plantation to Annual Cropping by the beneficiaries. As these beneficiaries opted for Annual Cropping necessary adjustments were done at the block level and they were given necessary assistance from the Annual Cropping Scheme. Secondly in village Mahulpunji an area of 14 acres put under cashew plantation was suspended due to apathy of the beneficiaries who did not turn up regularly to their fields after two years of operation with an expenditure of Rs. 5768/- which resulted as an unproductive expenditure. The following table shows a brief account of target and actual expenditures for successive years.

Table—3

Progress of Cashew Plantation Scheme.

Patches	Schematic Expenditure in Rs.			Total	Actual Expenditure in Rs.			Total
	'81-82	'82-83	'83-84		'81-82	'82-83	'83-84	
Krushna Prasad Bari-	8520	7368	8304	24192	4532	1315	7147	12994
mundia	36300	18420	20760	75480	12113	14356	14423	40892
Badera. palli	31460	15964	17992	65416	3161	23631	13977	40769
Mala-simuli	36300	18420	20760	75480	10502	3151	4638	18291
Talpatia	36300	18420	20760	75480	6320	8389	8773	23482
Total	148800	78592	88576	316048	36628	50842	48958	136428

Source : B. D. O., Dhenkanal.

For the purpose of empirical study the author has taken a field survey of cashew patches of villages Mala Simuli, Talpatia, Baderapalli and Bari Mundia. A suitable questionnaire was prepared and listed beneficiaries were interviewed. The observations are noted below.

- a) Out of 58 selected beneficiaries under the scheme 27 persons belong to S. C. and S. T. whose economic condition was pitiable at the time of inclusion in the scheme. Each beneficiary now enjoys an area of 2 acres of cashew fields which abounds in 5 ft. tall cashew plants.
- b) Before the implementation of E. R. R. P. each beneficiary was earning a sum of Rs. 100/- per month approximately and with that amount he had to support his family on the average consisting of 5 members. In the first year of preparation of land for cashew plantation the wage component was Rs. 800/- per annum per beneficiary. Apart from this with the remaining man-days the beneficiaries could earn Rs. 40/- to Rs. 50/- per month.
- c) In the second year no inter-cropping was done in these patches with single exception of village Malasimuli. This year proved to be a hard year as the earning of the family fell to Rs. 400/- in the form of wage.
- d) From the third year the beneficiaries of these villages raised other variety of crops. With the total financial assistance of merely Rs. 1125/- allotted to Baderapali and Barimundia 28 numbers of beneficiaries raised vegetables like Brinjal, Cucumber and linseed from the cashew fields. However, the total area was not brought under intercropping but only 37 acres of the said villages. The beneficiaries could be able to earn Rs. 100/- to Rs. 150/- per month by selling the farm products. Malasimuli village stands apart from others in that, here the beneficiaries did not seek Govt. assistance for inter-cropping and with their own means they raised local paddy, vegetables and linseed and the whole area of 30 acres was put under inter-cropping. The beneficiaries here have been able to get an income of Rs. 150/- to Rs. 200/- per month on the cashew fields.

Cashew Plants in different patches have borne fruit and it is estimated alone in Malasimuli patch that 30% plants have borne fruit which is also preserved. So a total output of 200 kg. of Cashew nuts is very likely which may fetch Rs. 800/- for the growers. In other

patches 10% fruit bearing plants are kept under observation which all leads to conclude that in the next harvesting season the beneficiaries will be quite better off by earning Rs. 1000/- per annum individually from their fields alone.

- e) Out of total number of 78 beneficiaries initially included under the scheme 63 are continuing as such and 15 dropouts failed to appreciate the programme. These unsuccessful beneficiaries who failed in cashew crop are given no further chance of being enlisted under any other programme covered under E. R. R. P. as their participation has already been proved to be quite unsatisfactory.
- f) Out of an income of Rs. 100/- to Rs. 150/- per month which was realised by every beneficiary by selling the various crops raised through inter-cropping procedure a part say 10% possibly could have been saved by tactful canvassing of responsible field staff. But a certain degree of apathy on the part of the field staff and a careless attitude on the beneficiaries prevented savings by any measure.
- g) With the given apathy of the field staff the Malasimuli patch of cashew plantation has proved to be the ideal one. The success is attributed principally to the whole-hearted participation on the part of the beneficiaries and to the virgin soil of the area which has grown luxuriant cashew plants.

From the above observations one may safely conclude that under land based schemes cashew plantation has been successful in Sadar Block and the conclusion may be generalised for the district too. It is easy to see while Annual Cropping failed due to irrigation constraints cashew plantation was promising which is least dependent on it.

The E. R. R. P. has been taken up with a very noble aim. Top priority is also accorded in all spheres. Yet the programme cannot achieve all the success everywhere. Certain humble suggestions may be put forth here.

- 1) Greater co-operation among the concerned departments is required as there is marked interdependence among the various departments. By that unnecessary delays in maturing of the schemes and closure of certain schemes can be avoided. Sufficient number of trained field

staff shall be recruited to cope with the rural situation where a vast amount of public funds are spent under the scheme. A rapport must be established with the beneficiaries so that they would never be led to think that field staff are apathetic to their problems.

- 2) A systematic and proper follow up action should be taken up by the Govt. which is so far not done. An efficient supervision can avoid colossal wastes or misdirection of funds in certain unsuccessful ventures. A regular body shall be constituted to take account of scheme-wise cost-benefit ratio and advise any corrective if needed.
- 3) Development awareness and higher socio-economic aspirations should be infused in the mind of the rural people whose hopes and ambitions have so far been shattered by stark poverty. In order to invoke higher participation the Govt. must take up certain public relation activities to popularise the scheme. Apart from making speeches from Radio or T. V. or conducting seminars or exhibition regular meetings with the beneficiaries should be made with a view to understanding their problems and finding a necessary solution. As it sometimes happens the beneficiaries once receiving the subsidy develop no further interest in the scheme and undersell the assets provided to them and eventually drop out from the scheme. This kind of drop-outs should be eliminated by keeping proper rapport with them and gaining their confidence in the programme.
- 4) The officers at the Block level who perform very crucial work of identification of beneficiaries, payment of subsidy, allotment of funds etc. must be fairly impartial and honest. They should carry out the plans in work fields and crop lands in all reality rather than adjusting and manipulating achievement figures to create false prosperity.

ECONOMIC REHABILITATION OF RURAL POOR— MARINE FISHERY SCHEME

(A cash study in Chatrapur Block.)

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The E. R. R. P. Programme has been implemented in the State of Orissa to rehabilitate the poorest of the poor whose annual income is less than Rs. 1 200/- through different schemes. The Marine Fishery Scheme is one of them. The Scheme for Marine Fisheries under E. R. R. P. is as follows ;

No. of Beneficiaries—5.

(A) CAPITAL COST :

(i) Cost of Boat	...	Rs. 6,000.00
(ii) Cost of Net	...	Rs. 7,000.00
Total	...	Rs. 13,000.00

(B) WORKING COST :

(i) Wages of 5 fishermen beneficiaries @ Rs. 5/- per day each for 250 days	...	Rs. 6,250 00
(ii) Repair and replacement of Net	...	Rs. 3,000.00
(iii) Repair and replacement of Boat	...	Rs. 1,000.00
(iv) Misc. charges payable to the Fishery Co-operatives @ Re. 0.50/ kg. of fish caught.	...	Rs. 1,500 00
Total	...	Rs. 11,750-00

(C) INCOME :

15 Kgs/day for 250 days @ Rs. 3-50/ kg. ... Rs. 13,125.00
i. e., 3750 Kgs.

Income	...	Rs. 13,125.00
Expenditure		Rs. 11,750.00
Profit	...	Rs. 1,375.00

(D) ANNUAL INCOME PER BENEFICIARY :

$\text{Rs. } 6,250.00 + \text{Rs. } 1,375.00 = \text{Rs. } 7,625.00/5 = \text{Rs. } 1,525.00.$

That is Rs. 1525.00 per capita.

Further the guideline³ stressed that—

(1) Out of 5 beneficiaries tagged and formed as one unit, 3 will be engaged in active fishing and the other 2 will be entrusted the responsibility of net-repairing, marketing of fish caught, and keeping proper account. But the total sale-proceed will be equally distributed among that 5 beneficiaries.

(2) Of the 5 beneficiaries, one will act as the leader of the unit, all the 5 beneficiaries will be equally responsible for the maintenance and promotional measures. No hired person can be inducted by the unit.

The Marine Fishery Scheme is implemented in the district of Ganjam in 4 blocks out of 29 blocks of the district viz., Chatrapur, Ganjam, Chikiti and Rangailunda from 1981-82. Table-1 reveals the target and achievement of the above scheme in the district of Ganjam.

Table—1

No. of beneficiaries under marine fishery scheme.

Sl. No.	Name of the Block	1981-82		1982-83		1983-84	
		Target	Achievement.	Target	Achievement.	Target	Achievement.
1.	Chatrapur	—	—	90	90	90	50*
2.	Ganjam	30	30	10	15	140	—
3.	Chikiti	—	—	115	50	80	—
4.	Rangailund	—	—	90	90	90	—
Total		30	30	305	245	400	50

Source : Notes for the visit of Estimate Committee to Ganjam District, D. R. D. A, Ganjam.
(Figures compiled).

* Collected from the Office of the B. D. O., Chatrapur.

The Scheduled Caste beneficiaries under the above scheme come to only 1 in 1981-82 and 40 in 1982-83. The target of 400 for the year 1983-84 is exclusively for other castes³.

II

An attempt has been made to assess the impact of the programme on the marine fisherfolk of Chatrapur Block. The coastline under Chatrapur Block comes to 9 Kms. Of the 5 fishing villages, the scheme is implemented in Sano Arjipalli and Bodo-Arjipalli of Konomana G. P., and Sano-Noliagaon and Bodo-Noliagaon of Podapadar G. P. Villages Sano-Arjipalli and Bodo-Arjipalli have been selected for study.

Both the villages are predominantly inhabited by the "Nolias" whose main occupation is sea-fishing. In addition to the nolia families, there are also Sundhis and Kondoras who are in minority in the area. The Nolias are under the category of "others" as per the census classification.

Table II depicts the total Nolia population and number of crafts and gears they own.

Table—2

Total number of Nolia Population and their Fishing assets.

Sl. No.	Name of the village.	Total No. of Nolia families.	Total Nolia population.	Total No. of active fisher men.	Total No. of Crafts.	Total No. of Gears.
1.	Sano Arjipalli	452	2181	631	489	950
2.	Bodo-Arjipalli	283	1308	325	221	484

Source : Marine Extension Officer, Ganjam.

The study of Marine Fishery Scheme in this paper has two aspects. The first part relates to the Bonded Labour covered under E. R. R. P. Programme. The second aspect is connected with the beneficiaries under general E. R. R. P. Programme.

BONDED LABOUR—COVERAGE BY MARINE FISHERY SCHEME :

According to the definition of "Bonded Labour System"....."a person who is forced or partly forced to render labour or service by himself

or through any member of his family or any person dependent on him under another person for the benefit of the said person for a specified period or unspecified period either without wages or for nominal wages (which is less than the minimum wages fixed by the government) or forfeits the freedom of employment or other means of livelihood or right to move freely throughout the territory of India or the right to appropriate or sell at market value any of his property or product of his labour or the labour of his family, would be regarded as a Bonded Labour".⁴ For the identification, release, rehabilitation and coverage of bonded labourers under E. R. R. P. Programme, specific guidelines have been issued by the State Government for implementation.⁵ The guidelines stressed that "As far as possible the bonded labourers should not be made to shoulder any loan burden and highest priority may be accorded to their rehabilitation on land-based or fishery schemes, where there is no loan component."⁶ The pattern of assistance⁷ for rehabilitation on bonded labourers under E.R.R.P. programme—Fishery Scheme is shown in table-3.

Table - 3

Pattern of Assistance under Fishery Scheme.

Sl. No.	Name of the Scheme.	Capital cost	Subsidy per Bonded labourer		
			Revenue Deptt. grant. Rs.	E R.R.P. grant. Rs.	Loan Rs.
1.	Tank fishery	6000	4000	2000	—
2.	Reservoir fishery	1860	1860	—	—
3.	Marine fishery	2600	2600	—	—
4.	Prawn culture	5000	4000	1000	—

Basing on the guidelines, 71 nolia bonded labourers have been identified in Bada-Arjipalli out of which 5 have been released in 1982-83, 65 in 1983-84 and one bonded labourer expired. All the beneficiaries have been rehabilitated under the marine fishery scheme as they are sea-going fishermen. Prior to the rehabilitation and release they were working under the sahuks or middlemen as "Ryots". The sahuks supplied them the boats and nets and also advanced some money to them to maintain their family. In return they were forced by the sahuks or middlemen to dispose of the prawns at lower rate and also they were to pay Rs. 10/- per one "PONO" (80 numbers of prawn). They were not freed from the

clutches of the sahumars until they repaid the loan. Such sahumars are only 4 in number, and they are of different areas. But the middlemen are of the nolia caste of the same village. Usually the sahumars advance money to the middlemen, and in turn the middlemen advance loans to the needy nolias.

For rehabilitation of the bonded labourers and to provide them gainful employment, the State Government provided them a boat and a net to 5 beneficiaries by forming an unit as per the guidelines. In 1982-83, only 5 beneficiaries (one unit) have been rehabilitated and they have been provided with both the boat and net. 13 such units comprising 65 beneficiaries have been formed during 1983-84 and have been provided with boats one to each unit only. So, the State Government for rehabilitation of 70 bonded labourers has incurred an expenditure of Rs. 13,000/- in 1982-83 towards the cost of both boat and net and Rs. 79,300/- as the cost of 13 boats.

BENEFICIARIES UNDER GENERAL ERFP—MARINE FISHERY SCHEME :

To rehabilitate the poor nolias whose annual income is less than Rs. 1,200/-. 10 families (two units) of Bada-Arjipalli and 20 families (four units) of Sano-Arjipalli were identified in 1982-83. They have been provided with both boats and nets. During 1983-84 though 30 families of both Bada-Arjipalli and Sano-Arjipalli have been identified, only 25 families of both the villages were supplied with boats and the nets are yet to be supplied.

III

The following are the findings of the study.

(1) The total beneficiaries under the Marine fishery scheme of the two studied villages come to 150, of which 70 were bonded labourers.

(2) The study revealed that 35 beneficiaries who had received both the boat and net (supplied during 1982-83) dumped their boats near the sea shore for seasoning. The beneficiaries reported that as the boats are made of "Chakunda" (*Albizia stipulata*) wood, they need seasoning for about 2 years to float. During this period they will not get any benefit from the fishing equipments supplied to them. On verification regarding

the nets, it is reported by the 15 beneficiaries of Bada-Arjipalli that they had made the net of 2500 rft. into five pieces and distributed among themselves. Four beneficiaries of the said village confessed that they had sold their share of net to others for consumption expenditure. But in Sano-Arjipalli all the 20 beneficiaries kept their nets in-tact idly. Similarly the boats supplied during 1983-84 both in Bada Arjipalli and Sano-Arjipalli are also lying on the sea shore.

(3) The State Government have decided to rehabilitate the bonded labourers and the poorest families of the village through the Scheme for E. R. R. P. The objective of the scheme is to ensure sustained annual income to the poorest families to enable them to cross the poverty line.⁹ But as is seen in the villages studied the beneficiaries had not derived any income from the fishing materials given to them as the boats are to be seasoned and to some beneficiaries nets are yet to be supplied.

(4) It is reported by the beneficiaries that as the fishing equipments were not delivered to them at their doors, they were forced to bring them from the Block-headquarters incurring an expenditure of Rs. 80/- to Rs. 100/- per unit towards transportation. For this they incurred loans.

(5) As they had visited the block-headquarters more than once for the assets, they incurred personal expenditure and loss of income during the days of visit.

(6) The beneficiaries stated that after seasoning the boats, they are to be reshaped and resized for making the boats sea-worthy. For this purpose they have to incur an expenditure of Rs. 400/- to Rs. 500/- per boat. They will be forced to meet this expenditure by making loans.

(7) At present most of the beneficiaries are still bonded, and while interrogated by the authors they reported that they are maintaining the family by acting as "Ryots" and incurring loans from the sahukars and fellow-nolias as the fishing assets supplied yield no income.

All the above show that though the guidelines stressed that "the bonded labourers should not be made to shoulder any loan burden"¹⁰ they are forced to incur loan for the above cited reasons.

The scheme is well knitted. But the very objective of the scheme has not been achieved as the boats supplied will not yield any income at present. As a result the identified beneficiaries continue to remain in the same level of poverty as before.

SUGGESTIONS FOR IMPROVEMENT :

(1) The poorest nolia families would have derived handful of income by catching prawns with the help of the assets supplied by the Government if proper follow-up action had been taken by the implementing authorities. A letter ¹¹ has been issued on July 25, 1983 by the authorities stressing that the catch of prawn have already started in Ganjam coasts. So the boats and nets are to be distributed to the E. R. R. P. beneficiaries immediately. In the study villages although boats and nets were supplied to some families between the months of June and August 1983, the said assets remain unutilised till now. This could have been avoided if timely action would have been taken by the implementing authorities by replacing the boats. Therefore, it is suggested that follow-up action should be taken for proper implementation of the scheme and better utilisation of the boats and nets supplied to the beneficiaries.

(2) The boats now given to the beneficiaries are made of "Chakunda" wood which requires longer period for seasoning. The beneficiaries suggested that to earn income within a shorter period and for long lasting of the boat, the specification of wood be changed from "Chakunda" (*Albizzia Stipulata*) to "Sirisi" (*Albizzia lebak*).

(3) The fisherfolk should be advised and educated in conservation methods. Storage facilities are to be provided to them.

(4) For proper implementation of the scheme, the beneficiaries are to be educated on the lines of co-operation as they are illiterate.

(5) To relieve the poor nolias from the clutches of the sahuikars and middlemen—(a) the existing Marine Fishermen's Co-operative Societies of the study villages are to be activated, and (b) the Govt. should shoulder the responsibility of marketing of the fish.

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The capital cost will be given to the group as 100% subsidy but working cost will be met by the group from the daily catch.
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ECONOMIC IMPACT OF E. R. R. P. PROGRAMME

(Jersey Cow) :-A case study of Rangailunda Block, Ganjam Dist.

Dr. N. C. SAHU

&

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Three decades of planning and development in India brought considerable prosperity for its people, but it is enjoyed by a limited few. A large chunk of the people of the country, who could not join the race of development, were left behind. 28.2 crores people were below povertyline in India in 1981-82. These unfortunate poor people constituted 50.82% of the total rural population and 39.19 percent of the urban population of the country. The matter is very serious in a poor state like Orissa where the largest proportion of poor people dwell in. In the State 68.97 percent of the rural population and 67.40 percent of the urban population are below poverty line. Paradoxically both per-capita income and the number of people below poverty line are increasing which indicate growing inequality and misery of the people. This compels many to believe that the planning in India has urban bias. Of late planners and policy makers felt the need to correct the strategy of planning in favour of rural development. To attack poverty and inequality the rural development programmes are drawing more attention these days. For this multi-level, multi sectoral, micro.level plans have been framed and implemented in various regions of the country. The massive rural development programmes like SFDA, MFAL, IRDP, DPAP, NREP, ERRP are implemented for the purpose.

The scheme of economic rehabilitation of the Rural Poor (ERRP) tries to remove poverty of the target families who are the poorest of the poor in rural areas. The programme has the high subsidy component, and loan components carry a very low simple interest of 4 percent per annum. This paper evaluates the efficacy of the Jersey cow scheme under ERRP in Rangailunda block of Ganjam district.

The paper seeks to examine how far a hybrid Jersey cow has been an appropriate instrument of asset formation, income and employment

generation in the rural areas. The commercial viability of the scheme in the household sector is investigated in the block. Being a livestock, it is a risky asset. There is the possibility of appreciation and depreciation of value of the asset in terms of qualitative and quantitative rise and fall of animal population. However small it may be, the cow has a sterile period. These aspects of the scheme has been taken care of in the study. How far the poor people have been successful in handling the job which was previously being looked to by professional milkmen like 'Goudas' or 'Golas' has been studied in the paper.

A specific schedule designed to collect information was canvassed with the beneficiaries in the different villages of the block. The collected data have been processed and analysed to study the impact of the scheme on the beneficiaries.

SURVEY OF BENEFICIARIES :

As per official records, 27 beneficiaries in 11 villages of Rangailunda Block who were supplied with Jersey cows under the programme were approached. 23 beneficiaries in 9 villages with 38 cows responded (Table 1). Three beneficiaries (2 in Phulta and 1 in New Venkatraipur) were not available. We came across a fictitious name with two cows in Ambapua Village. The person mentioned in the record is not known to the villagers. Annual income of the beneficiaries before availing the loan remained between Rs. 900 and Rs. 1200. Only two beneficiaries had an annual income of Rs. 1500 each. In case of one beneficiary it was Rs. 3000/- whose profession was small business. Most of the beneficiaries are daily labourers. This shows that identification of beneficiary was proper.

Out of 38 cows supplied, 5 were dead and 3 were sold at the time of survey. Only 30 cows were found in possession of the beneficiaries. In all the 5 cases, disease caused death. In one case the beneficiary reported that a diseased cow was purchased for him. The sale of cow was mainly due to decline in yield.

PURCHASE OF COW :

The cows were purchased between 3-4-81 and 2-12-'82. 22 cows were purchased in 1981 and 16 in 1982. The cows were purchased by a purchase committee consisting of the banker, veterinary surgeon, Block

representative, seller and the purchaser. The role of the beneficiary was found to be passive in the matter of purchase, valuation and selection of the cow. The cows were mostly 4 to 6 years old and were yielding 8 to 9 litres of milk per day. This is also evident from the value of the cows purchased which remained in most of the cases at Rs. 3,600/-

INCOME GENERATION :

The village-wise average income of the beneficiaries before and after availing the loan furnished in Table-2 indicate some marginal change. The average income of all beneficiaries increased from Rs. 1208/- to Rs. 1465/-. This increase of Rs. 257/- is not wholly due to the cow. In case of 3 beneficiaries there has been some increase in income due to other reasons. Income increased due to the cow only in case of 4 beneficiaries (Table 2). In case of 1 beneficiary income decreased due to cow. For all other beneficiaries there has been no change in income. The poor income generation was mainly due to low yield and improper maintenance of the cow.

YIELD AND MARKETING :

The average yield per day is only 3.3 ltrs. Only in case of two cows the yield is between 5 to 6 litres. There are cows whose yield is as low as 1 to 2 litres. The average sale is 3.2 litres. There is hardly any discrepancy between yield and sale, which shows that the beneficiary does not consume any milk. Milk is sold to private parties at the rate of Rs. 2/- to Rs. 2-50 per ltr. Only in case of one beneficiary of Jhadankuli, which is adjacent to Berhampur City, the milk is sold at Rs. 3/- per ltr. Except the Jhadankuli case, everywhere marketing is irregular. This shows that milk producers' cooperative society is non-existent in the Block.

COST OF MAINTENANCE :

The maintenance cost per cow is found to be Rs. 150/- to Rs. 200/- per month in most of the cases. In some cases it is as low as Rs. 50/- to Rs. 60/-. In only two cases it is Rs. 300/-. It is found that the amount received from the sale of milk fully goes to the maintenance of the cow. This amount is not sufficient for proper maintenance of cows yielding above 6 ltrs. The amount should be at least Rs. 300/-. It is evident that the cows are under-fed. Low yield is the result of inadequate feeding. The beneficiaries are unable to feed the cows properly as marketing is

difficult. Thus low yield, inadequate feed, limited market and low rate operate in a cycle keeping the cows unhealthy and income low.

REPAYMENT OF LOAN :

In this programme Rs. 1,52,000 has been invested out of which a subsidy of Rs. 1,14,000/- constituting 75% of the loan was given to the beneficiaries (Table-4). The net loan amount payable was only Rs 38,000/- from which Rs. 14,924 has been repaid. This shows that 60% of the principal net loan amount is yet to be recovered. Three beneficiaries have not repaid any amount. Two have cleared their loans.

Out of 3 beneficiaries who have sold their cows, 1 has cleared the loan and others have only partly repaid. Insurance amounts have not been received in case of the 5 dead animals. In one case the insurance amount could not be claimed as timely report was not received from the beneficiary.

PROBLEM OF THE BENEFICIARIES :

On the basis of our observation and the opinion of the beneficiaries, certain problems of the scheme are highlighted here. Marketing of milk is very difficult in the villages. Feed is costly. There is no provision of regular supply of fodder for the cows. The beneficiaries feel that the feed should be supplied to them at a concessional rate. Medical care is inadequate, which led to the death of 5 cows and 7 calves. 18 beneficiaries have reported that artificial insemination (A. I.) was not given. In cases where A. I. was made, it was mostly unsuccessful. No specific training was given to the beneficiaries to maintain the cows and rear the calves. In many cases proper shed is not there to house the Jersey cow.

CONCLUSIONS :

- (1) The Jersey cow scheme under E. R. R. P. Programme could not change the economic position of the beneficiaries in Rangailunda Block as it is evident from the poor income generation. The scheme could not bring the beneficiaries above the poverty line. Almost all are there where they were.
- (2) If total investment on the scheme (Rs. 1.52 lakhs) is considered from the point of view of the government, the rate of return is only 3%

over a period of two and half years. When labour involved in maintenance of the cow and marketing of milk is taken into consideration, the rate of return will be lower.

- (3) Cow population did not increase much. There has been addition of only 4 Heifers. Most of the beneficiaries have sold the male calves at cheap rates. As an asset, there has been significant depreciation of the value of cows.
- (4) When one looks to the numerous problems of maintenance, marketing and medical care, one finds that Jersey cow is a liability to the rural poor. The scheme is not at all suitable for the upliftment of the poorest of the poor.

Table- 1

Particulars of cows supplied

Name of the Village	No. of beneficiaries as per the official record	No. of beneficiaries responded	No. of cows supplied	No. of cows dead	No. of cows sold	No. of cows in possession	Reason of death or sale
1. Biswanathpur	4	4	7	1	—	6	Diseased cow was purchased
2. Bhatigada	5	5	10	1	—	9	Phatua disease
3. Phukta	7	5	10	1	—	9	Disease
4. Jhadankuli	1	1	1	—	—	1	—
5. Poligumula	3	3	4	2	2	—	Dead due to disease-Sold due to decline in yield
6. Bhabinarayanpur	1	1	1	—	1	—	Weak health and decline in yield
7. Solabindha	1	1	2	—	—	2	
8. Kanisi	1	1	1	—	—	1	
9. Dumudumi	2	2	2	—	—	2	
10. Ambapua	1	—	—	—	—	—	Fictitious name with two cows in the record
11. New Venkatraipur	1	—	1	—	—	—	Person not available
Total	27	23	38	5	3	30	

Table - 2
Annual Income Generation

Name of the village	Income per beneficiary before availing the loans	Income per beneficiary availing the loans	(Figures in rupees) Change in income due to the cow	
			No. of beneficiaries	Amount
1. Biswanathpur	1300	1775	1	+ 1500
2. Bhaliagada	1020	1320	1	+ 1000
			1	- 100
3. Phulta	1160	1160	-	-
4. Jhadankuli	1000	2500	1	+ 1500
5. Poligumula	1033	1200	-	-
6. Bhabinarayanpur	1200	1200	-	-
7. Solabindha	1200	1200	-	-
8. Kanisi	3000	3600	1	+ 600
9. Dumudumi	1100	1100	-	-
	1208	1465	5	+4, 500

Table—3
Daily yield and Marketing per cow

Name of the village	Yield at the time of purchase (as per valuation) (Ltrs)	Actual normal yield (Ltrs.)	Quantity sold (Ltrs.)	Agency to whom sold	Rate	Remarks
1. Biswanathpur	8-10	2.5	2.0	Pvt.	2.50	Irregular
2. Bhaliagada	8- 9	2.1	2.1	-do-	2.00	-do-
					2.50	-do-
3. Phulta	8- 9	1.7	1.7	-do-	2.00 & 2.50	-do-
4. Jhadankuli	9	5.0	5.0	-do-	3.00	Regular
2. Poligumula	8- 9	2.0	2.0	-do-	2.00	Irregular
6. Bhabinarayanpur	9	3.0	3.0	-do-	2.00	Irregular
7. Solabindha	9	4.0	4.0	-do-	2.50	Irregular
8. Kanisi	9	6.0	6.0	-do-	2.50	Irregular
9. Dumudumi	9.10	3.0	3.0	-do-	2.50	Irregular

Table—4

Loan Repayment

Name of the village	Total amount of loan	Total subsidy	Total net loan amount payable	Total amount repaid	Total amount due from the principal.
1. Biswanathpur	28000	21000	7000	2900	4100
2. Bhaliagada	40000	30000	10000	2350	7650
3. Phulta	40000	30000	10000	1400	8600
4. Jhadankuli	4000	3000	1000	900	100
5. Poligumula	16000	12000	4000	2924	1076
6. Bhabinaryan pur	4000	3000	1000	1000	—
7. Solabindha	8000	6000	2000	1600	400
8. Kanisi	4000	3000	1000	650	350
9. Dumudumi	8000	6000	2000	1200	800
Total	1, 52, 000	11, 400	38, 000	14, 924	23, 076

AN APPRAISAL OF I.R.D. & E.R.R.P. PROGRAMME IN SALIPUR, NISCHINTAKOILI AND MAHANGA BLOCK OF CUTTACK DISTRICT

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INTRODUCTION

The last few plans are devising for a direct attack on poverty by trying to identify the poor and tackle their problems of poverty. Developmental projects in various forms have been experimented earlier for the purpose. The results are well known. The integrated rural development project in its new form has been launched in 1978-79. The essentials of the programme is to integrate the existing programme of Small Farmers Development Agency, the Drought Prone Area Programme and the Command area development programme to reduce the unemployment and provide assets and inputs to the rural poor. The target group to be covered are small and marginal farmers, rural artisans, scheduled castes, agricultural labourers and Harijans all living below the poverty line. It means family of five persons with an annual income of Rs. 3,500/-. By any standard this is the largest single developmental effort by the Government. Public scrutiny of such projects is therefore necessary. When information available is analysed it raises questions more than provides answers. It is often surprising to find out the vast discrepancy between the objectives stated and claims of achievement. The programme is in operation in our State since its inception and no attempt has been made so far to make an evaluation of it. This study is a modest attempt for an analysis of the impact of the I.R.D. Projects and the study covers in certain section of beneficiaries i.e. Weavers in Salipur, Nischintakoili and Mahanga blocks of Cuttack district. Mainly the study is based on the following objectives.

- i) To find out the total beneficiaries under the programme for the period 1981-82 to 1983-84 in the three blocks and the number of weavers covered under the programme.

- ii) To find out the extent of assistance given to the beneficiaries including the subsidies.
- iii) To find out the increase in employment due to introduction of programme and excess capacity existing still to be tapped for the programme.
- iv) To find out the increase in income due to introduction of I.R.D. Programme and the excess capacity existing.
- v) To find out the working of the programme and extent of beneficiaries raised above poverty line and other benefits derived.
- vi) To find out the operational bottleneck of the programme and to suggest the possible solutions.

SAMPLING PROCEDURE :

The study covers three blocks of Cuttack district namely: Salipur Nischintakoili, and Mahanga where the programme is working in full swing. Selection of blocks is purely purposive. Secondly the study has covered the major beneficiaries of the programme i.e. the weavers scattered in all the three blocks. Data have been collected personally in prepared schedules directly from all the weaver beneficiaries of Salipur block and 30 percent weaver beneficiaries of Nischintakoili and Mahanga blocks. Due to constraint of time, full coverage in the latter two blocks has not been done. Altogether the study has covered 100 weaver beneficiaries scattered in seven villages, namely, Balabhadrapur and Basudevapur villages in Salipur block Badikiri, Gopinathpur, Kandangan and Champtipatna villages in Nischintakoili block and Gaudapada village in Mahanga block. The data have been collected for the period 1981-82 to 1983-84. In the analysis the following assumptions have been made.

ASSUMPTIONS :

- 1) Family has been taken as the unit to determine employment and income—before and after the scheme.
- 2) Assumed that previously a weaver was getting 20 days employment in a month on average.
- 3) Daily wage on average Rs. 5/- though it varies from Rs. 5 to 10/- in different seasons.

- 4) Income from land calculated at the rate of Rs. 40/- per gun or Ac. 0.4 decimals of land.

FINDINGS

The I.R.D.P and E.R.R.P. Programmes extend financial assistance to the beneficiaries through State Bank of India for Salipur block, State Bank of India and Syndicate Bank for Nischintakoili Block and Cuttack Gramya Bank at Erakana for Mahanga block. The assistance is given by these banks to develop capital resources of the Weavers. It includes mainly looms to weave cloth and its accessories. The working capital i.e. yarn is supplied to the weavers through the weavers co-operative societies located in each block. The beneficiaries themselves come to the societies to receive the assistances. The target group has been identified by the respective block development officers and the basis of identification is both present income, skill and training of the weavers. Most of the weavers have been imparted training by the co-operative societies in their localities, but basically they are trained hereditarily and for modern design and latest techniques the requisite training facilities have been initiated at the society level. The weavers generally weave Janata Dhoti, Khadhi Cloth and coarse varieties of Dhoties and Sarees. For their work, the weavers receive specified wage from the societies of the rates varying from Rs. 2/- to Rs. 4/- per piece of cloth and on an average one weaver earns Rs. 6/- per day.

The table below shows the total beneficiaries under the programme in the three blocks.

Table—I

Number of Beneficiaries covered under the I.R.D. and E.R.R.P. Programme in Salipur, Nischintakoili and Mahanga blocks. (1981-84)

(Percentages are given in brackets)

Year	Salipur Block			Nischintakoili			Mahanga		
	IRD	ERRP	Total	IRD	ERRP	Total	IRD	ERRP	Total
1981-82	632 (77)	186 (23)	818	310 (60)	206 (40)	516	395 (66)	205 (34)	600
1982-83	754 (78)	214 (22)	968	613 (68)	285 (32)	898	412 (52)	377 (48)	789
1983-84	225 (94)	46 (6)	271	110 (33)	223 (67)	333	266 (55)	222 (45)	488

It is observed from the analysis that the percentage of total beneficiaries are more in IRD programme than the ERRP programme in all the three blocks. In Salipur it ranges from 77 percent to 94 percent as against 33 percent to 68 percent in Nischintakoili block and 55 percent to 66 percent in Mahanga block under the IRD programme. Where as in the ERRP programme the percentages are 6 to 23 in Salipur, 32 to 67 in Nischintakoili and 34 to 45 in Mahanga block. The coverage under the ERRP programme is comparatively less in all the three blocks due to the given conditions and guidelines of the Government.

Table—II

Number of Weaver beneficiaries under IRD and ERRP Programme in Salipur, Nischintakoili and Mahanga Blocks (1981-84).

Year	Salipur			Nischintakoili			Mahanga		
	IRD	ERRP	Total	IRD	ERRP	Total	IRD	ERRP	Total
1981-82	Nil	2	2	20	7	27	12	1	13
1982-83	27	50	77	21	22	43	10	79	89
1983-84	Nil	1	1	20	7	27	Nil	5	5
	27	53	80	61	36	97	22	85	107

As per the figures in the above table the coverage of weaver beneficiaries under ERRP are more in Mahanga and Salipur where as in Nischintakoili more number of weavers are covered under the IRD programme during the period under study. The number of beneficiaries are more in Nischintakoili and Mahanga block compared to that of Salipur block, because the concentration of weavers is more in the former of two blocks.

Table—III

Extent of Assistance Received by beneficiaries in Salipur, Nischintakoili and Mahanga Block

Blocks	Average assistance given		Subsidy in Rs.	
	IRD	ERRP	IRD	ERRP
Salipur	1500	1500	500	1125
N. Koili	1944	2230	590	1673
Mahanga	—	1500	—	1125

Regarding the assistance each beneficiaries receives on an average Rs. 1500/- under the ERRP programme and about Rs. 1800/- under the IRD programme. The extent of subsidy amounts to Rs. 1125/- i.e. 75% under the ERRP Programme and Rs. 590/- i.e. 33% under the IRD programme. Rate of interest varies from 4% in ERRP programme to Rs. 12.5% in IRD programme. It is observed that the weavers have not been covered under the IRD programme in Mahanga block.

Table—IV

Increase in Employment/ existence of excess capacity in Salipur,
Nischintakoili and Mahanga blocks (1981-84)

Blocks	Average Units of Employment prior to assistance	Average Units of Employment as per the assistance	Percentage increase	Excess capacity presence in percentage
Salipur	0.8	2	250	25
N. Koili	1.2	3	250	40
Mahanga	1.8	4.6	255	40
Average	1.26	3.2	252	28

Regarding the benefits received it is found that prior to the introduction of both the programmes on an average a family was able to provide employment to 1.26 units of labour per day where as it is now able to provide employment to 3.2 units of labour registering an increase of 252 percent. In Salipur the previous employment in a family was 0.8 units of labour per day as against 2 units at present showing an impressive change in the structure of employment. The picture is almost similar in other two blocks. The Mahanga block has enjoyed the maximum benefits of all as the employment has increased per day from 1.8 units to 4.6 units, registering an increase of 255 percent. In spite of these encouraging achievements in the field of employment still the existing potentiality has not been fully tapped. It is observed that 28 percent excess capacity remain idle which can be utilised with proper implementation of the programme.

Table—V

Increase in Income and Existence of Excess capacity in Salipur, Nischintakoili and Mahanga Blocks (1981-84).

(In Rs.)

Blocks	Average Income previous to Assistance	Average Income after the assistance is given in	Percentage Increase	Excess in %
		in Rs.		
Salipur	114.68	212.68	185	25
N. Koili	134.50	226.40	168	30
Mahanga	189.00	347.35	184	30
	146.00	262.00	180	28

The programme has significant impact on the family income. The monthly income of the beneficiary family was found to be on an average Rs. 146.00 and it has increased to Rs. 262 after the implementation of the programme which means there is an increase of 180 percent. In Salipur block the monthly family income was the lowest of all i.e. 114.68 and it has increased to Rs. 212.68 as against increase from Rs. 134.50 to 226.40 in Nischintakoili block and from Rs. 189.00 to Rs. 347.35 in Mahanga block. In Mahanga block one is able to increase his monthly family income by Rs. 158.00 as the scope for employment has increased due to supply of new loans under the programme.

Table—VI

Number of beneficiaries raised above Poverty line

Block	No. of beneficiaries below poverty line before the programme	No. of beneficiaries below poverty line after the programme	% of beneficiaries raised above poverty line
Salipur	30	23	24
Ni Koili	32	24	25
Mahanga	31	5	84
Total	93	52	44

The programme basically is an anti-poverty programme. Because by raising the family income the year it brings out among poor families out of the poverty trap. Analysis of data as shown in the above table gives a clear picture of the programme as anti-poverty one. It is observed that previous to the introduction of the programme 93 beneficiary families out of coverage of 107 families were below the poverty line with an income of less than Rs. 3500/- per annum. But the number has gone down to 52 families after the introduction of such programmes. It means about 44 percent families have been lifted out of the poverty trap, ranging from 24 percent in Salipur block to 84 percent in Mahanga block. The picture is quite impressive in Mahanga block where not only there are more number of trained weavers but also the intensity of employment has increased. The satisfactory supply of yarn has added to the success. Though the wage rate per day for one individual weaver comes around Rs. 5/- to 6/-, which was the same daily wage before the scheme he adopted, now it is assured for the entire year at his home. This is a great achievement.

OPERATIONAL PROBLEM :

The programme are working under manifold problems. Several agencies are operating in the scene without any effective co-ordination among themselves. The personnel found working in these agencies are not fully aware of the implications of the programme. They do not conduct regular visits to supervise the working of the programme at the artisans level. The repayment schedule for each beneficiary has not been fixed properly for which the loanee is required often to repay lump sum from the initial loan. The training system is yet to be rationalised. The weavers need training on the latest Sambalpuri design of weaving of cloth. The weaver beneficiaries are basically family trained and take required capital in form of looms and accessories. The attention for repairing of looms is very poor for which many looms are found lying defective causing unemployment problem in the family. The weavers of Salipur and Nischintakoili blocks are of unanimous opinion that due to shortage of yarn supply they are deprived of adequate employment facilities. There is abundant misutilisation of the programme as many of the farmers, traders, contractors and money lenders those who do not know weaving at all have taken assistance as weavers. That is why many have sold their looms immediately after supply. In Salipur and Nischintakoili about 15 such undeserving elements have sold their looms but the picture is not the same in Mahanga.

SUGGESTIONS :

In view of the problems analysed above a few suggestions are worth mentioning.

1. The weaver beneficiaries should be supplied with more cash to purchase yarn themselves to ensure both adequate and timely supply of yarn to keep the loom working throughout the year.
2. A sophisticated training system is to be developed to teach the weavers with modern design of weaving.
3. Repairing facilities for the defective looms should be available at the door steps of the weavers.
4. Regular meetings and proper co-ordination among all the concerned officers are to be strengthened.
5. Wage rate of the weavers should be linked with the consumers price index.
6. Non-deserving persons found sheltering under the programme are to be eliminated and proper identification of the beneficiaries is necessary for success of the programme.

ECONOMIC REHABILITATION OF THE RURAL POOR THROUGH DAIRY DEVELOPMENT

A STUDY OF TWO VILLAGES OF SADAR BLOCK OF PURI DISTRICT.

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The study rests on informations collected through interview with the beneficiaries or their family members in the villages, discussions with officials of the District Rural Development Agency, Puri Block Development Office, Puri, and Orissa State Cooperative Milk Producers' Federation Ltd., Puri Unit. A small prepared questionnaire was canvassed personally with the beneficiaries to collect informations.

ECONOMIC REHABILITATION OF THE RURAL POOR

Programme popularly called as ERRP, is a special programme of the Orissa Government. It was initiated on experimental basis in few selected blocks of the State in 1978-79. From 1980-81 it is implemented on regular basis in all the blocks of the State. Annually 20% villages of a block and 10 households of a village are assisted under the programme. The programme intends to cover all villages of a block within a period of 5 years.

BROAD OBJECTIVE OF THE PROGRAMME.

Poorest families in rural areas are having a hand to mouth existence. They are all below the poverty line. Generally they earn their living by hiring labour. They have little other income earning assets. To fight back poverty from the rural society the programme aims to raise the economic level of the poorest by providing some steady income generating asset/assets which can ensure an annual income of not less than Rs. 1500/—to each of the identified poorest families.

BROAD OUTLINE OF THE PROGRAMME.

Economic rehabilitation of the rural poor need to be attempted in or nearer to their villages since many of them will dislike to move to distant places. Keeping this in view several Land based, Animal-husbandry based, Fisheries based, and non-agricultural based employment generating schemes are implemented through ERRP programme in the State.

Financial assistance under the programme flows to the poorer families in the shape of subsidy and loan in varying proportions under different schemes to pursue any income earning enterprise. Subsidy is borne by the State exchequer, loan is provided by public sector commercial banks/cooperative banks at liberal rates of interest (4-5%) repayable in 3-5 years. A Block Level Coordinaton Committee (consisting of Block Development Officer, Sub-Divisional Officer, Extension Officers, District Level Technical Officers, Project Director, Rural Development Agency and representatives of commercial/cooperative banks operating in the district) earmark the villages for institutions to finance loan to the poorer families.

A rural family earning an annual income less than Rs 1203/- from all sources (irrespective of area of landholding) taken together is listed as a poor family to receive assistance. Initial list of such poor families in the villages is prepared by the Village Agricultural Worker/Village Level Worker with the assistance of village school teacher and Revenue Inspector. The list is arranged serially on the basis of total annual income earned, the least income earning family appearing at the top of the list.

Identified families receive assistance provided they have not been benefitted from any other scheme of Integrated Rural Development programmes. Therefore the finalised list is sent to the financiers to inquire whether the selected families have already received any assistance/loan. On receipt of the inquiry report, the assistance is sanctioned and subsidy amount is placed at the disposal of the financing institution to advance assistance mostly in kind to the selected poorer families.

VILLAGES STUDIED:

The two villages studied are CHAKRAVARTIPATNA and TALAJANGA of sadar block, Puri district.

Chakravatipatna is an outskirts village of Puri town. It is situated at a distance of 3 kms. On the left side of Puri.Bhubaneswar road.

Talajanga village is situated at a distance of 9 kms, from Puri to the left of Puri Bhubaneswar road. A village road running about 2.5 kms links the village with the main road.

Households of both the villages earn their livings from farming, farm/non-farm labour wage and service wage from private and public institutions located at Puri. Farm lands of both the villages are submerged with flood water during the rainy season. After receding of water, farm households cultivate a late variety of paddy and pulses (black gram/green gram). In selected patches HYV summer paddy is also cultivated. There are few prosperous households in village Talajanga. Their main occupation is Betel-leaf cultivation.

HOUSEHOLDS SELECTED.

9 households from village Chakravartipatna (8 for Dairy Development assistance and one for Sheep-Rearing assistance) and 13 households from village Talajanga (6 for Dairy Development assistance and 7 for Sheep-Rearing assistance) have been selected under ERRP programme.

Out of 9 selected households of village Chakravartipatna, 2 households belong to Scheduled caste and rest of other castes. All selected households of Talajanga village are from other castes.

Identification work of weaker section households in both the villages were completed in Nov. 80.

ASSISTANCE PROVISION UNDER DAIRY SCHEME.

Selected households are to receive a maximum financial assistance upto Rs. 8000/-each for purchase of two cows. The assistance is advanced in two instalments of Rs. 4000/- each. Out of this 75% will be subsidy and 25% will be loan. The 75% subsidy is shared between the Central and the State government in the ratio of 35% and 40% respectively. This constitutes the fixed capital for the enterprise and it is advanced in kind. Sanctioning authorities place the subsidy amount at the disposal of the financing institution to arrange for the kind components and advance loan to the beneficiary.

The sanctioned amount under the scheme is to be used to purchase cow, to construct cow-shed, to purchase a cycle and milk-can to carry milk

for marketing, to purchase ration of the cow and the calf for a month and to meet the transportation charges etc. To minimise expenses on transportation is placed to purchase the cow from nearby areas.

PURCHASE OF ANIMAL.

Animals are to be purchased by a Purchasing Committee consisting of the Block Development Officer or his nominee, the representative of the financing institution, the block Veterinary Assistant Surgeon and the beneficiary.

Valuation of the cow is made by taking into consideration the cover and the milk yield. Cover of the cow is assessed from the ring around the horn and the number of teeth. Milk yield is observed through four consecutive inspections by the members of the purchasing committee.

The yardstick of valuation is Rs. 400/-, Rs. 350/- and Rs. 300/- for each litre milk yield of a first cover, second cover and third cover cow respectively.

Generally a first or second cover milched cow with a she-calf is preferred by the Purchasing Committee. If the calf is a he-calf then the valuation is sliced down through negotiation.

ADVANCE FOR THE SECOND COW.

After six months of supply of the first cow if the beneficiary is found to be regular in repaying the loan, then the second instalment of Rs. 4000/- is advanced to purchase the second cow.

Two reasons are shown by the official agency for granting the assistance in instalments. First, regularity to repay the loan indicates the sincerity of the beneficiary to maintain the enterprise. Second, the second cow is supplied at a time when milk yield from the first cow will be drying. The yield from the second cow ensures regular flow of income to the household throughout the year.

First instalment of assistance to households of Chkravartipatna village was released in May 81 and second instalment in March 82. The respective dates for Talajanga village are Nov. 81 and July 82. In both the cases the gap has been more than six months. Officials explain non-availability of funds has caused the delay.

APPROXIMATE EXPECTED BENEFIT FROM A COW UNDER DAIRY SCHEME.

Relying on information collected from the veterinary personnel connected with the scheme, the approximate cost and return from maintaining a cow has been calculated below.

Generally emphasis placed to purchase a highie yeilding cow yielding 7-8 liters of milk per day. With an average 7 litres of milk yield from a cow per day, a household can expect Rs. 21/- as sale proceeds from milk (in the town milk is sold at Rs. 3.50/- to Rs. 4/- per litre. The sale proceeds have been calculated at the rate of Rs. 3/- per litre to permit allowances for transportation charges).

Daily maintenance expenses of a cow comes to be Rs. 17/- (given below). Deducting the maintenance expenses of Rs. 17/- from the sales proceeds of Rs. 21/- a surplus of Rs. 4/- per day can be available to the beneficiary household. With a lactation period of 7 months the expected income yield from a cow comes to (4x30x7) Rs. 840/- per cow. From two cows it comes to Rs. 1680/- per lactation period.

MAINTENANCE EXPENSES FOR A COW PER DAY

Maintenance ration for a cow. 2. kg.

Production ration @ 1 kg. per 2½ lts.

of milk yield in a day. 3 kg.=5 kg. x Rs. 2/- per kg. Rs. 10-00

Roughage 15-20 kg or Straw 5 kg. Rs. 3-00

Calf maintenance expenses. Rs. 2-00

Incidentals for medicines etc. Re. 1-00

Repayment of loan @ Re. 1/- per day. Re. 1-00

Total	Rs. 17-00
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The dairy scheme can multiply the surplus available to a household when the she. calves grow-up and start to yield milk.

BENEFICIARIES INTERVIEWED

Dairy scheme beneficiary households interviewed from village Chakravartipatna are 6 and from village Talajanga are 4. Following are the findings of the primary data collected.

BENEFICIARY HOUSEHOLD FEATURES

All beneficiaries have taken the enterprise as individual units. Age of the beneficiaries varies from 35-55 in village Charkravartipatna and 20-50 in village Talajanga (here after to be termed as first and second village respectively).

Five beneficiaries in the first village are male and one is a female (widow). Male leader family size varies from 4 to 8, consisting of husband, wife and dependant children of both the sexes. The widow's family consists of self and two adult sons

In the second village all beneficiaries are male. Family size varies from 4 to 8 consisting of husband, wife and dependant children of both the sexes. One beneficiary of the second village is an unmarried youth maintaining a minor brother, a minor sister and a widow aunt who takes care of the household affairs.

By profession beneficiaries of both the villages belong to the categories of agricultural workers and non-farm workers (unskilled daily labourer, construction worker, brick-maker, lorry worker and utensil hawker). Male members of the beneficiary households are continuing the same pre-beneficiary period profession. Cows obtained under the dairy scheme are taken care by the lady member and children.

In the first village only one beneficiary household is having farm land measuring 0.7 acre. In the second village three beneficiary households are having farm land measuring 0.5 acre to 1 acre in size. Incomes from farm lands are most uncertain as they remain under submerged water for most part of the year.

Most valuable asset of the beneficiary households is their residential houses, a 2-3 roomed brickwall thatched roof house. Households possess utensils of a value varying from 100 to 300 rupees.

None of the beneficiary households with exception to the unmarried youth household of the second village, were having any experience in running a dairy enterprise. The aforesaid household is in possession of three desi cows, one sheeps and three goats. In the pre-beneficiary days this household was selling milk of the desi cows and earning per cow in an average Rs. 2/- per day for about three months in a year. Maintenance

expenses of the desi cows are reported to be almost nil as they are maintained with 15.20 kg. of roughage per day collected from the fields around the village by the lady member or the children.

SELECTION OF BENEFICIARY

Information on pre-beneficiary period income of selected households (presented in T. 1) reveals adequate care has not been taken in identifying the weaker section households. On the basis of prescribed norm only two beneficiary households of the first village (sl 3 and 6 in Table. 1) are found eligible for identification and award of assistance from ERRP scheme. Rest of the interviewed households were having a wage income far-in-excess than the limit for identification. But in the second village all the four interviewed beneficiaries are found eligible for identification.

Table—I

Pre beneficiary period Household Income

House hold No.	Activities	Employ-ment days	Daily wage Rs.	Total Annual working days	Total Annual Income Rs.
First Village (Chakravartipatna)					
1.	Utensil Hawker	180	12	180	2160
2.	Truck Labourer	240	8	240	1920
3.	Farm labour	90	5	180	1080
	Non-Farm labour	90	7		
4.	Brick making work	120	12	270	2370
	Farm labour	60	5		
	Non farm labour	90	7		
5.	Unskilled Truck worker	300	10	300	3000
6.	Farm labour	150	5	150	750
Second Village (Talajanga).					
1.	Farm labour	90	5		
	Non-farm labour	90	7	180	1080
2.	Farm labour	180	5	180	900
3.	Farm labour	180	5	180	900
4.	Farm labour	180	5	180	900

Table—II
Preference for the Enterprise

Preference	No. of Households exercising preference from:—	
	First Village	Second Village
Self preference	1	3
Motivated by Officials	5	—
Motivated by others	—	1

Difference in motivation for the enterprise is of little analytical significance. Beneficiaries are not having any clear answer about the reason/ reasons which caused their choice for the enterprise irrespective of the source of motivation. They are also not sure whether any other alternative choice of enterprise was open to them.

In the first village all the six beneficiaries interviewed have received assistance for 2 cows. In the second village out of four beneficiaries interviewed, three have received assistance for 2 cows and one has received assistance for one cow only. The last beneficiary expressed having no desire to get the second instalment of assistance since the milk yield from the first cow has been little promising.

Table—III
ERRP Financed Livestock with the beneficiaries.

Particulars	First Village	Second Village
No. of households purchased two cows	6	3
No. of households purchased one cow	—	1
Beneficiary households reporting death of cow and no. of cows died.	One household one cow	x x
Households reporting death of calf and no. of calves died	Four households four calves	Two households two calves
Households reporting cows becoming invalid	1	—
Number of cows becoming invalid	1	—
Households reporting cows going barren	x	1
No. of cows going barren	x	1
Households maintaining two cows	4	1
Households maintaining one cow	2	2
Households disposed-off cow/cows	1	1
Number of cows disposed-off	1	2

PRESENT POSITION OF THE ENTERPRISE.

Information in Table. 3 shows the most unsatisfactory state of affairs of the dairy enterprise with the beneficiaries. Respondants have opined they are not getting adequate veterinary services/aid to take care of the animals. This has caused cattles of calves and cow.

The story narrated by the beneficiary of the first village whose cow died within a week's time of purchase is shocking. It is difficult to locate the mischief. The beneficiary informs, he got back only Rs. 900/- against the insurance coverage of the cow after a lot of ordeal and running after the officials for a number of days. As the cow died within a week's time of purchase, the owner should have received full insurance compensation. There can be an inference, out of insurance compensation the financing institution might have recovered its loan. Still taking bank loan recovery of Rs. 1000/- plus cash compensation received Rs. 900/-, the total comes to Rs. 1900/- much below the value of the cow which is not less than Rs. 3000/- (see Table. 4) In the absence of a clear picture about insurance compensation deal, the beneficiary is having all suspicion about the activities of officials.

RECEIPT OF ASSISTANCE:

Table - 4

Beneficiary.	Total Assistance. sanctioned.	Assistance in cash.	Assistance in kind.	Cows located
1	2	3	4	5
First Village.				
1. First Cow.	4000	750	3250	self
Second cow.	4000	750	3250	self
2. First cow.	4000	500	3500	Official.
Second cow.	4000	500 (1)	3000	seif.
3. First cow.	4000	500	3500	Official.
Second cow.	4000	XX (**)	3200	Official.
4. First cow.	4000	500	3500	Official.
Second cow.	4000	XX (..)	3400	Official.
5. First cow.	4000	500	3500	Official,
Second cow.	4000	XX (**)	3600	Official.
6. First cow.	4000	700	3300	Official.
Second cow.	4000	800	3200	Official.

Second Village.

1.	First cow.	4000	500	3500	Official.
	Second cow	4000	500	3500	Official.
2.	First cow,	4000	650	3350	Official.
3.	First cow.	4000	610	3390	self.
	Second cow,	4000	610	3390	self.
4.	First cow.	4000	700	3300	self.
	Second cow.	4000	600	3400	self.

(I) Rest adjusted towards bank loan.

(**) Adjusted towards bank loan.

Cows were insured at the time of purchase. The insurance should have been renewed annually. If insured, the beneficiaries can have the benefit to claim compensation when the cow becomes invalid or barren. The beneficiaries are ignorant about these. So they have not taken care to renew the insurance coverage after the lapse of 1st year.

Calf casualties have been due to poor feeding. The beneficiaries have made no secret about it. Discussions with officials of Rural Development Agency reveals, there are provision for calf rearing assistance for a period of 2 years with a 66% subsidy. But beneficiaries are having no idea about it.

Beneficiaries appeared to have no clear idea about valuation of the cow. They can't answer how much is the cost of the cow and how much is insurance. They inform only the cash component which they have received or which has been adjusted towards repayment of bank loan. The value of kind component show in col. 4 in table. 4 is simply an arithmetic of total assistance sanctioned minus the assistance received in cash or adjusted towards repayment of bank loan.

The beneficiaries are also having no idea how to know the cover of a cow and the yard-stick of valuation. They have also not seen the milk yield of the cow for more than once before the purchase. Technical member of the purchasing committee has taken no care to make the beneficiary aware of the yard-stick.

Conversation with the beneficiaries indicated that they have become a member of the Purchasing Committee by courtesy. They expressed many

a reservations on officials behaviour on valuation and purchase of cows.

Officials with whom there was little discussion in the matter expressed, in the matter of valuation of the cow they have almost become ineffective. The beneficiaries enter into advance negotiation with the cow-seller after location of the cow. They remain silent on the terms of deal decided by the seller and the beneficiary, lest they may be misunderstood and unfair motive may be attributed to their action,

It is difficult to test validity of counter-current of allegations. The present poor milk yield rate (Table 5) leaves enough to suspect, there might have been some foul deal in valuation of cows.

In majority of cases milk yield from cows have been substantially lower than the yield observed with the cowseller before purchase of cows.

The beneficiaries have been open in their accusation that the cow-sellers with the knowledge of technical staff have used medicine to increase temporarily the milk yield rate. So they have been cheated in valuation.

The technical personnel disagree to such possibilities. They suggest, to be clear from such imputation of motives it will be preferable to start public farms (one in each of the blocks) to rear milch cows. Dairy Development assistance of the block be limited to the number of cows available in the farm. This will remove all suspicion about valuation and milk yield capacity of the cows. Beneficiaries can have ample scope to see milk yield capacity of a cow and choose the cow themselves.

CONCLUSION.

Following are few of the conclusions which emerges from the study.

First, identification of weaker section have been hurriedly pushed through. Many who are not eligible for the assistance have been awarded the benefit.

Second, beneficiaries generally have accepted or chosen the enterprise without any conviction to improve their economic condition through it. They too have little sincerity to make the enterprise a success.

Third, little care has been taken to assess the aptitude and ability of the household to maintain the selected enterprise successfully. The goal of raising the annual income of the weaker section household to Rs 1500/- through creation of permanent income earning asset has remained a forlorn objective.

Fourth, little interest was noticed with the beneficiaries to stick to the enterprise firmly. Of course there was exception to such an approach by the widow household of the first village and the unmarried youth household in the second village. Both of them are milching their cow personally and carrying milk to the town to sell at Rs. 3 50/- litre. Others are depending on the milk seller who visits the village to milch the cows at a remuneration of Rs. 20/- per cow per month and collects milk at Rs. 2.50/- per litre.

Fifth, the ERRP programme has been pushed through with the sole concern of fulfilling the target of rendering assistance to weaker section households. Beneficiaries in their turn have been allured by the provision of Rs. 3000/- a subsidy against a loan commitment of Rs. 1000/- for a cow. Even if a beneficiary disposes a cow at a discounted rate he can easily repay the bank loan and can have a substantial surplus. Such has been the case with a beneficiary of the second village, who has sold away both the cows and repaid the bank loan. The simple plea is, the enterprise is unremunerative. It may not be far-off, when others take a similar step since the present average daily yield rate of milk is 3 litres per cow. This quantity sold at Rs 2.50/- per litre can hardly be sufficient for daily maintenance of a cow.

Sixth, beneficiaries have shown sincerity to repay the loan till they received the second instalment of advance. After that they are now indifferent to repay the outstanding loan. Only three beneficiaries of the first village and one beneficiary of the second village have cleared their loan. Out of the three of the first village, only one has cleared loan by his effort. The second cleared the loan out of insurance compensation of the deceased cow and the third by selling both the cows as he found the enterprise unremunerative to continue.

SUGGESTIONS

The public authority should make clear their unreserved willingness to assist the poor liberally for taking up any enterprise to improve their

income earning ability. But such assistance should flow after proper assessment of the aptitude and ability of the poor, to pursue the enterprise successfully.

There should be assessment of the economic viability of the enterprise in the surroundings in which it is proposed to be started. This will ensure productive use of the scarce resources following as a subsidy.

Enterprise like Dairy should be encouraged in and around urban centres or in those areas where milk producers cooperatives can be started. On inquiry it has been learnt that the Milk Producers Cooperative Federation located at Puri is collecting milk from the members at Rs. 3.30/- per litre, where as the beneficiaries are selling to the milk seller at Rs. 2.50/- per litre in villages. Besides, a member of the society gets cow feed at Rs. 1.69/- per kg. against the open market price of Rs. 2/- per kg. Thus in both the ways they can get more benefit by forming a cooperative society. Membership of a milk producers cooperative society may be instituted as an eligibility condition to get assistance from ERRP Dairy Development scheme.

Taking Dairy Development Assistance it is suggested, the entire cost of the enterprise be treated as loan initially. The subsidy component (Rs. 3000/- for one cow) be deposited in the Bank financing the loan. The beneficiary be entitled to enjoy loan repayment rebate equivalent to the portion of the subsidy spread over the loan repayment period. For example the total loan is 4000/- to be repaid in a 5 years period. Annually the repayment burden is Rs. 800/-. On this the loan rebate should be Rs. 600/- (3000/- T.5). This rebate can be available if the beneficiary repays the loan regularly and produces valid insurance certificate of the cow at the time of loan repayment.

Alternatively cows purchased from the ERRP financed fund may be declared as public property and the beneficiary as the custodian with a right to maintain the cow and enjoy the surplus income without any right to sell the cow and the calf. It should be mandatory for the custodian to repay the bank loan and renew the insurance coverage of the cow annually. Heavy monetary penalties or imprisonment or both may be prescribed for violation of these provisions under ERRP schemes.

Public announcements may be made prohibiting purchase of ERRP financed animals from the weaker section households without prior

permission of the competent authorities. Penalty may be prescribed in the form of fines for those who will purchase such cows without the permission.

Suggestions for running Public firms to rear milch cows may be given serious consideration. This may ensure supply of good quality cow with reasonable price. Officials are of the opinion that the cowseller raises price once they know, the cow will be purchased from ERRP finances.

In case of premature death/invalidness of the cow the custodian should inform in writing to the sanctioning authority. Then it should be the responsibility of the sanctioning authority to claim the insurance compensation and pay back the bank loan. Residue if any should be credited to the state treasury.

Acceptance of these suggestions it is felt will provide safeguards against unproductive use of public funds. It will eliminate the light hearted attitude with which the beneficiaries are accepting the enterprise.

The schemes show symptoms of falling short of the goal not because the cherished objective is unattainable but the acceptors are lacking a strong will power to improve by hard labour. So there is need for an effective extension service to infuse the will power after which the assistance should flow so that there can be a real thrust on rural poverty.

Average milk yield from a cow in the first village is 3.2 lts and in the second village is 3 lts. Sold at the village rate of Rs. 2.50/- per litre the income per cow comes to Rs. 7.50/- per day. Taking rough estimation of beneficiaries daily expenses on cow feed comes 6 to 7 rupees per cow. If the calf feed is taken into consideration then there remains no surplus what so ever for the labour of household lady and the children working altogether for 3-4 hours in a day. This is the general picture of the enterprise. However there are exceptions in individual cases where the yield of milk from the cows are little higher and the owner carries the milk to the town sell at a remunerative price of Rs. 3.50/- per litre.

Table— V

Statement Showing Milk yield of ERRP Financed cows. (In Litres)

Beneficiary	Yield seen with the cow seller	Yield obtained in the beneficiary house after 7 days of purchase	Yield now from cow
First Village			
1. 1st cow	7	5	3
2nd cow	7	4	3
2. 1st cow	7	5	3
2nd cow	6	3	(only for 15 days. Then suffered from a disease No yield)
3. 1st cow	7	4	3
2nd cow	6	(died after 5 days. No yield.)	
4. 1st cow	6	3	2
2nd cow	6	3	2
5. 1st cow	7	6	4
2nd cow	7	6	4
6. 1st cow	7	6	5
2nd cow	6	2	(found difficult to milch. So sold it)
Second Village			
1. 1st cow	7	5	3
2nd cow	7	4	(Barren now)
2. 1st cow	7	4	3
3. 1st cow	7	4	3
2nd cow	6	4	3
4. 1st cow	6	3	—(sold both)
2nd cow	6	3	—

IMPACT OF ERRP PROGRAMME ON RURAL ARTISANS

A CASE STUDY OF WEAVERS IN VILLAGE MELANA,

KEONJHAR DISTRICT (ORISSA.)

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Rural artisans constitute the backbone of a village economy. Artisans of a village consist mostly of Blacksmiths, Carpenters, Potters and Weavers. Their role in a traditional rural economy was to make the villages self-sufficient units. Perfect harmony existed between the village community and the artisans, as the latter's functioning was complementary to that of the former. However, with increasing modernisation in the village, the traditional artisans have been rendered functionally less effective.

Further financial resources at the disposal of artisans are highly inadequate. Also the customary economic relations between the village community and the artisans are breaking. As the artisans have become economically weak and a vulnerable group over time, all possible efforts are made through Government Development programmes to develop their skill and resettle them in the village economy. The services and products of some industrial artisans are in such universal and continuous demand that they were usually incorporated in the structure of the village community as paid artisans. The blacksmith, the carpenter, the leather worker and the potter are generally so included. The weaver is the most important of artisans not to be so included. As mill-made cloth is increasingly used traditional weavers no more flourish in the villages.

But handloom products have a distinct place in our country and outside. "There are certain fabrics which will probably be best and most cheaply manufactured by hand the native looms continue to yield the embroideries, the shawls, the carpets for which they are already so famous. The thicker materials are more durable as well as warm". Thus there are

two classes of goods, the embroidered and other finer goods, in which the handloom had a peculiar advantage, and the coarser kinds which ideally supply the demands of common cultivators, agricultural labourers and the like. According to a study conducted by the Administrative Staff College of India, Hyderabad the value of handloom fabrics consumed annually in the state (Orissa) is about Rs. 52 crores. Of this products worth Rs. 15 crores are produced in the State. The handloom industry is highly labour intensive. One loom provides employment to atleast two persons directly and one person indirectly throughout the year. Thus, in terms of economic impact on rural employment and income generation, this industry is next to agriculture. Some of the positive aspects of the functioning of the weavers are to be found in the development of traditional skills and inbuilt training system, adequate knowledge of the dynamics of consumers demand as well as of the availability of new techniques of production. The existing talent and present craft need continuous encouragement. Under the ERRP (Economic Rehabilitation of Rural Poor) programme in Orissa, institutionalised assistance is being given to the artisans for their overall upliftment. An attempt has been made in this paper to study the impact of ERRP on rural artisans through a case study of a Weavers Co-operative Society in Melana Village of Ghatagaon block, Keonjhar district.

It was intended to survey a concentrated population of artisans benefited under the programme in a village. On enquiry from government officials, it was learnt that in above mentioned village a co-operative society of the weavers has been formed and the members have been imparted training on the operation of looms and weaving under ERRP programme. They have been involved in the programme since the year of 1981 and are about to complete three years. This is how Weavers Co-operative Society in Melana village has been chosen for investigation. A schedule designed for the purpose was canvassed among the member beneficiaries.

The village Melana is situated at a distance of about 55 kms. from Keonjhar town and 7 kms. from the Ghatagaon block headquarters. It is on the Jajpur-Keonjhar Road to Rourkela state high-way. The total population of the village is 1219 (1981 provisional census), out of which 1095 people are scheduled tribes, 50 people belong to scheduled caste and 74 people from other castes live in the village. Agriculture remains the principal occupation of the villagers. Most of the people are marginal farmers and agricultural labourers. The weavers also come in this category. The landed properties owned by the beneficiaries are un-irrigated and the weavers live

in thatched houses. Prior to implementation of this scheme, only three beneficiaries were engaged partly in their native looms. Alongwith others partly they were working as forest and agricultural labourers. Five out of the ten beneficiaries are illiterates. Four of them have read up to Class-III. One has read upto Class-VIII. The total family income of the weavers from all the sources before receiving the loan varied from Rs. 1210/- to Rs. 3100/- per annum.

WEAVERS' DEVELOPMENT SCHEME :

In 1980 the weavers of the village were identified by the Block Development Officer Ghatagaon to be brought under the ERRP Programme. A scheme was prepared by the DRDA, Keonjhar District. The scheme envisaged a total loan of Rs. 2500/-, which was sanctioned by the Bank of India, Ghatagaon branch in respect of ten beneficiaries (eight on 28-2-81 and two on 22-1-81). In total, Rs 2,036/- were disbursed among nine beneficiaries and Rs. 1,936/- to one beneficiary. The beneficiaries were given subsidy of 100 percent on construction of sheds 50 percent on purchase of loom, 100 percent on transportation of loom. The beneficiaries were imparted training for four months for which they were given Rs. 400/- stipend at the rate of Rs. 100/- a month. Subsidy for the stipend amount was disbursed to the beneficiaries through Assistant Director, Textiles, Baripada. During the training period the improved loom arrived. As part of the scheme, small sheds were constructed. Nine out of ten beneficiaries has been given working capital of Rs. 100/- each at the initial stage. But both bank and block development authorities felt that in this circumstance, co-operative society can form the ideal institutional pattern to act as an agent of economic and social change because it can bring these people within one fold, supplement their meagre resources by institutional co-operative credit and work out the scheme with adequate managerial support from the government.

The Co-operative Society was formed initially with 14 members. It was registered on 3-9-81. It supplied cotton thread to the weavers and procured the finished product by paying servicing charges. The society also looked after marketing of the goods produced. Therefore, the weavers were not directly related to the marketing of their products.

IMPACT OF THE SCHEME :

On account of operation of the society and the new loom, the annual income of the weavers has increased. It is evident that, income from

weaving was nil in case of seven out of ten weavers before receiving the loan. After the receipt of the loan, income from the handloom remained positive in case of nine beneficiaries (one beneficiary has joined as Trysem instructor and is no more operating the loom). The change in income from weaving varied between Rs. 480/- to Rs. 2,000/- per annum. This change in income from the handloom has raised the total income and per capita income. The percentage of percapita income varied between 33.78 to 140.07.

This indicates that income generation on account of this scheme has been satisfactory. With the operation of the loom, family employment has increased. The woman members of the family who were only engaged in household works before receipt of the loom, participated themselves in the business. Though the beneficiaries are traditionally weavers, seven out of ten families were working as agricultural and forest workers. The demand for their labour was also not sufficient. On an average they were getting work for 15 days a month. Wage-earning opportunity through casual employment will dissociate the artisan from socio-cultural occupational roots and this may upset the balance of the social ecosystem. Involvement of ladies of the family, therefore, in the looms can gainfully employ them in their trade apart from their household work.

Expenditure on consumption of necessities like food and clothings have remarkably gone up in case of seven beneficiaries. The rise of expenditure on consumptions of necessary ranges between Rs. 500/- and Rs. 1200/- per annum. Four families have purchased assets like goat, radio and cycle after receipt of the loan. One family has repaired his house spending Rs. 600/-. Three weaver families have afforded to spend Rs. 400/- to Rs. 1500/- on the marriage ceremonys of their daughter, brother and niece. One family has undertaken pilgrimage to Puri by spending Rs. 1,000/-. As income from land and other sources remained the same before and after receipt of the loan in respect of nine beneficiaries, increase in income is, therefore, attributed to the new handloom. Hence, their changes in consumption pattern, asset formation and spending on festive occasions are directly related to the increase in income due to ERRP programme.

Repayment of loan during last two years from 1981 to 1983 (December) is found to be very poor in comparison to the income generation from the investment on looms under ERRP programme. During

the period of about three years, range of the repayment of loan varied from Rs. 45 to Rs. 90/-. Amount outstanding on the beneficiaries including the interest accumulation at the rate of 4 percent per annum varied between Rs. 777.19 and Rs. 1101.53.

So far as market is concerned, beneficiaries are not directly connected with the sale of the products. The tribals and local consumers feel the clothes of new loom to be of low quality. So, market for the products in local areas is gloom. Even the tribal people do not prefer to purchase it due to its less durability and low quality. Society has no show-room for the products in the local market. Since marketing has been difficult, flow of funds to the society is reduced resulting in irregular and inadequate supply of raw-materials to the weavers.

The looms are lying idle since October, 1983 due to non-availability of cotton thread to the weavers. Though the thread has arrived at the stores of the society, it is not made available to the beneficiaries as the cost of the thread has not been assessed. Peculiarly enough now both raw materials and finished products are remaining idle in the society. The authorities have not taken any interest to clear the final products and supply the raw materials to the weavers. In the meanwhile, the Board of Directors of the society has been dissolved on 8.10-1983 by the authorities leaving the fate of the members and their looms in a state of uncertainty.

The weavers are of the view that marketing of the product has become a problem only due to the new technology. The combs used in the looms produce certain type of clothes which are loose and hence not preferred by local consumers. If the techniques of the production is modified a little by changing the combs, the quality of the product will be better and attractive. Such improved products can easily be sold if a show room is opened at Ghatagaon. This is how, the weavers feel the society can function properly. Alternatively, they are of the opinion that if the combs are changed and working capital is provided to them directly they can procure the raw materials from the open market and can operate their looms. They are confident that the quality they will produce, will easily be sold. However, bank officials suspect the sincerity of the weavers, as they have not cleared their loans so far and are not ready to provide the working capital to the individual weavers. The block officials, too allege

that the weavers have not cleared the loans on account of their insincerity as they consider the loans to be non-repayable.

CONCLUSIONS AND SUGGESTIONS :

- 1) The artisan beneficiaries have properly been identified under the ERRP programme. The schemes designed for the purpose are suitable.
- 2) Initially impact of the ERRP programme on the weavers of the village was encouraging. Income generation and employment creation due to the scheme were satisfactory. The changes noticed in the expenditure pattern of the weavers indicate prosperity which the programme could fetch. But the recovery of the loans is very poor. Insincerity of the weavers and their negative approach about the payment of loan are the principal reasons for such poor recovery.
- 3) Creation of employment in this programme is purely of family employment. The women members of the family, who were only engaged in household activities, have been gainfully employed to utilise their time to earn some additional income.
- 4) The Weavers Co-operative Society of the Melana village was at the nerve centre of the programme. As the society is defunct now the benefits cease to flow to the member beneficiaries. However, co-operatives created to benefit the under privileged should not receive support and assistance to such an extent as to become charitable rather than self-help institutions. But the beneficiaries in the two years co-operative fold did not make any effort for their self sustenance.

The society in course of time, has become a hindrance to the functioning of the weavers. The society, therefore, can be closed and working capital can directly given to the weavers by the bank. The bank will be responsible for recovery and the weavers will take care of the marketing of their own products. Alternatively, the society can be activated in a different way. The society has to ensure that the quality products are produced at competitive price. It can involve the weavers in the process of marketing by giving some commission for the purpose. The society also can open show rooms at Ghatgaon and Anandapur for better marketing.

- 5) The authorities have left the programme mid-way. The Assistant Director, Textiles, Baripada, DRDA, Keonjhar, B.D.O., Ghatgaon and Bank of India, Ghatgaon branch have to intervene now to make the scheme once again effective and beneficial for the weavers.

ECONOMIC BENEFIT OF DAIRY SCHEME :

A STUDY OF I. R. D. & E. R. P. PROGRAMME

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This paper attempts to analyse the problems and prospects of an important scheme, namely Dairy which is a major component of the ERRP scheme for the upliftment of the rural poor.

In the paper, it is intended to assess the economic viability of I.R.D. and E.R.P. Programmes meant for Dairy Development in the rural areas of Orissa. The main objective with which the study is undertaken is to assess the impact of Dairy Development on income status of the rural poor.

The study is based on field survey of households in seven villages in the district of Keonjhar and Cuttack. The names of the villages in the Keonjhar district are Silisua, Raisuan, Jalabanga and Bhatunia and those of the Cuttack district are, Bodamundai, Sunkahandi & Danpur. In the Keonjhar district 57 households and in Cuttack district 13 households are included. The Dairy Scheme in the Keonjhar district is under I.R.D. programme and that in the Cuttack district is under E.R.P. Programme.

Both inter-temporal and cross-sectional approach have been used to evaluate the impact of the programme on weaker sections. In the intertemporal approach the level of income, average earnings and employment have been compared. In the cross sectional approach, the existing situation of the beneficiaries from different income classes have been compared. An estimation of the economic benefit of each income group in terms of income and employment have been made to show the effectiveness of the programmes and their suitability for the upliftment of the weaker sections.

Identification of the rural poor.

Identifying rural poor is a difficult question. The planning Commission has accepted the annual average income per family of Rs. 4,000/- at

current prices as the most reasonable criteria. In the present study families having less than Rs. 4,000/- per family average annual income at current prices, families with land holding 2.5 acres and below and having assets worth of Rs. 2,500/- and below have been treated as poor or weaker sections.

Analysis of the Findings :

Table I gives a cross sectional data of the households according to size of land owned, caste occupation and education. Table-II shows the distribution of households according to the value of physical assets possessed, average milk per day, sale proceeds of production, cost of maintenance, net gain and present position of the value of the stock and Table-III shows net gain position, from social and personal points of view.

It may be seen that out of the seventy households, 13 households are Scheduled Castes, 52 households are Scheduled Tribes, one Muslim, 4 households are O.B.C.; 34 households possess land in between 1 to 3 acres, 16 households have land less than 1 acre and 20 households are landless labourers; 35 households are cultivators-cum-wage labourers, 30 households are wage labourers and households are business men before the adoption of Dairy Scheme.

After the adoption of the Scheme, 10 households are engaged in Dairy Development, 32 households are engaged in both cultivation and Dairy Development, 13 households are engaged in Dairy and wage earning, 5 households are engaged in Business, cultivation and Dairy one engaged in collection of milk and 9 are still engaged in wage earnings. Regarding education, 18 households have completed up to Primary Education, 7 households completed up to M. E. standard and 45 households are illiterate. Eight households have cleared the loan amount, 15 people have not paid any amount and 37 people have partially paid.

It reveals that almost in all cases the beneficiaries received the loan amount both in cash and kind, 5 households are getting on an average more than 10 litres from each cow per day, 44 households are getting on average more than 5 litres from each cow per day and 22 household are getting less than 5 liters on average per day and 4 households are not getting any milk from their cows. The average price per litre is Rs. 2. 50. In marginal cases it

is Rs. 3. 00. In case of 37 households there is positive gain including cost of personal wage forgone and in case of 33 households there is a positive loss when cost of personal labour is included. In one case the cow is dead. In 43 cases, the present value of the stock is more than the purchase price and in 26 cases the value is less than the purchase price.

Benefits :—

- a) There is net personal benefit of the scheme in 58 cases and net personal loss in 12 cases.
- b) There is net benefit to the Society considering the loan given in 41 cases and there is net loss to the Society in 29 cases.
- c) Successful were those who have at least 1 to 3 acres of land.
- d) Those who are getting benefit are mostly due to assured marketing of the milk and good qualities of cows.

Constraints of the Scheme :

- a) There is no fodder cultivation.
- b) There is no proper marketing facilities.
- c) The beneficiaries have not basic knowledge of marketing quality cows.
- d) There is low rate for milk.
- e) Best quality cows are not given.
- f) Proper medical facilities are lacking.

Major Suggestions :

It is indicated by this study, and similar studies elsewhere that successful continuation of the scheme requires conditions noted below :

- a) One should have landed property of minimum 2 acres.
- b) The farmers should have some basic knowledge of maintaining quality cows.
- c) Infrastructure facilities like veterinary and marketing conditions must be there.
- d) Fodder cultivation is a must.
- e) The beneficiaries must get cattle feed at a low rate.
- f) Proper training facilities must be given in advance to those who would adopt the scheme and who have liking for the profession.

- g) Milk rate should be remunerative and there should be organised marketing.
- h) Government should take care of supplying quality animals by establishing breeding farms.
- i) Fodder Bank should be maintained.
- j) There should be better communication to run mobile vans to look after the cows.
- k) Subsidy should be deposited in the form of fixed deposit in the name of the beneficiaries.
- l) Proper incentives should be provided for supplying milk to the co-operative societies.
- m) Exhibitions may be arranged from time to time to create awareness among the beneficiaries.
- n) At least one L. I. should be in charge of one village to look after 50 high yielding animals.

While operating the scheme, follow up measures in the above light, should be undertaken to make it viable and sustaining.

Concluding Remarks :

It is evident from the analysis made in the preceding pages that any plan for the rural poor must aim at maintaining a high rate of growth, modifying the pattern of growth so as to raise the productivity and income of the poor sections and improving the access of the poor to essential public services. For this, there is need for creating an agency for "Intensive integrated Rural Development" that can co-ordinate the activities of different developmental and financing agencies engaged in uplifting the rural mass.

There should be one such agency in each block. The objective will be to provide gainful employment to all with the help of a planning that embraces all its aspects—planning, financing and implementation. It will have an Advisory Board consisting of the representatives of the people, and existing developmental and financing agencies in the area. It must have a consultancy cell that will prepare different viable schemes and projects for the rural population. It should consist of a band of dedicated and qualified staff for the execution of the schemes shouldering such responsibility.

ECONOMIC GAINS FROM E. R. R. P.

A CASE STUDY IN NIMAPARA BLOCK OF PURI DISTRICT.

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Poverty, inequality in the distribution of wealth and income, chronic unemployment and sub-human conditions of living are still the characteristic features of rural life in India. Rural development has, therefore, come to be recognised as the *sine qua non* for national development and social welfare. The perplexing problem before the rural community is not merely to get rid of their ignorance and poverty but also to help accelerate the process of a self-reliant and self-sustaining growth. Various schemes for the upliftment of the rural population have been initiated in the post-independence era. Economic rehabilitation of rural Poor (ERRP) is one such programme. It was during 1980 that the scheme of E.R.R.P. was conceived and is now being implemented in Orissa to help the poorest among the poor in the rural areas. The government has geared up the state machinery and the task of identifying the ERRP families has been taken in right earnest. As the scheme is of recent origin its proper evaluation can be made only after the elapse sometime since its inception. An attempt has been made to assess the performance of the scheme by making a comparative study of the change in economic position of the beneficiary households between pre-ERRP and post-ERRP period.

Methodology.

For the study, Nimapara Block of Puri district is selected with the consultation of the officials of the concerned block entrusted with implementation of the scheme. A list of sectors on which ERRP assistance is given to the beneficiaries, are taken into account. From among the sectors, two most favoured sectors ¹ on which maximum number of beneficiaries have received assets, are chosen. In this way two sections, Animal

1. Sectors are arranged in chronological order of importance according to the number of beneficiaries received assets. Then the first two sectors having larger number of beneficiaries are selected.

Animal Husbandry and Village Industry are selected. The total number of beneficiaries under these two sectors are listed separately. Fifteen beneficiaries from each sector are selected at random. Thus altogether 30 beneficiary households are selected from both sectors for the purpose of the study. A questionnaire is canvassed on the beneficiaries seeking information on their household structure, income and expenditure prior to the launching of ERRP scheme and after their being covered by it. Besides, officials assigned with the implementation of this scheme in Nimapara Block, Puri Gramya Bank, Charichhak Branch, State Bank of India, Nimapara Branch etc, are contacted to seek various informations on the working of the scheme.

Data on annual income and expenditure of the sample household one year before getting the asset under ERRP and during one year after receiving the asset under the scheme, are collected. As the respondents do not maintain account of their income, and expenditure, information has been collected from their memory. But to make the data more accurate care has been taken to cross check the data on income and expenditure from neighbouring households in some cases and from knowledgeable persons in other cases.

Results and Discussion.

By way of background information, the detailed description of the characteristics of the sample beneficiaries and the amount of different assets they have received with the break-up into subsidy and loan component. From Table-1 it is observed that the sample beneficiaries under Animal Husbandry sector have larger family size than that of the village industry sector. More so, with regard to the level of education the table further reveals that the percentage of literacy is more among the sample households in Animal husbandry sector than in village industry sector. Simultaneously it is also interesting to note from the above table that none of the sample households out of the two sectors attained college education and the reason for such low level of education is their poor economic condition. As regards the amount of asset received by the sample households, it is observed that the sample households under Animal husbandry sector have received much higher amount of asset under the ERRP scheme than that of sample households under village industry sector. With regard to the amount of subsidy received by the sample households in their respective sectors, it is seen that the sample households in Animal husbandry sector have received much greater percentage of subsidy

in comparison to their village industry counterparts. This makes it obvious that the loan component of the assistance is much higher upon the sample households in village industry sector than in Animal husbandry sector. To conclude, it can be pointed out that the higher percentage of subsidy given to the sample households in Animal husbandry sector has made the assistance, less burdensome for them than that of the sample households in village industry sector.

Table 2 shows the income and expenditure of the sample households in one year period before the implementation of E.R.R.P. scheme. It is seen that both the categories of beneficiaries had a net dis-investment position prior to E.R.R.P. scheme. Whereas the per household deficit was of the order of Rs. 161.14 in the case of Animal Husbandry category, it was Rs. 235.66 in the case of village industry category. For all the households taken together the average deficit prior to E.R.R.P. amounted to Rs. 99.20.

Table 3 reveals the income and expenditure of the sample beneficiaries during the one year period after receiving the benefit under ERRP. It is seen that the beneficiary households in Animal Husbandry sector had a net disinvestment position and it was Rs. 94.22 per household basis. On the contrary the sample beneficiaries in village industry sector had a net saving and it was Rs. 63.12 per households. On an average the per household net saving of all beneficiary households was found to be negative and it was Rs.—7.77. Thus, to conclude, it can be said that while the sample households in village industry sector have been able to overcome their minus saving position because of the E.R.R.P. assistance the sample households in Animal Husbandry sector are still in their dissaving position though their per household amount of dissaving has been reduced to a great extent.

In table—4, the variation in income due to E.R.R.P. scheme is shown. From the table it is seen that among both categories of sample beneficiaries, the total income of the sample beneficiaries in Animal Husbandry category prior to E.R.R.P. was found to be Rs. 43265.18 and that of village industry was Rs. 49104.22. But during the one year after receiving the asset under E.R.R.P., their income has increased to Rs. 55312.20 and Rs. 66245.13 respectively. Thus, there has been a net increase of Rs. 12047.02 and Rs. 17140.91 in the income of the sample households in animal husbandry and village industry sectors, respectively, during one year following the implementation of the E.R.R.P. scheme. In other words the income of the sample beneficiaries under Animal Husbandry

and village industry sectors have increased by 27.84 percent and 34.72 percent respectively, during the first year of the implementation of the scheme.

The analysis of the above trend of income and its increase after E.R.R.P. shows that for both categories of beneficiaries there has been a significant increase in income after the implementation of E.R.R.P. For all the households taken together the income rose by about 31.59 percent. Between two types of beneficiaries it is seen that the sample beneficiaries under village industry sector appear to have been benefited to a greater degree by the scheme than that is the case with the beneficiaries under Animal Husbandry sector. Despite the difference in the degree of benefit, it cannot be denied that the E.R.R.P. scheme has been able to help in markedly raising the income and earning capacity of the both types of beneficiaries under discussion.

Table 5 shows the increase in annual expenditure consequent upon receiving the asset under E.R.R.P. scheme. It is seen that the annual expenditure of both categories of sample households has gone up following the delivery of assets under the scheme. The reason for such increase in annual expenditure is attributed to the maintenance of the assets acquired under the scheme and increased standard of living as a result of increased earning. In this respect the increase in annual expenditure in both types of sample households has been more or less same, that is about 24 percent.

Table 6 depicts the per household and per capita income of sample beneficiaries prior to E.R.R.P. scheme and subsequent increase in their income with the assets provided under the scheme. The per household income of Animal Husbandry category of beneficiaries, prior to E.R.R.P. was Rs. 2884.34 and it increased to Rs. 3687.48 during a period of one year after getting the assets under E.R.R.P. Thus the per household increase in income of this category is of the order of Rs. 803.14. Similarly, per capita income in this category has increased from Rs. 455.42 before E.R.R.P. to Rs. 582.23 after E.R.R.P. showing an increase of Rs. 126.81 in a year.

The per household annual income of sample beneficiaries under village industry category has increased from Rs. 3273.61 prior to E.R.R.P. to Rs. 4416.34 after the scheme, thus registering an increase of Rs. 1142.73

The per capita income likewise has increased from Rs. 558.00 before E.R.R.P. to Rs. 752.78 after E.R.R.P, and thus registering an increase of Rs. 194.78. Thus, the per household and percapita increase in annual income of the sample households under village industry sector is much higher than that of the sample households under Animal Husbandry sector. The average per household income of all the sample beneficiaries has increased from Rs. 3078.97 prior to E.R.R.P. to Rs. 4051.91 after E.R.R.P., recording an increase of Rs. 972.94. The average percapita income of all the sample beneficiaries has increased from Rs. 506.70 prior to E.R.R.P. to Rs. 667.50 after E.R.R.P. registering an increase of Rs. 160.80.

Table 7 shows the per household and percapita expenditure of the sample beneficiaries under study. It is seen from the table that per household and percapita expenditure of both types of beneficiaries under the scheme has been increased on account of rise in consumption and higher maintenance charges of the assets given under the scheme. The average per household and percapita expenditure of both categories of households has increased from Rs. 3277.37 to Rs. 4067.46 and from Rs. 539.51 to Rs. 669.56, respectively. Between the categories it is observed that the per household expenditure of the beneficiaries in Animal Husbandry category has increased from Rs. 3045.48 to Rs. 3781.30. Similarly the percapita expenditure of this category has also registered an increase, which is from Rs. 480.86 to Rs. 597.11. In case of beneficiaries in village industry category, the per household expenditure has also been increased from Rs. 3509.27 to Rs. 4353.22. With regard to percapita expenditure it has also increased from Rs. 598.17 to Rs. 742.02.

In table 8, the per household and percapita net gain of the sample beneficiaries is shown. It is seen from the table that while the sample beneficiaries in Animal Husbandry category have raised their per household net income by Rs. 66.92 in a year, the beneficiaries in village industry category, during the same period have raised their per household net income by Rs. 298.78. This shows that the beneficiaries under village industry category have achieved a much higher per household net income than that of their counterparts in Animal Husbandry category. In terms of percapita income also a similar trend is observed. While the percapita increase in net income among the sample beneficiaries in Animal Husbandry category comes to Rs. 10.56, in case of village industry category it comes to Rs. 50.92. This shows that the percapita net gain among the beneficiaries

in Animal Husbandry sector is very negligible in comparison with the percapita net gain derived by the beneficiaries in village industry sector. This fact brings into conclusion that of the two types of sectors discussed here, the village industry sector is more lucrative and profitable than Animal Husbandry sector.

Table 9 shows the pattern of income distribution of the households during the one year period following the receipt of asset under E. R. R. P. The table shows that among both categories of recipients, the per household income of the beneficiaries under Animal Husbandry category is Rs. 3787.48 and that of village industry category is Rs. 4416.34. With regard to percapita income it is Rs. 582.23 for the former and Rs. 752.78 for the latter.

One important observation that has emerged from the above table is that not a single household from the above two categories of beneficiaries is above the poverty line.²

Further it has also to be remembered that the income on which the calculation has been made is the gross income of the households and not their net income. If we deduct the amount that the beneficiaries have to spend towards the maintenance of the asset which is quite a good sum particularly in case of those who are provided with milch cows and weaving instruments the plight of such households can be well imagined. In that case not only the beneficiaries happen to continue to be below the poverty line but a significantly big portion among them constitute what is termed as destitutes although it is not denied that they have improved their position from what it was prior to the scheme.

2. The Planning Commission has suggested a monthly percapita consumption of Rs. 65 as the bare minimum to provide the daily calorific requirement of 2400 calories in the rural areas. Those having an income of less than Rs. 65 per month at 1977-78 prices, are below the poverty line. The norm of Rs. 65 has to be further raised as the indices of consumer prices for agricultural labourers has witnessed a significant increase, in the meantime,

Table -1

Characteristics of the sample beneficiaries under ERRP Scheme

Category/ Item	No. of house holds	No. of persons	No. of literate	Amount of asset received		
				Subsidy	Loan component	Total
A. Animal Husbandry						
Milch cow	12	78	3	36000.00 (78.70)	9762.00 (21.30)	45762.00 (100.00)
Sheepery & goatery	3	17	—	4500.00 (92.04)	389.00 (7.96)	4889.00 (100.00)
Sub-total	15	95	3	40500.00 (79.95)	10151.00 (20.05)	50651.05 (100.00)
B. Village Industry						
Weaving	6	39	2	11766.00 (83.94)	2250.00 (16.06)	14016.00 (100.00)
Shop	2	11	2	4500.00 (75.00)	1500.00 (25.00)	6000.00 (100.00)
Tailoring	2	10	2	4500.00 (75.00)	1500.00 (25.00)	6000.00 (100.00)
Rickshaw	4	23	—	4350.00 (69.47)	1500.00 (30.53)	6300.00 (100.00)
Cycle repairing	1	5	1	2250.00 (75.00)	750.00 (25.00)	3000.00 (100.00)
Sub-total	15	88	6	27366.00 (77.48)	6950.00 (22.52)	35316.00 (100.00)
Total	30	183	9	67866.00 (78.94)	17101.00 (21.06)	85967.00 (100.00)

Figures in parenthesis indicate percentages.

Table -2

Income and expenditure of the beneficiary households prior to the introduction of E.R.R.P.

Category	Income	Expenditure	Amount in Rs.	
			Net saving (+) (-)	Per household net saving
Animal Husbandry	43265.18	45682.32	-2417.14	-161.14
Village Industry	49104.22	52639.15	-3534.93	-235.66
All	46184.70	49160.73	-2976.03	-99.20

Table-3

Income and expenditure of beneficiary households after the introduction of E.R.R.P.

Category	Income	Expenditure	Amount in Rs.	
			Net saving (+) (-)	Per household net saving
Animal Husbandry	55312.20	56725.52	-1413.32	-94.22
Village Industry	66245.13	65298.30	+946.83	+63.12
All	60778.66	61011.91	-233.25	-7.77

Table -4

Variation income on account of E.R.R.P. Programme among beneficiaries

Category	Amount in Rs.			
	Income before ERRP	Income after ERRP	Difference	Percentage increase
Animal Husbandry	43265.18	55312.23	12047.02	27.84
Village Industry	49104.22	66245.13	17140.91	34.72
All	46184.70	60778.66	14593.96	31.59

Table-5

Variation in expenditure on account of E.R.R.P Programme among beneficiary households

Category	Amount in Rs.			
	Income before ERRP	Income after ERRP	Difference	Percentage increased
Animal Husbandry	45682.32	56725.52	11043.20	24.39
Village Industry	52639.15	65298.30	12659.15	24.48
All	49160.73	61011.91	11851.18	24.43

Table—6

Per Households and percapita variation in annual income among the beneficiary households

Category	Per household Income before ERRP	Per house- hold Income after ERRP	Per house- hold change in income	Amount in Rs,		
				Per capita Income before ERRP	Per capita Income after ERRP	Per capita change in income
Animal Husbandry	2884.34	3687.48	803.14	455.42	582.23	126.81
Village industry	3273.61	4416.34	1142.78	558.00	752.78	194.78
All	3078.97	4051.91	972.94	506.70	667.50	160.80

Table—7

Per Household and percapita variation in annual expenditure among the beneficiary households

Category	Per household expenditure before ERRP	Per house- hold expe- nditure after ERRP	Change in expendi- ture per household	Amount in Rs.		
				Per capita expendi- ture before ERRP	Per capita expendi- ture after ERRP	Change in expenditure per capita
Animal Husbandry	3045.48	3781.70	736.22	480.86	597.11	116.25
Village Industry	3509.27	4353.22	843.95	598.17	742.02	143.85
All	3277.37	4067.46	790.09	539.51	669.56	130.05

Table—8

Per household and percapita Net Gain among the categories of beneficiaries

Category	Variation in income	Variation in expenditure	Net gain	Amount in Rs.	
				Net gain per house-hold	Net gain per capita
Animal Husbandry	12047.02	11043.20	1003.82	66.92	10.56
Village Industry	17140.91	12659.15	4481.76	298.78	50.92
All	14593.96	11851.17	2742.79	182.85	30.74

Table - 9

Pattern of income distribution after E.R.R.P. according to type of beneficiaries

Category	No. of house-holds	No. of family members	Gross income	Amount in Rs.	
				Per household income	Per capita income
Animal husbandry	15	95	55321.20	3687.48	582.23
Village Industry	15	88	66245.13	4416.34	752.78
All	30	183	121557.33	4051.91	664.24

THE INS AND OUTS OF THE E.R.R.P. PROGRAMME IN MAHAKALPARA BLOCK

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Special programmes for the amelioration of the condition of the small man in the rural area have been in operation since the fourth plan. In the fifth plan, it was proposed under Antodaya Programme to select 1500 poor families in each block and help them in setting up in viable economic activities including rural industries and services. The E. R. R. P. Programme in the sixth plan is an extended version of the Antodaya Programme wherein subsidy coupled with bank loan is expected to create a viable work and earning opportunity for the poor man. It is easy to plan, but difficult to implement it earnestly. The extensive operation of the E. R. R. P. Programme involving huge money expenditure calls for constant evaluation.

This paper attempts to evaluate the E. R. R. P. scheme operating in Mahakalpara Block and to offer suggestions for better implementation in light of the findings.

Mahakalpara Block, highly prone to flood, cyclone and drought contains 225 villages out of which 191 are inhabited and they spread over 149.20 square miles and has a population of 134939. The number of families brought under E. R. R. P. Programme are as follows: 20 in 1980-81, 179 in 1981-82, 1017 in 1982-83 and 355 in 1983-84.

To assess the benefit of the programme, 50 families spread over seven villages were surveyed in Jan.-Feb., 1984.

The families surveyed had the following characteristics :—

Name of village.	No. of families surveyed.	Family members.	Average members of families.	School children.	College education
1. Chadaiguan	9	51	5.7	9	1
2. Chandiapalli	7	29	4.1	4	—
3. Teragan	3	15	5	1	—
4. Samantasin-gharpur.	2	12	6	—	—
5. Keyarbank	11	60	5.5	2	1
6. Gopalpur,	9	42	4.7	7	—
7. Mahakalpara	9	43	4.8	8	1
Total :—	50	252	5.1	31	3

The state of operation of the programme in selected villages is summarised below :-

Name of Village.	Continuing	Discontinued.	Yet to be started.	Success.
1. Chadaiguan	1	3	5	X
2. Chandiapalli	5	2	x	x
3. Teragan	1	2	X	1
4. Samantasin-gharpur	1	1	X	1
5. Keyarbank	2	5	4	1
6. Gopalpur	4	4	1	x
7. Mahakalpara	2	4	3	1
Total :-	16	21	13	4

ANALYSIS OF THE FINDINGS :

Tables prepared for the village Chadaiguan reveal that not a single scheme is successful in the village. Tables show that although two persons are given 11 goats each, 6 only survive and one scheme has been dropped only after three months due to disease of animals. The real market price of goats remarkably differs from the recorded price. The real price is almost half the price recorded in the transaction. Table shows that one person was given the scheme in terms of bullock-cart which continued only for 20 days as the cart was of very low quality. The cart was supplied for Rs. 1600-00 although its market price was only Rs. 1200.00 and a tarpaulin was supplied for Rs. 400.00 the actual price of which was only Rs. 155.00. Table shows

that the scheme of small-business (grocery) was given to a person who discontinued it after ten months because of acute poverty.

In village Chandiapalli 7 persons have been included under the E.R.R.P. Programme and no scheme has achieved success. Table depicts that three persons were supplied 11 sheep each but 18 sheep only survive the value of which is about Rs. 1260.00. Table shows that a person was given scheme in terms of milk cow valuing Rs. 3200/-. But it died after 8 months due to the lack of proper care in rearing. Table shows that a person who was allotted the scheme of small-business under official pressure discontinued the scheme and spent the entire sanctioned amount for family consumption.

In the same village two schemes were diverted to some other purpose by the beneficiaries. Table shows that a beneficiary who was sanctioned Rs. 2250/- for starting a saloon has utilised only Rs. 800/- for a betal shop and now he earns Rs. 200/- per month. Table shows that a scheme for dryfish business has been diverted to ferry boat with the utilisation of only Rs. 400/- .

Table indicates that in village Teragan and Samantsingharpur 5 persons were allotted schemes for small business (grocery) and two persons have shown success. Two schemes have been damaged and discontinued due to flood and cyclone and one beneficiary who was given a cash of Rs. 1350/- for small business disposed of the entire money under the pressure of poverty. During the period of the continuance of the scheme, the beneficiaries earned on an average about Rs. 200/- per month.

In village Keyarbank, a single scheme of stationery shop is a success. Table depicts that a beneficiary was given 11 sheep but 1 sheep is found alive. Another beneficiary who was handed-over cash spent it for family consumption. Table shows that a stationery shop is running with success yielding Rs. 250/- or so monthly income.

Table shows that 2 persons were given aid in terms of bullock-cart in the year 1981-82, but one of them has not yet been supplied bullocks and the cart of the other beneficiary is damaged.

Table shows that in village Gopalpur 5 beneficiaries were given 22 goats and 33 sheep but only 1 goat and 10 sheep now survive. Table shows

that a sweet-stall is running. In the first year it yielded a monthly income of Rs. 200/-. But now it appears to have difficulties, its stock being depleted by 40% .

In village Mahakalpara, out of 6 functioning schemes, one is a success. Table shows that 3 beneficiaries were given goats and sheep but all of them have discontinued the schemes either because of the disease of the animals or because of their own poverty within a period of two months. Table shows that a beneficiary was given a cow which now is not giving milk and whose value has been reduced to $\frac{1}{2}$ of the original value because of poor health and poor care. Table shows that a person was given cash of Rs. 4775/- for poultry farming but the scheme has not yet started though a year has passed. Table shows that a grocery-shop is running with some success, generating an income of Rs. 250/- per month on average.

Out of the total 37 cases the details of which are given in tabular form, all the 19 cases of animal husbandry aid have met with failure, 5 bullock cart schemes have similar fate; out of the 13 business aid only four are continuing and yielding income, the rest of the business aid yielded some income when they were in operation, 13 schemes are yet to be started.

A deeper probe into the causes of large scale failure, discontinuance and unproductiveness of the schemes bring out the following unpalatable facts.

SHORTCOMINGS OBSERVED :—

1. Wrong selection of beneficiaries :—

In most cases selection of beneficiaries is found wrong. Some people who are well acquainted with Government Officials manage to make their names recorded as landless for the purpose of being selected as beneficiaries but are the owners of manageable landholding. Thus, by neglecting the actual, the village committees have either not been formed or if formed are not consulted for selecting beneficiaries.

2. Wrong selection of schemes :—

Officials impose a scheme on the beneficiary in which he is not at all interested and has no knowledge and therefore the scheme is unlikely to be viable. As a result after obtaining grant, this is diverted to some other scheme or the beneficiary who is given some scheme under pressure

disposes the stocks for the purpose of family consumption. Even though he continues to operate the scheme, he does not make proper utilisation due to lack of some facilities.

3. Cheating the beneficiaries :-

In case of the animal husbandry scheme the beneficiaries are compelled to make the purchase in definite markets in the presence of financing authority, V. S. and block officials. These domestic animals are offered to them under pressure irrespective of the quality. The worst, diseased and unhealthy animals are brought to the market place as the sellers are sure that whatever is the quality it will be sold to the beneficiaries at exorbitant prices. The V. S. who has to identify the disease-free animals persuades the beneficiaries to purchase even the worst animals. He cares little for marking the right purchase for the beneficiaries and he wants to make the purchase anyhow. These low-quality and diseased animals hardly survive, even after a few days. Most of the animals have lost the procreation capacity and they become a burden on the beneficiaries. The beneficiaries of bullock-carts were asked to make the purchase of carts in the workshops already contracted by the officials at excessive prices and most of the carts supplied are found to be of very low quality which can hardly be used for a fortnight. Cart being damaged leaves the bullocks alone to be maintained or to be disposed of soon.

4. Delay in delivery :-

Although the persons are enrolled as beneficiaries there is unnecessary delay in delivering the schemes to the beneficiaries due to lack of proper co-ordination among the block officials, financing institution and other agencies. It is seen that in some cases the bullock are supplied to the beneficiaries even after a year or more of the supply of carts or carts are supplied long after the supply of bullocks. The beneficiaries who have no minimum accommodation for their own living are bound to leave the carts under rain and sun and when after a long interval bullocks are supplied the carts are found damaged. This makes the scheme a total failure. For the construction of cow-shed, some money is given to the beneficiaries in advance but because cow is to be delivered after a long-interval and there is no certainty as to when it is to be delivered the poor beneficiaries are forced to spend the money given for meeting their bare needs.

5. Lack of Training :-

Some persons with no idea or knowledge about the scheme take up the schemes. These beneficiaries are also not imparted training or guidance for carrying out the scheme. Misutilisation results in complete failure.

6. Time-gap in reaping the benefit :-

But the rearing of goats, sheep and pigs is a problem as it takes a long time to make them fit to yield economic benefit. The rearing of these animals is so time-taking that the starving beneficiaries lose patience for continuing the scheme and dispose of the animals before they yield returns.

The condition of the down-trodden class selected as beneficiaries is so acute that the daily needs cannot be met with the traditional earning process. Being half-fed, they can not run with the scheme which is not quick yielding. The scheme in which the result is immediate creates no problem for the daily maintenance of the families. So, with the grant of the scheme where the result is far off, the Government should provide some temporary but regular income earning works for meeting the daily necessities of the beneficiary families. In the process of rearing the animals, medical care is not available which causes avoidable death.

7. Lack of market :-

For the successful operation of the scheme the presence of a good market is essential, the areas of rivers and canals where the people living in one part hardly reach the other parts on feet, how far the operation of bullock-carts is feasible is a big question. Also for rearing the animals, can the beneficiaries living far away from the market collect the better quality feeding at regular intervals? Lack of market easy and timely availability of animal feed make the schemes inoperative. This upsets the actual aim of the scheme.

8. Insurance is sure to fail :-

At the time of making the purchase of animals, the animals are to be insured. But the rural-folk are so ignorant of the utilisation of the insurance that on the occasion of death of the animals, they never report for the V.S.'s Certificate for getting the compensation. Even though the animals survive after one year, they never pay the next insurance premium. In some cases, where the scheme-holders come for V. S. S. report the

V. S. pays no heed or makes unnecessary delay to issue the report. Because unhealthy and diseased animals are offered to the beneficiaries under the pressure of the V. S. . Little attention is paid by the V. S. to enable the beneficiaries to reap the benefit of insurance.

9. ERRP Programme defeats itself :-

The scheme which is meant for the upliftment of the rural poor defeats itself. Although, the planners are right in introducing the programme the executors do not carry out the programme as desired under the scheme. There are wrong selection of beneficiaries, wrong allotment of different schemes, no guidance for running them or no prompt and sympathetic attention for the successful carrying out of the schemes. The people who are to get the benefit also play some peculiar tricks while making the purchase. A particular animal is used several times in the market place to help many to make the false purchase as the animal owner is to get his animal returned just after the end of sale with some offer and the intended scheme holder gets money back from the animal owner and utilises money for some other purpose,. In some cases, if the beneficiary does not like to have the animal but money, he insists on the particular animal brought there by his fellow-relatives or neighbours. As to the small business scheme those who do not want to be with the scheme manage to get the cash-memo from the suppliers of goods by paying only the sales-tax or paying illegal offers for the pockets of the suppliers and Government officials and as such get the rest of the money for themselves which is never utilised in proper way. Thus the ERRP Programme instead of eradicating rural poverty has vitiated the rural life either because of the lack of enthusiasm and honesty of the Government Officials in working out various schemes or due to the beneficiaries themselves who cleverly manage to trap the Government agencies in utilising the scheme for some other purposes.

10. Bonded labourers are still to be touched :-

In Mahakalpara block as many as 100 persons are identified as bonded labourers who are yet to be benefited under the ERRP Programme, the execution of which is being delayed for the approval of the Collector.

SOOTHING STREAMS IN THE WILDERNESS OF THE ERRP PROGRAMME :

In the case of schemes such as tailoring, fishing and some rural artisanship like carpentry, blacksmithy, pottery, canemaking etc. the

programme has become success. In tailoring, training is imparted to the beneficiary and because the schemeholder sticks himself to his/her occupation and there is good market for the product or service, the schemes succeed. Similar is the case with fishing. The authors surveyed 71 families of fishermen community of the same Mahakalpara block and presented a paper at the National seminar held at Utkal University on 10th and 11th December, 1983, which revealed that there is greater production possibilities of fish both in marine and estuarine areas. The dire necessity felt in the use of fishing materials by most of the poor fishermen have to be met by bringing more and more fishermen under the ERRP Programme. Some 30 units, each unit consisting of 5 persons to purchase boat and net of Rs. 13000/- for each unit in marine and estuarine fishing areas have been benefited by ERRP Programme in 1982-83 in the block. The vast 50,000 acres of Government land most suitable for the precious tiger fish farming which are still remaining un-utilised in the block area will go a long way for the production of fish and the introduction of schemes related to fishing will bring a sure success for the massive ERRP Programme. These 50,000 acres of Govt. land can be allotted on lease to the landless and poor fellows which can be utilised for precious tiger or bagda fish farming as the most profitable venture. In 1982-83, 56 beneficiaries have been allotted 26 acres for tank fishing under inland fisheries.

Suggestions :-

Some suggestions may be given for the successful operation of the ERRP Programme.

- a) In selecting the beneficiaries mere R.I.'s report on actual land holding should not be relied upon. The selection should be made through the genuine Village Committee.
- b) The suitability of a scheme to the beneficiary has to be considered properly.
- c) Proper training and guidance should also be imparted to the beneficiaries from time to time to avoid mismanagement of the scheme taken-up.
- d) The purchase of commodities/animals in connection with a scheme should be properly done.
- e) Delay in purchase of the items has to be avoided. All items under the scheme are to be purchased at a time to run it effectively.

- f) The scheme should not be such as to prevent the sole income earner of the family from earning an income for some time while operating the scheme.
- g) Some mobile Government agencies should go round to look to the effective utilisation of scheme.
- h) To minimise the burden of the male earning members and to help in the increase of family income, suitable schemes that can easily be operated by family members should be introduced.

CONCLUSION:-

Multifarious programmes have already been launched. In most cases they failed due to improper handling. Unless the landless, and the rural poor have representation in the working-committee to see to the effective implementation of the programme and dishonesty is abjured, poverty eradication programme will be infructuous.

PLANNING FOR THE POOR

A CASE STUDY OF ERRP IN PATTAMUNDAI BLOCK (CUTTACK DISTRICT)

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Ever since the beginning of the era of economic planning in India, eradication of poverty, as an objective of economic planning, has found place in all plan documents. Specific approach to the problem of rural poverty, however, has commenced since the beginning of the Fourth plan where the "group approach" in the form of creation of specific institutions to tackle the problem were taken up. In subsequent plans a number of programmes like the IRD, ITDP, DPAP, Food for work, NREP, and Rural Employment Guarantee Programmes etc. have been initiated to directly ameliorate the economic conditions of the rural masses who are yet to derive any benefit from the process of planning. To these planned approaches, the 20 point Economic Programme has been added in greatest vigour as a people's programme with similar objectives fulfilling the fundamental needs of the poor people, more so, the poorest people.

The volume of contemporary literature depicting the ever increasing magnitude of poverty, particularly among the rural poor, are enormous. Although there has been continuous increase in the distribution of poverty for the nation as a whole, the picture for the poorer states has deteriorated much sharply for years. In the report of the Sixth plan, it has been stated that in 77-78 price level at all India level, rural people below poverty line were to the extent of 50.82 percent. In the state of Orissa 68.97 per cent of people in rural sector are below poverty line and the State ranks highest in the distribution of poverty. It is roughly 20 percent higher than the State running second in the list, (Rajasthan & Tripura), roughly 54 percent higher than Punjab, the state that has lowest poverty, and roughly 18 per cent above the all India average. (Annexure - I)

In the face of all national endeavours, the picture of poverty in the State of Orissa is deteriorating and it is natural that it is of greatest concern for any government that come to power in the State.

One timely realization of the present government is that, where poverty is abundant and large scale, it is "planning for individual" rather than "group planning" that must be accepted as the ultimate planning technique. A plan for eradication of abysmal poverty must devise means and methods for each and every individual of the target group, rather than the group as a whole. On this rational the Economic Rehabilitation of Rural Poor (ERCP) was launched during the year 1980-81. The objective of the programme was to rehabilitate 5 lakhs rural poor during the Sixth plan period by providing such income-bearing assets which would generate an assured annual income of at least Rs. 3000/- per family. The poorest of the poor has been defined as a family having income below Rs. 1200/- per year and Sixth plan has a target of rehabilitating 10 families per village on an average. The types of economic activities in which they shall be absorbed include agriculture, both land-based and otherwise, poultry, dairy, sericulture, fisheries, craft-based occupations and self-employment schemes. During 1980-81 as many as 27,673 families have been included in the programme. The outlay proposed during 1980-81 was to the tune of Rs 2.5 crores. The State Sixth Plan Document has earmarked Rs. 45 crores under this scheme.

The programme was very well conceived and certainly is a laudable venture. It is probably the last micro-level planning one can think of where planning is done for each and every individual. The provisions of the programme, that the poor is identified by the village committee and is given the freedom to choose the enterprise that he finds most suitable for him, is certainly democratic. The programme envisages people's involvement.

The objective of the paper is to examine empirically how far the objectives of the ERRP has been achieved. The paper aims to examine—

- 1) whether the beneficiaries were properly identified,
- 2) whether the beneficiaries were given the freedom to choose the enterprise,
- 3) whether the beneficiaries were exploited in any manner in the process of selection, and disbursement of the income generating asset,
- 4) to what extent the programme, in its various dimensions, has benefited the target persons, and

- 5) to what extent the beneficiaries were aware of their obligations involved in the scheme.

On the basis of the findings of the study, it is proposed to recommend suitable changes or alterations to improve the working of the scheme.

METHODOLOGY

The block chosen for the case-study was Pattamundai. Eight villages were taken up as sample villages. Families, whose head could be contacted in two rounds were taken as sample beneficiaries. The survey covers almost all beneficiary-families of 1980-81 and 1981-82. In total 40 families were included. Specially designed questionnaires were canvassed and informations were collected by interview method. The lists of beneficiaries and their enterprises were verified at the block office and lending banks.

FINDINGS :

With regard to identification of the target person the scheme provides families having income below Rs. 1200 per annum, are to be included in the programme. Since the method of collection of data was personal contact and there may be lapses in computing beneficiary's income, a margin of Rs. 300/- was allowed and families having income less than Rs. 1500/- were assumed to be target families. Table I shows the number of families who had income above Rs. 1500/- but were included in the scheme. The over all percentage of such families are 22.5 in the study area. It is lowest for families included in dairy scheme and highest for rickshaw and pottery. It is noticed that more than one fifth of the beneficiaries do not deserve assistance under this scheme.

The programme provides for democratic method of identification and selection of enterprise. It is true that he may be helped by the officials or others in choosing the right type of enterprise, in case he is unable for himself. Table II shows the number of persons who chose the enterprise for themselves with or without the assistance of the village committee and local officials. It is seen that in the study area about 52 per cent of the beneficiaries chose the enterprise for themselves. Enterprise-wise it is highest for pottery followed by rickshaw and tailoring. It is lowest for dairy where only 7 per cent of the beneficiaries willingly opted for the

enterprise. It is true, however, that poultry and tailoring are skill-based enterprises and beneficiaries without adequate training and experience cannot take up such enterprises. But fact remains that in the study area a substantial percentage of the beneficiaries were given no option in choosing the enterprise for themselves (52 per cent) . Discussion with the beneficiaries further revealed that a fairly large number of them were never aware of any village committee existing for the purpose.

With regard to exploitation of beneficiaries only monetary exploitation by way of gratuitous payment has been taken into account. Table III shows the number of beneficiaries who had to pay bribe and the overall percentage of subsidy paid as bribe directly. It does not include seller's commission and excess billing, the existence of which in substantial measure, cannot be ruled out. In the study area 23 out of 20 (57 percent) of the beneficiaries have admitted to have been subjected to monetary exploitation. The amount of bribe ranges between 3 to 9 per cent of the subsidy, the over all being around 4 per cent. Leakages have flown to all kinds of people involved in the process of identification and disbursement of the income generating asset. There have been quite a few cases of gross manipulation and grave exploitation and misappropriation. In one case a blindman has been shown to have received a sewing machine. In actuality he has been paid Rs. 1345/-, that constituted 60 per cent of the subsidy amount. The loan component has been shown as cleared. In another case an influential purohit having income much above the eligible limit has been given a sewing machine and with the perfect knowledge of the officials the machine has been rented out to another person. There was a case where the bullock cart was never purchased. Yet in another case the cart has not been given to the beneficiary because he refused to bribe the official. Large number of beneficiaries complain about the poor quality of the asset (Rikshaw, Bullocks and Milch cow) . Table IV shows the number of persons who were not satisfied with the income-yielding asset and the number of enterprises totally liquidated. It is seen that 50 per cent of the enterprises have liquidated and another 20 per cent complain about the poor quality of the asset. They face a situation of near-collapse.

An examination of the returns from various occupations shows that except for pottery and rickshaw, and to some extent for tailoring other schemes have virtually failed. The details of income derived occupation-wise have been presented in Table V. For income-analysis only the eligible households (having pre-beneficiary income of less Rs. 1500/-), who actually took up the occupation, were taken into consideration. It is

seen that in the study area pottery has generated the highest additional income and all the beneficiaries have reached an income level above Rs. 3000/- per annum. For Rickshaw out of four eligible beneficiaries one (25 per cent) has reached an income level of above Rs. 3000/-, and two (50 per cent) are in the periphery of the target level of income and one (25 per cent) is yet to improve his lot. In case of Tailoring although none has been able to reach an income above Rs. 3000/- per year, all are doing well and all of them are in periphery of the target income. Further all of them have desired for added financial help in the form of loan in order to strengthen their business. The performance, however, is extremely poor for most of the cases, where mother cow or her venerable brother is involved. There has been hundred per cent failure for Bullock cart and none of them are in the horizon of the target income. Fifty per cent of the beneficiaries in this category have even become poorer with negative income from the enterprise. For dairy only one is in the horizon of the target income and all others have failed miserably. Five out of fourteen beneficiaries (36 per cent) have derived negative income. For all except two, either the enterprise has liquidated due the death of milch cow leaving behind the loan component as a dead weight, or it is in the brink of collapse entailing further curtailment of already low family consumption level to keep the sacred animal alive.

The over-all picture for the study area shows that only 10 percent of eligible and actual beneficiaries have derived substantial benefit from the programme, 17 per cent have improved their lot. Two third of the target families have derived no benefit from the programme and more than one fourth have even become poorer.

Invariably the schemes involve a loan component and the beneficiaries are obliged to repay the loan within a stipulated period. Table—VI shows the loan repayment structure of the eligible beneficiaries. It is seen that 17 per cent have cleared the entire loan, 31 per cent have partly cleared the loan and a substantial percentage (52) have the entire loan outstanding. Personal discussion reveals that many of them, although have signed various documents, are not aware of any loan.

SUMMARY AND CONCLUSION :

The study reveals that the ERRP, a laudable venture and the last of the micro-level planning, has failed, to a major extent in ameliorating the

economic conditions of the rural poor. The democratic spirit and peoples' participation envisaged in the process of identification and selection of enterprise, has not been respected. Further, it appears that there has been considerable leakage of resources allotted for the purpose. There has been large number of cases of manipulation, misappropriation and mismanagement.

All enterprises, where animals are involved (Diary and Bullock Cart), have invariably failed. But enterprises requiring less of working capital (rickshaw, pottery, tailoring) both skill-based and those like rickshaw, requiring marginal training have fared very well. Poor people, nay the poorest people, are so hungry that the feed is soon converted to food and the working capital component of the animal-based programme are moped up forcing the enterprise to collapse in a short span of time.

On the basis of this study, it may be suggested that dairy as an enterprise for the poor, should be immediately scrapped. Animal-based enterprises, where the working capital component is heavy, may invariably fail due to the conversion of such capital to food articles for family consumption. Craft based occupation shows the best success in the study area. It is, therefore, suggested that training may be imparted to the poor people in the production of mass-consumption articles and the poor may be rehabilitated in such trade after acquiring necessary proficiency. But with regard to the marketing of the product institutional set up may be geared for the purpose rather than asking the beneficiary to look after it by himself.

Since there has been considerable lapses in both identification and disbursement of benefit, there is a strong presumption that the existing lower-level administrative units have failed to discharge their duties faithfully and honestly. They may either be replaced by other institutions, totally new and preferably manned by women, rather than men (the women are much less corrupt, I strongly presume) or the administration of the programme be handed over to such voluntary organisations that are known for their sincerity and devotion. Let not such a well-conceived, brilliant, and last piece of micro-planning be butchered at the altars of 'vested interest and last ray of hope of the poor be wiped out for ever.

Annexure—1

Distribution of Rural Population below Poverty line
Reporting year 1977-78

State	Per cent of people below poverty-line
Andhra Pradesh	42.18
Assam	51.10
Bihar	57.49
Gujrat	39.04
Haryana	24.84
Himachal Pradesh	27.23
Jammu & Kashmir	34.06
Karnataka	48.34
Kerala	46.95
Madhya Pradesh	57.73
Maharashtra	47.71
Manipur	29.71
Meghalaya	48.03
Punjab	15.13
Orissa	68.97
Rajasthan	33.76
Tamil Nadu	52.12
Tripura	59.73
Uttar Pradesh	50.09
West Bengal	52.54
Union Territories	21.69
All India	50.82

Price level 1977-78, per capita income per month below Rs. 65 being defined as poverty line.

Source : Planning Commission.

Table—I

Families having annual income above Rs. 1500 per annum.

	No.	Per cent of total
Dairy	1	6.6
Bullock Cart	1	12.5
Rickshaw	4	50.00
Tailoring	1	20.00
Pottery	2	50.00
Total	9	22.5

Table - II

No. of Beneficiaries who were given the option to choose the enterprise

	Total No.	No. given option to choose the enterprise	Per cent
Dairy	15	5	33
Bullock Cart	8	1	12
Rickshaw	8	7	88
Tailoring			
(Sewing Machine)	5	4	80
Pottery	4	4	100
Total	40	21	52

Table - III

No. of beneficiaries, percentage of the total who were subjected to monetary exploitation and the percent of subsidy leaking out in the process

Name of occupation	No. who paid bribe	Percent of total	Percent of subsidy paid as bribe
Dairy	8	53	5
Bullock Cart	6	75	7
Rickshaw	1	12	3
Tailoring	4	80	7
Pottery	4	100	9
Total	23	57.5	4

Table—IV

No. of enterprise liquidated and No. complains about the poor quality of income-bearing assets.

Occupation	Total failure & closed	No. complains about the poor quality
Dairy	6	6
Bullock Cart	8	0
Rickshaw	4	2
Tailoring	2	0
Pottery	0	0
Total	20 (50)	8 (20)

Figures in parentheses show per cent of total

Table—V

Number of eligible (and actual) beneficiaries and their Post-beneficiary income levels

Name of occupation	No. eligible	No. actually obtained asset	No. now having income levels					No with negative income
			Above Rs. 3000	Between Rs. 2500-3000	Between Rs. 2000-2500	Between Rs. 1500-2000	Less than Rs. 1500	
Dairy	14	14	0	1 (7)	3 (21)	4 (29)	6 (43)	5 (36)
Bullock Cart	7	6	0	0	0	1 (17)	5 (83)	3 (50)
Rickshaw	4	4	1 (25)	2 (50)	0	1 (25)	0	0
Tailoring	4	3	0	3 (100)	0	0	0	0
Pottery	2	2	2 (100)	0	0	0	0	0
Over all	31	29	3 (10)	6 (21)	3 (10)	6 (21)	11 (38)	8 (28)

Figures in parentheses represent per cent of total

Table—VI

Loan Repayment Schedule

Name of occupation	No. eligible	Nos. fully paid	Nos. partially paid	Nos. entire loan outstanding
Dairy	14	—	4	10
Bullock Cart	6	—	1	5
Rickshaw	4	—	4	—
Tailoring	3	3	—	—
Pottery	2	2	—	—
Total	29	5 (17)	9 (31)	15 (52)

Figures in parenthesis represent percent of total.

AN EVALUATIVE STUDY OF THE RURAL DEVELOPMENT PROGRAMMES IN SELECTED VILLAGES OF RANGEILUNDA BLOCK, GANJAM (ORISSA) .

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The problem of poverty cuts across temporal and spatial limits. It is as much age-old as it is present almost everywhere. It is simultaneously a local, a regional, a national and a global problem. At all levels, serious attempts are being made to eliminate the problem.

In pre-British India mass poverty existed. During the British rule despite peace and some infrastructural developments, it became acute. One of the important goals of the freedom fighters is to eradicate the problem.

No sooner were the initial difficulties of independence settled than the nation began the plan. During the last three decades of planned economic development, one can discern four broad strategies to overcome backwardness and combat poverty. In the beginning years of plan it was thought that massive investment in priority sectors resulting in rise in GNP would in course of time temper and finally remove poverty. In the sixties, class inequality and regional imbalance surfaced. Masses of people in urban pockets, rural areas, tribal belts were found to have steeped in poverty. Two other approaches were added. Planning became multi-level in nature seeking to diffuse forces of development through hierarchies of growth poles, growth centres and points'. The real aspect of planning was intertwined with peoples' programme of helping the weaker sections. Finally these two programmes gave rise to the strategy of rural development in which emphasis was laid on frontal attack on poverty. Rural development

became location specific, person-specific and resource-specific. All these approaches have had their impact on alleviation of poverty.

Rural development has now become a catchword for all and is taken up with hope and enthusiasm. Impressive progress is highlighted. In some quarters it is felt that attempts have been futile. A true picture can emerge from a number of microstudies scattered widely over the country. With this aim in view we have conducted a field study in order to ascertain whatever truth we can lay our hands on.

SCOPE :

The study has three major parts. The first part concerns the goals of the study. They are four in number :

1. It aims to find out the impact of various programmes as they relate to employment, income, level of living and occupational diversification.
2. It is to be examined if the particular programmes under implementation have been conceived properly taking socio economic and cultural conditions of the family house-holds.
3. The study intends to find out if the beneficiaries are the target persons who deserve planned support.
4. What effective role has the government machinery played in the planning process ?

This part of our study is exploratory and fact-finding in nature. Then comes our analysis, interpretation and inferences which finally enable us to spell out modifications in the present policy followed by government for better results.

Approach and methodology :

We have chosen Rangeilunda block in the Ganjam district firstly because we are a part of this block and secondly because we have access to officers and important persons. Near the University there is the United Bank of India at Dura which is assigned 15 villages under its fold to help implement development programmes by offering loans to beneficiaries. The Bank provided us with a list of names of 150 beneficiaries scattered over the 15 villages. The beneficiaries came under IRD, ERRP, TRYSEM programmes.

On the basis of prepared schedules and questionnaires we interviewed the beneficiaries. We could contact only 101 of them and elicited information which have been processed by us.

Presentation of the Results :

A) EMPLOYMENT AND INCOME GENERATION :—

All the schemes of development affect the sectors of the local economy- agriculture, small industries and small business establishments. There are 49 household beneficiaries in agriculture which includes programmes of animal husbandry, 43 households have received help for industrial units and 10 persons have been fitted who have business establishments. Loan subsidy components for all these programmes approximately came to 1.87 and 0.53 lakhs respectively. Bank records show 2.04 lakhs as loan amount. Discrepancy is wider in case of subsidy. Such variations need to be explained. At the moment we work on the figures collected from the survey. Agriculture and animal husbandry programmes attract the highest amount of loan followed by small industrial units. Small business establishments rank third. Programme-wise integrated rural development programme stands out prominently using 64% of the total loan involved; 24% of the loan goes to ERRP; and the rest and a lesser amount goes to TRYSEM.

In all the programmes 51 additional persons have found work. They alongwith others have contributed 299 man-hours in a single day. Total additional income generated in all the programme activities comes to a little over 10 thousand rupees per month. On per capita basis it comes to Rs. 110/- for a household and Rs. 19/- per individual in a month. A family per day contributes 3.25 additional man-hours which is equivalent to 32 minutes per individual in a day. Per capita loan is Rs. 342/- which generates an additional income of Rs. 0.63 paise per day.

When asked 40 people told us that their standard of living had not gone up, 42 persons could say that there had been some kind of improvement. The rest remained undecided. As to occupational change 25 persons are found to have changed their vocation entirely and 13 persons were reported to have taken to other callings partly.

B) WORKING OF THE PROGRAMMES :—

Agriculture and animal husbandry programmes include dugwell, cart with bullocks, piggery, goatary and dairy. On personal verification it is found that the well for which loan was taken is dug. The owner has

invested more than the loan amount on it and it is used for irrigation. With regard to carts and bullocks it is ascertained that with one exception the owners did possess them earlier. Fake transactions were shown to get loans. Goatary units are non-existent. So also are she-buffalo units. A beneficiary got four pigs, 3 of which are reported to have been dead on account of worm infection. When pressed for details, the beneficiary nearly admitted that they were eaten up.

There are 8 kinds of industrial units. Of these soda making, blacksmithy, stone carving and carpentry units run well. Of the 20 tailoring units 18 machines are not working. The owners occasionally sew simple garments for household use. The 16 weaver families used their loans for working capital and minor replacements. There has been no evidence of modernisation. Five times we visited the photo studio to find it closed everytime. It is ascertained that it functions irregularly. The cycle repair shop which received Rs. 1500/- under ERRP and Rs. 3000/- under ERDP does not seem to have expanded commensurately.

Business establishment covers panshops, grocery shops, wood depot, Saloon and Hotel. In all 10 units have received benefits. The units operate in competitive conditions. The respondents feel that loan and subsidy provide them some kind of support.

Interaction between beneficiaries and Development Agencies :—

Micro-level planning calls for close and frequent interaction between people and the planning machinery. The process throws up issues and problems and shows its strength and weakness.

Table— 1 reveals people's awareness of important things regarding their loans. Of the 101 beneficiaries 8 misutilised their loans totally, 68 are not aware of rate of interest which they have to pay. 75 beneficiaries knew that there is the subsidy but were not able to tell the amount. There is greater confusion in TRYSEM Programmes in which stipend and subsidy are clubbed together. 50% of the beneficiaries are unaware of the programme under which they are being financed.

Identification of beneficiaries is found to be defective. At least 59 beneficiaries have felt that there were many people more deserving than they to get help. It is also detected that as many as twelve service holders

managed to get loans. Average income for a household prior to the loan comes to Rs. 541/- and per capita income comes to Rs. 91/-. This suggests that some beneficiaries are not entitled to receive aid according to the 6th plan criteria. Persons with established business units and some politically influential personalities have been found to have got benefits.

Survey further reveals that while per capita loan comes to Rs. 342/-, per capita expenditure in getting the loan is Rs. 30/- and per capita loss sustained through stoppage of work in visiting offices comes to Rs. 60/-. The average delay in getting the loans is approximately 4 months. It ranges between 15 days to 2 years. All this is avoidable harassment. Apart from this, the TRYSEM trainees in particular reported exploitation by the officers in many ways. They were asked to pay Rs. 100/- as admission fee, Rs. 10/- as monthly tuition fee and another Rs. 10/- as per head for giving presentation to the higher officers. When one trainee refused to pay the admission fee, the training master grabbed a chair that the former took for her use at the training centre. Quality of training, all say, were of a very low order and inadequate. Trainees did not know that the stipulated period of training was for six months. The training period actually ranged between 2 to 4 months. Except small household garments they could sew nothing else. Two trainees at the time of our investigation were undergoing further training through private tuitions.

Beneficiaries in general are satisfied with the type of materials supplied to them. In agriculture and animal husbandry programme, bad quality is reported in 10 cases and good quality in 36 cases.

Irregularity in the repayment of loans is reported in nearly 50% of the cases. About 28 beneficiaries could not repay on account of low income and poverty. Marriage, illness and other accidental expenditure accounts for non-repayment in 5 cases. Three people cited marketing difficulties as the reason. The rest did not pay wilfully or because of misutilisation of loan.

Illiteracy seems to be the main cause for which middlemen came forward to mediate between the beneficiaries and the bank. In 21 cases this was found to be so. Middle men operate for devious reasons. In one village it is noticed that middle men used their position to mobilise public opinion in their favour for votes at the time of election.

In 60% of the cases government and bank people approached the beneficiaries to see their performance after the sanction of loan. The frequency of bank officers' visit was more than those of the officers of state government.

In animal husbandry programme many are of the opinion that medical care is not adequate. Animals died without medical aid. It is gratifying to note that the beneficiaries received good treatment from the implementing officers.

FINDINGS AND POLICY CONCLUSIONS :

The picture we get from the survey is not rosy. The average per capita income per month of Rs. 19 is not a bad result. But the direct and indirect costs in money and non-monetary terms which have gone into the planning process should have given us a still higher income. Some programmes are ill conceived and many beneficiaries are wrongly identified. The government development machinery has certainly not put in its requisite effort. In view of the above we suggest the following :

1. The general picture of rural development in Orissa and in the country as a whole is not very clear. The overall progress of the country at the moment compared to 1950 is quite impressive and in certain fronts spectacular. But the average annual growth of GNP over the period 1950-80 is mild and around 2% only. This obviously cannot support far reaching and revolutionary changes in the countryside. In certain areas and for certain persons development is perceptible. There are also utter failures elsewhere. One cannot say that there has not been any progress or development in the countryside. But there is near unanimity of opinion that there has not been socio economic and cultural transformation yet.

In order to bring about rapid changes planning machinery at the grass-root level is an important pre-condition. At present the officer-administrators implement programmes conceived else-where. This has many defects. One or two can be pointed out from the survey results. In a particular central village Karapalli, we find a number of pashops and small hotels. The rural development authority has given loans to support inefficient business units. This goes against market and plan ethics of resource allocation. In all underdeveloped countries including India, business sector is disproportionately large. Planning process should not increase this lopsidedness. It is further noticed that tailoring machines lie idle. This

means that they are not needed. The government programme by distributing a large number of machines gives wrong signal to the market sector that produces such machines. The plan should correct market distortion or market failure, it should not unnecessarily disturb the ordinary functioning of the market. Such mistakes can be avoided by lower level planning. Since motivating people is more important at the local level, such planning machinery should include experts from various disciplines.

2. It is found that rural programmes are intended to give physical assets like tools, machines, livestock etc. That health and education can be very important non-material assets are ignored. Without human capital there is only hard manual work for man to bank upon. And this cannot lift people from poverty. We therefore recommend that clear-cut policy for health and education be drawn up. The present grants-in-aid system of government for managing schools and colleges is hopelessly out of tune with time. Health care system is less than scanty. It is possible to think in terms of institutional financing of education of individuals.

3. The current thinking of poverty in bio-medical terms is inadequate. A given amount of calorie intake is related to survival. We have to think of more than that which is living. If we are to think of agriculture, industry, health, we also have to think of village environment in physical and cultural terms. It is both man and area approach which matter. The integrated rural development thought of around 1975 is being eroded through exaggerated emphasis on target population.

4. Local resources in the shape of surplus labour, fallow land, small savings etc. remain unutilised. These can be modilised for common benefits. Panchayatraj system should now be revitalised. People should be given power to manage their affairs. Planning at lower level cannot work without requisite political change. Had the Panchayat system been allowed to run its uneven course, people by now would have shown enough maturity in their judgement and in using power for common weal.

In the fitness of things, there should be a semi-judicial state-local financial commission to effect transfer of resources to the base local bodies. This will smoothen intraregional interaction and fortify centre.state local relationship for effective planning.

Talk on rural development on and on gives the impression that it is something apart from urban development, and parallel to it. Urban growth

centres and rural hinterlands are interwoven. There has been an exploiter-exploited relationship between the two for far too long. This needs rectification when the two are considered in their interrelationships. State and local planning bodies should identify various linkages between them and try to regulate their flows to their mutual advantage. It is our feeling that while we speak hoarse on rural development, resources flow to urban areas to the benefit of the urban rich and urban elite. What is more intriguing is that the urban poor get worse off compared to their counterparts in the village.

6. It is now necessary that each household should possess a book with entries of information vital to public interest. Birth and deaths in families, loans and other helps given to them under various programmes, repayments, remarks by officers when they visit families for monitoring developmental activities etc. should be recorded by appropriate agencies. This provides codified information for all concerned while checking fraudulent practices. From our encounter with people, we could know the extent of their ignorance regarding loan subsidy and rates of interest. This accounts for the gulf that exists between information obtained from people and collected from office.

7. Good planning depends upon right knowledge which depends upon correct information and mutual consultation and interaction among subject specialists, politicians and bureaucrats. There is no institutional arrangement in Orissa in which it can happen. Government department and Bureau of Statistics and Economics go a long way to collect and provide various information. But these need to be supplemented by autonomous information collecting machinery. Universities in Orissa are not permitted to grow beyond teaching and co-and-extra-curricular activities. Most of the research works done here for acquiring degrees are unrelated to current problems.

A social science research institute has been a very felt need of Orissa but it is amazing that political leaders and top bureaucrats do not seem to know it. This is one instance where society's future is blatantly ignored. We hope very soon somebody will take the lead and fill in the gap. We no longer can afford to carry on borrowed ideas.

TABLE—1

Awareness of the beneficiaries

Particulars	Positive	Negative	No reply
1. Loan amount	93	—	8
2. Rate of interest	23	68	10
3. Amount of subsidy	75	18	8
4. Programme under which received	50	43	8

FINANCING OF SMALL BUSINESS UNDER E.R.R.P. SCHEME A CASE STUDY

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During the plan period, Indian economy has achieved remarkable progress in terms of rate of growth, increase in production of both agricultural and industrial output and provision of necessary infrastructures for the development of the economy. But it has not succeeded in providing social justice to the people. Poverty, unemployment and inequality of income and wealth have persisted all through. The weaker sections of the community do not seem to have gained much out of more than thirty years of planning in the country. At the end of the fifth five years plan, it was estimated that 51% of the rural population and 38% of the urban population lived below the poverty line. While first two decades of planning had put emphasis on growth, the later plans have put emphasis on both growth and social justice. Adequate attention has been focussed on improving the conditions of the weaker sections of the community. Accordingly a number of special programmes like S.F.D.A., M.F.A.L., I.R.D.P. etc are adopted to assist directly the poor and the unemployed. Credit facilities and subsidies in form of cash and kind are supplied to these people in order to provide them with some assets capable of generating employment and regular income. Though the weaker sections of the society have received some benefits from the above institutions, the mass poverty and unemployment have not disappeared.

A new economic programme known as ECONOMIC REHABILITATION OF RURAL POOR has been undertaken in the state from the year 1980. Under this scheme the block has been taken as the centre of the economic programme. Each year some villages are selected and from each village minimum of ten poorest families are identified to be covered under the programme. An attempt is made in this paper to assess the extent of

Benefits of accruing to the weaker sections of the three villages coming under Cuttack sadar block.

OBJECTIVES OF SURVEY

The E.R.R.P. programme is a special programme of the Government of Orissa. Its objective is to rehabilitate 5 lakhs of poorest families of the state during 1980-81 to 1985-86. It aims at improving the standard of living of the poorest families in the villages and providing them with some income generating assets so that the beneficiaries can take care of themselves. The objective of this survey has been to find out whether this objective has been fulfilled namely (a) whether the scheme has offered regular sources of income sufficient for the maintenance of the families of the beneficiaries and (b) whether employment facilities offered by the scheme are sufficient to provide full time employment to the person covered under the scheme.

METHODOLOGY :—

Census method has been followed to conduct the survey. Data were collected by personal interview as per the schedule prepared for the purpose. Fiftyone beneficiaries were interviewed for collection of data.

SELECTION OF VILLAGES :—

Three villages namely Urali, Jaripada and Sikarua are selected for survey. As they are only five kilometres away from Cuttack city, it is convenient for collection of data through personal interview. All the three villages happen to be very close to the right embankment of river Kathajori. These villages were severely affected by the flood of 1982 and all the houses were mostly damaged by it. The villages come under Urali Grama-panchayat and were covered by E.R.R.P. scheme during 1982-83. They are served by Cuttack Gramya Bank, Balikuda which is at a distance of three kms. from these villages. Provision is made for financing goatery, bullock-cart and small business. This survey relates to the financing of small business only.

IDENTIFICATION OF E.R.R.P. BENEFICIARIES :—

The beneficiaries to be covered under the programme are families having no income-yielding asset and the principal means of livelihood is through wage earning and income is below 1200 rupees per year. Generally ten poorest families are to be selected from each village. The Government had decided to extend this facility to all the families of the villages

whose homes and hearths were washed away or severely damaged by the flood water and the houses of most families were inundated by the flood water and the houses of most families were severely damaged. The affected villages were brought under the programme in 1982 83. The beneficiaries brought under the present survey are agricultural labourers and have received loans to carry on small business.

EXTENT OF LOAN :—

Name of the Village	Number of beneficiaries	Amount sanctioned	Subsidy	Loan
Urali	30	90,000	67,500	22,500
Jaripada	18	54,000	40,500	13,500
Sikarua	3	9,000	6,750	2,250
Total	51	1,53,000	1,14,750	38,250

Financing of small business through E.R.R.P. scheme in these villages forms a major part of the programme. Each beneficiary is given a loan of rupees three thousand out of which subsidy is Rs. 2250 - and loan is Rs. 750/- . The loan component is provided by Gramya Bank Cuttack through its branch at Balikuda. The maximum amount of loan permissible under the programme for small business was made available to the borrowers.

It is found that each beneficiary has deposited the amount he is liable to repay to the bank. In the name of a drive to open new accounts, the bank has disbursed the loan after the beneficiaries deposit money to the tune of twenty-five per cent of the loan sanctioned. So the net loan received by each individual is equal to the subsidy he is entitled to get.

PURPOSE OF LOAN :—

	Nature of business	No. of beneficiaries
1.	Grocery	46
2.	Machine and tools	2
3.	Fruits and vegetables	3
	Total	51

Loan is provided in two equal instalments in terms of goods, the beneficiaries propose to conduct their business. Forty six beneficiaries were supplied with articles like rice, ghee and soap from the Consumers' Co-operatives Federations, with the help of the purchase committee constituted for the purpose. One borrower was given sewing machine and another tools for opening a garage and repair vehicles. Three persons had received loans to carry on business in fruits and vegetables. More than 90% of loans was sanctioned for effecting business in rice. The garage opened with the help of loan has been closed on account of the shortage of machine tools in it.

Only the working capital in terms of goods with which they deal has been supplied to the beneficiaries. No fixed capital or block capital is supplied. Financing of one type of trade in a village has created the problem of marketing the goods. In course of time beneficiaries have switched over to some other business. Four persons have opened sweet stalls and 38 borrowers are dealing with rice only at present. On account of proximity of Cuttack city, people find it suitable to purchase paddy and sell rice in the town. The problem of marketing is thus not a serious problem.

UTILISATION OF LOAN FOR CONSUMPTION PURPOSES :—

The houses of the beneficiaries were severely damaged by flood. They were forced to repair them and purchase essential durables and consumer goods for the bare necessities of the household. In each and every case, a part of the loan has been diverted for non-business purposes. 20% of the loan received was diverted for consumption purposes by nine beneficiaries. Thirty three persons are reported to have utilised between 20 and 40% of their loan for other purposes. The rest eight borrowers utilised between 40 to 60% of the loan for the above purposes. The actual amount of loan available for effecting business has thus been reduced to a great extent.

INCOME AND EMPLOYMENT GENERATED BY THE SCHEME :—

All the beneficiaries of the scheme in these villages are agricultural labourers. The loans have helped them to carry on some trade in the near-by city. Not only the male members are engaged in the business but also the female members are partly engaged in the process of rice making. The male members collect paddy from near-by villages, and sell rice in the town. As the business is run on a very small scale the beneficiaries face

competition in the local market from big merchants and are forced to sell at a low profit margin. The goods are supplied only once at the time of disbursement of the loan and no step is taken to supply the necessary goods at reasonable prices in conducting the new line of business. The beneficiaries fail to get full time engagement in the business. The beneficiaries dealing with rice face immense difficulties during the rainy season on account of non-availability of paddy and unfavourable weather for ricemaking. Out of fifty one recipients of loan 12 persons have opened shops which provide employment for one man in each case throughout the year. One borrower has closed down his garage and is now without any employment. Out of the rest thirty eight individuals, thirty three individuals are reported to have employment varying between 140 to 170 days a year, and the rest between 100 and 120 days only. The income earned by regular small traders is between 1500 and 2,000 rupees. The small earning is due to the fact that the number of shops are more in comparison to the population of these villages. Moreover the people prefer to purchase from the city. The income of the small rice traders fluctuates between rupees twelve hundred and fifteen hundred a year. It is due to high operational cost, extremely small scale turn over and low profit margin arising out of unfavourable competition from the large rice merchants of Cuttack market.

REPAYMENT :—

The beneficiaries are required to repay only 25% of the sanctioned amount as 75% of the loan is received in the form of subsidy. Twenty-five per cent of loan is outstanding against each borrower. But due to the procedure followed by the bank each borrower has kept required amount in his account in bank to be adjusted at the time of repayment. Hence virtually there does not exist any difficulty in settling the debts.

PROBLEMS FACED BY THE BENEFICIARIES :—

It is found that the actual amount of loan received by each beneficiary is equal to the amount of the subsidy but not of the amount sanctioned. As the bank is involved in the programme and they are more interested in safe investment, they disburse the loan after the loan component is deposited in the bank, the result is that the business is run on a still smaller scale.

2) It is expressed that the cost of goods supplied is higher in comparison to the market rate. Quality is also inferior. Market prices of

rice and paddy fluctuate greatly during different seasons. The price charged by Consumers' Cooperative Federation covers the procurement price and at times it is higher than the prevailing market price.

3) The amount of loan sanctioned seems insufficient to carry on business capable of providing sufficient income for the maintenance of one's family.

4) The provision of deposit prior to the disbursement of loan adopted by the bank restricts people in getting loan in time.

5) Delay in sanction and disbursement of loan is experienced by each beneficiary.

It is therefore suggested that due steps may be taken in the following manner.

(a) The amount of loan should be raised from three thousand to five thousand. Articles must be supplied after each turn over at reasonable price and of good quality.

(b) The provision of deposit by beneficiaries in advance of the disbursement of loan must be stopped and the process of repayment should start after one year of actual operation of business.

E.R.R.P. PROGRAMME

A CASE STUDY OF SOME SELECTED VILLAGES UNDER RAGHUNATHPUR BLOCK IN DISTRICT OF CUTTACK

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E.R.R.P. programme is an innovative design of development of the Government of Orissa to make a dent on rural poverty. The programme is an outcome of the difficulties experienced in the schemes of development for uplifting the rural poor. The programme comes under the ambit of the Integrated Rural Development Programme. The genesis of the programme is a concern for the rural downtrodden and an apparent assurance to them to improve the quality of life in the shortest possible time-span. The programme assigns great importance to 'group-specific and fruit-bearing' approach in the scheme of rural development. The target-group in this strategy of development is the ten poorest of the poor in each village and the operational period is five years beginning with 1980-81. During the stipulated period the programme has to cover around five lakhs of households in about 50,000 villages of the State, ensuring the generation of a steady income of Rs. 250/-per month per family.

OBJECTIVE :

The paper makes an attempt to make an assessment of the various schemes operating under E.R.R.P. programme in some selected villages of Raghunathpur block and to examine how far these schemes have been income-earning sources for the rural poor and to what extent have helped alleviation of rural poverty.

The villages under study are Gamhapur, Redhua, Sadeipur, Swargabrahmapur and Tarikund having 41 beneficiaries. Thirty nine (90%) beneficiaries have been personally interviewed through questionnaire method to make an evaluative study of the schemes. In the villages under study the programme was implemented in 1981-82.

AGGREGATE PROFILE :

Table—I in the appendix presents the picture of the Block implementing the programme. It shows that during the operational period the programme has covered 1286 beneficiaries providing a total financial assistance of Rs. 20,80,409/- of which the loan component is to the tune of Rs. 3,62,071/-. The incidence of loan varies from Rs. 206/- in 1983-84 to Rs. 795/- in 81-82.

The target for the programme was to cover 600 families per annum but the actual coverage was around 321 families per year. This shows that there is a shortfall in the achievement.

Table—II depicts the scheme-wise beneficiaries and the financial outlays involved. It is found that the land based schemes have covered 500 beneficiaries during 82-83 and 83-84, small business and trade have covered around 318 beneficiaries and animal husbandry 218. It can be visualised that land based schemes have attracted large number of beneficiaries as there is 100% subsidy.

Out of the total number of beneficiaries, 28% belong to the S. C. and S. T caste. Scheme-wise, 42% in animal husbandry, 9% in land based, 58% in pisciculture and 27% in small business belong to the S.C. and S.T.

SCHEMES OPERATING IN THE VILLAGES UNDER STUDY :

Broadly two schemes are under implementation. Animal husbandry and N. A. E. and I. S. B. under the former sheep rearing and goaterly have been adopted and under the latter, small business and trade like bullock cart, Rickshaw, Grocery shop, Saloon, Cycle repair, Tailoring, Bittle shop etc. are included.

IDENTIFICATION OF THE BENEFICIARIES :—

Beneficiaries covered under the programme are landless agricultural labourers. All of them come under the eligibility criteria fixed by the Government for the identification of the poor. This shows that the identification of the beneficiaries has been just and proper,

SCHEME-WISE BENEFICIARIES :—

Table—IV indicates the number of beneficiaries under different schemes. It shows that of the 39 beneficiaries interviewed, 23 come under

the small business and 16 covered under the sheep rearing and goatery. 23 beneficiaries, i.e, 9% belong to the S. C. and S. T. Of the 16 beneficiaries covered under sheep-rearing and goatery, 93% belong to the S. C. and S. T. 47% under small business and trade belong to S. C. and S. T.

OBSERVATIONS

Of the 16 beneficiaries under sheep-rearing and goatery, 9 did not show any inclination for the scheme, 5 were indifferent and 2 opted for it. Of the 6 beneficiaries provided with bullock carts, 3 had shown no inclination. Of the 6 beneficiaries provided with rickshaws, 3 had no sincere desire for the scheme. Of the 4 beneficiaries covered under grocery shop, 3 had no interest in the scheme. One of the beneficiaries out of the 3 under the cycle repair shop had keen interest in the scheme.

EXISTING POSITION OF THE SCHEMES

Of the 105 sheep and 30 goats provided to the beneficiaries only 14 sheep and 8 goats were existing at the time of survey. This shows that only 13% of the sheep and 10% of the goats were surviving. Two sheep and three goats were sold by the beneficiaries for a paltry sum of Rs. 220/-. The beneficiaries reported that a few of the animals were washed away in the flood, and many of them died without proper nourishment. The fact remains that the scheme has not been an assured of income for the beneficiaries.

Of the 23 units under the small business and trade schemes, 11 units were under operation.

SELECTION OF THE ANIMALS AND OTHER UNITS OF ASSETS

In the process of selection of the assets, the choice of the beneficiaries is not given any importance. The person on the place from whom or where the assets are to be purchased are decided by a prior deal. In case of the animal assets the broker, previously having a secret collusion with the officials influences the beneficiaries to purchase the animals from a previously determined seller. Any reluctance on the part of the beneficiaries is not tolerated and if he does not succumb to the deal, he is asked to go back and the process continues till finally the beneficiary yields to the tactic pressure.

In the selection of shops for the grocery articles the beneficiaries' choice is paid scant attention. The articles are purchased from a shop where the prices charged are higher than the price prevailing in the local market. As a result, the grocery shop holder fails to attract any customer and his business ends in liquidation. Of the four beneficiaries provided with grocery shops, none existed at the operational level at the time of the present study. Apart from high prices charged by shop holders, they consumed the articles themselves. This is obvious. Since they are famished, there cannot but consume the food articles provided to them under the scheme. Therefore, the scheme, instead of being a source of earning for them, imposed a serious encumbrance on the beneficiaries as none of the four shop holders was able to pay off the debt.

So far as the provision of the bullock cart to the rural poor is concerned, the story is equally grim. In the villages under study, bullock carts were provided to four persons. One of the cart holders, made a fake purchase of the bullocks of the Sarpanch of the village in whose house the beneficiary was serving on an annual contract basis. In the process the Sarpanch got a windfall income of Rs. 2,000/- from the murky deal and paid Rs. 300/- to the beneficiary with whom he had prior understanding and got back his bullocks safe. Other three beneficiaries provided with bullock carts sold the carts and the bullocks almost at throw-away prices, since they were not able to maintain the bullocks and the demand for bullock carts in the villages was negligible. In the matter of selection of the bullocks the voice of the beneficiary remains unheard. He ultimately succumbs to the secret deal and stands as a silent spectator to the sordid drama. The scheme, instead of serving the purpose of an income-earning asset becomes a drag on the meagre income of the beneficiaries.

Six poor people were provided with rickshaws in the villages under study. Of these six persons two were having a steady income and as reported, they were earning a net income of Rs. 8/- to Rs. 10/- per day. This shows that the scheme helped them in improving their condition of living. But none was able to repay the loan.

Two of the rickshaw holders did not know how to ride and as such they had to give the rickshaw on hire to others. Each of them was getting Rs. 2/ per day. But this income was occasional and not regular. The reason for non-accrual of a steady income was the lack of demand. In the remote rural areas rickshaws are scarcely used because of intractable roads. The

other two rickshaw holders sold the rickshaws immediately after purchase for Rs. 1000/- each and repaid the bank-loan and in the process got a once-for-all income of Rs. 250/- each.

Three persons were financed for starting cycle repair shops. One of them was a young enterprising boy whose standard of living improved to some extent. He was earning a steady net income of Rs. 10 - to Rs. 12/- per day. He was also able to repay 50% of his bank loan. The other two units did not exist at all. They had no skill in trade and as such they disposed off all the instruments and implements received under the scheme.

Two persons were provided with sewing machines. One of them was a lady and she was earning a gross income of Rs. 5/- per day. The other beneficiary sold the machine to a professional tailor for Rs. 1000/- and repaid the bank-loan.

pan shop, Saloon, Tea stall and Rope making schemes were provided to one beneficiary each in the villages under survey. The rope making scheme was offered to an old man of seventy and he was also provided with a crude hand machine for the purpose. The machine went out of order after fifteen days of its use. However, the old man was earning Rs. 2/- to Rs. 3/- per day from the scheme. Although his standard of living remained same as before, he was assured of a meagre income of Rs. 3/- per day. The beneficiaries having pau shop, saloon and tea stall were having some regular income to make both ends meet but no perceptible improvement in their standard of living was marked.

LOAN REPAYMENT POSITION

In case of schemes like sheep rearing and goatery, the pass books issued by the lender bank to the beneficiaries showed that a sum of Rs. 2.50 was outstanding against each loanee. Apparently, it would appear that the beneficiaries had repaid the loan. But actually loan was sanctioned and shown as repaid as a case of book transfer. The purchase of the animals was made from the subsidy component. In case of loans granted to beneficiaries under other schemes it was revealed in the process of enquiry that about 60% of the beneficiaries were not given the pass book and in case of others, a substantial amount was outstanding as loan against each one of them.

For the sanction and disbursement of the loan the beneficiaries had to approach the concerned Bank/Block several times. 15 of the 39 beneficiaries had to approach the Bank/Block 30-40 times, 13 for 25-30 times,

6 for 10-20 times and 3 for more than 40 times. In the process each of the beneficiary had to lose his daily wage and apart from the pecuniary loss sustained by him, he had to incur substantial loss in real terms as many of the beneficiaries revealed that they were unnecessarily harassed and humiliated.

The time-gap between the application for loan and its disbursement for 27 beneficiaries was more than six months. All this would suggest that commitment on the part of the officials in the field was seriously lacking. Poverty eradication programme and for that matter the programme of rural development requires a band of committed officials having deep involvement and unflinching loyalty to work for the rural poor.

CONCLUSION

Any programme of rural development cannot be considered in isolation. It has to be judged in proper perspective of the broad spectrum of economic development. In the implementation of the E.R.R.P programme, enough emphasis has been laid on the provision of income-earning assets to the rural poor oblivious of the maintenance of the assets which is crucial. Maintenance of the assets depends upon the management ability and interest, inclination and involvement of the beneficiary in improving himself. In most cases of the implementation of the programme these factors have been sidetracked. As a result, the financial assistance provided to the poor is considered by them as doles. Dependence on dole leads to loss of their morale, sense of responsibility and above all their self-confidence.

Empirical studies show a positive correlation between unemployment and poverty. The magnitude of unemployment and underemployment is very high in the rural landscape of Orissa. Further, in the process of study the beneficiaries revealed their preference pattern for employment rather than for assets. Therefore, the programme of rural development has to be given a reorientation. The strategy for eradication of poverty should be employment generation rather than income generation. This approach to development would have two discernible effects (i) output augmenting and (ii) demand creating. If the employment is productive and gainful and help building up of social and economic infrastructure, it would certainly make an invaluable contribution to the process of economic development as a whole. It has to be realised that mere doling out money will not help the rural poor unless the financial assistance is commensurate with growth of output and increase in productivity.

In this new approach to planning for the rural poor, 'area-approach' rather than 'sectoral approach' has to be adopted. A particular area having staggering magnitude of poverty has to be selected and a project catering mostly to the needs and requirements of the area has to be installed with the aid and assistance of the government. Government officials would be solely in charge of the management of the project and if necessary some voluntary agencies dedicated to rural development may be involved in the process. Financial constraint would not stand on the way as government is the entrepreneur and hence the commercial banks would come forward to finance the project.

The technique of production adopted in the project would essentially be labour-intensive so that the poor, landless and the unemployed people can be absorbed. In starting the project 'linkage effect' has to be studied adequately. The success of the project would largely depend on the deepseated involvement and unalloyed commitment on the part of the officials in charge of the project. To see that the project fructifies, a rule of reward and penalty has to be followed by fixing up the responsibility. Unless a new pattern and a reoriented strategy is followed, the interest of the rural poor may be scuttled at the altar of the vested interests and the last hope of poverty eradication may wither away.

Table—I

Financial Assistance given for all the Schemes adopted at the Block level
(in Rs.)

Year	Total No. Beneficiaries	Loan	Subsidy	Total	Percapita Loan	Percapita Subsidy
1980-81	117	—	3,60,000	360000	—	3076
1981-82	209	1,66,300	4,21,700	578000	795	2017
1982-83	768	1,56,146	4,82,238	670084	203	627
1983-84 (31.10.83)	192	39,625	1,10,875	472325	206	577
Total	1286	3,62,071	13,74,813	2080809	—	—

Source: E.R.R.P Progress Register, Block Office

Table—II

Loan/Subsidy component of different schemes at the Block level
(in Rs.)

Year/Scheme	No. of Beneficiaries	Loan	Subsidy	Total	Loan per head	Subsidy per head
Animal Husbandry						
1980-81	116	—	3,60,000	3,60,000	—	3103
1981-82	101	63,550	1,90,000	2,54,200	629	1881
1982-83	61	42,250	1,41,750	1,89,000	774	2323
1983-84 (31.10.83)	4	5,000	15,000	20,000	1250	3750
Total	282	1,15,800	7,06,750	8,82,550	—	—
Land Based						
1982-83	500	—	13,800	13,800	—	27
1983-84 (31.10.83)	84	—	2,96,200	2,96,200	—	3,526
Total	584	—	3,10,000	3,10,000	—	—
Pisciculture						
1981-82	3	—	800	800	—	266
1982-83	50	—	31,700	31,700	—	634
1983-84	49	—	25,625	25,625	—	522
Total:	102	—	58,125	58,125	—	—
N.A.E. & I.S.B.						
1980-81	1	—	1,000	1,000	—	1000
1981-82	105	92,750	2,30,250	3,23,000	883	2192
1982-83	157	1,08,896	3,26,688	4,35,584	693	2080
1983-84 (31.10.83)	55	34,625	95,875	1,30,500	629	1743
Total	318	2,36,271	6,53,813	8,90,084	—	—

Source: E.R.R.P Progress Register, Block Office

Table—III

Scheme and caste-wise No. of beneficiaries under Raghunathpur Block

Scheme	Beneficiaries				Total	% of S. C/ S.T to total
	80-81	81-82	82-83	83-84 (31.10.83)		
Animal Husbandry						
S. C.	47	49	21	3	120	
S. T.	—	—	—	—	—	
Others	69	52	40	1	162	42
Total	116	101	61	4	282	
Land based						
S. C.	—	—	160	27	187	
S. T.	—	—	—	28	28	
Others	—	—	340	29	369	9
Total	—	—	500	84	584	
Pisciculture						
S. C.	—	2	21	34	77	
S. T.	—	—	—	—	—	
Others	—	1	29	15	45	
Total	—	3	50	49	132	
N.A.E. & I.S.B.						
S. C.	—	60	12	18	90	
Others	1	45	145	37	228	28
Total	1	105	157	55	318	
Grand Total	117	209	768	192	1286	27

* Source : E.R.R.P. Progress Register, Block Office.

Table—IV
Village-wise no. of beneficiaries under different schemes

Scheme	VILLAGES					Total
	Gamhapur	Redhua	Sadeipur	Swar. gabra-mhapur	Tarikund	
I. Animal Husbandry						
i) Sheep rearing	2	—	6	2	—	10
ii) Goatry	—	—	3	3	—	6
II. N.A.E. & I.S.B						
i) Bullock cart	1	1	2	—	—	4
ii) Rickshaw	—	2	1	2	1	6
iii) Grocery shop	2	—	1	—	1	4
iv) Saloon	—	—	—	—	1	1
v) Cycle repair shop	—	1	—	1	1	3
vi) Tailoring	—	—	1	—	1	2
vii) Bittle shop	—	—	—	—	1	1
viii) Tea stall	—	—	—	—	1	1
ix) Ropemaking	—	1	—	—	—	1
Total	5	5	14	8	7	39
S. C. & S. T.		2	11	7	3	23(59%)

Table—V

Existing position of the animals received

No. of Animals

Village	Receive		Existing		Died		Sold		Income received
	Sheep	Goat	Sheep	Goat	Sheep	Goat	Sheep	Goat	
1. Gamhapu	20	—	4	—	14	—	2	—	Rs130/-
2. Sadeipur	63	15	10	3	53	12	—	—	—
3. Swargbramhapur	22	15	—	—	all	12	—	—	3 Rs 90/-
Total	105	30	14	3	67	24	2	3	Rs220/-
			(13%)	(10%)	(64%)	(80%)			

Existing position of the other units of the schemes

	Units provided		Units existing	
Bullock cart	—	4	—	nil
Rickshaw	—	6	—	5
Grocery shop	—	4	—	nil
Saloon	—	1	—	1
Cycle repair shop	8	3	5	1
Tailoring	7	2	2	1
Pan shop	—	1	—	1
Tea stall	—	1	—	1
Ropemaking	—	1	—	1
Total		23		11

EVALUATION OF THE PROGRAMME OF E.R.R.P. IN ORISSA

A CASE STUDY OF GOATERY & DAIRY SCHEMES IN BLOCK BIRIDI & CUTTACK SADAR

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INTRODUCTION

Orissa continues to be the epitome of Indian poverty with 67% of the people living below the poverty line. Therefore, this alarming state of affairs has forced the Government of Orissa to adopt various poverty eradication programmes for the upliftment of the poor people. The Sixth Five Year Plan of Orissa has adopted the following strategies for eradication of poverty and rehabilitation of the rural poor.

- a) Integrated rural development programme (I.R.D.)
- b) Small Farmers Development Agency (S.F.D.A.)
- c) Drought-Prone Area Programme (D.P.A.H.)
- d) Economic Rehabilitation of Rural Poor (E.R.R.P.)

There are special programmes like Rehabilitation of Bonded Labour, accelerated programmes for development of Scheduled Caste and Scheduled Tribes, National Rural Employment Programme (N.R.E.P.). Of all these programmes, the E.R.R.P. is the special programme for economic rehabilitation of 10 poorest families per village on an average of about five lakhs families.

1. SALIENT FEATURES OF E.R.R.P.

This programme is a special programme of Orissa to cover on an average of 10 poorest families of each village. For the purpose, a poorest

family is defined as one which has no income yielding asset of any kind and whose principal means of livelihood is through wage earning not exceeding Rs. 1,200/- per annum.

2. The identification of these families are finalised in a meeting of the villagers called for the purpose and attended by Key Field Officials, such as, Revenue Inspector, V.L.W. or V.A.W. and local members of the Panchayat Samiti. The procedure so devised is to ensure that real poorest families in the village are identified for the purpose. Each identified family will be issued an identity card with the relevant particulars of the scheme for his economic rehabilitation.

3. Orissa has roughly got 50 thousand villages and the total number of families to be covered by the scheme works out about 5 lakhs families during the plan period.

The object of the programme will be to enable the beneficiaries to have an annual income of Rs. 1,500/- per annum during the period of implementation and thereafter.

4. SECTORAL PROGRAMMES

The Sectoral Programmes proposed to be implemented under the scheme are (a) Land based schemes, where large patches of Government land are to be allotted among the landless families, land half acre each and will be developed into income yielding assets through annual crop or plantations.

b) ANIMAL HUSBANDRY SCHEME

These are established schemes providing the identified beneficiaries with two cows or goater, poultry, sheep, duckery or piggery units. Subsidy will be at a uniform rate of 75%. The balance will be availed as a loan from a financial institution. Special care is being taken by Government to ensure the supply of good animals, proper health care and marketing facilities.

c) FISHERY SCHEMES

Blackish water fishery will be developed and identified poor families will be given lease. The cost of fish production will be subsidised

d) SERICULTURE & OTHER NON-AGRICULTURAL SCHEMES

Where Mulberry Plantation will be taken up on a massive scale and the cost will be subsidised to the extent of 50%.

e) The basic difference between this scheme and other poverty eradication programmes is that it takes care of the poorest of the poor who have no assets. Secondly, the financial and technical assistance is more liberal and the amount of subsidy is greater. Thirdly, as poorest of the poor are found among the Harijans and Girijans, this is a specific programme for them.

It has been calculated that there are 50.1 lakh families in the State of Orissa of which about 33.67 lakhs families live below the poverty level and E.R.R.P. will cover five lakh families where as other programmes will cover 10 lakhs E.R.R.P., therefore is an instrument of target group approach on poverty and the only hope of the poorest of the poor.

OBJECTIVE OF THE STUDY

The paper aims at evaluating two of the Animal Husbandry Schemes, such as goatery in two Panchayats such as Uttar Sasan in Biridi Block and Jasuapur in Cuttack Sadar Block and Milch Cow in Cuttack Sadar Block in Kandarpur, Biribati and Bidyadharpur Gram Panchayats financed by Cuttack Gramya Bank, Kandarpur.

a) The objectives were kept in view to find out the procedure of identification and the families identified are actually poorest of the poor or not.

b) To study the extent to which the above two schemes have helped the identified families for their upliftment, i.e. by calculating the cost and the benefit of their bank loans. The specific purpose kept in view is whether the beneficiaries are able to generate an income of Rs. 1,500/- per annum as envisaged in the plan. To analyse the repayment of the loan and the causes of over-due, if any.

c) To make suggestions for successful implementation of the scheme as suggested by the respondents.

METHODOLOGY

The Goatery Scheme has been studied in two Panchayats, such as Uttarsasan and Jasuapur of Biridi and Cuttack Sadar Blocks. The Milch Cow scheme has been studied in three village Panchayats such as Kandarpur, Biribati and Bidyadharpur of Cuttack Sadar Block. The beneficiaries of the Panchayats have been financed by Kandarpur Gramya Bank. Most of the village Panchayats are situated 10 to 12 kilometres away from the Cuttack City.

The method followed for collection of data is census method where each individual beneficiary is contacted and the primary data has been collected. This method though expensive and time consuming gives comprehensive information.

So far as Goatery scheme is concerned in Uttarsasan Grampanchayat in Biridi Block 9 beneficiaries have availed the loan and in Cuttack Sadar Block in Jasuapur Grampanchayat two persons have availed the loan.

So far as Dairy units are concerned, in Cuttack Sardar Blok, three Panchayats such as Kandarpur, Biribati and Bidyadharpur, 37 people have availed the loan and informations have been collected from 24 persons. In case of Goatery schemes, 4 villages have been covered with 11 beneficiaries which means on an average 3 families have been taken from each village. In case of Dairy units 37 families have been covered consisting of 12 villages which means three families have been benefited from each village on an average. Therefore one-third of the poorest families i.e. 10 of each village has been covered by Animal Husbandry Schemes. Out of 11 beneficiaries under the Goatery Schemes, 7 belong to Scheduled Castes and under Dairy Schemes 14 people belong to Scheduled Caste. Therefore it appears that Scheduled Caste families who constitute the poorest of the poor have been covered by the scheme.

IDENTIFICATION (GOATERY)

As reported by the respondents the procedure of identification as followed by the Government, i.e. to convene a meeting to be attended by V.L.W. and Revenue Officials was not followed here. They explain that they got the benefits out of the local political workers. As per the procedure, a waiting list of equal number of beneficiaries are to be maintained in the office of the B.D.O. but no such list was prepared. After investigation it was found out that the identified beneficiaries were the poorest of the poor of the village.

FINANCE

Finance is provided by Kandarpur Gramya Bank on the recommendation of the Block authorities. The Bankers do not take much pain to scrutinise the feasibility of the scheme and the credit-worthiness of the borrower as they sanction the loans only after receiving the subsidies from the Government to the extent of 75% and the units were also insured. The Bank has given Rs. 2,200/- for goatery units and for sheep-breeding Rs. 2,400/- to 11 beneficiaries. Out of the sanctioned amount Rs. 400/-

is paid towards the construction of the shed, insurance of the stock and feed for one year. Rest Rs. 1,800.00 or Rs. 2,000.00 as the case may be is given as block capital i.e. for the purchase of the animals, one male and 10 females. The cost of the animals have been disbursed to the sellers of the animals in the market place in the presence of V.A.S., B.D.O. and Bank Manager. But it was revealed during the survey that out of 11 beneficiaries 5 persons have received only 50% of the sanctioned amount and no stock. Others have got Rs. 300/- in place of Rs. 400/- for shed, insurance and feed. Interview with Bankers revealed that Rs. 100/- were deducted towards the insurance and transport cost of the animals. No feed has been provided.

During the survey, the respondents revealed that the stock purchased was over-valued as the animals were diseased. Local enquiry revealed that the stocks do not command even one-third of the value charged in the local market. While the interviewer questioned them about the acceptance of such stock, the uniform reply was that they were given two alternatives, either to accept such stocks as valued by them or to go empty-handed without anything. This clearly shows that the Purchase Committee did not give due weightage to the opinion of the borrowers. In their enthusiasm to start the scheme somehow, they have purchased the stock at higher prices. Suspicion about the leakage of funds can not be ruled out. The beneficiaries who have only received the 50% of target amount are of the opinion that they need not purchase the stock as they have got the subsidy without the stock. This is a case of unproductive utilisation of highly subsidised credit resulting virtually in relief operation. As those who get relief and give relief are condemned, such beneficiaries are condemned to perpetual poverty.

WORKING CAPITAL

Five beneficiaries who have started the units have received Rs. 300/- for feed and shed which we consider as working capital. The survey reveals that they do not spend anything on the purchase of feeds but every unit has employed either a child or adult labour throughout the day for arrangement of feed and grazing. On an average, one man is engaged for each unit. Everyone of them has spent Rs. 300/- on an average for construction of the shed and the wage of one man engaged for arranging feed will come up to Rs. 1,500/- per annum. Therefore, the working capital needed is Rs. 1,800/- per unit whereas they have been provided only Rs. 400/-. So the amount of working capital should be calculated on a

realistic basis. The importance of working capital increases if they have to pay the fees to the V.A.S. for insured diseased animals.

BENEFITS

The Scheme is in operation for the last one year only. The field survey reveals that the stock gives birth to kids twice a year. Assuming that there are 10 healthy female goats and assuming each goat to give birth 4 kids per year, the number of kids will be 40. After one and half years, each one will be sold at an average of Rs. 100/-. Then per year income would be not less than Rs. 2,500/-. As discussed above, if he spends Rs. 1,800/- towards working capital and Rs. 150/- towards annual instalments then he will have a surplus of Rs. 550/- per annum with the employment of one of the members of the family through out the year. In addition to this he also can sell milk if possible. That will increase his income still further.

Our survey reveals that of the five working goatery units, in case of four all the kids born during the year, are dead and in some cases the adults are also dead. In case of one Dhruba Bhoi out of 12 kids born 4 have survived. The survey indicates that the selection of the stock by the personnel of Veterinary Department was not suitable. Villagers complain that neither V.A.S. nor the Stock Man visited the stock after purchase inspite of many requests. Breeding efficiency of the stock was never tested before purchase nor importance of breeding management practices was understood by the owners of the units. A similar study was taken up for goat-rearing scheme by Banki Central Co-operative Bank and it was found out that the net profit per unit was Rs. 250/-.

REPAYMENT

The beneficiaries are supposed to be viable with the units and pay off the loan within four years. The instalment fixed for repayment is scheduled to be annual.

In case of goatery/sheep breeding units, the Bank has no over dues as the period of maturity has not yet come. Rather the beneficiaries have tried to clear up the loan at their own initiatives. Seven of the beneficiaries have repaid their dues out of 11. The four who did not repay were the persons who did not purchase the stock. The five units which purchased the stock have also started paying.

DAIRY UNITS

SELECTION OF THE STOCK

Out of 37 beneficiaries, the survey has covered 24 units. As per the prescription of E.R.R.P. the milch cows are to be given to the beneficiaries. In no case the cow would have given birth more than twice. The valuation of the cows are made on the basis of the milk milched at the time of purchase. But the survey reveals that at the time of purchase most of the cows were pregnant and therefore the valuation of cow on the basis of milk yield could not become possible. Some cows were purchased who have given birth more than twice. In some cases the selling farms had previous information of the sale of the cow and they did not milch the cow for the whole day and the quantity of milk at the time of test became more than normal. All these indicate over valuation of cow and neglect of duty on the part of V.A.S.

FINANCE

Loans to the dairy units are sanctioned in the same way as goatery units at 4% percent rate of interest per annum and payable over a period of 4 years time. Rs. 8,000/- was sanctioned in favour of each beneficiary identified by a committee and recommended by the B.D.O. as in case of goatery scheme. Bank sanctions loan after getting relevant papers and intimation regarding the subsidies from the B.D.O. Out of the sanctioned amount Rs. 500/- was sanctioned for construction of the shed and Rs. 500/- was taken for insurance, feed, medicine and transport. Rs. 7000/- was given for purchase of two cows. The two cows are not purchased at the same time. The second cow was purchased after six months, from the date of purchase of the first cow. The survey reveals that the block capital was never given to the beneficiaries directly and the Purchase Committee had purchased the stocks and the value of the cows were disbursed to the seller in presence of all. It was found out from the discussion with the respondents that all the purchases were made from three farms of Cuttack, the owners of whom are known to V.A.S. But the complaint about the over-valuation and the diseased stock is not as pronounced as goatery schemes.

WORKING CAPITAL

The Bank has sanctioned Rs. 1,000/- as working capital. Rs. 500/- for shed and another Rs. 500/- for feed, insurance, medicine and transport. From the survey of the active units, it has been revealed that one man

is engaged on full time basis for bringing grass, straw, feed and medicine. The wage for a whole time labourer as estimated in case of goatery would be Rs. 1,500/-. The respondents replied that on an average Rs. 7.00 per day is essential and monthly expenditure on medicine will be Re 1. 00 per unit and this is more in case of Jersey cows. So the expenditure on medicine, feed and insurance per annum per unit would be Rs. 2, 880.00 + Rs. 140.00 = Rs. 3,020.00. Rs. 500/- is insufficient for construction of the shed. So the working capital needed would not be less than Rs. 3,500/- per annum. the Bank is giving only Rs. 1,000/-. Therefore they economise on the feed of the cow. This adversely affects the health and milk of the cow.

BENEFIT

The main source of income from dairy units is derived from the sale-proceeds of milk, calves and cowdung. Cowdung is used either as manure or fuel consumption. As regards the income from sale of milk on an average each cow gives a little more than two litres per day. Since each unit consists of two cows, each unit gets Rs. 13/- per day by selling milk Rs. 3/- per litre. In case of two units the average milk per day is more than six litres and the daily income is Rs. 20/-. The beneficiaries feel that the sale-proceeds from the sale of milk would have been more had the milch man arrived timely to milch the cow and the price of milk would have been more than Rs 3/- per litre. The income from the sale-proceeds of calves is not encouraging because though female calves of improved varieties are sold at Rs. 1,000/- each, male calves are sold at throw-away prices and are sold as soon as the cow stops giving milk. On an average the income of a unit from all sources per month would be Rs. 450/- milk, Rs. 50/- calf and Rs. 10/- from cowdung. Two units belonging to Sajani Bewa and Ramchandra Acharya derive Rs. 630/- and Rs. 540/- respectively per month. Only those beneficiaries who have got more female calves and more milk get more than average. Their units are quite viable and most of them belong to non scheduled caste groups. Among the poorer they are the better off.

COST BENEFIT

The total cost needed to maintain one dairy unit including Rs. 3,520/-, working capital and Rs. 580/- block capital, comes to Rs. 4,100/- per annum, which approximately comes to Rs. 340/- per month. The surplus of Rs. 110/- per month and Rs. 1,300/- per annum which roughly corresponds to the targeted amount of Rs. 1,500/- per annum. Therefore

the dairy units on an average is successful as a measure of E.R.R.P. in comparison to goatery.

REPAYMENTS

So far as loan repayments are concerned, the dairy units are defaulting in repaying the loan regularly.

SUMMARY AND SUGGESTIONS

In case of identification, the proper procedure was not followed identifying the beneficiaries for the goat. The waiting list of beneficiaries was not prepared and the beneficiaries had the impression that they got identified because of local political workers. Therefore we suggest the identification should be made strictly according to the principles laid down by the Government and the list so prepared be publicly displayed by inviting objections. One fails to understand why the financing Bankers are not given any responsibility in identifying the borrower.

b) While selecting the breed, the opinion of the borrower was never given due weightage. Either take it or go empty handed was the reply of the members of the Purchasing Committee to the beneficiary. All the beneficiaries had complained about the over-valuation of the breeds and collusion of the purchase committee with the selling unit. This very impression strikes at the root of the implementation of the programme. It appears as if the subsidy component of the scheme is more important than the success of the scheme itself. The involvement of the beneficiary gets reduced once the subsidy part is over. A serious thinking has to be given how to maintain the enthusiasm for the success of the scheme without subsidy for financial assistance. Should subsidy be given at first or last?

c) So far as working capital is concerned it is hopelessly inadequate. The amount of loan given for shed, feed, health and insurance should be assessed realistically and should be increased in both the schemes.

d) Dairy units appear to be more viable than the goatery units from the point of view of income. Dairy units, under study can earn an income of Rs 1,500/- per annum whereas goatery units get only Rs. 550/-. Therefore more attention should be given to dairy units than goatery units.

e) Marketing facilities should be developed so that beneficiaries can sell milk at reasonable rate. Follow-up action by the V.A.S. would have saved the goatery schemes from collapse. Here, probably there has been lack of co-ordination among the implementing agencies at the field level. It will be better if one worker for E.R.R.P. at the Panchayat level is appointed on permanent basis to find out the real malady of the programme, so that remedies can be sorted out at appropriate level.

ECONOMIC EVALUATION OF "TRYSEM" FOR WOMEN IN ORISSA

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THE TRYSEM

The TRYSEM is a part of the IRD programme meant to create and provide self-employment opportunities for the rural youth. In the Sixth Plan a sum of Rs. 5 crores has been allotted for the TRYSEM on basis of 50 percent matching share by the state governments. The Government of Orissa allocated Rs. 40 lakhs towards their share to implement the TRYSEM in the Sixth Plan in order to spend Rs. 80 lakhs altogether including the Centre's matching grants for the programme. An amount of Rs. 5 lakhs and Rs. 7 lakhs have been allotted in the annual plans of 1980-81 and 1981-82 to the Department of Agriculture and Co-operation under the sub-head of Extension and Farmers' Training. Apart from this an amount of Rs. 38 lakhs has been allotted to the Industries Department for the Sixth Plan period.

The TRYSEM proposes mainly three things for the rural youth to take up self employment (1) Short training course, (2) Credit facilities and (3) Marketing facilities. After the training, credit facilities have to be provided through the commercial banks on easy terms to obtain suitable machinery and hand tools. The existing organisations like the State Agro-Industries Corporations, Leather Development Corporations, Handicraft Board and Forest Development Corporations etc. will also help in supplying machinery, hand tools and rawmaterials under the scheme.

The plan suggested to set up production oriented marketing organisations to provide marketing facilities for the products of self employed persons and also to undertake market intelligence survey, quality control through standardisation and sales promotion. The plan indicates that at least one-third of the TRYSEM programme should be organised for the rural female.

SCOPE OF THE STUDY

The main objective of the study is to assess the degree of the success of the TRYSEM especially the programmes undertaken for the rural female. The study proposes to examine specifically (1) the method of implementation of the TRYSEM as visualised in the Sixth Plan, (2) the nature and direction of the TRYSEM for different income groups of women in the rural community and (3) quantum of employment opportunity created and supplementary income generated through the scheme.

Different types of training courses are being organised in the blocks for the male youths such as cycle repairing, making of coir products, carpentry, radio repairing, driving, brick making etc. but for the females the main training course is limited to tailoring only. Tailoring is being organised by all the blocks in the state as it is easy to organise and most suitable for the women. This study evaluates only the tailoring courses organised for the rural female for self employment.

METHODOLOGY

A two tier sampling was adopted for the selection of blocks and the beneficiaries. Five districts of Ganjam, Koraput, Phulbani, Puri and Balasore were selected on the basis of maximum number of students studying in the Department of Economics, who have come from the rural sector. At random 15 blocks were selected; 4 each from the districts of Ganjam and Koraput, 3 each from the districts of Puri and Balasore and one from Phulbani. Five sample beneficiaries were contacted at random in each block covering 26 villages.

The sample blocks have total population of 10.15 lakhs as per 1971 census which constitutes about 5 percent of the total population of the state of Orissa. Of the sample, 5 blocks of Koraput and Phulbani have tribal and backward population within the range of 50 to 95 percent. Up to the end of the Fifth Plan 35 out of 314 blocks in Orissa have no special rural development programmes. The three sample blocks of Balasore district come under this category. In the year 1980-81, the first year of the Sixth Plan only 4 blocks initiated the TRYSEM programme of which 3 blocks introduced tailoring programme for women. Five blocks in the year 1981-82 and two blocks in the year 1982-83 had no programme for women under the TRYSEM scheme. Up to the year 1982-83 a total number of 97 training courses were conducted under TRYSEM of which

37 were for women. Up to the third year of the Sixth Plan a total number of 370 rural youth were benefited under the TRYSEM scheme for self employment and the sample of 75 in this study forms about 20 percent of the beneficiaries. Out of the 75 sample beneficiaries 20 are from the year 1981-82 and the rest who have undergone training in the following year.

THE FAMILY BACKGROUND

All the trainees, except three, are within the age group of 15 to 35 years. About one-third have studied upto class five or less, 37 percent between 6th and 10th class while 10 percent of them have matriculation or more. There is also an illiterate trainee in the sample. About 61 percent of the trainees are unmarried girls between the age of 14 to 18 years. From among 27 married, 8 have no children, 5 have two and 14 have 3 or 4 children each in their families. In all about 43 percent of the trainee households have 6 or more than 6 family members.

EMPLOYMENT AND INCOME

About 50 percent of the trainee households are labourers while 25 percent are service holders, both private and government. The self employed households form 22 percent.

About two-thirds of the households get some form of employment inside the village, 20 percent in the nearby villages or in the project and construction areas nearby while 13 percent are employed in the nearby urban areas. Among the families of unmarried trainees, out of a total population of 255 the earning members constitute 30 percent. About one-third of the trainee households have monthly income of Rs. 150 or below, 37 percent between Rs. 150 and Rs. 300, while the rest of 30 percent earn more than Rs. 300.

LANDED PROPERTY

Fifty percent of the households have no landed property. Out of 38 households who possess landed property, 28 are marginal farmers, 6 small farmers and 4 are big farmers. About 10 percent of the trainees have no house of their own in the village while another 10 percent have pucca houses. Around 71 percent of the households have thatched mud houses,

QUALITY OF TRAINING

The trainees were mainly introduced to the TRYSEM programme by the initiative of the Industrial Promotion Officers (IPO) who are in charge of the TRYSEM scheme in the concerned blocks. About 40 percent of the trainees were introduced by the IPOs, followed by 24 percent by BDOs. About 30 percent of the trainees came through the initiatives of friends and relatives. The ward members and Sarpanchs of the Panchayat Samiti and grampanchayats have only marginal role in the TRYSEM programme. For 70 percent of the trainees, the training programme on tailoring was satisfactory but for 10 percent it remained unsatisfactory. Twenty percent of the trainees said that the training was good.

Table No. 1 indicates the ability of the trainees to stitch different types of garments without the aid of the master tailor. It shows that most of the trainees are in a position to stitch only either girls' or ladies' wear. Four trainees expressed that they cannot stitch any garment independently.

Table No. 1
Skill of the Trainees

Type of Garments	All Types	Few Types	Nothing
Girls' Wear	57	15	3
Ladies' Wear	47	24	4
Boys' Wear	31	28	16
Gents' Wear	2	30	43

SUPPLY OF EQUIPMENT

According to the policy of Government of Orissa, every trainee is given Rs. 50 per month during the period of training and working materials are given freely to learn cutting and stitching. About 30 percent of the trainee complained that they did not get the working materials in the training, but all were supplied with a sewing machine by arranging loan from the nearby commercial banks. About 44 percent of the trainees got the sewing machine during the training period while the rest got after the completion of the training. By October 1983, 26 trainees repaid the loan to the tune of Rs. 9,900 which constitute about 16 percent of the loan granted to the trainees for the purchase of sewing machines. At the time of the survey about one-fourth of the trainees have no machines in their possession and could not give any reason for it. Only two of them reluctantly told that the machines were sold.

GENERATION OF INCOME

All the married women except four, who had undergone training in tailoring either do not have the machine or if machine is there, not using the machine at all. Among the 46 unmarried trainees 14 are working occasionally mainly to stitch garments for the home consumption. Almost all of them are stitching only children's garments. Out of the 75 sample trainees 57 have machines with them and actually 18 have been occasionally using the machines to earn some income to supplement the family income. Out of the 18 trainees who occasionally worked, 2 are of lower income group, 9 in the income group of Rs. 150-300, and 7 have monthly income of Rs. 300 or more. Daily working hours, number of pieces of garments stitched and earning by the 18 trainees are shown in Table No. 2.

Table No. 2

Daily Working Hours and Earning by the Trainees

Daily Working Hours	Frequency	No. of garments stitched	Total earnings Rs.
2	3	7	15
3	5	11	19
4	6	13.5	13
6	4	7.5	17
Average	3.5	2.17	4.72

Those who are not using the machine are reluctant to give reasons, but 7 of them told that either there is no demand for the stitched garments in the locality or they are not interested to earn through tailoring.

WORKING OF THE SCHEME

In Orissa the DICs are entrusted with the organisation of the TRYSEM in collaboration with the BDOs of the respective blocks. The IPOs who actually operate the scheme are in overall charge of developing the small scale and cottage industries at the block level and training under TRYSEM is a part of their work. The scheme has not been implemented as visualised by the planners. Short term training is imparted to the rural youth but there is no linkage with the training institutes for further development of the skill of the trainees. Loan is arranged for the purchase of sewing machine, subsidy is provided to the extent 25 to 58 percent of the cost of equipment and there ends the programme, No followup

programme is there to guide the trainees to become reliant. For most of the trainees, as far as the training in tailoring is concerned, the training period of six months is not sufficient to take up tailoring as a profession of their own. Market survey and marketing facilities for the products of the trainees are yet to be established. The existing marketing organisations of the state are not linked to the TRYSEM scheme. Other development agencies are not involved with the TRYSEM as indicated in the Sixth Plan.

INADEQUATE EFFORT

The Sixth Plan of Orissa allocated Rs. 156 lakhs for the TRYSEM schemes, of which Rs. 80 lakhs in the Department of Agriculture and Co-operation, Rs. 76 lakhs in the Department of Industries, which include 50 percent Central share as per the national policy of the TRYSEM. This allotment would be sufficient only to train 7,800 rural youth for self employment. In the first year, the Sixth Plan of Orissa, allotted Rs. 12 lakhs for the TRYSEM of which the actual utilisation was to the tune of Rs. 3.12 lakhs. In Orissa the TRYSEM made a small beginning in about 25 percent of the blocks in the first year of the Sixth Plan. Even in the second year about 20 percent of the blocks did not start the scheme and about 13 percent of the blocks did not organise any TRYSEM in the year 1982-83.

GENERATION OF EMPLOYMENT

The survey found not a single case of fulfilled self-employment of a trainee under TRYSEM for women who constitute thirty-eight percent of the beneficiaries of the entire TRYSEM scheme in Orissa. Only 24 percent of the trainees used their sewing machines occasionally to earn some money income or saved some money that would have gone towards the expenses on tailoring. Assuming that the trainees worked for 7 hours in a month, these 24 percent of the trainees created employment of 190 man days per year with an investment of Rs. 1.50 lakhs. On the basis of sample survey 25 women got training under the TRYSEM on an average per block. Accordingly estimates can be made for three year period of 1980-83 for all the 314 blocks in Orissa. Therefore the women trainees of Orissa create annual employment of 15,000 mandays and income of 1.65 lakhs for a total investment of Rs. 15.70 lakhs up to 1982-83.

Contd.

DIRECTION OF BENEFIT :

The main objective of TRYSEM is to provide self-employment opportunity for the families who are below the poverty line. The study reveals that only about one-third of the trainees belong to the lower income group of monthly income below Rs. 150. Big farmers and government and private service holders availed of the major benefit under the scheme. One redeeming fact however is that the TRYSEM really reached the rural youth as 61 percent of the trainees belong to the age group of 14 to 18 years.

In Orissa the TRYSEM programme for women far exceeded the target of 33 percent prescribed by the Sixth Plan. The TRYSEM for rural female constitutes about 38 percent in the state. Eventhough the TRYSEM failed in its objective of providing self employment to the rural female, the movement gave an opportunity, irrespective of their economic status, to learn tailoring and popularise stitched garments among the rural people. The scheme mainly benefited the sewing machine industry which sold about 3000 machines by 1982-83.

In view of the difficulty encountered in implementing such a programme, it is suggested that instead of covering all the blocks, the scheme may be concentrated in a few blocks and provided with adequate funds for intensification of work.

Further, the BDOs are overburdened with numerous work in block administration. A separate machinery at the block level may created to co-ordinate all the special development and anti-poverty programmes known as 'Manpower Utilisation Board' (MUB). The MUB will assess the local needs of the block and implement the special development schemes as per requirement acting as an agent of the special development authorities. The Planning Commission also advocates for restructuring of block administration for 'horizontal co-ordination' among the special development agencies and to provide greater flexibility to the local level implementing agencies for effective organisation of the schemes. But so far no serious thought has been given to this.

The role of planning at the local level is very important. This has been realised by the planners long back with the suggestion to prepare plans at the block level within the framework of state and district plans.

The Sixth Plan emphasised "to formulate comprehensive block level plans and identify programmes for the development of the area which aim at making full use of local endowments." In Orissa there is no machinery to prepare comprehensive state level plans, not to speak of a machinery to prepare plans at district and block level. Orissa is backward in many respects so also in establishing planning machinery at different levels. Before launching the Seventh Plan comprehensive economic plans at least for the one-fourth of the blocks may be prepared for effective implementation of special rural development programmes, if we are really serious about the alleviation of poverty in the state.

IMPACT OF IRRIGATION ON RURAL EMPLOYMENT

A CASE STUDY IN CUTTACK DISTRICT

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The strategic role of irrigation as an essential input for agriculture hardly needs any emphasis. As a protective input, it ensures a secure harvest and such constitutes a sine-qua-non for agricultural stability. However, the advent of new crop technology, popularly known as "Green Revolution" has considerably enhanced the cruciality of irrigation as a basic productive input. But, more recently the favourable impact of irrigation on creation of additional rural employment for agricultural labourers and self-employed family workers of the cultivating house-holds is being highlighted. This is because, while irrigation operation itself needs labour, its availability generates on-farm employment through increased cropping intensity and adoption of improved and labour intensive cultural practices like transplantation, line sowing, application of manures, fertilizers and pesticides. Larger volume of transaction of agricultural goods and their processing may also increase the off-farm employment opportunities. Thus in an abundantly labour surplus rural economy, irrigation can reduce the rigours of unemployment, under-employment and seasonal un-employment by enhancing the man-days of employment.

This impact of irrigation has been well borne out in a number of studies in India made by Parthasarathy, Ladejinsky, Mandal. In Orissa, Misra, Chakravarty and Ansari have also shown that extension of irrigation facility has given rise to extended demand for agricultural labour.

This paper presents in a substantially condensed form the results of a micro study of 206 house-holds in 6 irrigated (beneficiary) and 2 unirrigated (non-beneficiary) villages in sadar block I in Cuttack district in Orissa undertaken in 1981 with the objective of precisely quantifying this enhancement of labour employment man-days on account of provision of public irrigation facilities. The evaluation is based on "with and without" methodology and "farm management procedure".

Table—I presents the number of man-days of employment per hectare of net sown area per annum for all crop enterprises in irrigated and unirrigated farming conditions. The man-days of employment consist of 8 hours of work and refer to own and family labour as well as hired labour. The hired labour in the sample area is mainly of three categories, viz; (a) casually hired labour consisting of male and female workers employed on a daily wage basis, (b) permanently attached labour called "farm servant" as employed on annual basis with boarding, lodging, some clothing and cash payment, (c) committed labour attached to the employer for one year period who is employed on daily wage basis, but is also given some land, usually about 1/8th of a hectare for his cultivation free of rent in order to secure a guarantee of certain amount of labour supply during peak periods of farm operations.

Table—I

Man-days of Employment under Irrigated and Unirrigated conditions.
(Per hectare of net sown area per annum-For all crops)

Size Class	Average man-days of employment per hectare of irrigated farms	Average man-days of employment per hectare of unirrigated farms	Net increase in man-days of employment per hectare	Percent- age of increase.
1	2	3	4	5
I (0.09 hec.)	194.12	136.46	57.66	42.25
II (1 to 1.9 hec.)	192.40	139.82	52.58	37.61
III (2 to 8 hec.) above)	195.8	137.96	57.85	41.93
Over All	194.13	138.33	55.80	40.34

The table above reveals that on an average the irrigated farms engage 194.13 mandays as against 138.33 mandays in unirrigated per hectare per annum. In other words, a hectare of irrigated farm enhances the labour use by 55.80 mandays resulting in 40.34 per cent increase in man-days of employment. This employment includes both family labour as well as hired labour.

This, therefore, supports the hypothesis developed on the basis of observations of other researchers (like Misra, Chakravarty, Tripathy and others referred to earlier in this paper) that irrigation water supply pushes up the labour employment opportunities in agricultural sector without reducing the wage rates. Such a stipulation occurs on account of higher crop intensity, diversification of crop pattern and cultivation of labour intensive crops in the irrigated area as compared to unirrigated area.

Expansion of irrigation facilities and improvement of irrigation system therefore, are in conformity with the present national goal of absorbing the under-employed and un-employed man power of the villages in the rural sector itself.

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REHABILITATION OF THE POOR THROUGH INTEGRATED RURAL DEVELOPMENT PROGRAMME

A CASE STUDY

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Orissa is one of the poorest states in India. The incidence of poverty seems to be growing in the State. About 66% of the total population lie below the poverty line compared to the All India Average of 48% in 1977-78. Thus there is a necessity to promote development activities in order to overcome the deep-rooted poverty in Orissa, particularly in the rural areas. For this, various developmental activities have been made during different plan periods. These various programmes aim at increasing the economic status of the rural poor, comprising of the small and marginal farmers, landless agricultural labourers and the large mass of unemployed and under-employed people in the Agricultural Sector. In a welfare state it is the prime objective of the Government to see that the last man in the poverty ladder gets at least the three basic necessities of life, i. e. food, shelter and cloth. The various economic programmes towards fulfilling these objectives started with the introduction of Community Development Programme since 1952. But recently several schemes have been implemented for the development of rural areas with a view to increasing the standard of living of the poor.

The Integrated Rural Development Programme was introduced in 1978 with the sole objective of providing full employment productive programmes in selected areas. Primarily I.R.D.P. has been undertaken to provide additional income and employment generating assets, to the categorically selected poor people in the rural areas, which they would not get otherwise on their own. It is expected that provision of additional income and employment generating assets would have a multiplier effect so as to give a better economic status to the rural poor. This objective is expected to be achieved by earmarking additional allocations of investment

for each one of the selected blocks, as is suitable depending on the specific requirements of the blocks (The programme was taken up in 2300 blocks in the country which was later on extended to 5011 blocks in 1980).

THE SCOPE OF THE PRESENT STUDY

The objective of the present study is to find out the impact of I.R.D.P. Scheme and its functioning in the State of Orissa. We have selected a few villages from two blocks namely Khaira and Simulia in the Balasore District. We have selected the households consisting of the beneficiaries who have been included under the scheme of I. R. D. P. We have tried to study their asset position and their present economic status and how far the income and employment generating assets provided to these beneficiaries have resulted in enhancing their economic position. The study therefore intends to review the operation of the Scheme.

The data however are insufficient in order to arrive at a valid conclusion, since the sample size is very small. However, it indicates some of the major loopholes of the programme and the way it is implemented. The findings of the study are quite revealing.

The villages we have selected consist of families having agriculture as the principal occupation. These villages have irrigation facility. Some of the cultivable land yield two crops in a year. We also find adoption of improved method of cultivation by some of the farmers. Most of the families harvesting two crops in a year, cultivate HYV paddy. Application of fertilizer, pesticides etc. are done by most of the families.

We have selected fifteen beneficiaries from these two blocks who have availed of the benefits under the I. R. D. P. Scheme. The benefits have been given in various forms, namely cattle or goats, which were provided to them about a year ago. The period therefore is not insufficient to study the impact of the benefits in arriving at a higher economic status (or not) through a multiplier effect as envisaged by the programme.

The objective of the I.R.D.P. is to provide income generating assets to the poor, which are likely to generate a multiplier effect in order to bring the beneficiaries to a higher economic standard. The present study intends to analyse these two fundamental points i.e. to study whether the income

generating assets have been made available to the "real" poor, in other words whether the identification or selection of the beneficiaries has been properly done. Second, we have also tried to review how far the income generating assets provided to the beneficiaries have been successful in generating a multiplier effect.

ECONOMIC PROFILE OF THE BENEFICIARIES :

We have selected fifteen beneficiaries, who have availed of the assets through the Simulia and Khaira blocks of Balasore District. The table I will show the economic position of the beneficiaries. We have taken the landed property they own, the house site and buildings they possess and the other sources of income, if they have any. The landed property of course includes irrigated and non-irrigated land. We have computed the value of the total land through the present market price in the locality. An approximate value of the living houses and the house-site has also been computed. In the item 'Income from other sources' we have included various sources of income including wages received either through wage labour or salary if they are in regular service and income from business if they have any. In our sample, we have seen that 7 of these households are daily wage-earners. They possess about 1.5 acres of cultivable land, a part of which is irrigated. But probably because of lack of financial resources, they are unable to cultivate it properly or lease in land to make their operational holdings a viable economic unit. Whatever they produce is not sufficient enough to supply provisions for a considerable period in the year. Therefore they take resort to wage labour. In the given table instead of giving the names of the beneficiaries, we have given them a serial no. The col. (i) in the table shows these numbers. The serial nos. (3), (7), (8), (12), (13), (14), (15) take recourse to wage labour, because of the small landed property they own, which is not sufficient enough to provide them food for the entire year.

But it is quite revealing to note that, the identification of the poor, to avail of the benefits of the Scheme, appears not to have been done properly. Apart from the 7 selected households as stated earlier, others seem to be better off economically. One of these beneficiaries i. e. no. 6 belongs to a joint family where the total assets have been held jointly. The approximate value of the total assets as computed by us appear to be roughly Rs. 23,000. This apart the family has a small business in Calcutta. Thus this household should not have come, in the category of

beneficiaries under the I.R.D.P Scheme. This apart there are 6 more households where the value of the total assets is between Rs. 7000 to Rs. 11,000 roughly.

However, the subsidies provided to these households were in the form of cattle and goats. These were provided to them in the year 1978 or 1981 as shown in table (2).

It can also be seen from table no. (2) the present condition of the assets provided to them, which has been described in the column "present condition of the subsidy". It is depressing to note that in most cases they are dead. We have enquired into the causes of their death, which has been stated to be, largely, malnutrition. This is probably, because the households do not have sufficient means to support these "animals" nor would they avail of the infrastructural facilities even though they are available in the neighbouring areas. This again could be attributed to their poverty.

On enquiry, we have found out that the assets which are provided to them were not in good condition. In case of the household (sl. no. 5) out of the two Jersey cows provided to him at Cuttack, one died, immediately after reaching the village. What is more, the milk producing capacity of the cows was reduced significantly which may be due to the change in the environmental conditions or because of lack of sufficient health care taken for these cows. The death of the cows or reduction in their milk producing capacity, might be because of the improper selection of these animals. This has been corroborated by the information as gathered from the beneficiaries. The general impression is that they have been supplied with cows which are not worth the price mentioned against them. This shows that the purchase of these animals has not been done properly by the authorities. This is probably the reason of their death or reduction in their milk producing capacity.

Another point which is worth nothing is that the households, which have received cows, do not find a good market, to sell the milk or the milk products. This perhaps acts as a dis-incentive for taking proper care of the cows. The rate of return being small, the incentive for investment is probably lost. On the other hand, to add to this is the poor economic condition of the households, which also stands in the way of making further investment. Thus there occurs a total deterioration of the general condition of the cows.

Similar is the case with the households who have been provided with goats. In most cases the goats have been eaten-up or sold by the households usually at lesser price. This has happened largely because of the depressing poverty of the households. Thus it could be seen that instead of increasing their economic status, through a multiplier effect, these assets have failed to improve their economic position, rather they have been indebted, and the debt still hangs as a burden on them.

The scheme of I.R.D.P thus appears not to have been very much effective. On the one hand, it is given to a household where the incentive to maintain these assets are almost totally absent. It appears as if they have received the loan, because it is available, without thinking of its future consequences. The general impression as has been given to us by the beneficiaries in our sample is that, their condition has not improved, rather it has deteriorated because of the loan.

The administrative machinery seems not to have efficiently functioned. The identification of the poor has not been done properly. As we have stated earlier one of the households have assets to the tune of Rs. 23,000/-, but has been selected as a beneficiary. This appears to be improper and perhaps goes against the objective of the scheme, i.e. identifying the rural poor, to avail of the benefit of the scheme, to improve their economic condition. Manipulations at various levels are done for identification of the beneficiaries. In our enquiry, we have come to know that most of the beneficiaries have been asked to pay a bribe, to avail of the subsidy. This probably is the reason for improper identification of the rural poor.

However, there are certain invisible benefits, which accrued to the beneficiaries. As we see, the status of an individual in the rural area is determined by the asset that he owns. The possession of these assets definitely enhances the socio-economic status of the individual and this acts as an impulse to have these assets without giving any serious thought to future consequences. Besides this, the individual beneficiary gets more nutrition for its family members, because, he now, perhaps, is able to consume milk or is able to consume more of other cereals through the additional income that he earns by selling the milk. But compared to the anticipated multiplier effect of these income generating assets, the benefits that we describe here are negligible.

Table - I

Economic profile of the Sample Households

Sl. No. of the beneficiary	Name of the Village	Name of the Block	Land owned (in acres)			Value of land owned in Rupees	Value of other assets in Rupees	Value of total assets in Rupees	Income from other sources	Demographic features	
			Irrigated in acres	Not irrigated in acres	Total in acres					No. of Male	No. of Female
1.	Ada	Simulia	1	1.5	2.5	3500	1000	4500	3600	4	3
2.	Raghubindha	-do-	1.5	2.5	4.0	5500	1200	6700	1000	3	3
3.	-do-	-do-	.5	1.5	2.0	2500	800	3300	1000	4	3
4.	Dhampur	-do-	1	4	5	6000	1000	7000	1500	4	2
5.	Hatuari	-do-	1	4	5	6000	1200	7200	1900	2	2
6.	Iswarpur	-do-	2	16	18	20000	3000	23000	2000	18	12
7.	-do-	-do-	.5	1	1.5	2000	800	2800	1200	3	3
8.	-do-	-do-	.5	.5	1	1500	800	2300	1000	6	4
9.	-do-	-do-	1	4	5	6000	1000	7000	1300	5	3
10.	Sallo	Khaira	2	.5	2.5	4500	1000	5500	-	2	2
11.	Achutipur	-do-	2	6	8	10000	1100	11100	1500	5	5
12.	Manatri	-do-	1	.0	1	2000	800	2800	800	4	3
13.	-do-	-do-	1	.5	1.5	2500	800	3300	900	3	2
14.	-do-	-do-	1.5	1	2.5	4000	900	5400	1000	4	2
15.	-do-	-do-	1	.5	1.5	2500	800	3300	1800	5	2

Value of 1 acre of Irrigated land = Rs. 2,000 (approximate)

Value of 1 acre of non-irrigated land = Rs. 1,000 (approximate)

Table—2

Nature of Subsidy

Sl. No. of the benefi- ciary	Name of the village	Name of the Block	Total loan	Total subsidy	Sources of loan supplied	Form of subsidy	When received	Present condition of the subsidy
1.	Ada	Simulia	9,000	2970	Ada Coop. Bank	2 Jersey cows	1978	1 dead and 1 alive
2.	Raghubindha	-do-	9,000	2970	-do-	-do-	1978	2 cows are dead
3.	-do-	-do-	4,000	1320	S.B.I., Simulia	1 Jersey cow	1981	Alive
4.	Dhampur	-do-	9,000	2970	Ada Coop. Bank	2 Jersey cows	1978	1 dead 1 alive
5.	Hatuari	-do-	9,000	2970	-do-	-do-	1978	2 cows dead
6.	Iswardpur	-do-	4,000	1320	S.B.I., Simulia	1 Jersey cow	1981	Alive
7.	-do-	-do-	4,000	1320	-do-	-do-	1981	Alive
8.	-do-	-do-	4,000	1320	-do-	-do-	1981	Alive
9.	-do-	-do-	4,000	1320	-do-	-do-	1981	Dead
10.	Sallo	Khaira	4,000	1320	-do-	-do-	1981	Dead
11.	Achutipur	-do-	4,000	1320	-do-	-do-	1981	Dead
12.	Manatri	-do-	2,000	660	Manatri Co-op. Bank	20 goats	1981	16 Alive
13.	-do-	-do-	2,000	660	-do-	20 goats	1981	12 Alive
14.	-do-	-do-	2,000	660	-do-	20 goats	1981	10 Alive
15.	-do-	-do-	2,000	660	-do-	20 goats	1981	18 Alive

REGIONAL VARIATIONS IN THE LEVELS OF DEVELOPMENT A STUDY OF A BACKWARD DISTRICT

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INTRODUCTION :

From the very inception of planning in our country, the Five Year Plans were formulated in the pattern of capital-theoretic growth models. Such models disregarded the functional space and assumed that all increases in national income would have an even 'Spread effect'. But this approach not only confined the 'spread effects' of growth to the metropolitan centres leading to the development of few 'growth poles', but also aggravated poverty, in the rural areas through 'backwash effects'. The gravitational pull of these growth poles drained the surrounding rural areas of their skill and resources and created rainshadow areas in the pockets of development. This urban-rural imbalance or the creation of socio-economic gaps between the centre and the periphery is known as 'development dualism' in economic parlance and is now believed to be the result of the overall growth process. In the chapter on 'Approach and Policy' of the Fourth Five Year Plan, the planning commission admitted that certain regions in the country were not advancing as others and that certain sections of the population, who already had some resources, were prospering while an overwhelming proportion of them had generally remained outside the mainstream of economic progress. The Sixth Five Year Plan document (1980-85) while testifying the evidences pointing to the limited effectiveness of the 'trickledown' effect, calls for a sharper redistribution focus of our public policies for raising the share of the poorer sections in the national income and consumption in utilisation of public services.

The other problem which confronts the planners of most of the third world countries in general and India in particular is the accentuation of

the problem of rural poverty. The general awareness regarding this problem in recent years has been reflected in the planning efforts in most of the developing countries in solving this problem. But despite considerable expansion in terms of high production, income and employment in most of the third world countries of Asia, Africa and Latin America, widespread poverty remains as great as ever. The Sixth Five Year Plan of India, in the chapter 'Development performance' has observed that the improvement in consumption expenditure of the poorest in rural areas has not been large enough to lead to any substantial reduction in the percentage of population below the poverty line. Quoting an estimate based on the Caloric and Protien norms of nutritional inadequacy, the plan further remarks that 'these figures, though lower than the poverty percentages, are high enough to provide cause for concern'.

In view of the fact that the plans hitherto implemented in our country have not been able to solve the problems of regional economic disparities and the problems of horrendous rural poverty, it has become imperative to restructure the strategy of planning in our country. Many studies have come to the conclusion that the lions share of the benefits of various development programmes of the earlier plans have been taken by the property owning rural few. Therefore the future strategy of rural development must consist of programmes through which the rural households operating below poverty line must be assisted through an appropriate package of technologies, services and asset transfers.

Another important thrust of our future plans must be 'reduction of regional disparities'. This calls for a radical change in the process of planning. The overall development strategy adopted at the national level must take into account a spatial strategy as its specific component for inducing in the economy a more homogeneous growth process over space. Micro planning at lower spatial levels within the broad national framework can make a fuller exploitation of local growth potential with a view to making an optimum impact on the local poverty scenario.

The first step in the process of such micro level planning is to assess the levels of development of different sub-regions within a region in order to formulate suitable development plans for such areas. Such an exercise is attempted in this paper to bring into sharp focus the variations in the levels of development in Keonjhar district of Orissa in the year 1981-82 with a view to articulating the problems with specific reference to

people of different sub-regions and to highlighting the strategy of specificity of programming as a technique of development.

SELECTION OF INDICATORS :

Studies conducted in different parts of the country have used different variable indicators for classifying regions for assessing their relative levels of development. The choice of the indicators have always been governed by their suitability for the study area and the availability of information. In the present study sixteen indicators have been applied for assessment of the relative levels of development of different parts of the study area.

(A) Agricultural Development :

- (i) Productivity per hectare
- (ii) Agricultural labour productivity
- (iii) Cropping Intensity
- (iv) Intensity of Irrigation

(B) Industrial and Infrastructural Development.

- (v) Spatial concentration of small industries.
- (vi) Industrial Workers in the small scale and cottage industries sector per lakh of population.
- (vii) Percentage of villages electrified.
- (viii) Length of roads per 100 Sq. Kms. of area.
- (ix) Number of Post Offices per 100 villages.
- (x) Number of Banks per 100 villages.

(C) Socio-cultural Development.

- (xi) Percentage of literacy.
- (xii) Number of Primary Schools per 100 villages.
- (xiii) Primary School enrollment per 10,000 population.
- (xiv) Percentage of school going children to total children in the age group 6-11.
- (xv) Number of hospital beds per lakh of population.
- (xvi) Doctors per lakh of population.

METHODOLOGY:

The values of the indicators were collected from the thirteen blocks of Keonjhar district by circulating a comprehensive questionnaire. This was followed by a sample check of 25 per cent of the blocks under study. The values of these indicators for the district as a whole were also calculated. Then the blockwise indices on each item were computed taking the district average as 100. For the calculation of indices for different sectors such as agriculture, industry and infrastructure and socio-cultural development in each block, the arithmetic average of the indices belonging to each sector for the block was computed. Weights were assigned to the sectoral indices in each block to make the comparisons more appropriate. The proportional contribution of a particular sector to the state income at current prices was considered as the weight for the concerned sector. The composite development index for each block was computed by the summation of the weighted sectoral indices of each block.

ANALYSIS :

The exercise brought into prominence the existing divergence between the different sectoral and the overall development levels of the different blocks of Keonjhar district. Table I gives the sectoral and composite development indices for the thirteen blocks of Keonjhar district.

The analysis reveals that five blocks of the district namely Banspal, Patna, Saharpada, Ghatgaon and Jhumpura are at the bottom of the development scale while another five namely Harichandanpur, Telkoi, Champua, Hatadihi and Anandapur occupy intermediate positions. Only three blocks, namely Keonjhar, Ghasipura and Joda are considered relatively developed.

The three relatively developed blocks of the district are situated at different parts of the district. In Ghasipura block, industrial, infrastructural and socio-cultural development lag far behind the general level of development. In Keonjhar, socio-cultural development is ahead of economic development. Joda block is poor both in agricultural and socio-cultural development. But in industrial and infrastructural development, it has forged ahead of economic development.

The relatively less developed sub-region consists of five blocks namely Harichandanpur, Telkoi, Champu, Hatadihi and Anandapur blocks.

TABLE—I

Development Indices of Different Blocks of Keonjhar District

(1981-82)

Name of the Block.	Index of Agricultural development	Index of Industrial and Infra-structural Development.	Index of Sociocultural Development.	Index of Economic Development.
1. Keonjhar	131.2	183.3	175	15030
2. Patna	99	89.3	80.9	9429
3. Saharpada	86.3	64.1	80.2	7970
4. Ghatgaon	90.7	84.8	90.9	8353
5. Harichandanpur	123.1	71.1	65.6	10248
6. Telkoi	126.5	59.6	99.8	10552
7. Banspal	81.5	41.7	65	7464
8. Champua	97.5	123.3	117	10670
9. Jhumpura	93.5	81.2	76.4	8824
10. Joda	112.7	251.1	58.2	14316
11. Anandapur	130.8	112.9	89.4	12117
12. Ghasipura	164.2	135.3	139	15298
13. Hatadihi	125.9	79.5	90.3	10938

In Harichandanpur, Telkoi and Anandpur, agricultural development is ahead of economic development whereas in Hatadihi it moves hand in hand with the general level of development. But in all these four blocks industries and infrastructure have not developed commensurate with economic development. The three blocks of Harichandanpur, Anandpur and Hatadihi also reveal symptoms of backwardness in socio-cultural development while in Telkoi block socio-cultural development has overtaken economic development.

The poorly developed sub-region consists of five blocks namely, Banspal, Ghatgaon, Patna, Saharpada and Jhumpura. Agricultural development in all these blocks have kept pace with their general level of development except in Patna block where agriculture is a little ahead of economic development. In industry and infrastructure, these blocks are little ahead of their economic development except in Banspal block where the development

of industry and infrastructure is lagging behind its economic development. In socio-cultural development also, all these blocks have forged ahead of their general level of development except in Jhumpura block where it has kept pace with the economic development.

It will be interesting to see that the blocks of the poorly developed sub-region exhibit similar trends in all sectoral activities as well as in overall economic development. These areas are characterised by unfavourable natural environment, high concentration of backward population, low levels of production and productivity and inadequate infrastructural facilities. The inadequacy of social and economic infrastructure in the region has not only adversely affected the quality of life the people, but also makes them inaccessible to inputs, services and organisations with no prospect of vertical rise of their productivity and income.

CONCLUSION :

Keonjhar is a backward district in Orissa so far as economic development is concerned. Within the thirteen districts of the State, the district occupies 10th position in the development index. The indicators of economic development used in this study also reveal that their values for the district as a whole are much less than their respective values for the State. Therefore, it is quite evident that the entire district is underdeveloped and requires special efforts to come to par with other developed districts of the State. Though all the sub-regions within the district reveal more or less the same symptoms of backwardness, the study of the regional variations in their level of development is useful in bringing into sharp focus their degree of backwardness and help formulate realistic action programmes for their development. The diagnosis of intra-block sectoral inadequacies and inter-block development deficiencies clearly identifies the specific areas which need special attention of the planners.

The study reveals how the pattern of development promoted in the district has created economic dualism by creating islands of development within a vast sea of underdevelopment. Keonjhar block which ranks second in the overall development index and is identified as a relatively developed area in the district, is surprisingly surrounded by Banspal, Ghatgaon, Jhumpura, Saharpada and Patna blocks which constitute the poorly developed sub-region in the district. This indicates that the development impulses

generated at the few nodal centres have failed to percolate to the surrounding areas. The correction of this imbalance calls for micro-planning at lower spatial levels, such as, blocks to answer the local requirements and tackle inter-regional imbalances. Such plans, which are formulated keeping in view the local requirements and the local resources can only invite effective productive participation of the local people. The use of spatial planning techniques in the location of the hierarchy of central places of different orders will make possible an even spread of economic and social welfare programmes among the rural people, make them accessible to the centres of supply, service and marketing and bring locational cohesion in all the activities.

IMPACT OF I.R.D. PROGRAMME ON RURAL PEOPLE

(A CASE STUDY OF SOME VILLAGES)

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Integrated Rural Development programme has been recognised as a major instrument for combating mass poverty in the country. The programme was inaugurated on 2nd October, 1980 which subsummed the earlier special programmes for rural poor like DPAP, SFDA and CAD programmes. The I.R.D. programme involves the identification of thousands of families in each block, preparation of plans for assisting the families, arranging credit support for financing the plans, monitoring the progress of implementation of the schemes and follow up action to ensure that the beneficiaries derive truly lasting benefits whereby they cross the poverty line.

The main objective of I.R.D. programme has been to evolve an operationally integrated strategy which would aim on the one hand at increasing production and productivity in agriculture and other sectors, and on the other at the resource and income development of vulnerable section of the population in all blocks of the country. For this purpose, investment in selected blocks is undertaken in such identified schemes as are suitable for the particular area. The beneficiaries mainly consist of small and marginal farmers, share croppers, agricultural labourers, rural artisans and persons belonging to scheduled caste and scheduled tribes. The programme lays special emphasis on upliftment of SC/ST and hence it provides that at least 30% of the resources invested under IRD programme, in term of subsidy and loan should go to SC/ST families. Originally the programme aimed at covering 300 blocks under its fold every year during the Sixth Five year Plan, extending benefits to 600 persons in each block.

The report on achievements in Orissa under IRD programme for the year 1983-84 reveals that against the target of covering 1,88,400 beneficiaries including 37,700 SC and 61,200 ST, by December, 1983, 1,19,216 beneficiaries (68%) including 24,462 SC (65%) and 28,298 ST (46%) have been covered. A sum of Rs. 1661.32 lakhs and Rs. 986.94 lakhs has been spent on them in the form of credit and subsidy during this period. The SC/STs which constitute 44 percent of the beneficiaries have enjoyed 43% of the financial outlay under IRD programme. Thus in term of coverage and expenditure it appears that substantial progress has been achieved during the year.

Success of programme however should not be judged on the basis of coverage and expenditure. The real success lies in achievement of the objectives of the programme. The present study is an attempt at assessing the impact of the programme on income and employment of the beneficiaries. For the purpose of an indepth study of two villages has been undertaken one dominated by SC/ST people and another dominated by people other than SC/ST. A few samples have been drawn purposively from 2 villages in view of limited time and resource constant. The study aims at;

- i) Finding out the increase in income consequent upon the financial help.
- ii) Finding out the increase in employment.
- iii) Finding out if there is any significant difference between SC/ST and other beneficiaries in respect of increase in income and employment.
- iv) Finding out the extent of excess capacity present.

The study reveals that financial help has been given to the rural people for the purchase of bullocks, goats, cycle, rickshaw, sprayer, pump-set, bullock carts, starting of small shops, poultry farm, pisciculture etc. There has been increase in income and employment consequent upon the financial help. The increase is shown in the table No. 1

It is found from the table, there is 119% increase in income and 42% increase in employment of the beneficiaries consequent upon the financial assistance. It is further observed that the increase in both income and employment has been more prominent in case of SC/ST than in case of their counterparts. However it is observed during the survey that in some cases the benefit in the form of increase in income and employment has

Table-1

Impact of Loan and Subsidy on Income and Employment

Type of beneficiaries	Average annual income before loan (Rs.)	Average annual income after loan (Rs.)	% increase in income	Average hours of work in a year before loan	Average hours of work in the year after loan	% increase in employment
SC/ST	1057	2554	142%	1840	2719	48%
Other than SC/ST	1650	3383	105%	1871	2556	37%
All beneficiaries	1354	2969	119%	1856	2638	42%

been only temporary and has disappeared after some time due to absence of follow up measures. This has been particularly the case with SC/ST people. This has been complained by many beneficiaries that though in the initial stage some technical advice is rendered to them at their door steps, in the subsequent years their request for further financial and technical help goes unheard. This makes the initial investment highly unproductive. Though the IRD programme provides for follow up action to ensure that the beneficiaries derive truly lasting benefits, it is felt that proper emphasis is not given on this aspect of the programme.

The nature of unemployment in the rural areas has been more of seasonal unemployment and underemployment. The IRD programme is expected to achieve full employment by providing employment opportunities for the rural people in off season and by increasing their productive capacity. An attempt has been made in the study to find out how far the IRD programme has succeeded in making full utilisation of capacity to work with the beneficiaries. The study reveals that though the total hours of work rendered by the beneficiaries has increased consequent upon the financial help, they are still left with some idle capacity. The table 2 gives a picture of the extent of idle capacity present among the beneficiaries.

It is found from the table that 18% of the capacity to work with the beneficiaries has not been tapped by IRD programme. The percentage of idle capacity to total working capacity has been higher (20%) with SC/ST people than with their counterparts (17%). Inadequacy of loan has been

Table—2

Extent of Excess capacity

Type of beneficiaries	Capacity to work in a year (Hrs.)	Actual hrs. of work rendered	Extent of excess capacity	Excess capacity as a % of capacity
SC/ST	3400	2719	681	20%
Other than SC/ST	3068	2556	512	17%
All beneficiaries	3234	2638	596	18%

stated to be the main reason for this excess capacity. Non-availability of technical advice has also been cited by some of the beneficiaries as a factor accounting for idle capacity. Credit is generally supplied to the rural poor in form of kind to avoid misutilisation of funds. This method of help has been criticised by many of the beneficiaries on the ground that what they ultimately get is actually not worth the amount of loan sanctioned in their favour. The truth 2/5 in their allegation however can't be judged without further study on market value of goods supplied to them.

Agricultural is seasonal in character. Supply of bullock or pump sets for example to improve agriculture does not keep the agricultural labourer engaged throughout the year. It is felt that in addition to the assets supplied if some more funds are made available to them to carry on some part time trade and business, it may help in keeping them engaged throughout the year. Instead of emphasising on a wider coverage if emphasis is laid on intensive operation of the programme so as to ensure that the beneficiaries covered under the scheme are brought above the poverty line, it may have a far reaching effect. The momentum generated by IRD programme in that case would set in motion a process whereby larger and larger number of families in rural areas would take up on their own programmes for self employment without subsidies from the State.

It is observed that most of the beneficiaries in the SC/ST group are illiterate, physical labour being their only potentiality. Table No. 2 reveals that the average working capacity in a year with a SC/ST person is 3400 hours as against 3068 hrs. with a person belonging to the other group. In

view of the fact that the impact of the programme has been more prominent on SC/ST people, it may be suggested that more and more funds should be earmarked for them under the programme so as to ensure that they work upto their full capacity and thereby raise their earning.

Mere loans and subsidies however cannot ensure an increase in the level of income of the beneficiaries. Follow up action should be more vigorous which will help to bring beneficiaries above the poverty line on the one hand and ensure timely repayment of bank loans on the other hand.

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It is the main reason for this severe scarcity. Non-availability of technical skills has also been cited by some of the beneficiaries as a factor accounting for this scarcity. Credit is generally supplied to the rural sector in form of kind to avoid misutilization of funds. This method of help has been criticized by many of the beneficiaries on the ground that what they ultimately get is actually not worth the amount of loan sanctioned in their favour. The main C.D. in this respect however may be judged without further study on market value of goods supplied to them.

Agricultural extension is characterised by a variety of factors. It is for example to improve agriculture does not keep the agricultural labour engaged throughout the year. It is felt that in addition to the extension service it is necessary to provide some other means of earning to the rural people. It is felt that this is the only way to keep them engaged throughout the year. Instead of agricultural extension a wider coverage of extension is felt to be necessary. The beneficiaries of the programme are to ensure that the beneficiaries covered under the scheme are brought above the poverty line. It may have a far reaching effect. The programme suggested by the programme is that even when a person is a poor worker by the nature and kind of his work, he should be able to earn more than the poverty line. It is felt that this is the only way to keep them engaged throughout the year.

It is felt that most of the beneficiaries in the SC/ST group are illiterate. It is felt that the only way to bring them above the poverty line is to provide them with a skill. It is felt that this is the only way to keep them engaged throughout the year. It is felt that this is the only way to keep them engaged throughout the year.

RURAL DEVELOPMENT WITH PARTICULAR REFERENCE TO A BLOCK

**(DIGAPAHANDI BLOCK IN GANJAM DISTRICT IN
ORISSA)**

Prof. R. C. PATNAIK

It is well recognised today that the problem of poverty has its origin in (a) low asset base and (b) unemployment. There are approximately 350 million people below the poverty line in the country and around 300 million of them are in the rural areas. A very large number of rural population comprising of small and marginal farmers, landless labourers and the weaker groups like the scheduled castes and tribes, with very low or no asset base have not benefited from various area development and community development programmes. The principal programmes like C.S. R. E., F. F. W., R. W. P. under S. F. D. A. and M. F. A. L. at the national level and other area development programmes like C. A. D. P., D. P. A. P and M. N. P. have achieved limited success in certain areas. Evaluation of various schemes implemented before sixth plan indicated the inadequacy of development of proper schemes at operational level leading to much lower achievement in generation of income, low participation rate of the rural people and rural democratic institutions and lack of integration between different projects/schemes of rural development and employment. The territorial overlap combined with different funding patterns of these programmes, not only created considerable difficulties in effective monitoring and accounting but also blurred the programme objectives. The outcome is therefore, a single integrated programme called I. R. D. P. which was launched in 2000 blocks from 1978 and in all the 5011 blocks from October 2, 1980. Earlier programmes of such as S.F.D.A., D.P.A.P., C.A.D.P., N.E.R.P., M.N.P were merged in it and it is now being implemented through a single agency known as D. R. D. A. (District Rural Development Agency) at the district level and forms a major component of the new 20-point programme of the Prime Minister.

Under the programme, it is expected that 15 million families would be assisted to cross the poverty line by the end of the sixth plan

(1980-1985). There is provision of a subsidy of Rs 1,500/- crores to make the scheme viable as well as to serve as incentive to the identified beneficiaries and banks are also expected to provide Rs. 3,000/- crores to the beneficiaries. The programme which comprises of I. R. D. P., E. R. R. P and TRYSEM has completed 3 years and the performance is quite impressive from the point of view of achieving the targets, release of subsidy, disbursement of credit and coverage of scheduled caste/scheduled tribe. It is against this background that an attempt is made, in this paper, to discuss the details of the programme in one particular block (Digapahandi block) in Ganjam district in order to identify the benefits and point out the deficiencies and suggest measures to remedy the situation.

Digapahandi block consists of 223 villages with a population of 1,06,000, 12% of which consist of SC/ST. It is roughly estimated that about 72,080 people (about 64%) people are below the poverty line in the block. Marketing facilities are meagre in Digapahandi town which is mostly rural in character and banking facilities are provided by Canara Bank, Central Co-operative Bank and a branch of Rushikulya Gramya bank which has been recently started.

Indicators of the performance of I.R.D.P. and N.R.E.P. and TRYSEM in the block during the last 3 years are as follows :

Year	No. of beneficiaries		ERRP Scheme		TRYSEM Rehabilitated	
	Target	Actual	Target	Actual	Trained	Rehabilitated
1 980-81	600	66	154	155	—	—
1981-82	600	930	121	118	10	10
1982-83	600	1460	82	82	45	45
1983-84	600	948	910	563	21	15

Thus the total number of beneficiaries in the block up-to-date have been 3404 under DRDP and the employment generated under NREP schemes have been 18,754 man days distributed over more than 900 families. TRYSEM has trained 76 youths of whom 70 youths have been rehabilitated. Among the schemes, which have been popular in IRDP there are schemes like paddy cropping, cashew plantation, dairy farming, she-buffalo rearing,

goatery, piggery, tank fishery, bullock cart manufacture, opening of small shops, tailoring units, carpentry and blacksmithy units, saloons, cycle repair shops, bio gas, laundry and hand-loom units.

No. of villages electrified in the block so far have been 94 and number of pump sets energised is 86. Fish rearing in small ponds has been very profitable in the block and so far during the last 3 years 135 tanks have been set up for the purpose and Rs. 68,000/- worth of fish have been sold. Flow irrigation, lift irrigation and dug-well irrigation claim irrigation potentials of 11,010 hectares, 188 hectares and 360 hectares respectively.

Under the ERRP programme in the block 10 very poor families on average per village are selected by the block advising committee, and the type of help received by the families during 1981-82 and 1982-83 are as follows :

Target and achievement under E.R.R.P. Programme for the year 1982-83

Sl. No.	Name of the Scheme	Physical target	Physical achievement	Amount allotted	Amount spent
1	Goatery	40	40	Govt. has allotted	22,670/-
2	Sheep	10	10	a lump sum amount	8,330/-
3	Tank fishery	22	22	of Rs. 1,29,315/- for ERRP Programme	93,096/-
4	Handloom	20	20	Diversion amount land based scheme of Rs. 34,436/- from Total Rs. 1,63,751	
TOTAL		82	82	1,63,751	1,37,436

Out of 82 beneficiaries 22 belong to S. C. and 35 belong to S. T and the rest 22 only are general class people. The assets have been delivered in all the cases but it is seen that only in the case of tank fisheries the assets have remained in tact where as other assets like goats and sheep and poultry are dwindling away as they are eaten away by the beneficiaries.

About 10 beneficiaries in dairy farming, tank fishery, fruit orchards, handloom and laundry etc., from Ponada, Talasingi, Bhusunda and Douri villages were interviewed in order to assess the benefits and deficiencies of the schemes. While there has been success stories in many of the cases, the beneficiaries mostly complain of the poor quality of goats and pig, old and diseased sheep given to them; and lack of medical facilities to be provided to livestock in case of diseases. They also complain of share amount demanded by the stockman and bank personnel while getting the loans. What is necessary according to them is a system of effective supervision of the state of property after the beneficiary has enjoyed it for more than a year. It has been calculated that on an average the family income per week of these ten beneficiaries has increased by about rupees fifteen to twenty particularly in poultry farming, dairy farming, fish rearing, cane and bamboo works and petty shops.

There are two aspects of the rural development, (a) economic viability, and (b) employment generation which are important if the objective of economic viability has to be attained. It can be done so, only if the technocrats can come up with varying type of technology to suit different types of projects or even the same project in different areas. The principal requirement of the action plan is the organisation for resource analysis, plan formulation and its implementation at microlevel. Such micro-planning has to be dovetailed to the planning at higher levels. Since block is the lowest identifiable unit, micro-planning has to concentrate its activities for the block as the unit. Base planning unit should have an economist with experience and aptitude to work in rural areas. The role of economist is emphasised here because he has to examine the economic viability of the schemes, help in preparation of the plan, develop a system for monitoring of the schemes and estimate the generation of additional income and employment for the area and the individual beneficiaries. He has also to help in (a) resource inventory, (b) identification of individual or group with proper attitudes for different schemes, and (c) development of organisation for effective management. The village panchyats should also provide adequate help to identify the resource base of the area, individual potentialities for different schemes and development of suitable organisation for effective management. Gram Sabhas should also be involved in identifying proper and suitable beneficiaries to be selected.

CONCLUSION AND SUGGESTIONS :

Improper identification of individuals for schemes like dairy and goatery without proper judgment about the aptitude of the persons so

selected and their management capabilities, inadequate arrangement for marketing of their products at remunerative prices, poor support from animal husbandry officials at execution levels in time, are some of the organisational inadequacies that have resulted in heavy losses. If past experience of three years' implementation exercise of IRDP is any guide, it definitely calls for strengthening of district planning machinery as well as office of DRDA to make it effective to undertake this kind of planning required at the block level. In this connection, it is only fair to say that the status of the B.D.O. should be raised and he should have a host of officers under him for various purposes and visit to villages, farms, and distribution of publicity materials and use of mass media of communication like film, radio and television and for running the training programmes for farmers and for mobilisation of rural institutions like Mahila Mandalis, Yuvak Mandalis, Co-operative Institutions and Panchayati-Raj Institutions. Infrastructure facility like marketing at remunerative prices, banking facilities, follow-up service, communication facilities have to improve a lot in order to make IRDP effective and unless the official and non-official connected with the block make co-operative attempts to remove the lacuna present in these, rural development can never be a success.

There has been no doubt mass awakening on this problem of rural development through IRDP and NREP. There are quite a number of success stories but there have been failures too. Lack of correctly identifying persons to benefit from the programmes, framing suitable development programmes as per resource base, formulation of group schemes instead of resorting to individual beneficiaries and lack of follow-up action of the economic position of the beneficiary and want of technical and specialised personnel for formulation and monitoring of the projects are some of the deficiencies which need immediate attention in IRDP. Similarly the problem of NREP has been largely due to wrong selection of the schemes despite detailed guidelines. In the near future let us hope that when RLEGP will be merged with NREP there will be greater control in channelising funds in the right direction under the supervision of the Central Government.

In conclusion, it can be said that :—

- (1) unless the beneficiaries and projects are properly selected by competent professional people and non-officials combinedly and
 - (2) unless the projects to be implemented are economically viable and employment-oriented and
 - (3) unless the banks and cooperative societies cooperate in providing easy flow of credit and unless proper infrastructure is developed, it will not be possible to bring lasting benefits in the rural development programmes.
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DEVELOPING THE WEAKER SECTIONS

CASE STUDY OF A BACKWARD VILLAGE IN SAMBALPUR DISTRICT

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The declared objectives of planning have been to achieve growth with social justice. We have achieved growth to some extent, but disparity has widened in the process of development. Evaluation studies of the implementation of government policies aimed at improving the lot of the poorer strata in the society have revealed that government assistance had actually benefited the richer sections. The Planning Commission, while formulating the 5th plan, recognised the fact that the process of development was not meant to help the poor and that the elimination of abject poverty would not be attained as a corollary to certain acceleration in the rate of growth of the economy alone. Frontal attack against poverty was necessary. Consequently there was change in the approach to development in subsequent years. Alternative techniques have been devised for the economic development of the weaker sections of the society living in villages within the framework of Integrated Rural Development. The aim is to rehabilitate the poor by providing permanent employment opportunities. The target of development is the poorest family in the village. In the background of this change in approach to rural development, the objective of this paper is to make an assessment of the working of the schemes intended to help the rural poor on the basis of a case study. The study was made in December 83 — Jan. 84 on the basis of personal interviews with the help of a questionnaire prepared for the purpose.

SOCIO-ECONOMIC PROFILE OF THE VILLAGE

Village Chakuli, a backward village in Maneswar block of Sambalpur district, is situated at a distance of 22 Kms. from Sambalpur town on the

bank of river Mahanadi, downstream Hirakud Dam. There are 150 families in the village, of whom 10 are Adivasis, 80 harijans and the rest 60 families belong to other castes. On the basis of land holding, only 7 families are big farmers holding more than 5 acres of land, 58 families are small farmers holding land between $2\frac{1}{2}$ acres, 50 families are marginal farmers holding less than $2\frac{1}{2}$ acres of land, and 35 families are landless labourers. The village has access to different credit institutions, e.g. the District Central Coop. Bank at Maneswar, Bolangir Anchalik Gramya Bank at Dhanupali, and the different commercial banks located in Sambalpur town. Recently the village has been adopted by the Syndicate bank, Sambalpur for advancing credit for development. In the records of Government the village is irrigated. But canal touches only the periphery of the village. No land in the village is irrigated by the canal due to the typical contour of the village and lack of water management. On the other hand there is a tank in the village formed due to the seepage of canal water. Some resourceful farmers, having land adjacent to the tank, are using the water through hand lift (Tenda). Two progressive farmers are using diesel pumpsets for the purpose acquired through bank assistance.

SCOPE OF THE STUDY

The village was adopted for development by the Sambalpur branch of Syndicate Bank only in 1983. Prior to that the villagers used to approach different credit institutions in the area. We did not study about the utilisation and recovery of the loans granted earlier by such institutions. Our study was confined to two aspects, namely: 1) the loans granted by the Syndicate Bank under different schemes of rural development and their utilisation, 2) an assessment of the scheme of the ERRP operating in the village meant for developing the weakest section.

II

BANK ASSISTANCE

In course of about one year the Syndicate Bank has provided credit assistance to 54 households out of a total of 150 households in the village. Of the 54 beneficiaries, 30 come under IRDP schemes and the rest 24 are covered by short term farm loans advanced through the initiative of the bank. Tables 1, 2 and 3 reveal the distribution of the loans by caste-groups and farm-sizes. All categories of people have been covered, and the bank

does not appear to have made any discrimination as between caste-groups and farm-sizes. A total of Rs. 1,08,472 has been advanced to 30 households under the IRDP and the short term crop loans of the bank advanced to 24 households total Rs. 55,150/-. The total credit of the bank to the villagers comes to Rs. 1,63,600/-.

Table—1

Borrowings by Caste-groups (IRDP beneficiaries)

	Number households	Amount of loan (in Rs.)	Average loan per household (in Rs.)	Remarks
Scheduled Tribe	6	21,800	3114	
Scheduled Caste	19	69,536	3863	
Other caste	5	17,136	3427	
Total household	30	1,08,472	3468	

Table - 2

Borrowing by caste-groups (Short term crop loans)

	Number	Amount (in Rs.)	Average loan per household (in Rs.)	Remarks
Scheduled Tribe	Nil	—	—	
Scheduled caste	16	36,650	2290	
Other caste	8	18,500	2312	
Total	24	55,150	2301	

Table—3

Borrowing by farm-size (Short-term crop loans)

	Number	Amount (Rs.)	Average loan per household (Rs.)	Remarks
Big farmers	2	6,000	3000	
Small farmers	14	32,500	2321	
Marginal farmers	8	16,650	2981	
Total	24	55, 150	2767	

UTILISATION AND RECOVERY OF LOAN.

Utilisation of loans and their recovery are inter-related. Table—4 explains the recovery position. Repayments were due in case of 35 beneficiaries, whereas only 8 have started repayment. This appeared to be unsatisfactory. After a little enquiry and the interview it was found that in almost all cases the loans have been properly utilised and the loanees have been benefited. All 24 beneficiaries of the crop loan have not been able to repay the same as they could not complete harvest due to intermittent rains after crop cutting. They assured us that they would repay the loan and seek further loan for the next crop.

Table—4
Recovery of loan (All types of Bank loans)

	No. of beneficiaries	Repayment due	Repayment started	Defaulters	Repayment not due	New saving/ fixed deposits opened in the bank.
Crop loan (short term)	24	24	Nil	24	—	1
Other farm loan (medium)	10	Nil	—	—	10	3
Loans for small business	11	10	8	2	1	7
Loans to rural artisans and professionals.	9	1	Nil	1	8	—
Total :-	54	35	8	27	19	11

Out of the 11 households who have got loans for small business, one has opened a grocery shop and is doing good business and the rest 10 are mostly rice vendors. They are landless. They purchase paddy, process the same, and carry rice for sale in Sambalpur and nearby markets. They include ladies. The 2 defaulters have not started repayment due to pressing domestic wants, but they expressed satisfaction over their business.

The artisans and professionals, who have got bank assistance include fishermen, shepherds and a potter. It was revealed that all of them

are utilising the loans properly. The potter, who is the lone defaulter, expects to repay the loan after installing an improved wheel. He was seen working with his traditional wheel.

That the loanees are properly utilising the loans and are serious about repayment is revealed from the fact that 11 beneficiaries have opened different types of new accounts (saving, fixed and recurring deposits) with the bank. Other respondents assured us that they would open new accounts at the time of repayment of loan instalments.

Counselling and monitoring by the bank staff

The respondents of the survey were questioned about the role of different agencies in motivating them. All of them replied that the bank employees, specially the Rural Development Officer of the bank, made frequent visits and provided necessary counselling. They had no complaints of harassment against the bank employees in matters of sanction and disbursement of loan. We would only wish that the beneficiaries keep up their enthusiasm and the bank staff continue monitoring the schemes and make timely assessment evaluation.

Constraints of development and suggestion of villagers

In the records of government the village is irrigated, but most part of the village is deprived of irrigation due to the typical contour of land and lack of water management. All the respondents suggested that irrigation should be provided by installing lift points from the river Mahanadi or the nearby tank formed by seepage of water. In our view the suggestions is worth considering. The bank may provide assistance in installing a community lift point. All concerned agencies should try to meet the urge of the people for development.

III

THE PROBLEMS OF HELPING THE POOREST

From the foregoing, it would appear that the villagers have an urge to grow, and developing them is not a problem. But our expectations did not come true when we went to study the benefits of the scheme of Economic Rehabilitation of the Rural Poor (ERRP). Out of the 10 poorest

households identified for permanent economic rehabilitation, 5 were provided milch cows through bank loans, and the rest 5 were supplied sheep. The cows were supplied in 1981 and the sheep in 1982. The recipients of cows have repaid their loans partly and the recipients of sheep have not yet started repayment. It was revealed that laudable objective of providing permanent employment to the poorest households has not been achieved in this village. Some foul play was suspected in the supply of cows and the operation of the scheme. 3 of the recipients of cows reported that 2 units of cows were supplied to each of them, but they had returned the second units of cows to the supplier on the advice of the veterinary doctor. This fact has been recorded in the register kept with the beneficiary by some functionary of the scheme. Replacements have not been provided. The recipients told that their complaints were not being heeded by the bank. Anchalik Gramya Bank at Dhanupali pleaded official ignorance about this state of affairs. The scheme of milch cows, specially the jersey cows, is not at all viable for rehabilitating the poorest. It was revealed that the beneficiaries were unable to maintain the health and nutrition of the jersey cows. The sheep owners reported that most of the sheep died due to inclement weather and epidemic disease.

SUMMARY CONCLUSION AND POLICY RECOMMENDATION

The study reveals that finance does not pose any problem for developing the rural poor, as institutional agencies are prepared to advance loans. The real problem lies in motivating the people, inspiring them to utilise the loans for productive use, supervising their work at every stage, and taking appropriate follow up action, so that the people overcome the difficulties if any. Follow up action is necessary even for recovery of loan. Great responsibility lies with the bank operators and the rural development functionaries, who can create an atmosphere of development in the rural areas and inspire the people to grow.

The study further reveals that it is fairly easy to develop the land-owning farmers, but it is far more difficult to improve the lots of the poorest families. Rearing jersey milch cows is not a viable scheme to rehabilitate the poor, though it may be profitable for the affluent farmers. It is unrealistic to expect the poor to provide hygienic cow-shed, and nutritious food to the cow when he himself is starving. Moreover, the scheme is not in keeping with his culture and tradition.

The scheme of providing sheep and goats needs greater supervision on the part of the development functionaries, because the beneficiaries have a tendency to consume the assets supplied for permanent rehabilitation due to pressure of poverty and conventional needs.

The component of subsidy is so high that shady deals are suspected at different stages of operation of the scheme. There are chances that the rural poor might fall a prey to the temptation of making immediate gains at the cost of permanent rehabilitation. The scheme needs revision.

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IMPLEMENTATION OF RURAL DEVELOPMENT PROGRAMMES CASE STUDY OF THE VILLAGE 'KURLA BAHAL'

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A variety of rural development programmes to help agricultural sector and generate employment for the weaker sections were initiated in the recent past all over the country. The programmes were started on the premise that benefits would flow to the weaker sections, especially people living below poverty line, because of the specificity of the target groups and activities chosen. In most of the cases it appears that the benefits did not significantly go to the weaker sections. Generally two reasons are cited which are responsible for the failure of the development programmes. One is the absence of the structural changes in the society. Another is improper implementation of the programmes.

In this paper, we want to study the implementation of various rural development programmes in the village Kurla Bahal of Sambalpur district. Kurla Bahal is a small village, approximately 21 Km. away towards North-West of Sambalpur town. The village is now in Rengali Tahasil (formerly in Sambalpur Sadar tahasil) and Parmanpur grampanchayat. The village is 2 k.m. away from Parmanpur but there is neither pucca nor kachha road to the village from Parmanpur. Total households in the village are 35 and population is around 320. Major caste in the village is Gouda consisting of 25 households. Other castes are as follows : Mirdha, 5 ; Ganda, 3, Scheduled tribe 1; and Brahmin 1. Goudas are not engaged in their traditional occupation and Gandas (Harijans) live in a separate patch. All the lands are non-irrigated. Most of the residences are mud houses with roofs either thatched or Khaparali. There is only one common pucca well for the drinking water.

Main objective of the survey was to find out the change in the living conditions and income of the beneficiaries under different rural

development programmes in the village, We enquired directly from the beneficiaries through a questionnaire having 17 questions. There are, in all, 11 beneficiaries under different rural development programmes; 7 under I R D programmes, one each under E R R P and A R D C ; and two under normal programmes. Among the beneficiaries, majority are Goudas numbering seven, three belong to Ganda (Scheduled Caste) and one to Kisan (Scheduled Tribe). Total amount of loans sanctioned in the village is Rs. 53,000,- highest being Rs. 8,200 and lowest Rs. 900/-. Majority of loans sanctioned are for dugwell, number being seven; four loans for land-levelling, one each for goat rearing and diesel pumpset.

Two persons have got loans for two purposes ; one for dugwell and landlevelling but he has not got any subsidy since he possesses more than 12 acres of land. The other one got loan for both dugwell and pumpset with subsidy. The agencies which are involved in these programmes are DRDA, LDB, BAGB and CADA. Out of all beneficiaries, only one is female, aged 50. In spite of these loans and subsidies, there is no change in occupational pattern.

The main objective of the Integrated Rural Development Programme (I R D P) is to identify the poorest of poor families in the rural areas and help them to rise above the poverty line. The target is to identify 600 beneficiaries in each block for every year for 6th plan since 1980-81. That is, in the whole period of 6th plan, 3,000 beneficiaries are to be identified in each block. The main benefits of the IRD programmes passed on through subsidy cum-loans. Small farmers are entitled to a subsidy amounting to 25 percent of the loan, while marginal farmers and agricultural labourers get a subsidy of 33.33 percent of the total cost of the benefit.

The amount of assistance given under IRD programme in Maneswar Block is given below. The table shows that more assistance has been given under Animal Husbandry programme since there is more scope for manipulation in such a programme.

Two 'Gotis' got loan of Rs. 6,500 each in pen and paper under the scheme of minor irrigation in IRD programme for dugwell. The subsidy amount in both the cases is 33.33 percent. The repayment is not yet started. The full amount of loan is not paid to them. One has got the payment of Rs. 5,000/- and the other Rs. 5,500. Thus the amount of misappropriation by the officials in the former case is Rs 1,500 and in the

IRD PROGRAMMES IN MANESWAR BLOCK

Item	No. of Beneficiary families	1982-83 Rs. In Lakhs Sanctioned.	No. of Beneficiary families	1983-84 up to Oct. Rs. in lakhs Sanctioned
1 Agriculture	111	0.70	17	0.14
2 Minor Irrigation	141	2.54	38	0.65
3 Animal Husbandry	508	4.37	130	1.20
4 Fishery	17	0.10	6	0.09
5 Village Industry & Others	208	1.03	140	1.44
TOTAL	985	8.77	331	3.52

Source : D R D A , Sambalpur.

latter, Rs. 1000. The two beneficiaries had to run 20-30 times to Bolangir Anchalika Gramya Bank (BAGB), Dhanupali, to get the loan sanctioned. Leaving aside the transport cost, they have to lose Rs. 100 to 150 in wages since the wage rate per day in this area is Rs. 5-00. The two 'Gotis' are not landless; one has $4\frac{1}{2}$ acres of land and the other $2\frac{1}{2}$ acres of land. Karan Sani Gardhja having $4\frac{1}{2}$ acres of land get 16 bags of paddy from his land to feed six family members, while Naryan Mirdha having $2\frac{1}{2}$ acres of land and five family members procures 30 bags since his land seems to be more productive. But they are unable to complete their dugwells. In one case, earth work is done but stone setting is not completed. In another case, though stone setting is completed, the dugwell is not near his cultivable land but near his house which is deliberately done for the purpose of drinking water. It seems that, in these two cases, loans are being disbursed on political considerations. To them, the amount of loan is not sufficient for completion of the dugwells. Evidently there is no change in their income and living conditions. Only one has started vegetable cultivation and till now has not marketed. They are now working as 'Gotis' as they were in the past before getting the loans. Their wives work as part time agricultural workers. Their main complaint is that

though there is dugwell (of course incomplete), they have no other inputs such as improved seeds, manures, fertilisers, pesticides and so on to utilise water properly for cultivating two crops in their fields.

Thus it must be mentioned here that the subsidies on fertilizers, pesticides, pumpsets, tractors and other inputs do not help the poor, small and marginal peasants. On the other hand, these subsidies help the big farmers.

What is more important is that there are absolutely no followup measures which are very much essential for successful implementation of the programme. For instance, if subsidy is released for dugwell, extension officers should simultaneously make available all other inputs, such as cement, bricks etc from proper agencies for construction of well and other agricultural inputs like fertiliser, pesticides for proper utilisation of water in cultivation. The Panchayats should be revitalised. as in the case of West Bengal, to participate in rural development programmes. District Rural Development Agencies will have to be strengthened, for removing anomalies in implementation. It was found that wherever DRDAs have been functioning as a coordinating agency with sufficient staff strength, implementation of the programmes improved markedly. According to the working group on rural development strategy for the Seventh plan, set up by the Planning Commission, there is a need to alter the present pattern of assistance. Under the existing system a uniform target is fixed for all blocks in the country and financial aid given accordingly. It is proposed that weightage can be given to blocks which have a higher incidence of poverty and predominance of Scheduled Castes and Tribes and other deprived groups.

Since there are large scale misutilisation and improper utilisation in case of dugwell and pumpsets, the Government, instead of giving importance on private irrigation system, should take steps for increasing canal irrigation and lift irrigation; of course coordinated by the rural electrification programmes. Bulldozers may be used by the Rural Development Agencies for landlevelling instead of being done by the beneficiaries themselves.

But these are all traditional ways which are suggested for development of rural areas which are not able to change the rural scene. New ways are to be found out to protect small and marginal farmers and agricultural workers. This can be done, if major importance is given to a reasonable distribution of private capital, land reforms, the development of

new lands and building of irrigation system, the provision of credit to working peasants, the organisation of seed growing and machine-renting stations in large scale, the supply of fertilisers to working peasants, and the effecting of a technical revolution in agriculture in the interest of ordinary peasantry. These are main policy measures for non-capitalist development of the rural areas.

But, however good and accessible to peasants the programmes of the ruling government are, mere formulation is not enough to ensure the success. The massive organisation of the peasantry and agricultural labourer in Unions, the development of a powerful democratic movement under able and dedicated leadership for the implementation of land reforms, for the abolition of moneylending, the setting up of peasant co-operatives and so on, are capable of putting an end to all the hardship and privation of peasant life. This will require, possibly many years. But we shall keep in mind that unless there is change in structure of the society, change in infrastructure only will not help the weaker sections of the society.

RURAL DEVELOPMENT THROUGH S.F.D.A. MODEL

A CASE STUDY IN THE DISTRICT OF BOLANGIR, ORISSA.

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Rural development occupies a very important position in the planned economic development of this country. The strategy and programmes of rural development have, however, changed from time to time. During the first two decades of development planning, in order to bring about rural development, programmes like Community Development, National Extension Services, Comprehensive land-reforms including Co-operative farming etc. were initiated and implemented. But these programmes did not benefit much the weaker sections, particularly the marginal and small farmers and agricultural labourers, who constituted the major segment of the rural community. The strategy involved in these programmes relied to a great extent on the percolation effect to deliver the benefit of economic development to the weaker sections. But in reality the percolation effect did not operate in favour of the weaker sections. So on the recommendation of the All India Rural Credit Review Committee, 1969, the Government of India adopted from the beginning of the Fourth Five Year Plan the World Bank model of rural development through the operation of specialised agencies. This approach envisages rural development as "a strategy designed to improve the economic and social life of the specific group of people, the rural poor. It involves extending the benefits of development to the poorest among those, who seek livelihood in the rural areas". For improving the economic condition of each 'specific' or 'target' group, specialised agencies are created. The S.F.D.A. model of rural development in India is based on this concept of rural development of the World Bank. In this paper an attempt has been made to assess the extent to which this model was effective in initiating and sustaining rural development in one of the backward districts of a back-ward state, namely, the district of Bolangir in Orissa, during the period of Fourth and Fifth Five Year Plan periods.

METHODOLOGY :

The study was largely based on the primary data collected from different sources. For this purpose an elaborate questionnaire was prepared and officials of the S.F.D.A., Co-operative Societies, Commercial Banks, Regional Rural Banks, A.D.B. of the State Bank of India were interviewed. All relevant information regarding the working of the S.F.D.A. in the district between 1971 and 1980 were collected from them.

Besides, in order to assess the impact of the programme on the economic condition of the marginal and small farmers, 179 small farmers' households and 198 marginal farmers households were selected according to multi-stage sampling procedure. In order to make a comparative assessment of the farmers under irrigated and non-irrigated conditions, it was decided to select some farmers from the irrigated area and some farmers from the non-irrigated area. Out of the 26 blocks covered by the S.F.D.A. in this district, only two blocks, namely, Binika and Dunguripali had irrigation facility and the rest 24 blocks belonged to the category of the non-irrigated area. Out of the two irrigated blocks, Binika was selected on the basis of simple random sampling method. Similarly, out of 24 non-irrigated blocks, Bolangir was selected on the basis of simple random sampling method. From each of these two blocks, 10 percent of the villages were selected on the basis of simple random sampling. From each village 10 per cent of the small farmers and 10 per cent of the marginal farmers or at least 10 small farmers and 10 marginal farmers, whichever was higher were selected for interview. There were some hamlets in which not even 10 households of marginal/small farmers were available. In case of these small villages, all the households of the marginal and small farmers were selected for interview. In all 92 marginal farmers' households and 88 small farmers' households from 9 villages of Binika block and 106 marginal farmers' household and 91 small farmers' households from 10 villages of Bolangir block making a grand total of 377 households were selected for the assessment of the impact of the Agency on the economic condition of the 'target' group. One of the important limitation of this design of study was that proportionate representation could not be given to the non-irrigated blocks due to constraint resources, both financial and personnel.

IDENTIFICATION OF THE 'TARGET-GROUP'

In this model of agricultural/rural development, identification of the 'target-group' is considered as an important stage. This is because suitable

programmes could be worked out only when 'target-groups' were properly identified and their problems were deciphered. The S.F.D.A. programme in this district which started in April 1971 was originally intended to cover only the small farmers and as such identification of this category of farmers became important. Later in August, 1973, it was decided to bring the marginal farmers and agricultural labourers within the fold of the Agency.

Although the definitions of different categories of 'target-group' farmers as laid down by the govt. were all right from conceptual point of view, it was difficult to apply them at the operational level in the absence of proper records and accounts. First, identification was generally done by the revenue officers on the basis of land-revenue records. But in most of the cases the records were not made uptodate and were imperfectly maintained. Taking advantage of this, some undeserving persons manipulated the records and got themselves registered as farmers belonging to 'target groups'. Secondly, according to the guidelines issued identification of the 'target-group' farmers was to be done on the basis of the entire land-holding, which included not only the amount of land held by them in the village in which they normally stayed but also the land held by them in other villages and districts. But in actual practice only the land held by the farmers in the village, in which they normally stayed was taken into consideration. It was estimated that large farmers normally owned 13 to 15 percent of their land-holding outside the village in which they normally stayed and sometimes even outside the district. Taking advantage of this some undeserving farmers also got themselves identified as farmers belonging to target groups. Finally the inclusion of marginal farmers and agricultural labourer within the fold of the Agency increased their work-load so much that they were not in a position to pay adequate attention to different types of malpractices adopted at the stage of identification.

MAJOR PROGRAMMES OF THE AGENCY RELATING TO CREATION OF PRODUCTION OPPORTUNITIES :

In order to improve the economic condition of the marginal and small farmers, the Agency concentrated its activities around the following programmes :

- (1) development of different types of minor irrigation projects
- (2) development of subsidiary enterprises like dairy, goatery, piggery poultry etc. The help and support rendered by the Agency in

developing different productive enterprises consisted in arranging credit from different financial institutions at the concessional rates and granting of subsidy in the form of exemption from repayment of a portion of loan (usually 25 percent of the total loan and in certain exceptional cases either 33.3 per cent or 50.0 per cent of the total loan).

DEVELOPMENT OF MINOR IRRIGATION

As only 11.0 percent of the total cropped area received irrigation facility and rice was the principal crop of the district, the Agency at Bolangir attached considerable importance to the development of minor irrigation projects like sinking of dug-wells and tube-wells, installation of pump-sets etc. Besides, it was thought that the development of irrigation would facilitate introduction of new bio chemical technology in agricultural production. This would enable the marginal and small farmers to improve their economic condition to a considerable extent.

In order to develop minor irrigation for the benefit of the marginal and small farmers, about 11,489 dug wells and tube-wells were sunk during the period by the Agency. Assuming that one household of the marginal/small farmer was benefited by the sinking of a dug well, the percentage of the beneficiary households was 7.93. Similarly, the installation of pump-sets and their energisation benefited about 1.02 percent of the identified households during this period.

The two blocks in which a survey was undertaken to assess the impact of different programmes of the Agency on the economic condition of the marginal and small farmers, it was found that the performance of the Agency in respect of the development of minor irrigation was somewhat better in the non-irrigated block of Bolangir. In both Binka and Bolangir blocks, a target was fixed to sink one thousand dug-wells during the Fourth and Fifth Five Year Plans. But in Binka block only 30 dug-wells (3.0 percent of the target) could be sunk during this period. Similarly, there was a target to install 50 pump-sets in Binka block but only 9 (18.0 percent of the target) could be actually installed. The performance of Bolangir block in this respect was somewhat better. There 475 (47.5 percent of the target) dug-wells were sunk and 50 (100.0 percent achievement) were installed for the purpose of irrigation. As there was facility for canal irrigation in Binka block, its performance in respect of development of minor irrigation was not good.

Thus, the quantitative coverage of the marginal and small farmers under the programme of the development of minor irrigation facility was very limited. The picture would be still worse, if the actual working condition of these irrigational structures would be taken into account. It was found during the course of field investigations in Bolangir and Binka blocks between May, 1979 and July 1979, that the irrigational structures generally operated satisfactorily for two to three years and thereafter became inoperative due to lack of proper maintenance. Some dug-wells were abandoned as water could not be found even after digging 20'-25' deep. An enquiry on these points in these two blocks reveal that 25 to 30 per cent of the dug wells were not in operating condition and filled with mud.

Since providing irrigational facility was at the core of the introduction of the new agricultural production technology, more than 90 per cent of the marginal and small farmers of the district could not take advantage of the new technology to improve their production opportunities as well as economic condition.

DEVELOPMENT OF SUBSIDIARY ENTERPRISES :

Secondly, the programmes relating to the diversification of agriculture and development of subsidiary enterprises like dairy, piggery, goat-rearing, animal husbandry, poultry, etc. for marginal and small farmers and agricultural labourer suffered from extremely inadequate coverage. Between April, 1971, and March, 1980, the Agency distributed 243 units of milch cattle, 2037 goat/sheep units and 30 poultry units. These figures clearly indicate the limitations of different subsidiary enterprises to improve the economic condition of the marginal and small farmers through development of newer production opportunities. If it is assumed that only one milch cattle unit was distributed to one household, the percentage of beneficiary upto the end of March, 1983 was only 0.17. If on the other hand, it is assumed that two milch cattle were distributed to each beneficiary household (which was according to the scheme), the total percentage of the beneficiary households would come down to 0.08. Similarly, under the goat and sheep rearing programmes, 1.41 percent and under poultry development programme 0.02 per cent of the identified marginal and small farmers households were benefited.

ANALYSIS OF THE CREDIT PROGRAMMES :

As has been already indicated, recently innovated biological technology (either in the sphere of crop-husbandry, or animal husbandry or

poultry) is a high cost technology and most of the inputs used in this technology are purchased inputs. So credit is an essential component for effective implementation of this new technology. But the institutional agencies of credit including the co-operatives are generally shy in advancing credit to the marginal and small farmers. The S.F.D.A, which was set-up in 1971 to overcome this difficulty, with its programmes like granting of subsidy and other services was not quite effective in this respect. The amount of short-term credit arranged by the Agency during the period between April, 1971 and March, 1980, was about Rs. 0.25 lakhs per year on an average. There was always large number of claimants on this amount. The per capita short-term credit turned out to be so meagre in amount that it was difficult to use it properly, particularly on the part of marginal and small farmers, who had very little of their own resources to supplement the amount or credit. The total amount of medium and long-term credit arranged by the Agency during this period was Rs. 295.27 lakhs and Rs. 211.56 lakhs respectively, the average amount being Rs. 1,515.39 paise and Rs. 1085.75 paise respectively. It was difficult on the part of the marginal and small farmers to use such small amount of medium and long-term credit to build up and develop their productive assets.

IMPACT OF THE PROGRAMMES ON THE INCOME OF THE BENEFICIARIES

An analysis of the data collected through a survey in two blocks between May, 1979 and July, 1979, on the impact of different major programmes of the Agency on the income of the beneficiaries shows that on an average it increased the income of the marginal farmers by about Rs. 1055.40 paise and that of the small farmers by Rs. 1459.76 paise. Bulk of the increase in income was attributable to the development of irrigation facility and consequent improvement in the productivity of crops. A break-up figures at the block level shows that in Binika block, where there was facility for canal irrigation, the increase in income of the marginal farmers was Rs. 1100.82 paise and that of the small farmers was Rs. 187.83 paise. In Bolangir block where there was no facility for canal irrigation and the area under irrigation was relatively less, the increase in income of the marginal farmers was Rs. 1007.02 paise and that of the small farmers was Rs. 1034.52 paise. Thus, the above analysis shows that the programmes of the Agency increased the per capita annual income of beneficiary marginal farmers by about Rs. 1000/- and those of the small farmers by about Rs. 1,500/-. But this improvement in the income of the marginal and

small farmers could not make the Agency an effective instrument of anti-poverty programmes and rural development as the total coverage of the 'target group' farmers under different programmes was very insignificant.

CONCLUSION AND POLICY RECOMMENDATIONS :

The above analysis shows that the S.F.D.A. model failed to bring about rural development in extremely backward areas. In order to make it or its successor (I.R.D. Programme) an effective instrument for rural development adequate attention need to be paid to the following measures.

First, the total coverage of the beneficiaries under different programmes should be above some critical minimum level, say, above 50.0 percent.

Secondly, the scope of the Agency should be more diversified. Greater emphasis should be placed on the development of agro-processing industries and it should be linked with the agricultural production of the region.

Thirdly, adequate attention need to be paid on the proper maintenance of the productive assets created and there should be suitable provision for the obsolete productive assets at regular intervals.

Finally, there should be re-ordering of the rural power structure in favour of the 'target group' farmers by properly reorganising them. For this purpose greater emphasis should be placed on extension work among them. This would help proper administration of different programmes of the Agency and go a long way in preventing different types of 'leakages' and 'concealed transfer' of benefits to the undesirable persons in the rural areas.

Thus, these measures are likely to make the Agency an effective vehicle for rural development.

NATIONAL PERSPECTIVES FOR RURAL DEVELOPMENT

DURING THE SEVENTH FIVE YEAR PLAN

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1. RURAL POVERTY

According to Arnold Toynbee, the great historian, "the twentieth century will be chiefly remembered not as an age in which conflicts or technical inventions, but as an age in which human society dared to think of the welfare of the whole human race as a practical objective." In spite of more than three decades of planned development of India, the achievement of Welfare State assuring a minimum standard of living to its teeming millions has become a distant goal. Even according to the optimistic estimates, forty percent of urban population and fifty percent of rural population in India are still below poverty line without access to the minimum desirable standard of food consumption, clothing and housing. According to 1981 census seventy seven percent of India's population is in the villages. Out of the 684 million population, 526 constitute rural population and 263 million constitute the rural poor. The population of rural poor of India today is higher than India's population of 251 million in 1921 and it is approximately equal to the population of U.S.S.R. Poverty of rural population is a grim fact and a matter of greater concern than ever before. Even if they are not poorer than in the past, they are more numerous and more conscious of their poverty than ever before.

The most outstanding feature of Indian economic development over the last one century since the First Census of 1827 is the stagnation in the distribution of workforce the primary, secondary and tertiary sectors accounting for about 72 percent in agriculture and allied occupations, 10 percent in industry and 18 percent in service employment without any established trend over the decades. All developed countries experienced steep fall in the employment of primary sector in favour of secondary and tertiary sectors. Even in the post-war period most of the European countries have experienced the same trend. The

intractable stagnation in the occupational structure of India may be accounted to colonialism prior to Independence and population explosion thereafter. Large scale industrial development during the era of planning has absorbed more capital and less labour without any impact on the distribution of workforce. Paradoxically agriculture is still the main and elastic source of absorbing workforce in India's economic development. Hence increasing population pressure and dependency on land are grim features of rural scene in India today. Large scale industrialization is not likely to give any immediate relief to agriculture from the population pressure which is the one single powerful factor aggravating poverty in India since 1921, the Great Divide in the population history of India. Even if the ratio of rural population is likely to decline from 80 percent to 70 percent in the next two decades, absolute numbers will increase considerably, and for some under-developed countries by about 50 percent above the present level. Hence, the continuing interest in the development of rural people and rural areas is well justified.

2. RURAL-URBAN MIGRATION

An important consequence of the widening dimension of rural poverty is the distress migration of rural poor into the towns thereby accelerating the process of urbanization. Although the ratio of rural-urban population was stagnant like the sectoral distribution of work force for a long time, the ratio of urban population of India has increased from 17.3 percent in 1951 to 18 percent in 1961 signifying a marginal rise in urban growth, and 20 percent in 1971, and 23.3 percent in 1981. While these rates do not signify phenomenal growth in urban population, in absolute terms, there has been an increase of 16 million during 1951-61, about 30 million during 1961-71 and about 50 million during 1971-81. As against the average the annual growth rate of Indian population on 2.2 percent during 1971-81, the growth rate of urban population has been 3.78 percent. Thus urbanization in India has been accelerated. It is estimated approximately that half of this urban population growth is due to the natural growth of town population on the excess of birth rate over the death rate, the second half is accounted to the migration of people from villages and small towns, all of which are in general growing in numbers due to population explosion.

Exodus of the rural poor to the towns largely represents 'push' migration in search of livelihood and employment. Large scale exodus of rural poor

to the cities is now resulting in the transfer of poverty and unemployment from the villages to the rapidly growing cities. Hence, city urbanization in India is now bristling with problems of poverty, slums and unemployment on unprecedented scale. There is a positive need to prevent the accelerated exodus from rural areas to the towns where the problems of urban development are getting most complicated. The per capita cost of settling an urban dweller in a town may be higher by several times than the village dweller. Hence unhealthy town-ward migration must be arrested. This postulates significant improvement in the living conditions of those stratas of rural population who have the weakest links with the village, namely, rural artisan, agricultural labour and marginal farmers. Quality of rural life has to be improved. It is only through minimising the extent of differentials in living conditions between the town and country that the 'push' migration may be at a level which will not require an undue investment for providing infrastructural facilities. Generation of productive employment plays a crucial role in improving the quality of rural life under the present circumstances.

3. AGRICULTURAL DEVELOPMENT

The performance of the agricultural sector in the era of planning cannot be considered as a failure. Extension of cultivation has increased by 30 per cent and irrigation by more than 50 per cent. Production of food-grains, sugarcane, cotton, jute and oilseeds has doubled. Compared with the growth rate of half per cent per annum in the decade preceding the planning era the linear annual growth rate of agricultural output works out to be 3.0 per cent during the era of planning. In spite of this, India has not attained either self sufficiency or self-reliance in food-grains. A good agricultural year may mean self-sufficiency in food-grains, a bad year precipitates famine, food imports and balance of payment problems. Even in the year of record food production, the per capita consumption is 1650 calories which is far below the minimum for health and efficiency. Although agriculture employs two-thirds of the work force and utilises 70 per cent of its acreage for producing food grains, standard of living is very low. It is due to low per capita output and farm productivity.

As there are extreme inequalities of income among persons there are also inequalities in the per acre output between the wet cultivation and dry cultivation. Out of the net area of 142 million hectares sown, only 35 million hectares is the net area irrigated accounting for about 25 per cent. Although the ratio of irrigated area is low, it is accounting for bulk of the

agricultural output, varying from 55 per cent to 65 per cent whereas the rest is due to the 75 per cent land under dry cultivation. Irrigation is the most crucial determinant of agricultural development to facilitate intensive cultivation and raise per acre yield. Although India has tremendous irrigation potential to cultivate 72 million hectares by surface water and 35 million hectares by ground water resources, only 30 per cent of the potential is utilised today. Indian agriculture is still a gamble in monsoon experiencing natural vagaries of both floods and droughts frequently. Unless irrigation potential is exploited to the maximum extent, it is difficult to accelerate agricultural growth and promote stability in farm production to facilitate increasing standard of living. Even if Dastur's plan of two grand canals is an immediate utopia for want of resources and technical feasibility, in the long run it may be the most powerful method of exploiting our river waters for irrigation and free the country from the natural vagaries. Appropriate development of water grid system for each State and for the country may facilitate better utilization of surface water. As water has the magical properties of turning desert into smiling fields, irrigation deserves top most priority in achieving agricultural development in any region or locality. It is needless to stress that irrigation is the most powerful source of generating employment in the rural areas. What education is for man, irrigation is for land and agricultural development.

With increasing irrigation, better seed, higher input of fertilizers, increasing rotation of crops, multiple cropping and remunerative price to the producer, farm productivity can be raised to comparable levels in advanced countries where farm productivity is higher by about three times than that of India. As most of the cultivable land is already brought under farming, intensive cultivation only has to meet the growing agricultural demands. For out of the 175 million hectares of arable area, 142 million hectares is under cultivation, the potential for extensive cultivation is only 33 million hectares constituting 23 per cent of the arable area whose farm productivity will be generally very low.

Evolving appropriate cropping pattern also enhances farm productivity and agricultural income. The survey, 'Economics of Sericulture in Rayalaseema', conducted by the Technical Cell of S.V. University proved that Sericulture is most favourable in income generation and employment generation. The income per acre is estimated at Rs. 7,000/- during 1976-77 in the second year of mulberry cultivation and the manpower inputs per acre are about three times higher than the local crops of paddy and sugarcane.

Drought prone areas like Rayalseema and Telangana in the South and Rajasthan in the North need suitable cropping patterns in view of inadequate rainfall and irrigation facilities. Dry land farming should become a life style of the farming community of the arid areas where irrigation is scarce or until it is improved. The National Commission on Agriculture has also given serious thought to the cropping patterns in the arid and semi-arid areas which in the view of the Commission should specialise in certain basic sectors like animal husbandry which would imply the shift over the present cropping pattern which is cereal oriented to cereal-cum-fodder crop patterns. Similarly, attention must be paid to the development of other crops for which the region is better endowed. For instance sericulture is quite successful in some of these arid districts of Karnataka may be spread to Rayalseema and Telangana in Andhra Pradesh. As an agro-industry it needs integrated development from planting to marketing to improve the quality of the life of the rural people who depend on it.

Although India is a leading country in the initiation, innovation and implementation of several techniques of rural development from the community development, N.E.S., Panchayat Raj, I A D P', D.P.A.P., S.F.D.A., T D A., N.S.S, Command area development to the adoption of districts for integrated rural development, the overall impact is neither uniform among the different states, nor conspicuous in results. In the case of some schemes, the infrastructure use to exhaust all the funds leaving little for accomplishing effective results. Although the Green Revolution led agricultural strategy has opened up opportunities for considerable increase in farm production, the resultant benefits have not spread evenly among the various sectors of the rural population and across the different regions. This uneven growth is a source of sharpening social conflicts necessitating corrective action. But the efforts in rural development are quite successful in the case of Punjab and Haryana giving birth to a model of integrated rural development because of the existence of richer resources and dynamic entrepreneurship.

4 THE PUNJAB AND HARYANA MODEL OF RURAL DEVELOPMENT

The pattern of rural development of Punjab and Haryana provides an excellent model of integrated growth oriented centre approach. With a wealth of latest statistical material E.P.W. Da Costa proved that the differences between rural and urban standards of living are negligible in

Punjab and Haryana, the glaring dichotomy of rural and urban living standards which deface other states, has been largely eliminated in the two states by rapid agricultural growth and industrial expansion subsisting substantially on its own demand, utilizing much local capital but still generating a vast surplus so that its banking credit deposit ratio is below 60 per cent as against 133 per cent in Tamil Nadu. Indeed Punjab and Haryana are in a position to export capital or bank deposits on massive scale to other States.

The Punjab and Haryana model satisfied three economic conditions essential to the required strategies to achieve accelerated rural development and social change. The capital out put ratio is low, the demand for highly trained personnel is minimum, the activities generated are highly labour intensive. The first provides protection against inflation, the second obviates the problem of serious bottleneck of managerial and sophisticated skills and the third, the most important of all attacks poverty directly by providing employment, although at low levels for those with limited education. Moreover, the integrated rural development strategy of Punjab and Haryana model facilitates the much required transfer of purchasing power from rich to poor States, from urban to rural areas and from Metropolitan capitals to the countryside.

The Punjab and Haryana model also constitutes a shining example of abundant rural entrepreneurship, worthy of emulation by the rural people in other States. Unless rural entrepreneurship grows cumulatively either through demonstration effect or Governmental promotional measures, achievement of integrated rural development in the lagging States of India will be delayed. Government may provide incentives to the potential entrepreneur, initiate suitable short-term training programmes to suit different industries and rural occupations or render technical assistance and financial aid, not to speak of the complementary facilities that the enterprises may require in the villages.

5. SCOPE OF INTEGRATED RURAL DEVELOPMENT

Integrated rural development is a popular subject but there is a lack of consensus on its scope and definition. According to the 'Rural Development Sector Policy Paper' on World Bank, 1975 :

'Rural Development is a strategy designed to improve the economic and social life of a specific group of people the rural poor. It involves

extending the benefits of development to the poorest among those who seek a livelihood in the rural areas. The group includes small scale farmers, tenants and landless'.

There is a general consensus that rural development programmes should include the whole range of activities for the betterment of the livelihood of people in the villages :

- 1) Direct production supporting activities—such as irrigation, farm mechanization, livestock, grain storage and processing, fertilizer, seed, rural credit, technology and rural electrification.
- 2) Physical infrastructure— such as roads, minor flood embankments, drains, rural water supply, rural markets, rural storage and quarters for field staff.
- 3) Social infrastructure— such as family planning, rural health, rural education, rural social works, etc.

The scope of integrated rural development is quite elastic and it ranges from the abolition of inhibiting land tenures and introduction of land ceiling to provide economic equality and equality of opportunity to the practical utilisation of latest scientific and technological knowledge emerging from laboratories research institutions and research stations.

6. PRIMARY GROWTH CENTRES

Industrial development failed to shift the working population in India from the rural sector in view of population and work force explosion. Unemployment and underemployment are increasing. As industrial employment is most capital-intensive, it may not provide any relief to the growing unemployed. In spite of increasing pressure on land, rural development becomes the inevitable source for absorbing the growing work force and the unemployed manpower. Hence employment generation becomes the kingpin of the strategy of the Seventh Five Year Plan with rural development as its top-most priority.

There was only a marginal increase in the Sixth Plan outlay for development activities in the rural sector. The Seventh Plan must allocate a fair ratio of not less than 50 percent of the plan outlay to rural development.

District planning has to be placed on a strong footing with a District Development Board appropriately constituted to harness rural development with necessary planning cadre and management personnel. An important task of district planning is the promotion of integrated area planning. Block level planning has to be widened into block development planning for a frontal attack on rural poverty. Such a reorientation will be a right step for regional planning at the grass roots level. Regional development known as "spatial system approach" postulates that economic growth process in a country moves downward through an urban hierarchy from big cities to cities, towns and villages. Accordingly rural and regional development programmes necessitate the strengthening of the rural service functions of urban centres. To support growth in the rural hinterland, an urban centre must be accessible to the farmers, have transport and communication links to the higher centres and provide the different services either directly or indirectly such as (1) marketing, storage, and refrigeration of rural products, (2) agricultural processing (3) agricultural credit, (4) supply of agricultural inputs and machinery, (5) services for farm equipment, (6) sources of technical information and advice, (7) health, education and administrative services, and (8) cultural and recreational services. Integrated area planning has to promote rural development based on the evolution of primary growth centres under the conditions of Indian rural economy in a district.

A growth centre is a small town or a large village which has the potential of becoming nucleus for the future economic, social and political development of the surrounding area. It is a primary growth centre and a focal point for most of the social and economic services and institutions. As agriculture is modernized and rural development is harnessed, village cum-town development linking clusters of villages to town growth centres form the basis of planning countryside. The hinterland of the primary growth centre is expected to emerge as viable rural urban community. Each of these primary growth centres may serve about 30 to 60 thousand population in the surrounding villages. The growth centre may emerge as a real "rurban" centre. Each rurban centre may serve about 30 to 60 thousand population in villages.

Without democratic decentralisation synchronising with the 'rurban centre' hinterland area, rural leadership for rural development may not come up. Democratic decentralisation with the Mandal Panchayat may be the best local self government framework to supply the necessary rural

leadership. The "rurban" centre can be the headquarters of the Mandal Panchayat for administration and rural development. It is necessary to spell out the structure and place of the Mandal Panchayat in the district administration and development.

The growth centre oriented development strategy during the Seventh Plan has to place employment generation as the central objective of rural development. Wage goods production approach based on agriculture linked activities like irrigation, dairy development, poultry farming, agro-industries and social forestry has great employment potential. Self-sufficiency in foodgrains has to be achieved. Production of pulses and oil seeds has to be enhanced substantially. Green Revolution has to be spread more evenly over different regions and crops in the country. Rural handicrafts and artisans must receive stimulus with increasing demand.

To link all the villages in the Mandal Panchayat with the growth centre village road development and public transport facilities are to be extended. These activities are labour intensive for employment generation and to stem the tide of rural people migrating to urban areas. Another step which would check massive migration to metropolitan centres is the provision of housing facilities in villages. Housing is both capital and labour intensive activity with tremendous potential for generation of employment. Hence rural housing has to be given special attention to meet the needs of weaker sections and rural community. Development of housing enclave away from the metropolitan centres will arrest urban concentration.

Another important aspect of rural sector that should receive adequate priority is the modernization of artisan activities and their trades through training to improve their skills and enhance their productivity.

Rural electrification of all villages must be an important objective during the Seventh Plan, so that rural development activities may be intensified, even if majority of rural families could not avail its services.

Accelerated rural development would mean increasing cash inflow, monetization and increased use of credit in the village. Institutional credit to the villages is now flowing from different special agencies like the cooperatives, regional rural banks, commercial banks, land development banks, and government loans. Provision of the credit at one window to

meet the different needs of villagers is an issue that needs deep consideration. Even if all the institutional sources are not integrated to provide the credit at one place, NABARD can consider whether it could integrate most of the institutional agencies into a rural development bank to be located at the primary growth centre to provide finances to the villagers. A rural development bank may be modelled as a centre of service to the rural families. By training and employing new kind of bank manager—a development entrepreneur, so that the bank can become a major creative force for rural prosperity.

9. CONCLUSION

District planning rightly conceived can play a vital role in accelerating rural development activities and generate more employment and income to tackle the problem of rural poverty. It is best suited for coordinating the "executive planning" and "enabling planning" efforts and activities for rural development. A District Development Board is essential for formulating development projects and block development planning in each district.

District planning during the Seventh Five Year Plan period has to be geared for the development of primary growth centres with a rural development bank as an integrated institutional financing agency. Panchayat Raj system may be reorganised to evolve optimum units, Mandals to promote rural leadership and facilitate public cooperation for village development. The scope of block level planning is to be widened to block development planning and promote regional planning at the gross roots level to facilitate employment generation and income growth.

N. R. E. P : A FRONTAL ATTACK ON SEASONAL RURAL UNEMPLOYMENT

A CASE STUDY OF SADAR BLOCK, DHENKANAL

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INTRODUCTION :

The problem of employment in rural areas manifests itself in visible underemployment; there are seasonal peak and lean periods. The most vulnerable group is the landless agricultural labourers constituting over 25 percent of the total working force and for them it is a compounded problem of underemployment, low and uncertain income and nutritional deficiencies.

POVERTY AND UNEMPLOYMENT

Although 'poverty' as a concept is distinct from 'unemployment', they are not independent of each other for the poorest 10 percent of rural population. Dandekar and Rath (1971) estimated that in 1960-61, 38.03 percent of rural population lived with less than 50 paise per day per capita. In Orissa, they estimated that 43.88 percent of rural population could not be able to get the total calorie equivalent of daily diet 23.42; whereas in the all India level 30.92 percent of rural population lived below this level. According to the All India Debt and Investment Survey, the distribution of assets in the rural areas between 1961 and 1971 has remained constant for the lowest 10 percent of its population.

Percentage	Share in 1961	1971
Lowest 10%	0.1	0.1
Lower 30%	2.5	2.0

Poverty of the bottom 30 percent of the rural population must be attributed to unemployment or underemployment. Dandekar and Rath (1971) defined "an adequate level of employment..... in terms of its

capacity to provide minimum living to the normal number of working days in a year. The problem, therefore, is how the right of everyone to gainful employment is guaranteed. Dandekar and Rath (1971) posed three crucial questions : Firstly, is there useful work to employ everyone who is willing to work? Secondly, seeing the dimension of the problem, how should this be organised? Thirdly, who will pay for such employment?

SEASONALITY OF UNEMPLOYMENT

The 1961 census found only 1.4 m people unemployed in the whole of India, of them 0.6 m were in rural areas, and accounted for less than 1 % of the rural labour force. As Prof. Sen (1975) put it, these figures are low enough to put many advanced countries to shame and they reflect the stringent measure of test used by census authorities, i.e., one hour's work per day. Using the census figures of working force fully engaged in agriculture in 1961 and 1971, and using the data from Farm Management Studies for 1967-68 to 1969-70 Ashok Mitra observed that 'the extent of no work days is around 40% of the available labour days of agricultural workers. In other words, if only crop production is considered, agriculture provided employment for 60 percent of the available days to the persons fully engaged in it'. (July 10, 1976, EPW.)

According to the Rural Labour Enquiry (1974-75) the total duration of unemployment, i.e., the days on which there was no economic activity at all, accounted for 101 day for usually occupied man workers and 165 days for woman workers belonging to all agricultural labour households in 74-75 as against 74 days and 147 days for man and woman workers respectively in 1964-65.

This shows the seasonal nature of agriculture and absence of alternative employment opportunities outside agriculture to provide gainful employment during the bleak season.

'RIGHT TO WORK' UNDER THE FIVE YEAR PLANS :

Since the beginning of five year plans emphasis is being given to mitigate rural poverty and expand employment opportunities in rural area. "Assurance of gainful employment for every who seeks work" was explicitly recognised in the Third Plan. It was also recognised in the Draft Fourth Five Year Plan (1966) that "if the rural works programme was to

fill the anticipated gap in employment, there would be justification for a programme large enough to provide work during the slack agricultural season to about 4m persons'. The Planning Commission's "Approach to the Fifth plan" (1974-79) has reiterated that, for the major issue of removing poverty "over a reasonable period of time, employment is the surest way to enable the vast number living below the poverty level to raise above it".

ACHIEVEMENT OF FFWP :

The Food-for-work programme was conceived in Jan, 1977 as a centrally sponsored scheme for generation of additional employment opportunities in rural areas by utilising the surplus foodgrains and continued upto Oct, 1980. The table below shows the utilisation of foodgrains and generation of employment opportunities during these three years.

Table—I

Utilisation of foodgrains (in m. metric tonnes) and the number of additional employment (in lakh man days) generated under FFWP.

Year	Foodgrains utilised	Employment generated
1977-78	1,28,895	443.34
1978-79	12,47,133	3556.97
1979-80	23,55,603	5336.66

The PEO of the Planning Commission has carried out a study of the 'FFWP' in the ten states of the country, i.e., A.P., Bihar, Gujarat, Haryana, M.P., Maharashtra, Orissa, Rajasthan, U.P. and W.B. The study confirmed that the objective of creating additional gainful employment has been achieved in all the districts under study. The over all percentage increase in employment for all the selected beneficiaries in the villages investigated was 10.9 percent. The highest increase in employment during 1978-79 over 1977-78 was reported from the selected villages of Panchamahar (Gujarat being 167 mandays per family.)

For the Dhenkanal district as a whole the total expenditure under FFWP was Rs. 83,41,440-00 up to Sept. 1980 and the total employment generated was 17,57,105 mandays.

NREP :

The FFWP was revamped, restructured and renamed as NREP in Oct, 1980 for "providing supplementary employment opportunities to work

seekers during the lean employment periods of the year", and thereby improving their nutritional status and strengthening the rural infrastructure. An outlay of Rs. 980 crores has been provided for the programme during the Sixth Plan period in the Central Sector. The outlays provided in the central and state plans are expected to generate 300-400m man days of employment on an average per year during the plan period.

NREP IN DHENKANAL DISTRICT :

For the district as a whole the total utilisation of foodgrains from Oct., 1980 till Aug., 1983 was 3233 Mts. and the total expenditure was Rs. 96,30,399.00.

Table—II

Total employment generated in the district for the year 1980-81 and 1981-82

Year	Total mandays generated.	S.C.	S.T.	Others
1980-81	2,50,702	95,613	66,414	88,675
1981-82	5,53,629	1,89,116	1,15,748	2,08,765
Total	8,04,331	2,84,729 (35%)	2,22,162 (28%)	2,97,440 (37%)

NREP IN THE SADAR BLOCK, DHENKANAL :

The table below shows the achievement of NREP in the Sadar Block.

Table—III

The total amount spent and mandays generated in the Sadar Block, Dhenkanal under NREP.

Year	Total amount spent.	Total mandays generated.	S.C.	S.T.
1980-81	Rs. 2,88,799.00	34,656	8,664	5,199
1981-82	Rs. 3,70,916.40	44,510	11,128	6,675
1982-83	Rs. 4,86,239.00	58,349	14,587	8,751

In the Sadar Block two Gram Panchayats i.e., Manipur and Kankadahad are taken for the field study, out of each Gram Panchayat 3 villages are selected and in each village five beneficiaries are selected out of which 60% are landless agricultural labourers, 25% are marginal farmers and 15% others. The table below presents the achievement of NREP in Manipur and Kankadahad Gram Panchayats respectively.

Table—IV

Physical achievements, total expenditure and mandays generated
in the Manipur Gram Panchayat under NREP.

Year 1981-82	Total expenditure	Total mandays generated,	S.C.	S.T.
Name of the schemes				
1. Sardeiberuni Manipur Road	Rs. 37,653.00	4518	1129	678
2. Construction of Saptasajya MES at Badagila	Rs. 62,770.00	7553	1888	1131
3. Construction of Sand Protection Canal at Saptasajya Dhanghar	Rs. 3,283 00	594	148	87
Year 1982 83				
1. Manipur G.P. Ghar	Rs. 12,155.00	1215	304	183
2. Manipur Orchard	Rs. 4,000.00	400	100	60
3. Completion of Saptasajya MES	Rs. 5,000.00	500	125	75

Table—V

Physical achievement, total expenditure and mandays generated in the
Kankadahad Gram Panchayat under NREP

Year 1981-82	Total expenditure	Total mandays generated	S.C.	S.T.
Name of the scheme:-				
1. Construction of Sarion U.P. School	Rs. 8,000.00	960	240	164
2. Improvement of Road from PWD Road to Panchakahania.	Rs. 18 000 00	2160	540	324
3. Improvement of Road from PWD Road to Sansailo	Rs. 5,000.00	600	150	90
4. Construction of Bhaliabol Kateni U.P. School.	Rs. 8,000.00	900	290	174
5. Lambodarpur U.P. School	Rs. 4,655 00	699	175	105
Year 1982-83				
1. Culvert over Sardeipur-Sansailo link Road	Rs. 5,000.00	498	120	82

FINDING OF THE STUDY :

Coming to the impact of the programme, it was found that out of the total beneficiaries 25% are S.C., 15% S.T. and 60% others. 85% of the sample beneficiaries lack the major means of production, i.e., land and the bulk of their assets consist of huts, some household goods and some livestock. It is clearly evident that their poverty is due to absence of some continuous gainful employment.

All the selected beneficiaries agreed that NREP is useful in offering supplementary employment opportunities during the bleak agricultural season but as we find there was no work taken up under the programme in 1980-81, and 1982-83 the number of schemes executed were very few. Thus the distribution of schemes in a particular Gram Panchayat is uneven, in a particular year there is heavy demand for labour while in another year there is considerably diminution in employment opportunities available. As the beneficiaries selected are very poor, especially the landless labourers including the S.C. and S.T. labourers who are mostly landless, they are in pressing need of some sustained income and employment stream.

All the selected sample beneficiaries are in favour of getting grains as wages but due to resource constraint only 215.5 MTs. have been distributed in the block since the inception of NREP till the end of 1982-83. Therefore it is difficult to conclude that NREP is holding the prices of food grains in check and helping to increase the nutritional status of the beneficiaries.

As is evident from the study undertaken by the PEO of the Planning Commission in Dhenkanal District the FFWP was able to increase the income of the selected beneficiaries only to the extent of 1.4% (lowest) as compared to 97.3 percent increase reported from the selected villages of Guntur, Andhra Pradesh (highest). This testifies to the poverty condition of the vulnerable section in the district.

So far as the user households are concerned they include those cultivators whose lands are benefited from the productive assets created by FFWP and NREP works, minor irrigation tanks, percolation tank, culverts, contour bunding terracing, land development works, etc. All these assets help to increase the productivity of their holdings, they get the advantage of using the roads for marketing purposes and also they are in a

favourable position to repay their debts. Only partly it offers some additional days of employment to the landless labourers on their farms.

CONCLUSION :

The controversial issue is how to cope a national programme of rural employment into small works scattered here and there and taken up half-hazardly in the rural areas. Small works employing unskilled workers can not be efficiently and economically organised. Dandekar and Rath (1971) argued in favour of rural works.

Programme should be aimed at offering continuous and regular employment to the rural proletariat. As they put it, "but there is no reason why we should take the existing pattern of rural unemployment for granted or why should we want to leave it undisturbed. In fact it is not only desirable, but imperative to reorganise and rationalise this pattern if the rural manpower is to be mobilised for efficient and productive utilisation". If we have to consider whether employment is a social cost or benefit, we have to take into account the structural relations among technological possibilities, institutional features, political possibilities and behavioural characteristics.

N. R. E. P. IN DHENKANAL DISTRICT

A CASE STUDY OF SADAR BLOCK

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After three decades of planning, poverty exists and is growing in rural India. The Sixth Five Year plan has estimated that 48.13 p.c. of the people in the entire country, are living below the poverty line and in the rural areas the percentage is 50.82. By whatever standards one may measure poverty, the fact remains that its magnitude is quite high in the country. Again inside the country, a state like Orissa presents the worst picture of poverty. According to the same sixth plan estimates, 68.97 percent of people in rural areas and 42.19 percent of people in urban areas in Orissa are living below the poverty line.

Several measures have been taken by the Govt. to reduce the extent of poverty. One such measure is NREP. We have made a study of Sadar Block of Dhenkanal District to evaluate the progress of work. The success of a programme is better evaluated by observing its working in a small and compact area.

At the outset, let us take a look at the socio-economic set up of this Block. There are about 205 villages in the Block and according to 1981 census the total population of the Block is 2,16,851, out of which 1,03,685 live in the rural areas. So, almost half of the total population are in the rural areas. Further, there are about 13,113 cultivators and 9,982 agricultural labourers in the Block. The total number of scheduled caste and scheduled tribe population are 33,602 and 25,759 respectively in this block. Under such socio-economic setting, we shall now examine the working of the scheme.

The following statistical Table shows the yearwise allotments and their utilisation and also the works selected to be executed under the programme and the actual physical achievements.

Table—1

Year-wise allotments of Foodgrains and Funds under
N.R.E.P. to the Sadar Block.

Year	Components	Allotments.	Expenditure.	Balance.
1980-81	Food Grains	71.7 M.T.	71.7 M.T	—
	Wage Component.	37,233/-	37,233/-	—
	Material component	1,22,506/-	1,22,506/-	—
1981-82	Food Grains.	79.08 M.T.	79.08 M.T.	—
	Wage Component.	1,53,011/-	1,53,011/-	—
	Material Component	96,635/-	96,635/-	—
1982-83	Food Grains.	93.40 M.T.	93.40 M.T.	—
	Wage Component.	1,93,037/-	1,82,537/-	10,500/-
	Material Component	1,29,913/-	1,29,913/-	—

Source—Block Development Office, Sadar Block.

There is nothing much to comment on the allotments and the utilisation. But when they are placed vis-a-vis the allotments for the district certain interesting facts are revealed. The allotment for the district in the year 1980-81 (excluding food grains) are Rs. 21,57,000/-. In the same year, the total allotment for the Block, excluding food grains, is Rs. 1,59,739/- which works out to be about 7 percent of the total allotment for the entire district.

In the next year, i.e. 1981-82, the total allotment for the district is Rs. 35,17,377.00 and that of the block is Rs. 2,49,646.00 which is again nearly 7 percent of the total allotment for the district. But it is interesting to note that for the year 1982-83, the total allotment to the block is only about 5 percent of the total allotment for the district. One fails to understand as to why the allotment to the block in that year is as low as this. Secondly, it would appear from the Table that the entire allotment on wage head could not be utilised. The table shows a balance to the extent of Rs. 10,500.00. This, again, is due to lack of effective planning at the block level in the beginning of the financial year.

The next task is to review the physical achievements under the programme. Table 2 shows the achievements with regard to the generation of the total number of mandays of employment in the Sadar Block, due to the implementation of the N.R.E.P. Scheme.

Table—2

Generation of Employment in Mandays.

Year.	Employment proposed to be generated.	Employment actually generated			
		S. C	S. T.	Others.	Total
1980-81	71,700	52,503	12,122	7,075	71,700
1981-82	79,080	58,745	11,017	9,318	79,080
1982-83	93,400	60,500	15,027	17,873	93,400

Source—Block Development Office, Sadar Block.

It would appear from Table 2 that the efforts of the executing authority with regard to the generation of employment is commendable. The number of beneficiarias belonging to the Scheduled Caste and Scheduled tribe is also quite large. It seems that the implementation of the programme in the block is helpful in ameliorating the economic condition of the poor.

The purpose of the N R E P is not to generate a few mandays of employment only but to result in the creation of durable community assets at the same time. The following table shows the creation of such asset for two years, i.e. 1981-83. The relevant data for the year 1980-81 are not available.

It is clear from the Table that all the target were fulfilled in the year 1981-82. But in the next year, the physical achievements lagged behind the targets. This is due to lack of proper planning and effective utilisation of funds on the part of the executing authority. Another reason may be the smaller proportion of allotments made to the block in the year. The Block officials might have expected a higher percentage of allotment and therefore fixed up bigger targets most of which could not be reached

Table - 3

**Creation of Durable Community Assets under NREP-Targets
and Achievements**

Year.	Master Plan.		Achievements
	Projects.	Targets	
1981-82	Rank	19	19
	Road	58 nos. (134 kms.)	58 nos. (134 kms.)
	Plantation.	15 (75 hecets)	15 (75 hecets)
	Building.	9 nos.	9 nos,
	M.I.P.	8 nos. (80 hecets.)	8 nos. (80 hecets.)
	School	16 nos.	16 nos.
1982-83	Tank	18 nos.	11 nos
	Roads.	60 no. (174 kms.)	31 nos.(174 kms)
	M I P.	18 nos. (170 hecets.)	9 nos.(85 hecets)
	School building	12 nos.	10 nos.
	Market Stall	1 no.	1 no.
	Dispensary.	3	3

Source—Block Development Office, Sadar Block.

with the lower proportion of allotment available. In any case, the success of the programme lies with the fulfilment of the targets, and if the targets remain unfulfilled, the executing authority has to take the entire blame.

Finally, a few suggestions may be given in the light of the experience gained from the field study and visit to the worksites. A sample study of three villages, namely Dulak, Govindpur and Borapada were undertaken for the purpose. A cross-section of the labourers were interviewed with the help of a systematic questionnaire. The following are the findings of the field survey.

In the first place, the labourers were almost unanimous that the employment offered to them under the programme are irregular, uncertain and often competitive with their normal engagements. As is known the labourers in the rural areas are heavily dependent on agriculture for their

livelihood. The agricultural activities in the State are confined to the period from June to December. During this busy agricultural season, the rural workers usually get some kind of engagements. It is only during the lean months from January to May, that they are forced to remain idle and without any regular income. In view of this, it is desirable that most of the N.R.E.P works should be executed in the period from January to May in order to provide the workers with alternative sources of livelihood. But, instead, the works are taken up throughout the year, as and when the allotments are available, often coinciding with the normal agricultural activities. So they become competitive with the usual engagements of the workers. The strategy should be changed and plans prepared and allotments made in such a manner so that N R E P works should be taken up for execution immediately after the agricultural season is over. The programme would become meaningful only if this is done.

Secondly, the wages offered to the workers should be need-based and arrangements should be made to pay the entire amount in kind and not in cash. Often 1 kg. of foodgrains per manday, is insufficient to meet the family requirements of the workers. As a first step to improve their conditions, this amount should be increased by, at least one more kg. and the balance if any, should also be paid in terms of other essential commodities, such as dress for the school going children or clothes, (saree or dhoti) for other members of the family etc. The practice of paying a part of the wage in terms of cash should be discontinued.

Thirdly, the most important shortcoming of the implementation of the programme, as it is revealed in course of field survey, is that the total absence of any follow up action for the maintenance of the assets created. Some of the buildings constructed in the above mentioned areas, where the field survey was undertaken, are in a pitiable condition and no attempt is made to keep them in good condition. If the assets created are not properly maintained and do not serve the purpose for which they are constructed then the entire programme would be rendered meaningless. It is therefore necessary that a part of the allotments should be earmarked specifically for the maintenance of assets and the executing agency should consider it as a part of its duty to look after them.

In conclusion, we can say that there is timely action and a desire to serve the community on the part of the officials the programme will be a great success.

PROMOTIONAL ROLE OF COMMERCIAL BANKS IN RURAL TRANSFORMATION OF SAMBALPUR DISTRICT

Sri J. P. Patnaik
Sambalpur University

In the Sixties, co operative organisations were the only visible institutional sources of rural finance in the country which reduced to some extent dependence of rural households on usurious lending of the village money-lenders, an exploitative mode of surplus generation, perpetuated through and accentuated by inter locking of markets. A dynamic solution to the problem of rural indebtedness lay in formulation of multi-agency approach to increase rural productivity by generating and meeting production oriented credit needs of millions of cultivating and non cultivating families particularly of small and marginal farmers. The bank nationalisation gave real meaning to this approach and directed the flow of funds of major segment of banking industry to priority sectors, such as, agriculture, allied activities, small scale and cottage industries. The private sector banks came under pale of social control policy and with geographical and functional diversification of nationalised commercial banks, there has occurred an unprecedented spurt in rural financing in the Seventies and thereafter.

Formulation of District Credit Plan under the Lead Bank Scheme, a part and parcel of the 'area approach' adopted by the Reserve Bank of India, the central bank of the country, to neutralise inequitable regional distribution of bank credit and foster rural transformation with a stress on poor socio-economic target groups has inaugurated a new era in banking and rural development in India. It has added in the mid.seventies a dimension to multi-agency approach by extending the sphere of collective endeavours to the development departments of the State Government and the special development agencies like CADA and DRDA which are attempting to change the structural parameters of the regional economy by building physical infrastructure, imparting new technology, disbursing loan subsidy and extending horizon of development awareness and aspiration level.

Sambalpur, area-wise the second largest district of Orissa, has gone the lead bank way since the year 1973 and four years after, its commercial

banks, co-operative organisations and other financial institutions have started Plan formulated in the intervening period under the aegis of the State Bank of India. Our study which spans two credit plans from February 1977 to December 1979 and from January 1980 to December 1982 concentrates on rural financing by commercial banks, brings out interesting facts about credit distribution in and impact of bank finances on productivity of regional economy and offers workable solutions.

A significant aspect of our study deals with the intra-regional distribution of bank credit. The horizontal distribution corresponds to duality of this regional economy. There are variations in the levels of rural credit disbursed by commercial banks under different bankable schemes in the two sub-regions which constitute rural economy of Sambalpur. There also occur divergences in the functional relation between levels of credit and household income status of the loanees which show that families in the irrigated region R_1 have inducement and ability to go in for more loan than their counterparts in the non-irrigated region R_2 . A clue to minimising such intra-regional disparity to distribution of commercial bank credit lies in changing the structural indices of the sub-region R by bringing more acres of land under every form of irrigation technologically feasible in these block area. Around 45 percent of water of Hirakud Command Area is lost through seepage, evaporation and excess irrigation. Hirakud Command Area Development Authority should be provided with more funds to improve existing water conveyance system by lining the canals and constructing field channels. This can irrigate land in non-irrigated sub-region R_2 .

There appears to have been some inequality in socio-economic distribution of bank credit because 38 percent of loanees belong to large farmer class, 62 percent of loanees have upper caste origin and 78 percent of loanees hail from rural elite group as evident from our Sample Survey. The vertical disparity is not however a marked feature at all because some of the upper caste and rural elite loanees actually belong to small and marginal farmer classes. Then again largest chunk of bank finances (66.75 percent) goes to the lower middle class with an annual income range of Rs. 2400/- to Rs. 12,000/-. The income class classification of bank loanees and computation of percentage share of bank credit accruing to each class show that there occurs a regressive distribution of banking facility upto a particular range (Rs. 12,000/-) beyond which it becomes progressive in character. But this portion of the income class-bank credit distribution curve which show sregressive distribution belongs to lower middle class,

lower class and poverty bracket. These classes together share as much as 93.69% of the banking funds distributed in the rural areas of Sambalpur. Therefore it is difficult to support the proposition that there has occurred concentration of bank credit in the landlord classes which constitute the upper middle and higher income brackets in the district. More specifically, the hypothesis that large farm houses are the significant beneficiaries of rural credit disbursed by commercial banks could not be accepted because this was not found to be statistically significant. We did not find rural loan extended by commercial banks operating in Sambalpur district to be land-size dependent nor could we establish a hypothesis with sufficient level of confidence that the level of rural credit is functionally related to land concentration ratio in a positive way.

To the extent that there occurs a 'regressive distribution' of bank credit within lower income classes, it can be neutralised by bringing a larger number of rural households below the poverty line and just above it into the ambit of banks' promotional activities. The commercial banks need to consult these families and evolve suitable bankable schemes. For example, the banks may seriously consider whether it is not desirable to wind up financing cow and goat loans to the poor families in view of the dismal performance and rather endow them with command over liquidity to purchase productive assets like land. An overwhelming opinion of a cross-section of villagers interviewed belonging to the lower classes has been in favour of formulation of a more comprehensive bankable land scheme which gives stress on credit need of the landless rural poor to purchase land asset in addition to covering on-going scheme of Land Shaping and Development.

A high percentage of loanees has returned bank loan and the percentage of loanee families securing net economic gain from the banking facility is also high. Prima facie it looks so encouraging until we note that there exists a gulf between primary data as reported and real life situations particularly in case of cow and goat loans due to unfair practices. Secondly, bank loan has been redeemed by selling land in a few cases where unfavourable weather adversely affected the out come of loan utilisation or where pressing social obligations had to be discharged. Thirdly, we also observe that use of shadow prices raise the number of economically viable loanees. Our hypothesis rural credit extended by commercial banks operating in Sambalpur district has a significant bearing on gross and net productivity in both the sub-regions found to be statistically significant. But in view of these aforesaid observations and doubtful validity of this hypothesis in

case of some individual bankable schemes such as cow, bullock, goat and dugwell loans, we accept it with reticence and reservation.

Even if we make a legitimate assumption that bank loan has positive effect on rural productivity it is an infinitesimal impact because according to ORG estimates commercial and co-operative bank loanees constitute a little more than 9 percent of total rural households in Sambalpur district. Therefore, sustained attempts have to be made to increase rural productivity and production by policy oriented lending and ensure productive end-use of funds to facilitate loan redemption through effective supervision and monitoring.

Integrated rural development holds the conceptual key to rural transformation. The crux of the matter is to increase agricultural productivity with a stress on poor socio-economic groups. Agriculture is the main rural occupation and our study shows that sectoral deployment of credit corresponds to sectoral origin of income. Agricultural productivity is a function of a package of inputs such, as irrigation, high yielding variety seeds, fertilizer, pesticides and other farm practices like deep sowing, soilwater management and macro level awareness about need for environmental protection through soil conservation and afforestation etc. The onus lies on the Departments of Orissa Government connected with rural development and special development agencies to build the infrastructure by providing social overheads like road, irrigation and electricity and extending the package of inputs and technology. The television and radio are rendering valuable services by transmitting new farm technology and generating awareness about various activities allied to agriculture in Sambalpur district. This has to be supported by vigorous and extensive implementation of on-farm programmes. On the demand side, agriculture depends upon road network, transport and communication, Construction of Panchayat Roads and implementation of Food for work programme need to be speeded up under close supervision. The commercial banks can step in effectively where efforts are being made to change the structural identity of the region.

Integrated rural development is linked with the diversification of rural economy. It implies that banks are required to encourage activities allied to agriculture, help establish rural industries for utilisation of local resource and man power and support retail trade and service sectors. The Block Office, the District Industries Centre and the commercial banks have to reach the villages and villagers to bring them into the main-stream of

national planning and development by formulating and implementing realistic Block Plan (which is closely connected with District Credit Plan at the block level) based on inter-sector linkages of a regional economy and credit needs of the rural households particularly of the lower income classes.

The lead bank staff of Sambalpur have done an admirable job in handling a difficult task i.e. formulation of the District Credit Plan. The commercial banks have been co-operative in providing logistic support. The host of State Government Officers, representatives of financial institutions including a high ranking officer of Reserve Bank of India and of special development agencies have made valuable contributions by participating in District co-ordination committee meetings or Review meetings which have been held under the chairmanship of the Collector, Sambalpur. Attempts have to be made to fix targets more rationally by using a sophisticated methodology, adopt rural-urban and service-trade classifications in presenting estimates and give more attention to rural industrialisation by setting plan targets disaggregatively so as to fix responsibility on individual banks and locate some small scale industries in the nodal villages.

There is a policy aspect to the formulation of credit plan. The State Bank of India, the Lead Bank of the district, has a responsibility to move the Reserve Bank to open new branches in the unbanked areas so as to mop up savings and extend policy oriented lending. In fact, geographical diversification is an important component of the Lead Bank Scheme. Secondly the State Bank has to formulate attractive bankable schemes after consulting the commercial banks and different cross sections of rural community and send these schemes for approval by the Reserve Bank. Thirdly, the credit plan should continue its interaction with the policy and programme of the Government at the State and Central levels for rural development to retain its dynamic nature.

Implementation of the Credit Plan is as important as its formulation. Our study shows that the State Bank of India, United Commercial Bank, Bolangir Anchalik Gramya Bank, United Bank of India and Allahabad Bank have made sincere efforts in trying to achieve the targets set in the Credit Plan. There are, however, Commercial Banks like Syndicate Bank, Canara Bank, Bank of India and even Punjab National Bank which have hardly bothered to undertake rural financing. The Reserve Bank of India and the

Government of Orissa or for that matter all the State Governments, have to find out ways and means to fix responsibility on the erring commercial banks. The Government of Orissa have done well by taking to task a few Managers of Gramya Banks, Block Development Officers and Veterinary Assistant Surgeons found guilty of corrupt practices. But it is quite another matter to create an incentive system with provision of penalty and rewards built into it to spur the callous, myopic and urban bank personnel to action in the rural areas.

The low key performance of the Commercial Banks with respect to rural industries and activities allied to agriculture may have been mainly due to absence of adequate vehicular support at the rural branch office level and lack of extension work by the District Industries Centre, Village Level Workers and Extension Officers in Block Office. These constraints have to be removed immediately atleast with respect to pisciculture and poultry farming as there is an effective market for fish and eggs in the State.

Accelerated rural financing by commercial banks waits upon a bold land policy of the Government of Orissa. The landless peasants have to be provided with a few acres of land each which can support agricultural production and also generate income from allied activities like dairy pisciculture and poultry.

India has accepted the philosophy of evolving into, what its first Prime Minister, the late Jawaharlal Nehru said, "socialistic pattern of society". The inception of planning has underscored the importance of State as the pace setter and accelerator of economic development. The State has played this role through ownership of means of production in some key sectors and keeping control over the commanding heights of the economy so as to guide the private sector into socially desirable lines. The Central Government is relying on the commercial banks since the Seventies as active instruments of rural transformation and removal of poverty. It implies that commercial banks have to take a step outside their metropolitan base and trade nexus to reach rural economic life and bring about a development resurgence among millions of Indian villagers. So what is required is a change in banking culture which waits upon attitudinal changes and a commitment to assist the poor and their developmental effort for bringing about a transformation of rural life.

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**ORISSA UNIVERSITY OF AGRICULTURE &
TECHNOLOGY**

BHUBANESWAR-751003, (INDIA)

Dr. B. MISRA
VICE-CHANCELLOR

D.O. No. 279 VC.
Dated the 16th March, 1984

Dear Sri Srinivasan,

I am sending herewith rapporteurs' reports in respect of the Seminar on Rural Development organised by the Orissa Economics Association in collaboration with the O.U.A.T and the Government of Orissa in the Department of Community Development & Rural Reconstruction. The rapporteur's report is a brief summary of the points raised by different speakers in the Seminar. I chaired the final session where I made the following observations which were more or less agreed upon.

- (1) In a developing country, the economic development will not provide equal benefit to all the sections of the community. The spread effect of economic development is very slow in a developing country. Therefore, rural development is necessary to improve the economic well-being of a vast majority of the living in rural areas. Further, even in case of rural development, special projects are necessary to provide benefit to the poorer sections of the community.
- (2) In planning or programming of special projects, income generation through employment creation should be emphasised. Dole will not solve the problem of poverty in a country where a large number of people are below poverty line.
- (3) While implementing employment generation programmes, individual preference, aptitude and skill must be taken into account. If the

people are provided with occupations with which they are not interested or for which they have no skill, the programme can never succeed.

(4) What is most important is that when there is a great deal of inequality in rural areas, even special projects cannot provide adequate benefit to the poorer sections of the community. Power balance arising out of inequal distribution of assets will give rise to concentration of benefits among the people who are rich and influential both in economic and social system. Even village touts will try to appropriate the major portion of benefit. Therefore, attempt should be made to bring about more equitable distribution of land assets so that we can be able to provide the necessary infrastructure for giving benefit to the rural poor.

(5) In most of the projects it is found that identification of the poor is not very wrong. Of-course there are some lapses here and there. But by and large the identification is correct. Even the choice of schemes is more or less sound.

(6) The following suggestions were made for improving the implementation of the programmes :

(a) Workers who are engaged in the programme of implementation, should be given adequate training so that they can successfully implement the programme. In most of the cases it is found that implementation is defective due to lack of knowledge regarding village condition or even the contents of the programme among the workers. Therefore, a thorough training with regard to the content of the programme and village condition relating to its economic and social structure and also the method of approach to village people for implementing some of the projects will be of considerable help.

(b) Another feature which creates difficulty in implementation is the lack of monitoring. Motivation and monitoring must go together. There is need for constant monitoring and providing motivation to the workers so as to make them more amenable for taking up such work.

(c) The programmes can be more successful provided there is less of bureaucratic control and more of popular control. In view of this it is desirable that voluntary agencies should be associated with the implementation of the programme. There are quite a number of

voluntary agencies which are engaged in such types of activities and the Officers can take their help for successful implementation of the programmes.

- (d) There should be strict accountability. The Officers engaged in implementing the programme, must be held responsible for the success of the programme. Their promotion should depend upon the success of the programme.
- (e) There should be follow up action and evaluation by outside agencies.

These are some of the important points that were raised in the Seminar. I am editing the papers. The total number of papers comes to about 34. I think, it will take me about one month and thereafter another month or so will be required for getting the papers printed. Therefore, I can be able to submit the printed document by about June, 1984.

With regards,

Yours sincerely,
B. MISRA

Sri K. Srinivasan. I A.S.

**Commissioner, Agriculture & Rural Development,
Govt. of Orissa, Bhubaneswar.**

colleagues, members which are engaged in such types of activities and
the others can take their role for themselves. Implementation of the
programmes.

(b) There should be other accountability. The Officers engaged in
implementing the programme must be held accountable for the
success of the programme. Your programme should depend upon the
success of the programme.

(c) There should be follow up action and attention by senior officers.

There are some of the important points that were raised in the
Seminar. I am writing this letter. The total number of papers covered to
about 24. I think it is better to have one more to be the effective number
of papers. I am writing this letter to you. I am writing this letter to you.
I am writing this letter to you. I am writing this letter to you. I am writing
this letter to you. I am writing this letter to you. I am writing this letter
to you. I am writing this letter to you. I am writing this letter to you.

With regards,

Yours sincerely,
S. M. Raza

24.1.1974
Commissioner, Rajasthan & Social Development,
Govt. of Chhatisgarh, Bhopal.

RAPORTEURS' REPORT (E.R.R.P)

ECONOMIC REHABILITATION OF THE RURAL POOR

Chairman: Dr. D. C. Misra

Rapporteur: Dr. T. Satpathy.

Dr. D. C. Misra Chaired the session and a total of 17 papers were presented. The topics covered in these contributions range from concepts of rural development to approaches and strategies for amelioration of rural poverty, achievements and shortfalls in the pursuit of the programme and recommendations for its effective revitalisation. With paper writers from Government Departments and teaching professional community, the points raised represent a cross section of the views on the subject. While 2 papers from Mr. A. J. Alex and Mr. K. Srinivasan are general and descriptive based on macro orientation methodology, the other 15 from Roy and Buchi, Dash, (B.P.), Misra, Kar (R.N.), Das (G.C.), Mohanty, Sahu and Pradhan, Parida and Kanungo, Nayak, Panda and Singh, Sahu and Ali, Das and Misra, Kar (G.C.), Chowdhury and finally Sahu and Mohanty are specific problem oriented with micro approach.

Alex in his keynote address highlights the various anti-poverty programmes launched by the State Government, identifies certain constraints that operate and suggests the remedial measures for the purposeful implementation of ERRP. The paper has the potentialities to explore the further dimensions of issues raised by beneficiaries in banks in the State.

Srinivasan in his paper entitled 'Rural Development'. The Indian Experiment brings to surface, the different Government schemes aimed at poverty eradication with their recent developments pinpointing some issues posed for consideration, such as, identification issue of beneficiaries and viability in operation of schemes etc.

Roy and Buchi in their micro study on Marine Fisheries scheme in Ganjam district discuss the targets and achievements of the scheme, the pattern of assistance rendered and the short comings that the beneficiaries encounter, such as, the lack of proper follow-up action, in implementing the scheme and absence of proper storage facilities.

Dash (B.P.) in his case study in Raghunathpur in Cuttack district finds that while broadly identification of rural poor has been proper and just, the attitudes of the selected beneficiaries have not been taken into account in providing income generating assets to them. Further, the Government as well as the Bank Officials seem to have not gained the confidence of the rural poor.

Misra in his field survey in 5 villages in Cuttack district observes that the number of successful beneficiaries under ERRP are conspicuously insignificant on account of supply of inferior quality of bullock carts. In certain cases, he notices falsification and over valuation regarding the actual purchase price of the assets provided to the rural poor.

Kar (R.N.) outlines in his studies in a village in Keonjhar on the impact of ERRP on weavers. While furnishing details of the weavers' development in the village, he pleads for continuance of the scheme instead of the present state of its abandonment in the midway.

Das (G.C.) from his study in Dhenkanal cherishes greater coordination among the different departments, systematic and proper follow up action and inculcation of the spirit of the scheme among the aspirants so that the drop outs from the land utilisation scheme are eliminated.

Mohanty in his field level inquiry in Puri district observes a state of hurried push-through in respect of selection of beneficiaries, absence of attitude study of the identified beneficiaries and rampant unfair practices in purchase of milch cows for the poor.

Sahu and Pradhan in their case study in Ganjam notice the failure of the Diary Farming Scheme in lifting the rural poor above the poverty line and in this context observes that cow population, infact did not increase much inspite of implementation of milch cows scheme.

Parida and Kanungo while evaluating the animal husbandry schemes such as, goatery and milch cows in Cuttack district find prevalence of wide spread malpractice in respect of purchase of the income generating animals, absence of proper procedure in identification of beneficiaries, acute inadequacy of the working capital provided for and plead for follow up action and marketing facility.

Nayak in his field survey on financing of small business in Cuttack district observes that the amount of the loans sanctioned is insufficient for

any viable operation of small business and pleads for a substantial increase in loan amount and supply of good quality articles at reasonable prices.

Panda and Singh in their micro study in Nimapara, Puri have examined the income and expenditure of sample beneficiary households before and after the introduction of ERRP. Their main findings is that the beneficiaries under village industry category have achieved a much higher per household net income than that of their counterparts in animal husbandry category.

Sahu and Ali in their case study in Mahakalapada in Cuttack district observe the wrong selection of schemes, the wrong selection of beneficiaries, cheating of the beneficiaries and delay in respect of implementation and conclude that ERRP has been self-defeating.

Das and Misra from their study in Bramhagiri Block in Puri district estimate the annual average net income earned by the identified beneficiaries through ERRP, the average number of persons employed per family and the number of days worked per annum. Further, they highlight the problems-financial, economic, organizational and operational.

Kar (G.C.) in his case study in Pattamundai Block in Cuttack district finds that there has been considerable leakage of resources and lapses in respect of identification and disbursement of assets to the beneficiaries. He suggests rigorous follow up action for meaningful working of ERRP.

Choudhury in his case study in Banki in Cuttack district observes that the improper selection of beneficiaries is on account of wrong procedure adopted for it. He suggests that the Secretary of the Credit Cooperative Society should be made Ex-Oficio Secretary to the Beneficiary Selection Committee.

Sahu and Mohanty in their evaluation in Bantala G.P. in Balasore district observe operational lapses in the selection of the beneficiaries and influence of political touts in ERRP and absence of proper coordination in implementation of the schemes.

From among the discussants, *Ram Murty* in his deliberations makes certain candid observations as regards the operational aspects of rural development programmes. He highlights the defects of 'wide coverage

approach under C.D programme, deplores the hitherto neglect of rural artisans and pleads for selective approach for undertaking the schemes that possesses adequate marketing potentials.

Venkataramani emphasises integrated project approach under which the disadvantaged ones must not be ignored of the 'others' in the rural sector should not be excluded from reaping the benefits of development. In particular he cites the example of the State Government decision to irrigate atleast 2000 hectares in each block and pleads for the extension of this approach to other sectors.

Prof. Misra (S) in his thought provoking probe feels that eradication of poverty is not within the sight on account of high rate of inflation corroding the purchasing power of money in this country. He makes a fervent plea for developing genuine commitment to anti-poverty measures rather than coping with mere statistical estimations of poverty.

Kanungo makes out a strong case for people's participation in respect of selection of beneficiaries. He particularly highlights the absence of accountability for public servants and feels that this coupled with lack of follow up action are acting as constraints on successful working of ERRP.

President Misra (D.C.) in his concluding remarks recapitulated and reformulated the main problems relating to economic rehabilitation of rural poor. He finally took up certain issues such as relationship between technology, organization of production and expansion of education which the topic of the present session demanded but which were not discussed.

A close look at the papers presented indicate that the most of the micro studies are unanimous on one important point, that is, there are many underhand deals in which the purchase committees at the block levels are locked in. In fact, it appears that purchase committee is "Devil of the show" or the prime villain of the ERRP drama. Be it purchase of bullock cart, bullock, goat, cow or boat or mt-sheep, livestock etc. every where palm greasing transactions or payment of 'speed money' are there. Another point which the field level studies amply reveal is what can be called as 'vanishing character' of the assets provided to beneficiaries under ERRP. This is evident when micro studies make depressive narrations of flood of washing away of cows, rats eating away the nets etc.

Summing up it might be pertinently be stated that while the two papers based on macro approach highlight the promise and prospects of ERRP and sound a note of optimism (though somewhat cautioned) the micro studies, on the other hand mostly present a distressing state of affairs. Essentially, these two approaches demonstrate 'success' and 'failure' cases. But any way, eradication of poverty is a complex and multi-dimensional issue and as such no readymade or instant solutions can be found out. One may or may not agree with some views presented here but it is true that by and large, the paper writers have successfully raised a number of issues that provoke further discussion among Planners, Researchers, Practising Politicians and implementing agencies.

that operation. Of course this approach of eradication of poverty is not appreciated by some (Dr. B. W. Das). However, the fact is the rural India for poverty removal is stupendous and that may be the reason why the national effort to rural poverty has been so much highlighted.

(2) Problem of rural poverty is that the rural poor do not have enough of income to take disposal. So any scheme for poverty removal necessarily aims at making available additional income in the hands of the rural poor. It can be done through provision of more of employment opportunities. Magnitude of income can be judged by the index of prosperity.

(3) How to provide more of employment? Employment can be through self-employment schemes. The two main ways are: (a) in the village scheme of IRDP. Self-employment can be achieved through land transfer. But land reform and distribution of surplus land have been held up in the process of litigation and much could not be done through this method.

So latest transfers through other methods have been recommended in primary, secondary and tertiary sectors. However some points are to be considered: (a) as a first transfer, in the rural areas of the form. How we have the dairy, poultry and such other schemes, small handicrafts and other income schemes.

(4) The scheme of poverty removal through I.R.P. is to be funded on 50:50 basis by the Central Government and the concerned State Government. The role of central government is particularly the bank is crucial here because the beneficiaries are to be provided with substantial loans to take up the schemes with the interest subsidy given by the Government.

RAPORTEURS' REPORT (I.R.D.)

Chairman : Prof. D. Mohapatra

Rapporteur : Benudhar Misra

(1) I. R.D. programme has been thought of against the background that operation of planning has aggravated economic inequality in our country, particularly in the rural sector. Of-course this approach of segregation of rural poor from the urban poor is not appreciated by some (Dr. B. N. Das). However, the task in the rural India for poverty removal is stupendous and that may be the reason why this frontal attack on rural poverty has been so much highlighted.

(2) Problem of rural poverty is that the rural poor do not have enough of income at their disposal. So any scheme for poverty removal necessarily aims at making available additional income in the hands of the rural poor. It can be done through provision of more of employment opportunities. Magnitude of income can be taken as the index of prosperity.

(3) How to provide more of employment ? Employment can be through self-employment schemes. This has been the main strategy in the whole scheme of IRDP. Self-employment can be achieved through land transfers. But land reforms and distribution of surplus land have been held up in the process of litigation and much could not be done through this method.

So asset transfers through other methods have been recommended in primary, secondary and tertiary sectors. However, some participants do not consider these as asset transfers in the strict sense of the term. Here we have the dairy, poultry and such other schemes, small handicrafts and small traders schemes.

(4) The scheme of poverty removal through I. R. D is to be funded on 50 : 50 basis by the Central Government and the concerned State Government. The role of credit institutions particularly the Bank is crucial here because the beneficiaries are to be provided with adequate credit so as to take up the scheme with the help of the subsidy given by the Government.

Attitude of commercial banks is criticised here. The participant (JPP) pleads in favour of a change in the banking culture. The Chief Secretary, Government of Orissa in the Guidelines on ERRP clearly says that this attitude of the banks alone has been responsible for the failure of the scheme. But other participants (notably Dr. K. M. Patnaik) feel that since Banks deal with others' money, they must be very cautious in advancing credit. Rural poor do not have the necessary asset base to claim for loans. So what can be done is that loan will be deposited in the Bank. If the scheme succeeds and the loanee repays the interest and instalment in a regular fashion then only the bank can advance the credit. It therefore sounds to be unwise and improper to say that ERRP scheme of the Government of Orissa has been launched to free the scheme of removal of rural poverty from the strict financial disciplines of the commercial banks. Banks by definition should be cautious regarding grant of credit.

So, Government is providing sufficient amount of subsidy. Most of the participants agreed that subsidies are making the beneficiaries corrupt.

(5) Identification of rural poor has been more or less correct. Some deviations might have been here and there. But number of rural poor is so large that, perhaps there has been no scope for ignoring the right claimants for inclusion in this I.R.D programme.

(6) Choice of schemes for the beneficiaries has been correct in some cases. In some others, there has been a mismatch. To remove the mismatch what is suggested is proper motivation. Training of the beneficiaries is absolutely necessary. The extension staff should be properly trained (S. C. Hota).

(7) Implementation has been defective because of lack of follow up action and monitoring. The I.R.D. programme is not rightly grounded (RNT). It has till now become only a supply side approach. We are giving various inputs without caring to see that these are properly utilised. What is necessary is that the beneficiaries should be properly graded so that the scheme operates in the right manner.

(a) For proper monitoring some suggest (RNT) that the scheme should be made free from bureaucratic control and some degree of popular control should be built into the system. But knowing fully well the character of the popular leaders in general, some doubt if it will not

be a change for the worse. Rather strict standards of accountability for the bureaucracy in the operation of the scheme would be a better alternative. Of course they must also be given the necessary freedom to operate the scheme in a viable way (KMP).

(8) Follow up action in evaluation must be taken by outside agencies to see if the schemes are operating in the right way. All participants agreed on this. The example of farm clinics in Karnatak stated by the Syndicate Bank provide good examples of right monitoring by a Commercial Bank. This can be an eye opener in other areas as well.

RAPPORTEURS' REPORT (N.R.E.P)

Chairman: Dr. Bidyadhar Misra

Rapporteur: B. C. Parida

This is a programme of increasing employment and income generation by creating durable social assets. According to Dr. Bhupinder Singh the scheme has been started right from the Fifth Five Year Plan when growth with distributive justice were accepted as the avowed objectives of such a Plan. Income generation and asset creation outside the regular agricultural activities became its main aim. The target groups were earmarked and planning was made for them. One variant of such scheme is Rural Labour Employment Guarantee Programme. The scheme is financed by the Centre and the state govt. on 50:50 basis. No target group was found. Food was paid as wage as one Kg. of rice per day of labour. The schemes included were construction of village link roads, field channels, minor irrigation works, soil and water conservation and social forestry. The tribal sub-plan also includes such schemes with focus on special programme like Hill Development.

The objectives are laudable. The implementing agency is accused of delay favouritism and leakages. Such things cannot improve unless the education and training programmes are improved, official and unofficial agencies collaborate with each other and involvement of the people in the programme is increased.

With these backdrops we have a few case studies of N. R. E. P. programme.

Mr. B. Behera in his case study of Dhenkanal Sadar Block had the following findings.

- (a) Funds allotted for the financial year 1982-83 could not be utilised because of lack of action plan by D. R. D. A.
- (b) That the ratio prescribed for material and wage component 40:60 has not been followed.
- (c) Because of N. R. E. P. schemes like irrigation employment was created for 55 more man days.

- (d) Employment offered are irregular and often competitive with their normal engagements.

N. R. E. P should be taken up after agricultural season.

- (e) Wages offered should be need based and 1 Kg. is insufficient. This point was contested that though wage rate is fixed as minimum the market wage is still less in many places.

- (f) The social assets created should be properly maintained otherwise the entire programme will be meaningless.

Dr. G. C. Kar and Sandhyarani Mohanty also had the study in some Dhenkanal Sadar block.

From their study for three years in three villages of three panchayats they found.

- (a) 25% of the beneficiaries were S.C, 15% S. T and 60% the rest N. R. E. P. is useful in offering supplementary employment.

- (b) Distribution of scheme in a particular gram panchayat is uneven

- (c) All the selected beneficiaries are in favour of getting wage in kind but sometimes it is less in quality and quantity.

- (d) The pattern of employment should not be left undisturbed nor taken granted but must be streamlined.

BOLANGIR

Prof. A. K. Mitra of Vanivihar has studied the programme in the district of Bolangir.

He has examined the Rural Development Programme in Bolangir on S. F. D. A model and has examined the effect of Minor irrigation on employment. According to him the coverage of the scheme is limited (i) Agro processing industries should be given more importance, (ii) Assets created should be properly maintained and (iii) Reordering of the rural power structure in favour of the target group by proper organization.

T. Satpathy—Impact of Irrigation on Rural Employment in Cuttack district.

- (i) On an average the irrigated farms engaged 194 mandays as against 138.33 mandays per hectare of unirrigated land. So there is a positive co-relation between employment and irrigation. This employment

cludes both family and hired labour. Such a situation occurs on account of higher crop intensity, diversification of crops and cultivation of labour intensive cropping in the irrigated areas.

Dr. R. N. Padhi evaluated a TRYSEM scheme in 15 blocks of five districts covering 75 households, who were supplied saving machines.

- (ii) Only 24% of them are using it occasionally for children garments and earn meagre amounts.
- (iii) Only 1/3 rd of the trainees are from poorer section.
- (iv) He suggests more funds and operation of the scheme in the selected blocks and more follow up action by banks for implementation.
- (v) Such training is useful.

Dr.B. Misra in his presidential address suggested for clear exposition of N. R. E. P and objective assessment of the scheme.

- (i) Politicalisation of the scheme is not desirable.
 - (ii) Leakages in foodgrain and payments must be plugged.
 - (iii) Durable assets should be properly maintained.
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