CONCURRENT EVALUATION AND IMPACT STUDY ON INTEGRATED RURAL DEVELOPMENT PROGRAMME

REPORT ON

MALAPPURAM DISTRICT

KERALA AGRICULTURAL UNIVERSITY
VELLANIKKARA
1985

FOREWORD

Integrated Rural Development Programme (IRDP) was launched in some selected Community Development Blocks in the country in April, 1978. The Programme was extended to cover all the C. D. Blocks all over the country in October, 1980. IRDP was intended to benefit specific target group of rural families viz. those living below the poverty line, defined as a family income of Rs. 3500/- per annum. The beneficiary families were to be assisted through loans and subsidies to take up income generating activities so as to enable them to cross the poverty line. The 'Anthyodaya' approach was to be adopted in extending the benefits under the Programme, which meant that the poorest of the poor ought to be assisted first, with due emphasis in favour of Scheduled Caste/ Tribe families. Thus, the IRDP was launched with highly laudable objectives.

IRDP has been in operation for the past few years and it is only appropriate that detailed studies on its implementation and impact by independent agencies are taken up so that appropriate modifications in the Programme could be brought about in the light of the results of such studies. It was with this end in view that the Government of India decided to get studies conducted on concurrent evaluation and impact of IRDP. In pursuance of this, the Development Department, Government of Kerala entrusted concurrent evaluation and impact studies of IRDP in three districts in the State viz. Malappuram, Palghat and Trichur to the Kerala Agricultural University. The present report pertains to Malappuram district. Reports on the other two districts are brought out separately. The results of these studies generally indicate that the programme has not helped to achieve its objective in full due to a variety of reasons, such as faulty selection of beneficiaries, non-development of infrastructural facilities, lack of co-ordination in implementation etc. It is hoped that these studies will be useful to policy makers and implementing agencies for taking up corrective measures as well as to those who are interested in rural development.

(Sd/-)
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PREFACE

The Integrated Rural Development Programme has been launched with the objective of assisting the rural poor to help them to cross over the poverty line permanently. The peculiarities of the programme include the integration of area and target group approaches as well as the package approach to the provision of assistance. Because of its importance as a comprehensive poverty alleviation programme the Government felt it necessary to have continuous evaluation of the programme. The present Concurrent Evaluation and Impact Study is part of this evaluation taken up at the instance of the Development Department, Government of Kerala.

I am extremely thankful to the Development Department for entrusting the Concurrent Evaluation to the Kerala Agricultural University. I am also thankful to the Project Officer, DRDA Malappuram, the Block Development Officers of Tanur, Perinthalmanna and Manjeri for their assistance and co-operation.

Collection and compilation of data were carried out by Sri. Ayyappan, M. P., Sri. Krishnanunni, P. P., Smt. Sreevilasini, K. M., and Smt. Vanaja, K. V. and was supervised by Sri. K. J. Joseph, Assistant Professor, Department of Agricultural Economics. Their services are gratefully acknowledged.

The study was undertaken at the initiative and encouragement of Dr. P. C. S. Nair, Director of Research, Kerala Agricultural University and my indebtedness to him is gratefully acknowledged. The study would not have been undertaken but for the facility extended by Dr. V. Radhakrishnan, Professor of Agricultural Economics. I am obliged to him for all encouragement and guidance.

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CHAPTER 1

INTRODUCTION

Genesis of the Programme

1.1 Special programmes for the weaker sections of the population has been the hall-mark of our Five Year Plans since the Fifth Plan. A variety of area-specific and target group-specific programmes like Small Farmers Development Agency(SFDA)Command Area Development Programme (CADP) and Drought Prone Areas Programme (DPAP) have been in operation during the Fourth and Fifth Five Year Plans. The success and weaknesses experienced in connection with their implementation resulted in the innovation of the new scheme-Anthyodaya which synthesised the area and target group-specific approaches. A review of the various ongoing special programmes of Rural Development taken up by the Government of India, during 1978-79 confirmed the need for a new and comprehensive programme of development of the poor in rural areas. Hence accepting the basic features of the Anthyodaya programme, the development programmes for the weaker sections of the rural areas were redesigned into the Integrated Rural Development Programme which was launched in April 1978. Since some institutional and infrastructural facilities have already been created in areas which have been covered by SFDA, CADP and DPAP, it was decided to initially select 2000 blocks out of the 3000 blocks in which these three special programmes were implemented. It was also decided to take up 300 additional blocks per year from outside the special programme areas for intensive block level planning. The programme was planned to be extended to all other blocks in a phased manner, in the remaining years of the Sixth Plan. The Government of India later on decided to extend the IRDP to all the 5011 Development Blocks from October 2nd 1980.

Objectives of the Programme

1.2 The main objectives of the programme are to raise families in the identified target groups above the "poverty line" and to create substantial additional opportunities of employment in the rural sector[1] In other words it aims at identification and providing assistance to the families below poverty line so as to enable them to increase their income through a comprehensive plan of Integrated Rural Development. It emphasised that the programme should aim at a comprehensive development on

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[1] S. C. Varma, in the foreward to *Manual on Integrated Rural Development Programme* Ministry of Rural Reconstruction, New Delhi, Jan. 1980 p (1).

family basis instead of conferring benefits in an isolated or sporadic manner[2]. Here the target group consists of the poorest among the poor in our rural areas–small and marginal farmers, agricultural and non-agricultural labourers, rural artisans and craftsmen, scheduled castes and scheduled tribes. A cluster approach has to be followed for identification of beneficiaries. The programme was aimed to assist on an average 600 families in a block in a year covering altogether 3000 families per block during the Sixth Five Year Plan period. It thus aimed at assisting 15 million families at the national level during the Fifth Plan period.

Machinery for implementation

1.3 Hence at the District Level, District Rural Development Agency was created for implementation of all special programmes including the IRDP, which is headed by the District Collector. The agency consisted of a full time Project Officer 2 to 3 Assistant Project Officers, a credit Planning Officer, an Industries Officer, an Economist or Statistician. The Block level machinery was thus revitalised for the implementation of IRDP.

Criteria for Selection

1.4 The IRD Programme is specially directed towards the weaker sections of the society consisting of small and marginal farmers, share croppers, agricultural and non-agricultural labourers rural artisans and families belonging to Scheduled castes and Scheduled tribes who are below the poverty line. For purpose of identification of beneficiaries, the family has been specified as a unit. As the IRD Programme has its main focus on raising families above the poverty line, the basic criterion stipulated for identifying the families was the income of the family. For identifying a family below the poverty line, an income of Rs. 62 per capita per month has been suggested. Assuming a family size of 5, it was further suggested that an annual family income of Rs. 3,500/- from all sources may be treated as a cut off level for identification of the beneficiary families[3]. However these two definitions are not identical. If we take the latter, it is a static one and may exclude many of the poor families due to the upper limit on family income though their per capita income is much less than Rs. 62. According to the former concept even a family, with a yearly income of Rs. 6000 will still be below the poverty line if it has 10 or more members.

Procedure for identification

1.5 A detailed base line survey has to be conducted in the blocks, for ascertaining the economic status and income of the selected target groups. Since about 40% of the families are said to be below the poverty line, it may be around 8000 to 10,000 families per block. All these families form the target group and a comprehensive survey to ascertain income and economic condition of all these families should be conducted as has been prescribed in the Manual. After completing the household survey the

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[2] D. O. No. 13013/1/79-1RD (1) dt. 24-10-80 of G. L. Bailur, Joint Secretary, Reproduced in Govt. of India, *Important Circulars on Integrated Rural Development Programme* (issued since 2-10-1980) Ministry of Rural Development, New Delhi, July 1982.

[3] Govt. of India, *Manual of I. R. D. P.* (Jan. 1980 P 4)

families are to be classified according to their annual family income into three groups viz., Rs. 1500, Rs. 1501–2500 and Rs. 2501–3500. While selecting the families for assistance, under I. R. D. P. persons belonging to the lowest income group should be covered first, following the Anthyodaya approach.

1.6 A slightly different method for identification was suggested for those blocks where such comprehensive survey has not been contemplated. In such cases the growth centre or cluster approach should be adopted and the beneficiaries should be selected from a group of adjacent villages. A preliminary screening is to be done on the basis of the land holdings and other economic indicaters. The final selection of the families for assistance has to be made after an assessment of their eligibility and economic status varified from the village assembly.

Coverage of SC/ST

1.7 Though it was originally specified that at least 20% of the families assisted and 20% of the subsidy released should be in favour of SC/ST families[4] these proportions were revised in 1981[5]. While IRD Programme is aimed at the poorest among the poor and since SC/ST famllies constitute a very large proportion of the target group to be covered under the programme, it was decided that at least 30% of the resources invested under the IRDP in terms of loans and subsidy should also go to the SC/ST families who should constitute 30% of the beneficiaries[6].

Preparation of the Block Plans

1.8 For the planning and implementation of the I. R. D. Programmes, the Community Development Block has been accepted as the basic unit. This has been done because there are several economic activities which can be more appropriately planned taking a compact area like community development block as the unit of planning. Since such activities are those which require detailed and intimate knowledge of local conditions and requirements and often envisage local popular participation, block level plan helps to serve as a guide for appropriate locational decisions.

1.9 The first step suggested for the formulation of block level plans was the preparation of a resource inventory in the selected block. It should indicate the physical and biological resources, agriculture and land use, soil conditions, land utilisation, area under crops, irrigation and other relevant details including levels of use of agricultural inputs, animal husbandry, dairying, fisheries, sericulture, forestry etc. These data are to be collected from the respective Departments. The resource inventory is designed to concentrate on identifying potentialities which can be exploited at the block level by formulating an action plan. It was laid down in the Manual that the resource inventory shall also contain detailed review of the ongoing programmes being implemented in each sector, achievements, drawbacks and limitations

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[4] p. 5—original circular No, M-11012/2/78-IRD III dt. 20-2-79.

[5] Govt. of India, *Important Circulars on Integrated Rural Development Programme* (issued since 2-10-1980) July. 1982 P. 17 (circular No. 11011/40/79-IRD-III-dt. 3-2-81).

[6] *Ibid* p. 18

of the varifous sectoral programmes under implementation. The most crucial aspect however is the collection of information relating to the number of families below poverty line as prescribed in para 1.5.

1.10 The household survey not only assists the identification of families below the poverty line, but also gives the planner, an indication of the schemes that could be taken up by the identified families. It was also required to prepare block plans on the basis of the resource inventory for a period to coincide with the five year plans at the State and the National level. Here a Perspective Plan for the plan period and the Annual Action Plan for each year has to be separately prepared for each Block.

Terms of reference

1.11 The uniform terms and conditions for concurrent evaluation and impact studies of IRDP was sent to all states vide letter No. M-11012/18/80-IRDP-III of the Ministry of Rural Development dated 18th May, 1982. Accordingly the Kerala Agricultural University was entrusted with the work of concurrent evaluation of IRDP in the *Malappuram* District vide letter No. 34081/JB2/82/DD dated 8-9-82 of the Deputy Development Commissioner, Government of Kerala. The concurrent evaluation and the impact study was sponsored to examine the following issues.

(1) Is the District Rural Development Agency following substantially the methodology for preparing block level plans under IRDP?

(2) Are the beneficiaries being identified and assisted on the basis of the criteria provided in the guidelines, viz., selection of the poorest among the poor in the first instance?

(3) In the selection of beneficiaries, are Gram Sabhas and other local institutions like Panchayats involved?

(4) Are the beneficiaries provided substantial assistance for generating a sizeable incremental income and surplus for them?

(5) Have the beneficiaries been able to attain a substantially higher income level through the assistance provided to them under IRDP?

(6) Are the beneficiaries repaying their loans within the stipulated time frame?

(7) What is the proportion between land-based activities and other activities in the Projects funded under IRDP?

(8) Are Scheduled Castes and Scheduled Tribes receiving the priority accorded to them in the guidelines?

(9) Are Scheduled Castes and Scheduled Tribes beneficiaries receiving assistance of the same magnitude, in terms of subsidies and loans, as other beneficiaries in the same block?

(10) Are the banking institutions substantially complying with the instructions of the Reserve Bank of India and other agencies in the matter of providing credit to the weaker sections. Are the arrangements for co-ordination with the banks adequate and effective?

(11) Is the implementation of IRD programme properly linked and co-ordinated with the implementation of other programmes, particularly for providing minimum needs and supporting infrastructure in terms of marketing facilities etc.?

(12) What are the suggestions and recommendations for improving the quality of implementation of IRD programme?

The suggested reference period of the study was latter half of 1981–82.

Methodology of the Study

1.12 The study was based partly on aggregate data on targets and achievements both in terms of financial and physical aspects collected from DRDA. However, the chief source of data for the impact study was primary data collected from a sample of beneficiaries selected through a process of multi-stage sampling. This sampling procedure was necessarily adopted to ensure proportionate coverage to all major schemes and sectors on the one hand and category of beneficiaries like scheduled castes on the other.

1.13 Blocks were initially classified according to the size of subsidy granted during 1981-82. 6 blocks which had given the maximum subsidy were chosen for the purpose of final selection. The only criterion employed for the final selection was availability of adequate samples in respect of all major schemes selected according to the proportionate expenditure in the district. The representative schemes selected for the study were pumpset, milch animal and goat from the primary sector, handloom and mat-weaving from the secondary sector, and work bullock, Boat and net, sewing machine, petty shop and cycle from the tertiary sector. Thus the 3 blocks of Tanur, Perinthalmanna and Manjeri were selected which had better coverage of different schemes selected.

1.14 The second stage was to select clusters for selection of samples. Here one VEO circle out of 9–10 VEO circles per block was selected at random and two of the adjacent VEO circles were added to form the cluster for the selection of sample households. However in Manjeri block, where VEO circle codes were absent, we were constrained to take a broad geographical unit which made the survey more time consuming.

1.15 In the next stage separate sampling frames were prepared for each of the major selected schemes, based on the details recorded in the Family Register maintained by the VEOs and the related Block Office records. However, it may be mentioned that the preparation of the sampling frame was hazardous as the system of record keeping at the block and VEO offices leaves much to be desired.

1.16 The selected blocks had 33.33% of the number of beneficiaries in the district, and 28% of the subsidies during 1981-82. It was proposed to take minimum of 200 samples or roughly 5% of the beneficiaries assisted during the reference period which came to little over 350. Since the time available was very limited it was decided to limit to 300 samples. However, due to wrong or ambiguous addresses we were unable to locate more than a dozen of the selected samples. In the case of a few beneficiaries on an average the investigators had to visit, 3 times for getting the required data. A lot of time was lost in this process which constrained us to limit the sample coverage to 231. Since we could not get adequate number of scheduled caste samples from Tanur and Perinthalmanna, from the selected clusters, we had to give them better coverage in Manjeri block.

1.17 Scheme-wise and block-wise distribution of the selected samples is shown in table 1.1. While 64.4% of them were from the primary sector. 4.8% and 30.7% respectively were from secondary and tertiary sectors. Blockwise break up shows that 95 (41.1%), 76 (32.9%) and 60 (26.0%) households respectively were selected from Tanur, Perinthalmanna and Manjeri blocks.

Data Collection

1.18 The selected households were canvassed with the help of a structured schedule. Data relating to their income / employment input use, cropping pattern production and marketing output and all other related aspects before and after the receipt of assistance were collected from the beneficiaries. This data was supplemented by interviews with a section of BDOs, VEOs, and Bank officials. The opinion of Block Development Officers were elicited with the help of a mailed questionnaire.

Table 1.1.

Schemewise and block wise distribution of sample households selected

Sector/ Scheme	Tanur Block	Perinthal-manna Block	Manjeri Block	Total
1 Primary sector				
a) Pumpset	12	6	13	31 (13.4)
b) Milch animal	26	32	4	62 (26.8)
c) Goat	20	17	19	56 (24.2)
2. Secondary	9	—	2	11 (4.8)
3. Tertiary	28	21	22	71 (30.7)
Total	95 (41.1)	76 (32.9)	60 (26.0)	231 (100.0)

Figures in parenthesis are percentages of the total

1.19 The Survey of the selected households was held during the months of December 1983 to March 1984. The data collected were specifically related to the first year after the receipt of assistance under IRDP.

Plan of the report

1.20 The present report is divided into 7 chapters. The genesis, objectives and the rationale of the programme along with the terms of reference for the study, methodology and the sampling design of the study are outlined in chapter 1.

While chapter 2 deals with the socio–economic profile of the district, the progress of implementation of IRDP in the district is reviewed in chapter 3. The socio–economic profile of the selected samples are given in Chapter 4. Chapter 5 deals with the analysis of the process of identification and selection of beneficiaries and a general evaluation of the implementation of the programme. A detailed assessment of the economic impact of the programme including its impact on amelioration of poverty is given in Chapter 6. The final chapter presents a brief summary of the findings along with recommendations.

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CHAPTER 2

SOCIO-ECONOMIC PROFILE OF THE MALAPPURAM DISTRICT

2.1. The Malappuram District came into existence on 16th June 1969 by bringing together the backward areas of the erstwhile Palghat and Calicut districts. The district has an area of 3548 square kms, and a population of 24.01 lakhs according to 1981 census. The density of population in the district was (677) slightly above the state average (655). Similarly the rate of growth of population during the seventees was highest in the district (29.42%) barring the Wynad district (33.87%) which had experienced massive migration of settlers from the southern districts. The Sex ratio in the district was one of the highest in state with 1052 females per 1000 males[1]. The four taluks are divided into 14 community development blocks, four Municipalities, 95 Panchayats and 122 revenue villages[2]. While Ernad and Tirur taluks have 5 blocks each, Perinthalmanna and Ponnani taluks are divided into two blocks each.

Backwardness of the District

2.2 The district is noted for many of its unique features. First of all, it is a district predominantly occupied by a minority community forming about 65% of the population. Secondly, it is one of the most backward districts in the state, both economically as well as from the point of view of education and health. The net domestic product in the district happens to be the lowest in the state both at current and constant prices. The degree of backwardness is clear from the fact that while Malappuram had a per capita domestic product of Rs. 875.60 at current factor cost for 1980–81. Palghat district which had the next lowest figure had it as high as Rs. 1214.35. The state average was Rs. 1311.83, which was 50% more than the per capita income in the district[3]. It may also be noted from table 2.1, that only 6.3% of the state domestic product has been contributed by the district compared to 9.4% of the area and 9.4% of the population.

2.3 The backward state of the economy of the district is further illustrated by the relative contribution of agriculture and manufacturing sectors. While the contribution of the former in the State was only 39.6% (Table 2.1) it was as high as 51% in the district. The industrial backwardness is evident from the lowest contribution of the manufacturing sector in the district (5.8%) compared to (16.8%) the State level. Even here, the registered sector was relatively unimportant with 38.9% share, compared

1 Government of Kerala, *Economic Review 1982*, table 2.3, p. 14

2 When IRDP was originally extended to all blocks there were only 13 blocks. Nilambur block came into existence later on.

3 *Ibid* P. 160

to 51.7% for Kerala as a whole. Another related phenomenon is the highest share (next only to Idukki) of the primary sector in the district income which was 58.2%, corresponding to 44.2% for the State as a whole[4]. While the higher percentage for

Table 2.1

Sector-wise distribution of the domestic product in the Malappuram district and the state (at factor cost at current price) for 1980–81

Sector	Domestic product at current price (Rs. lakhs)			
	Malappuram dist.		Kerala state	
	GDP at factor cost	% of the total	GDP at factor cost	% of the total
1 Agriculture	10673	51.0	131113	39.6
2 Primary sector	12177	58.2	146529	44.2
3 Manufacturing	1215	5.4 (100.0)	55717	16.8 (100.0)
a) Registered	472	2.3 (38.9)	28793	8.7 (51.7)
b) Unregistered	743	3.6 (61.1)	26924	8.1 (48.3)
4 Net domestic product at factor cost	20910	6.3*	331421	—
5 Per capita income	875.60	—	1311.83	—

Source: Government of Kerala *Economic Review 1982*, P 160

Idukki was due to the preponderance of commercial crops and plantations, it was higher in Malappuram district mainly because of the industrial backwardness. This fact is further confirmed by the lowest proportion of domestic income derived from the industrial sector in the district. While industrial income accounted for 9.88% of the net domestic product of the Malappuram district during 1980-81, the corresponding proportion was 22.16 for the State[5]. The industrial backwardness is further reinforced by the very low share of working factories in the district (2.6% of the state total) and employment in these factories. (1.2% of the factory employment in the State[6]).

Occupational Pattern

2.4 The occupational pattern in the district also presents a dismal picture.

It may be seen from table 2.2 that the proportion of the working population in the district in 1981 was only 25.4%. This is naturally the lowest in the State. Of the 11% of the population employed in agriculture little above a quarter were cultivators and the remaining were agricultural labourers. In terms of the total working population, 11.3% were cultivators, 31.9% agricultural labourers, 39.9% other labourers. Household industry offered employment to 2.6 %of the working population.

[4] *Ibid,* Appendix 2.8, P. 164
[5] *Ibid,* P. 164
[6] *Ibid,* P. 183
* 6.3% of the State total

It is also relevant to observe that the share of employment both in the public and private sectors happens to be lowest in Malappuram District. As on 31st March 1979, the total employment in the district in the public and private sectors together was only 39164, which formed only 4% of the employment in the State[7].

Table 2.2

Occupational distribution of the population in the district 1981

Occupational category	Population in lakhs	% of the total	% of the working population
Cultivators	0.69	2.9	11.3
Agricultural labourers	1.94	8.1	31.9
Household industry	0.16	0.7	2.6
Other workers	2.43	10.1	39.9
Marginal workers	0.87	3.6	14.3
Non-workers	17.92	74.6	—
Total	24.01	100.0	100.0

Source: *Census of India, Kerala, 1981.*

Social overheads

2.5 The district also lags behind in respect of development in health and education. Corresponding to the state average of 119 beds per a lakh of population, the district had only 46 per lakh of population at the end of 1978-79. The number of beds in the district (allopathic medical institutions) was 1015 in the year forming just 3.4% of the state total[8]. Whereas the percentage of people treated in the Hospitals of the district during 1977 was 6.4% of the State total[9]. The percentage of literacy in the district according to 1981 Census was 60.50% corresponding to the state average of 70.42%[10]. This was the lowest in the State with the only exception of Palghat and Wynad districts. There were 822 L. P. Schools, 320 U. P, Schools, 141 high schools in the district at the end of 1982-83. Besides there were 2 Junior technical schools, 2 poly-techniques, 10 Arts and Science Colleges in the district during this period[11]. Apart from the famous Ayurveda College at Kottakkal and headquarters of the Calicut University, the district had 5 ITIs and 5 training schools.

Land use & Cropping pattern

2.6 It is a mere coincidence that the shares of the district in the total population of the State. geographical area and net sown area happen to be exactly equal at 9.4% during 1981. Some of the important indicators of the land use pattern in the district compared to the State as a whole are given in table 2.3. The cropping intensity in the district is lower (1.2) than that of State (1.3) mainly due to the low

7 Government of Kerala, *Statistics for Planning 1980 p. 9*

8 *Ibid* p. 272.

9 *Ibid* p. 273.

10 Government of Kerala, *Economic Review* 1982, p. 229.

11 *Ibid.* pp, 223—225.

Table 2.3

Land-use pattern in the State and the Malappuram district

Items of land use	Area in hectares				Share of dist.
	State		Malappuram dist.		
	Area	%	Area	%	
1 Total Geographical area according to village papers	38,85,497	100	3,63,230	100	9.4
2 Net sown area	21,99,913	56.6	2,06,625	56.9	9.4
3 Forests	10,81,509	27.8	1,03,417	28.5	9.6
4 Cultivable waste	1,25,015	3.2	13,601	3.7	10.9
5 Land put to non agrl. use	2,58,571	6.7	17,460	4.8	6.8
6 Cropping intensity (rates)	1.3	—	1.2	—	—

Source: Government of Kerala. *Economic Review* 1981, p. 184

intensity of irrigation in the district. While 27.8% of the geographical area of the State is under forests, the corresponding percentage for the district is 28.5%. It may also be noted that the district has a higher proportion of cultivable waste and much lower proportion in respect of land put for non-agricultural uses.

2.7 The cropping pattern in the district is highly diversified between food crops and commercial crops as may be seen from table 2.4. The two principal crops are paddy and coconut which occupy 31·5% and 23.5% of the total cropped area respectively. Cashew, rubber and tapioca are the next important crops in respect of area coverage. The seasonwise area under paddy is given in table 2.5.

Table 2.4

Area and production of Principal crops in Malappuram district (1980–81)

Name of the crop	Area in hectares	Percentage of total cropped area	Production in tonnes
Paddy	80,022	31.5	107,488
Pulses	2,168	0.8	1,609
Pepper	4,030	1.6	1,108
Ginger	451	0.2	810
Arecanut	8,801	3.5	1,544 (No. in million)
Banana & other plantains	4,527	1.8	41,768
Cashew	21,257	8.4	6,887
Tapioca	18,111	7.1	228,742
Vegetables	6 308	2.5	Not available
Sesamum	1,587	0.6	540
Coconut	59,677	23.5	264 (nuts in million)
Rubber	19,281	7.6	10,571
Total cropped area	2 54,150	100.0	—

Source: *Farm Guide* 1983

Table 2.5

Season-wise area and production of paddy in the Malappuram district (1981-82)

	Area under paddy (in hectares)	Production of rice in tonnes	Per hectare production in kg.
Autumn	37516	44860	1195.8
Winter	35830	52248	1458.2
Summer	5628	8082	1436.0
Total	78974	105190	1332.3

Source: Estimated from *Economic Review*, 1982 Appendix 4.3 p. 177.

2.8 The low productivity of rice in the district is shown in the last column which explains the reason for a lower proportion of 8.9% of the rice production compared to 10.5% of the area under rice during 1977–78[12].

2.9 One notable feature of the paddy cultivation is the extremely small size of holdings. 82.8% of the holdings were below 1 hectare according to 1970–71 Agricultural Census compared ro 81.3% at the State level[13]. Alternatively 93.3% of the holdings were below 2 hectares.

Rainfall & Irrigation

2.10. In the absence of any major irrigation project, paddy cultivation is mostly rainfed. The normal rainfall is 2900 mms compared to the State average of 3036[14]. While 34% of the paddy land is irrigated in the State, only 25.2% is irrigated in the district during 1978–79[15]. Of the 17131 hectares of irrigated land, during 1977–78, 35.3% was from private tanks or wells, 34.6% from minor and lift irrigation. Government tanks and wells constituted just 1.3%[16]. It shows that the scope for minor irrigation is much wider in the district especially in view of the presence of 8 west flowing and one east flowing rivers. The district is believed to have good potential in underground water resources also.

Animal husbandry

2.11 Since the district is noted for the predominence of microscopic holdings and industrial backwardness, dairying and goat rearing have emerged as very popular subsidiary occupations. The following table shows the category-wise distribution of the livestock population in the district.

12 Estimated from 9.32 and 9.42, *Statistics for Planning* 1980, PP 107 and 109.

13 Computed from *Statistics for Planning* 1980, table 9.18, P. 125

14 *Ibid*. Table 8.4, P.95

15 *Ibid*. Table 7.6 P.118

16 *Ibid*. P.138

Table 2.6

Distribution of Livestock Population in Malappuram district (1982)

Category	Population
Cattle	1,93,364
Buffaloes	63,991
Goat	2,24,613
Pigs	183
Fowls	16,57,291
Ducks	13,643
Other poultry	2,626

Source: 1982 Livestock census, Provisional figures *Farm Guide* 1980

Fisheries

2.12 The district is very rich in marine wealth with 70 kms. long coast line. There are 24 fishing villages in which 8799 fishermen families live. There were 61 838 fishermen in the district at the end of 1980-81[17]. The annual fish landing in the district was 11407 tonnes in 1980[18]. Thera were 29 landing centres in the district. The district had 545 dug out canoes, 251 plank built boats in 1979, apart from 135 mechanised boats.

2.13 The district thus has vast potentialities for development of agriculture, fisheries and animal husbandry, which could generate self-employment for substantial part of her population.

[17] Canara Bank, *Credit Plan 1983-85 for Malappuram district.*

[18] *Ibid.* P.17

CHAPTER 3

PROGRESS OF IRDP IN THE MALAPPURAM DISTRICT

Perspective Plan

3.1 The DRDA of the Malappuram was registered on 10-2-1981 as per the Societies Registration Act XXI of 1860. IRDP was introduced in all the 13 blocks during the financial year 1980–81[1], in accordance with the decision of the Central Government to extend the programme to all the 5011 blocks in the country from 2nd October 1980. According to the original scheme, every block was expected to disburse Rs. 35 lakhs as subsidy over the Sixth Plan Period. While Rs. 5 lakhs and 6 lakhs are to be disbursed during the first two years respectively Rs. 8 lakhs are to be disbursed during each of the last three years. Thus for the 13 blocks in the district, Rs. 455 lakhs have been the target fixed for subsidy disbursement of which Rs. 30 lakhs have been earmarked for meeting the administrative expenses. The net amount of subsidy thus available for IRDP was Rs. 425 lakhs over the Sixth Plan period which included Rs. 18 lakhs for TRYSEM training. Hence the Perspective Plan envisaged programmes for a total assistance of Rs. 1279.2 lakhs of which Rs. 425.1 lakhs will be subsidies (including Rs. 18 lakhs for TRYSEM). The Scheme–wise distribution of the targets in respect of total assistance and subsidies is given in table 3.1. It shows that 75.6% of the proposed units come under the primary sector and of this animal husbandry programmes account for the lionshare (44.7% of all units). While industries constitute 10.45%, tertiary sector contributes to 14.76%. The corresponding percentages of loans,subsidies and total financial assistance are also given in table3.1. Of the Rs. 1279.2 lakhs targetted assistance, Rs. 854.10 lakhs (66.77%) has been proposed as loan and Rs.425.1 lakhs,subsidy (33.23%). The category wise distribution of the families to be assisted according to the perspective plan shows that Agricultural Labour was the single largest category identified for assistance (33.1%) closely followed by Marginal farmers (29.5%) and Marginal agricultural labour (25.5%). Self employed and rural artisans formed only 4.5% and 7.3% respectively[2]. However, it was seen on verification that there was a lot of misclassification of the target group categories.

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[1] Later on Nilambur Block was created making the total number of blocks to 14.

[2] *IRDP Five Year Perspective Plan1980-85 and Annual Plan 1981-82 and 1982-83,* Annexure II DRDA Malappuram.

Table 3.1

Five Year Perspective Credit Plan of Malappuram dist.

	Sector	No.of units	% of the total	Loan Rs. in lakhs	% of the total	Subsidy Rs. in lakhs	% of the total	Total assist-ance Rs. in lakhs	% of the total
1	Agriculture	27.22	5.38	46.40	5.43	23.20	5.46	69.60	5.44
2	Minor Irrigation	62.82	12.41	141.55	16.57	70.78	16.65	212.33	16.60
3	Animal Husbandry	226.18	44.69	354.39	41.49	171.02	40.23	525.42	41.07
4	Fisheries	15.85	3.13	55.01	6.44	23.25	5.47	78.26	6.12
5	Industries	52.89	10.45	101.76	11.91	45.83	10.78	147.59	11.54
6	Tertiary/ Secondary	74.45	14.71	106.90	12.52	49.52	11.65	156.43	12.23
7	TRYSEM	26.00	5.14	—	—	18.20	4.28	18.20	1.42
8	Others	22.75	4.50	48.08	5.63	23.20	5.46	71.38	5.58
	Total	506.16	100.00	854.10 (66.77%)	100.00	425.10 (33.23%)	100.00	1279.20 (100.00)	100.00

Source: Computed from *Five Year Perspective Plan 1980-85, Malappuram district.* The original table gives blockwise break-up also.

Overall Progress

3.2 It will be interesting to review the progress of implementation of IRDP in the district compared to the targets laid down in the Perspective Plan as well as the Annual Action Plans. Table 3.2 shows year-wise physical and financial achievements in respect of all households and scheduled caste/scheduled tribe households separately. In 1980-81 when the programme was launched, the achievement in respect of both physical and financial targets, were understandably much low due to late start and inadequate institutional and infrastructural support. However the programme picked up very well in the succeeding year with 145.3% achievement in terms of number of households assisted and 100.5% in respect of subsidy adjustment. Though the physical achievements have exceeded the targets in all the subsequent years also, the subsidy adjusted had fallen short to 91.9% in 1982-83 and further to 70.8% in 1983-84.

Shortfall in subsidy

3.3 The progressive totals at the end of March 1984 shows that (last row of Table 3.2) 12.5% households in excess of the target of 32,343 households were assisted, and a total sudsidy of Rs. 363.9 lakhs were adjusted, which accounted for 77.7% of the target. Since the ratio of subsidy was generally maintained at one-third of the total assistance, it implies a total assistance of Rs. 1091.7 lakhs, in the first four years of the Sixth Plan which works out to 85.3% of the target for the whole plan period, as laid down in the original Perspective Plan.

Lower assistance than target

3.4 However, in the scramble for exceeding the physical target, the average assistance and subsidy advanced had fallen much short of the targets. Though an average subsidy of Rs. 1125 (Table 3.3, items 7 and 8) and a total assistance of of Rs. 3375 per beneficiary was provided in the Perspective Plan, the actual disbursement was Rs. 777 and Rs. 2330 respectively which works out to 69% of the target only.

Proportion of SC/ST Families

3.5 Except in 1982-83, the proportion of SC/ST families assisted was much lower than the targets. Consequently over the four years the proportion of SC/ST families assisted was only 87.8% of the target, in spite of the fact that 12.5% in excess of the aggregate target were assisted in the district as a whole.

Proportion of assistance to SC/ST families

3.6 Though it was required to select 30% of the beneficiaries from among the SC/ST families (originally 20%) and also to advance 30% of the subsidy to them, the actual achievement was 23.6% in terms of number and 17.2% in respect of subsidy. Even this level of performance was possible because of greater coverage during 1982-83 and 1983-84, when they were given 30% and 33.5% respectively of the beneficiaries and 15.0% and 25.1% of the subsidies.

Table 3.2

Year–wise Physical and Financial achievements of IRDP in the Malappuram district

Year	No. of families assisted				Financial achievements (in terms of sudsidy)			
	Target	Achievement as % of the target	SC/ST families assisted as % of the total assisted	SC/ST families assisted as % of SC/ST families targetted to be assisted	Target for subsidy (Rs. lakhs)	% of sanction to target	Subsidy for SC/ST as % of total subsidy sanctioned	Subsidy to SC/ST families as % of subsidy targetted for SC/ST families
1980-81	7800	76.2	15.9	60.4	61.36	45.3	11.5	26.1
1981-82	7800	145.3	17.6	85.5	69.42	100.5	11.3	37.7
1982–83	7800	118.3	30.0	100.3	95.22	91.9	15.0	45.8
1983–84	8943	110.5	33.5	93.2	137.88	70.8	25.1	36.4
Progressive total till the end of March 1984	32343	112.5	23.6	87.8	363.88	77.7	17.2	66.3

Source: Consolidated from Annual Progress Reports, D.R.D.A, Malappuram, 3.7 Here it may be noted that even the targetted subsidy for SC/ST families was much less than the stipulated proportion of 30%. It is interesting to note that for assisting 30.3% of the total families, the subsidy earmarked according to the Perspective Plan was only 20.2% (item 3 and 6, Table 3.3).

Table 3.3

Achievement of IRDP in Malappuram district—Progressive total till 31.3.1984

		Targets as Per the Perspective Plan	Actual achieve-ment	Achievement as % of the target
1	Number of families assisted	32343	36391	112.50
2	Number of SC/ST families assisted	9792	8600	87.80
3	Share of SC/ST families in the number of beneficiaries (%)	30.3	23.6	78.00
4	Amount of subsidies total (Rs. lakh)	363.94	282.65	77.66
5	Subsidy for SC/ST (Rs. lakh)	73.49	48.69	66.25
6	Share of SC/ST in subsidy (%)	20.19	17.23	85.34
7	Average subsidy (all families (Rs.))	1125.25	776.7	69.03
8	Average total assistance per family	3375.75	2330.1	69.03
9	Average subsidy per SC/ST family (Rs.)	750.5	566.2	75.44
10	Average subsidy of SC/ST families as % of average subsidy for all families	66.70	72.90	—
11	Average subsidy for non SC/ST households (Rs.)	1287.97	841.80	65.36
12	Percentage of average subsidy for SC/ST families to non SC/ST families (%)	58.27	67.26	—

Source: Computed on the basis of the Annual Progress Reports of DRDA

This was in fact against the spirit of advancing same scale of assistance to SC/ST beneficiaries. Even compared to this lower target of 20.19%, the actual achievement fell short by 15%.

Average Assistance per SC/ST family

3.8 While the average total assistance and subsidy paid over the last four years was Rs. 2330 and Rs. 776.7 respectively, the corresponding figures for SC/ST families were Rs. 1699 and Rs. 566.2, which works out to 72.9% of the former.

3.9 On the otherhand, if we take SC/ST and non-SC/ST families, the average total assistance and subsidy given to the latter was Rs. 2525.4 and Rs. 841.8 respectively. Compared to this the average assistance and subsidy paid to SC/ST families was only 67.3%.

Relative Assistance to SC/ST families

3.10 There has been wide inter-block variation in respect of average assistance/subsidy given to SC/ST families compared to their non SC/ST counterparts. Progressive totals for the district over the last four years show that on an average SC/ST families received only two-third of the assistance given to the non SC/ST counterparts. But inter block comparison of the same data shows that there were only 6 blocks which had higher proportion than the district average. (see table 3.4). They were, Perinthalmanna (98.6%), Malappuram (77.9%), Mankada, (74.3%) Nilambur (79.4%) and Vengara (73.1%). Manjeri was the only block which had advanced 106.9% subsidy to SC/ST families compared to 100.0 for non SC/ST

Table 3.4

Distribution of average subsidy per SC/ST and Non SC/ST family in all the blocks (average of the cumulative total as on 31.3.84)

Block	All beneficiaries average subsidy	Average subsidy per SC/ST beneficiary	Average subsidy per non SC/ST beneficiary	Subsidy per SC/ST family as % of subsidy to non SC/ST family
Andathode	890.3	409.2	1065.5	38.4
Kondotti	647.3	516.0	1146.5	45.0
Kuttippuram	833.0	559.7	920.0	60.8
Malappuram	675.7	549.9	705.5	77.9
Manjeri	778.3	818.5	765.4	106.9
Mankada	802.0	628.8	846.0	74.3
Perinthalmanna	660.3	653.6	662.6	98.6
Ponnani	735.0	496.9	853.0	58.3
Tanur	831.6	508.6	879.0	57.9
Tirur	997.7	612.3	1111.1	55.1
Thirurangadi	766.7	391.0	894.0	43.7
Vengara	692.8	532.5	728.2	73.1
Nilambur	1230.3	1038.3	1308.0	79.4
Wandoor	780.9	504.7	858.3	58.8
Total	776.7	566.2	841.8	67.3

Source: Computed from the cumulative totals derived from Annual Progress Reports

3.11 It is also equally significant to note that in three blocks of Andathode (38.4%) Kondotti (45%) and Thirurangadi (43.7%) the proportion of subsidy paid to the SC/ST families were even much lower than half the subsidy paid to the non SC/ST beneficiaries.

Inter block comparison

3.12 Judged by the aggregate figures of targets and achievements, the blocks of Manjeri, Kondotti, Perinthalmanna, Tanur, Manakada, Wandoor and Nilambur had done relatively better than others (see table 3.5 and 3.6). While most of the blocks exceeded the physical targets from 6% (Vengara) to 58% (Kondotti) four blocks remained continuously behind the targets. These were Andathode, Kuttippuram, Ponnani and Thirurangadi. A few other blocks who were behind the targets up to March 1983 succeeded in crossing the targets during 1983–84.

3.13 Similarly the only 3 blocks which were able to fulfil the targets for SC/ST were Kondotti, Manjeri and Perinthalmanna, though Mankada, Nilambur, Ponnani and Wandoor also joined them during 1983–84.

3.14 It is also significant to note that the targets for SC/ST beneficiaries have been raised from 26.7% to 39.7% for 1983-84 to ensure them adequate coverage. However the achievement was only 33.5%. Some of the Block Development Officers complained that they are unable to get adequate number of SC/ST beneficiaries due to low proportion of their population in certain blocks.

3.15 In the matter of subsidy, targets were exceeded in Manjeri, Mankada, Tanur and Wandoor blocks upto March 1983. During 1983–84 Kondotti, Mankada Nilambur Tanur and Wandoor alone could achieve it.

3.16 However, none of the blocks could attain the targets in respect of subsidy to the SC/ST households. The blocks of Kondotti, Manjeri, Mankada Nilambur and Perinthalmanna did relatively better than others. On the other hand, blocks of Andathode, Kuttippuram, Malappuram, Tanur and Thirurangadi could not even reach 30% of the targets. It needs to be looked into whether it is the inadequacy of the SC/ST beneficiaries identified during the base-line survey which is responsible, for such a low coverage.

Scheme-wise distribution

3.17 Table 3.7 shows the scheme-wise distribution of the assistance under IRDP for the different years. While the total number of schemes have grown from 5974 in 1980–81 to 11,036 in 1983-84, the subsidy paid had grown from Rs. 47.8 lakhs to 97.6 lakhs. The highest figures in respect of number, and was realised in 1981–82.

Proportion of Land-based schemes

3.18 The proportion of land based activities has been continuously declining both in terms of the number of beneficiaries as well as the amount of subsidy adjusted. While the proportion of beneficiaries declined from 50.1% in 1980–81 to 13% in 1983-84, the proportion of subsidy declined from 51.6% to 13.8%. If we include milch animals also under land-bssed activities, the corresponding proportions declined from 75.4% and 79.3% respectively to 45.3% and 58.2%.

Table 3.5

IRDP Blockwise progressive achievements upto 31-3-83

Block	Physical Achievement				Financial Achievement (subsidy adjusted)			
	Total	% of the target	SC/ST	% of the target	Total	% of the target	SC/ST	% of the target
Andathode	1766	98.1	380	79.2	1611,889.79	92.7	98,114	20.7
Kondotty	2842	157.89	784	163.3	1440,494	82.8	307,980	65.0
Kuttipuram	1258	69.9	260	54.2	918,524	52.8	127,325	26.9
Malappuram	1722	95.7	330	68.8	947,257	54.5	131,105	27.7
Manjeri	2450	136.1	531	110.6	1740,473	100.1	266,692	56.3
Mankada	2563	147.4	454	94.6	1787,140	102.8	273,579	57.7
Perintalmanna	2147	119.3	484	100.8	1181,125	67.9	252,322	53.2
Ponnani	1727	95.9	425	88.5	1294,260	72.7	163,019	34.4
Tanur	2305	128.1	263	54.8	1793,405	103.1	108,128	22.8
Tirur	1604	89.1	305	63.5	1427,150	82.1	201,875	42.6
Tirurangadi	1593	99.6	340	70.8	1180,374	67.9	115,873	24.5
Vengara	1913	106.3	309	64.4	1199,255	69.0	147,969	31.2
Wandoor	2617	145.4	424	88.3	1986,519	114.2	222,695	47.0
Total	26507	113.3	5289	84.8	18507,804.79	81.9	2416,676	39.2

Note: The Physical targets for all blocks were 1800 in respect of total and 480 for SC/ST. Similarly the financial targets for all blocks were 17,39,000 and 4,74,000 respectively for total and SC/ST.

Source: D.R.D.A. Malappuram

Table 3.6

Integrated Rural Development Programme
Block wise achievement during 1983-84 upto 31-3-1984
Malappuram district

	Block	Physical target		No. of families assisted		% of achievement		Financial Target		Subsidy adjusted		% of achievement (subsidies)	
		Total	SC/ST	Total	SC/ST	Total	SC/ST	Total	For SC/ST	Total	For SC/ST	Total	SC/ST
1	Andathode	634	280	358	187	56.5	66.8	8,60,110	5,96,552	2,78,974.00	1,33,749	32.4	22.4
2	Kondotti	600	180	1031	464	171.8	257.8	10,32,408	3,83,771	10,66,579.00	3,35,737	103.3	87.5
3	Kuttippuram	600	324	589	187	98.2	57.7	12,78,058	5,13,612	6,20,149.00	1,22.894	48.5	23.9
4	Malappuram	602	250	810	155	134.6	62.0	13,08,062	5,01,649	7,63,525.90	1,35,600	58.4	27.0
5	Manjeri	600	180	692	231	115.3	128.3	7,31,527	4,28,308	7,05,975.00	3,56,711	96.5	83.3
6	Mankada	600	180	725	212	120.8	117.8	6,16,068	4,45,204	8,49,846.00	1,45,179	137.9	32.6
7	Nilambur	600	180	636	183	106.0	101.7	6,09,234	3,45,452	7,82,486.00	1,90,017	128.4	55.0
8	Perinthalmanna	600	180	651	231	108.5	128.3	12,86,035	4,41,648	6,66,328.00	2,14,964	51.8	48.7
9	Ponnani	862	276	591	343	68.6	124.3	12,60,142	5,41,064	4,09,544.00	2,18,555	32.5	40.4
10	Tanur	600	298	688	120	114.7	40.3	6,78,595	5,81,522	6,95,538.00	86,714	102.5	14.9
11	Tirur	600	364	724	224	120.7	61.5	11,71,803	4,66,950	8,95,505.53	1,22,015	76.4	26.1
12	Tirurangadi	800	310	774	259	96.8	83.5	10,40,368	5,95.520	6,34,316.00	1,18,250	61.0	19.9
13	Vengara	645	370	640	153	99.2	43.0	13,05,229	5,45,513	5,69,288.00	97,993	43.6	18.0
14	Wandoor	600	180	975	362	162.5	201.1	6,09,235	3,45,453	8,18,463.00	1,73,949	134.3	50.4
	Total	8943	3552	9884	3311	110.5	93.2	1,37,86,874	67,32,218	97,56,517.43	24,52,327	70.8	36.4

Source : D. R. D. A. Malappuram

Table 3.7

Schemewise distribution of the assistance under IRDP in the district

S.No.	Name of Schemes	No. of families assisted 1980-81	1981-82	1982-83	1983-84	Subsidy adjusted (Rs. lakhs) 1980-81	1981-82	1982-83	1983-84
1	Land Development	3	16	32	59	0.051	0.150	0.310	0.37
2	Agricultural Implements	12	14	4	20	0.017	0.020	0.021	0.08
3	Supply of work bulls	468	964	780	921	2.820	6.750	5.860	6.65
4	Supply of pumpset	1449	1324	594	277	21.100	15.940	7.120	4.02
5	Construction of well & renovation	79	296	157	157	0.580	2.693	1.450	1.92
6	Milch animals	1513	3421	3117			31.760	30.960	
7	Construction of cattle shed	—	48	30	3635	13.460	0.316	0.180	41.96
8	Supply of goats	1335	2632	2340	2269	3.230	7.660	8.630	13.11
9	Supply of poultry/ducks	4	5	6	14	0.060	0.057	0.048	0.13
10	Supply of boats and nets	43	150	147	264	0.543	2.320	2.900	6.26
11	Industries	194	536	702	1374	1.770	4.130	4.050	7.32
12	Bullock carts/Hand carts	34	63	46	32	0.039	0.540	0.470	0.27
13	Supply of sewing machine	646	1177	810	856	2.040	4.010	2.980	4.88
14	Petty shop	—	326	335	520	—	3.010	3.070	4.83
15	Others	194	364	438	424	2.213	3.330	6.044	5.77
	Total	5,974	11,336	9,538	10,822	47.823	82.686	74.093	97.57

Source: D.R.D.A., Malappuram, Due to approximation, subsidy totals may not tally.

CHAPTER 4

SAMPLE PROFILE

4.1 Of the 231 households selected for the impact study, 149 (64.4%) were from the primary sector 11 (4.8%) from secondary sector and 71 (30.7%) from the tertiary sector. (see table 4.1). While 26.8% received milch animal, 24.2% and 13.4% respectively received goat and pumpset. There were only two schemes selected under the secondary sector, though strictly they may not be classified under this sector. Similarly 5 major schemes of work animal (8.2%) sewing machine (8.7%), boat and net (6.1%) petty shop (3.5%) and cycle (3.0) were selected under the tertiary sector. It may be noted that work animals scheme has been treated as part of the primary sector by DRDA. However, we have reclassified them under tertiary, because of the fact that the 19 beneficiaries who receivad this scheme were either agricultural labour, non-agricultural labour, or marginal farmers and they have all reported that they were using the work animals primarily for hiring.

Table 4.1

Scheme-wise distribution of households selected for the impact study

Scheme	Total samples	Percentage of the total
I. Primary sector	149	64.4
a) Pumpset	31	13.4
b) Milch animal	62	26.8
c) Goat	56	24.2
II. Secondary	11	4.8
a) Handloom weaving	9	3.9
b) Mat weaving	2	0.9
III. Tertiary	71	30.7
a) Work animal	19	8.2
b) Boat and Net	14	6.1
c) Sewing Machine	20	8.7
d) Petty shop	8	3.5
e) Cycle	7	3.0
Others	3	1.3
Total	231	100.0

4.2 Block-wise distribution of the beneficiary samples shows that 40.1% were from Tanur Block, 32.9% from Perinthalmanna and 26% from Manjeri Block.

Educational status

4.3 Educational status of the beneficiaries given in tables 4.2 and 4.3 shows that 46.3% of them were illiterates and another 46.8% had studied upto the primary level. While 3% studied above the primary level, but below SSLC only 3.9% had completed SSLC. Schemewise break up shows that 12.9% of the receipients of pumpsets, 1.6% of the milch animal and 5.6% of the tertiary schemes alone had completed SSLC. The proportion of illiterates was highest among the receipients of goat since the proportion of scheduled castes was higher in it.

Table 4.2

Educational status of beneficiaries

Name of the scheme	Total No. of beneficiaries	Educational status			
		Illiterates	Primary	Below SSLC	SSLC
Pumpset	31	12	15	—	4
	(100.0)	(38.7)	(48.4)	—	(12.9)
Milch animal	62	30	29	2	1
	(100.0)	(48.4)	(46.8)	(3.2)	(1.6)
Goat	56	35	19	2	—
	(100.0)	(62.5)	(33.9)	(3.6	
Secondary	11	2	9	—	—
	(100.0)	(18.2)	(81.8)	—	—
Tertiary	71	28	36	3	4
	(100.0)	(39.4)	(50.7)	(4.2)	(5.6)
Total	231	107	108	7	9
	(100.0)	(46.3)	(46.8)	(3.0)	(3.9)

4.4 Of all the 107 illiterates 32.7% received goat, 28% received milch animal and 26.2% received assistance under the tertiary sector.

Category-wise distribution

4.5 The class-wise distribution of the beneficiaries given in table 4.4 shows that non-agricultural labour constituted the biggest group (32.5%) followed by marginal farmers (23.8%) and agricultural laboures (21.3%). Small farmers formed only 4.3% and small business 5.2%, while self employed accounted for 13%. Break up of the distribution of different types of beneficiaries according to type of assistance received revealed that 56% of the non-agricultural labour received goats, 25.3% milch animal and 18.7% assistance under the tertiary sector. (Table 4.5). The pattern is slightly different for agricultural labour. Milch animals accounted for 38.8% followed by tertiary 36.7% and Goat 18.4%. On the other hand 90% of the small farmer households received pumpsets and remaining 10% received milch animal. While 38.2% and 34.6% of the marginal farmers received tertiary assistance and milch animal 21.8% of received pumpset. In the case of self-employed, 56,7% were under tertiary sector and 30% secondary. It is also interesting that 66.7% of the small business households received pumpsets and 16.7% milch animals.

Table 4.3

Educational status of beneficiaries

Name of the scheme	Total number of beneficiaries	Educational status			
		Illiterates	Primary	Below SSLC	SSLC
Pumpset	31 (13.4)	12 (11.2)	15 (13.9)	— —	4 (44.4)
Milch animal	62 (26.8)	30 (28.0)	29 (26.9)	2 (28.6)	1 (11.1)
Goat	56 (24.2)	35 (32.7)	19 (17.6)	2 (28.6)	— —
Secondary	11 (4.8)	2 (1.9)	9 (8.3)	— —	— —
Tertiary	71 (30.7)	28 (26.2)	36 (33.3)	3 (33.3)	4 (44.4)
Total	231 (100.0)	107 (100.0)	108 (100.0)	7 (100.0)	9 (100.0)

Figures in brackets are percentages of the column totals

Table 4.4

Distribution of selected households according to the class of beneficiaries

Scheme	NAL	AL	SF	MF	SE	SB	Total
Pumpset	—	1 (3.2)	9 (29.0)	12 (38.7)	1 (3.2)	8 (25.8)	31 (100.0)
Milch animal	19 (30.7)	19 (30.7)	1 (1.6)	19 (30.7)	2 (3.2)	2 (3.2)	62 (100.0)
Goat	42 (75.0)	9 (16.1)	—	3 (5.4)	1 (1.8)	1 (1.8)	56 (100.0)
Secondary	—	2 (18.2)	—	—	9 (81.8)	—	11 (100.0)
Tertiary	14 (19.7)	18 (25.4)	—	21 (29.6)	17 (23.9)	1 (1.4)	71 (100.0)
Total	75 (32.5)	49 (21.2)	10 (4.3)	55 (23.8)	30 (13.0)	12 (5.2)	231 (100.0)

Figures in brackets are percentages of the row total

Table 4.5

Distribution of selected households according to the class of beneficiaries

Scheme	NAL	AL	SF	MF	SE	SB	Total
Pumpset	—	1 (2.0)	9 (90.0)	12 (21.8)	1 (3.3)	8 (66.7)	31 (13.4)
Milch animal	19 (25.3)	19 (38.8)	1 (10.0)	19 (34.6)	2 (6.7)	2 (16.7)	62 (26.8)
Goat	42 (56.0)	9 (18.4)	—	3 (5.5)	1 (3.3)	1 (8.3)	56 (24.2)
Secondary	—	2 (4.1)	—	— —	9 (30.0)	—	11 (4.8)
Tertiary	14 (18.7)	18 (36.7)	—	21 (38.2)	17 (56.7)	1 (8.3)	71 (30.7)
Total	75 (100.0)	49 (100.0)	10 (100.0)	55 (100.0)	30 (100.0)	12 (100.0)	231 (100.0)

(Figures in brackets are percentage of the column total)

Family size

4.6 The size of the family of the selected households ranged from 1 to 19 with an average size of 7. Here only 32.5% of the families had a family size of less than or equal to 5. In fact 62.4% of the families had a family size which ranged from 5 to 9. This clearly shows that the assumption of a family size of 5 for difining the family income limit of Rs. 3500 was quite unrealistic and inappropriate.

Land holdings

4.7 Table 4.6 shows that only 0.4% of the selected beneficiaries were landless. While 25.5% had land holdings upto 15 cents only, 49.8% had holdings ranging from 16 cents to 100 cents. Another 18.6% had land holdings from 101 cents to 250 cents. Only 3 households (1.3%) had holdings above 350 cents.

SC/ST beneficiaries

4.8 There were 54 Scheduled Caste families which formed 23.4% of the total sample of beneficiaries, schemewise distribution of the beneficiaries shows that 57.4% were of the goat scheme, 27.8 of the tertiary sector, 9.3% of the goat scheme 3.7% of the secondary sector, and 1.8% of the pumpset scheme.

4.9 The percentage of the selected scheduled caste families to total families selected under each scheme is given in column 5 of table 4.7. It shows that the sample coverage ranged from 54.4% in the case of goat scheme to 3.2% in the case of pumpset scheme. The figures for the secondary and tertiary schemes were 18.2% and 19.7% respectively.

Table 4.6

Distribution of the selected households according to size of holdings

Size of land holdings (cents)	Pumpset	Milch animal	Goat	Secondary	Tertiary	Total
Landless	—	1 (1.6)	—	—	—	1 (0.4)
0— 15	—	10 (16.4)	20 (35.7)	6 (54.5)	23 (32.4)	59 (25.5)
16—100	6 (19.4)	35 (57.4)	35 (62.5)	4 (36.4)	35 (49.3)	115 (49.8)
101—250	17 (54.8)	13 (21.3)	1 (1.8)	1 (9.1)	11 (15.5)	43 (18.6)
251—350	5 (16.1)	2 (3.3)	—	—	2 (2.8)	9 (3.9)
351—500	2 (6.5)	—	—	—	—	2 (0.9)
Above 500	1 (3.2)	—	—	—	—	1 (0.4)
Total	31 (100.0)	61* (100.0)	56 (100.0)	11 (100.0)	71 (100.0)	231 (100.0)

* One household did not respond,

Table 4.7

Schemewise, blockwise distribution of the selected scheduled caste beneficiaries

Scheme	Tanur	Perinthalmanna	Manjeri	Total
Pumpset	—	—	1 (7.7)	1 (3.2)
Milch animal	—	3 (9.4)	3 (75.0)	6 (9.7)
Goat	4 (20.0)	9 (52.9)	18 (94.7)	31 (54.4)
Secondary	—	—	2 (100.0)	2 (18.2)
Tertiary	3 (10.7)	3 (14.3)	8 (36.4)	14 (19.7)
Total	7 (7.4)	15 (19.7)	32 (53.3)	54 (23.4)

Figures in brackets are % the total beneficiaries in each Block.

4.10 Blockwise distribution shows that 13%, 27.8% and 59.3% respectively were from Tanur, Perinthalmanna and Manjeri blocks. Since the coverage of scheduled castes beneficiaries were much less in Tanur and Perinthalmanna due to random selection, wider coverage was given in the selection of beneficiaries in the Manjeri block.

Borrowings other than IRDP

4.11 It is significant to note that 52% of the selected beneficiaries had borrowed an average amount of Rs. 4172 from sources other than IRDP. The average borrowing per beneficiaries of pumpset (Rs. 6333) was the highest followed by those of milch animal scheme (Rs.5179). The lowest amount outstanding per beneficiary was in goat scheme (Rs. 1732).

Table 4.8

Distribution of borrowings other than IRDP of the beneficiary samples

Scheme	No. of households with outstanding debts	% of the total	Average loan outstanding per household*
Pumpset	15	48.4	6333
Milch animal	31	50.0	5179
Goat	29	51.8	1732
Secondary	5	45.5	3310
Tertiary	40	56.3	4456
Total	120	52.0	4172

* Approximated to the nearest number

4.12 It is thus seen that more than half the beneficiaries have substantial quantity of loans outstanding outside IRDP and it may be difficult for them to repay the IRDP loans promptly, unless the programme succeeds in generating adequate net income. The tendency of certain sections to corner all benefits available from parallel programmes could also be seen from the data.

Second Assistance

4.13 Though IRDP was aimed to provide substantial assistance to each selected household, it is not generally observed while implementing the scheme. Only 23.4% of the selected households (54 households) had received second assistance. Scheme-wise breakup of the second assistance shows that 1.9% received pumpset, 42.6% milch animal, 9.3% goat, 16.7% secondary and 27.8% received assistance under the tertiary sector. (Table 4.9) On the other hand in respect of the selected beneficiaries for the impact study, 9.7% of the beneficiaries of the pumpset scheme, 35.5% of that of milch animal, 19.6% of that of goat, 72.7% in the secondary sector and 14.1% in the tertiary sector alone received second assistance.

Table 4.9

Scheme-wise distribution of beneficiaries who received second assistance

First assistance/ Second assistance	Pumpset	Milch animal	Goat	Secondary	Tertiary	Others	Total	Total as percentage of total samples in each category
1	2	3	4	5	6	7	8	9
Pumpset	—	1 (33.3)	—	—	1 (33.3)	1 (33.3)	3 (100.0)	9.7
Milch animal	—	20 (90.9)	—	—	2 (9.1)	—	22 (100.0)	35.5
Goat	—	1 (9.1)	40 (36.4)	— —	6 (54.5)	— —	11 (100.0)	19.6
Secondary	—	—	—	7 (87.5)	1 (12.5)	—	8 (100.0)	72.7
Tertiary	1 (10.0)	1 (10.0)	1 (10.0)	2 (20.0)	5 (50.0)	—	10 (100.0)	14.1
Total	1 (1.9)	23 (42.6)	5 (9.3)	9 (16.7)	15 (27.8)	1 (1.9)	54 (100.0)	23.4

Figures in parenthesis are percentages of the total given in column 8.

Average Assistance per household

4.14 The average assistance received by a beneficiary was only Rs. 2912.3, which ranged from Rs. 1136.8 for goat scheme to Rs. 4134.9 in the case of pumpset (Table 4.10). The corresponding figures for milch animal secondary and tertiary schemes were Rs. 4106.6, Rs. 2213.6 and Rs. 2886.0 respectively. Similarly the average subsidy paid was Rs. 950.9, which ranged from Rs. 364.2 for goat scheme to Rs. 1361.3 for the milch animal scheme. The average subsidy paid was Rs. 1306.1 for pumpsets, Rs. 761.3 for the secondary sector and Rs. 943.8 for the tertiary sector. All these figures include the total assistance and subsidy paid for the second assistance as well.

4.15 It may be noted that the per capita credit paid to the beneficiaries by the financial institutions at the national level during 1983-84 was Rs. 2041/- The corresponding figure for the sample population was only Rs. 1961.4

Average assistance per scheme

4.16 On the otherhand, the average loan received by the selected beneficiaries from the first loan alone was only Rs. 2386.81 which ranged from Rs. 883.33 for goat to Rs. 3865.23 for pumpset. Similarly the average subsidy paid for the first assistance was only Rs. 727.33 which varied from Rs. 282.37 for goat to Rs. 1204.16 for pumpset.

Range of assistance per household

4.17 The wide variations in the total assistance received by the beneficiary households is revealed by table 4.11. While 42% of the beneficiary households received total assistance (including second assistance) not exceeding Rs. 2000, 30.3% and 5.2% respectively obtained only less than Rs. 1000 and Rs. 500 respectively. At the same time, 14.7% of the selected beneficiary households received more than Rs. 5000 of which 2.6% even secured more than Rs. 7500.

4.18 Alternatively, those who secured a total assistance not exceeding Rs.2000 included 89.3% of the beneficiaries of the goat scheme, 56.3% of the tertiary, 18.2% of the secondary sector and 4.8% of that of milch animal scheme. On the other hand, all the 6 beneficiaries who secured more than Rs. 7500 received boat and net (tertiary sector). It is also significant that none of the beneficiaries of the goat scheme received more than Rs. 3000 and that of secondary sector more than Rs. 3500.

Range of assistance per SC family

4.19 It is seen from table 4.11 that soheduled caste families received much lower scale of assistance than their counterparts. For instance, while 42% of all the selected beneficiaries received total assistance not exeeding Rs. 2000, the corresponding proportion was almost double (80%) for SC households. All the receipients of goats, secondary sector schemes and 71.4% of the tertiary sector belonged to their category. Similarly 96.3% of the SC beneficiaries received only Rs.3500 or less, the corresponding percentage was only 75 for the total. The SC/ST families were generally seen to have been selected for such schemes like goat rearing and tertiary sector schemes which require relatively lower scale of assistance.

Table 4.10

Average loan and subsidy paid to the beneficiary households of each scheme

	Average assistance for all beneficiaries		Scheduled Castes		Non-scheduled castes		Percentage of assistance to SC to Non-SC assistance	Percentage of subsidy to SC to that of Non-SC
	Average total assistance	Average subsidy	Average total assistance	Average subsidy	Average total assistance	Average subsidy		
1	2	3	4	5	6	7	8	9
Pumpset	4134.9	1306.1	3500.0	1166.0	4156.0	1310.7	84.2	89.0
Milch animal	4106.6	1361.3	5083.3	1694.3	4000.0	1324.9	127.1	127.9
Goat	1136.8	364.2	962.9	311.8	1344.2	426.7	71.6	73.1
Secondary	2213.6	761.3	200.0	65.0	2661.9	916.0	7.5	7.1
Tertiary	2886.0	943.8	1968.2	643.3	3111.5	1017.5	63.3	63.2
Total	2912.3	950.9	1700.0	555.6	3282.1	1071.5	51.8	51.9

Table 4.11

Distribution of households according to range of assistance received

Range of assistance (Rs.)	Pumpset	Milch animal	Goat	Secondary	Tertiary	Total	Total (Percentages)
upto 500	—	—	10	2	—	12	5.2
			(5)	(2)		(7)	(13.0)
Rs. 501–1000	—	—	30	—	28	58	25.1
			(17)		(2)	(19)	(35.2)
Rs. 1001–2000	—	3	10	2	12	27	11.7
			(9)		(8)	(17)	(31.5)
Rs. 2001–3500	17	36	3	7	13	76	32.9
	(1)	(2)			(4)	(7)	(13.0)
Rs. 3501–5000	9	2	3	—	10	24	10.4
Rs. 5001–7500	5	21	—	—	2	28	12.1
		(4)				(2)	(3.7)
Above 7500	—	—	—	—	6	6	2.6
Total	31	62	56	11	71	231	100.0
	(1)	(6)	(31)	(2)	(14)	(54)	(100.0)

Figures in the parenthesis are the number of scheduled caste households.

Note: The total assistance per family includes, second assistance as well.

Magnitude of assistance to SC/ST

4.20 The magnitude of assistance to scheduled caste beneficiary households for each category of schemes is given in table 4.10. The average total assistance was Rs. 1700 (column 4) which was just 51.8% of the total assistance paid to non-SC beneficiaries. Except in the case of milch animal scheme, the total assistance paid to SC families was much lower than those of the non-SC beneficiaries. It ranged from 7.5% for the secondary sector to 84.2% for pumpsets. However the selected households received an average assistance of Rs. 5083.3 for milch animals which was 27.1% higher than their non SC counterparts.

4.21 Similarly the average subsidy paid to scheduled caste households was only Rs. 555.6, which formed just 51.9% of the corresponding figure (Rs. 1071.5.) for non-SC households. The average subsidy for SC households ranged from Rs. 65 for secondary to Rs.1694.3 for milch animal. With the exception of milch animal, the subsiby per household was much lower for all schemes, compared to average subsidy for non-SC beneficiaries. In terms of percentage of the latter, the subsidy paid varied from 7.1% for goat to 89% for pumpsets (column 9). For the milch animal scheme the subsidy paid to them (Rs. 1694.3) was higher by 27.9%.

4.22 These figures are highly comparable to the average total assistance and subsidy paid to the scheduled caste beneficiaries over the last four years. It was shown in chapter 3 that average subsidy paid to SC/ST beneficiaries was Rs.566.2 compared to Rs. 841.8 paid to non SC/ST beneficiaries. As against two-third level of assistance received by SC/ST families at the district level the SC/ST beneficiaries selected for the impact study had received only 52% assistance compared to their non-SC/ST counterparts.

□

CHAPTER 5

IDENTIFICATION, SELECTION AND IMPLEMENTATION

5.1 The criterion suggested for the selection of beneficiaries was a total family income of Rs. 3500 per year from all sources. Though this is a static concept, totally independent of the family size, this was followed by the block level functionaries as a customary thump rule for identification of the beneficiaries. However, the criterion suggested for the classification of families identified for assistance, in the Block Plans and Perspective Plan was an annual per capita income of Rs.700. Those below Rs. 701 per capita annual income were classified into 4 classes of Rs. 0–175, Rs. 176-350, Rs. 351-525 and Rs.526–700 respectively. It was also clearly laid down that an Anthyodaya approach has to be followed by initially selecting the poorest of the poor (0-175 group) and sequentially selecting the identified families of the upper groups. What is more significant is that the above two criteria have been suggested in the very same circular which has made confusion in the minds of many, about the appropriate criterion to be employed[1]. For the purpose of the present study, we have accepted the annual per capita income criterion which was the criterion followed in the preparation of block plans. However, the simple thump rule criterion wil also be employed for getting a comparative picture.

Total family income criterion

5.2 Since the block level functionaries have been uniformly following this thump rule, for identification and selection as per instructions from above, it may give a better picture about the correctness of their selection. Table 5.1 shows that the selection of 67.1% of the beneficiaries covered by the study was wrong according to this criterion. The table further shows that 28.6% of the beneficiaries had a total family income ranging from Rs. 3500 to Rs. 5,000, 29.9% from Rs. 5001 to 10000, and 8.6% even above 10,000 of which a fourth had a family income of above Rs. 20,000. All these data unambiguously demonstrate that on the whole the selection of beneficiaries was irregular and erroneous.

5.3 Scheme-wise analysis shows that the proportion of beneficiaries not eligible for assistance according to this simple thump rule ranged from 38.7% in the case of pumpset scheme to 79% for milch animal scheme. The corresponding percentages for goat, secondary and tertiary schemes were 59.0, 54.5 and 77.5 respectively.

[1] See letter No. 14022/36/78-AI (RD) dt. 7th Aug. 1979, giving the former guideline and Appendix to the above D.O. letter specifying the guidelines for household survey, reproduced in *Manual on Integrated Rural Development Programme;* Ministry of Rural Reconstruction, Govt. of India, Jan. 1980, P. 4 and p. 59.

Table 5.1

Distribution of the selected beneficiaries according to family income before the assistance

Scheme	Pre-assistance Income groups: Rs. 2000 and below	Rs. 2001—3500	Rs. 3501—5000	Rs. 5001—10000	Rs. 10001—20000	Rs. 20001—30000	Total
1	2	3	4	5	6	7	8
Pumpset	14 (45.2)	5 (16.1)	6 (19.4)	5 (16.1)	1 (3.2)	—	31 (100.0)
Milch animal	—	13 (21.0)	19 (30.6)	24 (38.7)	6 (9.7)	—	62 (100.0)
Goat	4 (7.1)	19 (33.9)	18 (32.1)	14 (25.0)	1 (1.8)	—	56 (100.0)
Secondary	1 (9.1)	4 (36.4)	5 (45.5)	1 (9.1)	—	—	11 (100.00)
Tertiary	2 (2.8)	14 (19.7)	18 (25.4)	25 (35.2)	8 (11.3)	4 (5.6)	71 (100.0)
Total	21 (9.1)	55 (23.8)	66 (28.6)	69 (29.9)	16 (6.9)	4 (1.7)	231 (100.0)

Figures in parenthesis are percentages of the total given in column number 8

The higher proportion of eligible beneficiaries for the pumpset scheme may have arisen from slight under-reporting of incomes compared to the remaining schemes. Hence it is seen that according to this criterion the choice of beneficiaries was grossly defective in respect of each of the major schemes.

Annual per capita income criterion

5.4 The annual per capita income is a more rational criterion as it takes the family size of each household into account while making the selection. According to this dynamic criterion 44.2% of the beneficiaries were not eligible for assistance under IRDP. Table 5.2 shows that of the 231 families selected for the impact study, 20.8% had per capita annual income between Rs. 701 and Rs. 1000, 14.3% between 1001 and 1500, 5.6% between 1501 and 2000 and 3.5% having more than Rs. 2000 per annum.

5.5 Scheme wise break up shows that 57.8% of the beneficiaries under the tertiary sector, 50% under milch animal, 37.5% under Goat, 27.3% under secondary and 19.4% under the pumpset scheme were not eligible for IRDP assistance. Hence it is seen that even according to this criterion 44.2% did not deserve any assistance under the programme. Thus judged by any of these two criteria the selection was seen to be highly irregular.

Selection of scheduled caste households

5.6 54 households forming 23.4% of the households selected for the impact study belonged to the scheduled castes. Table 5.3 shows distribution of these scheduled caste families according to total family income and different schemes. While 57.4% received goats and 25.9% assistance under tertiary sector, corresponding percentages for pumpset, milch animal and secondary were 1.9, 11.7 and 3.7 respectively. The table also shows that according to the specified total family income criterion of Rs. 3,500, the selection of 68.5% of the scheduled caste beneficiaries was irregular. This proportion is surprisingly slightly above the corresponding figure for all households (67.1%). It is also significant to note that one-third of the beneficiaries had a family income above Rs. 5,000 and even one household had an income higher than Rs. 10,000.

5.7 Scheme-wise break up of the eligible beneficiaries shows that cent per cent of the receipients of pumpsets, none of milch animal, 41.9% of those of goats, 50% of the secondary sector, and 14.3% of the tertiary sector alone deserved assistance under the scheme. It thus clearly shows that even in respect of scheduled caste beneficiaries, the selection was highly irregular, whose percentage even exceeded the corresponding figure for all the households.

5.8 Alternatively if we take per captia annual income as the criterion, selection of 46.3% was still wrong as may be seen from table 5.4. As in the case of the previous norm, the percentage of wrong selection is seen to be slightly higher than the corresponding percentage for all the beneficiaries. It is again interesting to note that 25.9% of the beneficiaries had per capita annual income higher than Rs. 1001 of which one household (1.9%) had a per capita income higher than even Rs. 2001.

Table 5.2

Distribution of selected beneficiaries according to per capita annual income before the assistance

Pre-assistance per capita annual income (Rs)	Pumpset		Milch animal		Goat		Secondary		Tertiary		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0-175	7	22.6	—	—	—	—	—	—	1	1.4	8	3.5
176–350	5	16.1	3	4.8	2	3.6	1	9.1	5	7.0	16	6.9
351–525	10	32.3	10	16.1	13	23.2	5	45.5	11	15.5	49	21.2
526–700	3	9.7	18	29.0	20	35.7	2	18.2	13	18.3	56	24.2
701–1000	4	12.9	18	29.0	10	17.9	3	27.3	13	18.3	48	20.8
1001–1500	—	—	8	12.9	9	16.1	—	—	16	22.5	33	14.3
1501–2000	—	—	5	8.1	2	3.6	—	—	6	8.5	13	5.6
Above 2000	2	6.5	—	—	—	—	—	—	6	8.5	8	3.5
Total	31	100.0	62	100.0	56	100.0	11	100.0	71	100.0	231	100.0
above 700	6	19.4	31	50.0	21	37.5	3	27.3	41	57.8	102	44.2

Table 5.3

Family income-wise and scheme-wise distribution of the scheduled caste beneficiaries

Pre-assistance income classes (Rs.)	Pumpset	Milch animal	Goat	Secondary	Tertiary	Total
0– 1500	1 (100.0)	—	—	1 (50.0)	—	2 (3.7)
1501– 2500	—	—	3 (9.7)	—	—	3 (5.6)
2501– 3500	—	—	10 (32.3)	—	2 (14.3)	12 (22.2)
3501– 5000	—	1 (16.7)	9 (29.0)	1 (50.0)	8 (57.1)	19 (35.2)
5001– 7500	—	3 (50.0)	7 (22.6)	—	4 (28.6)	14 (25.9)
7501–10000	—	1 (16.7)	2 (6.5)	—	—	3 (5.6)
10001–15000	—	1 (16.7)	—	—	—	1 (1.9)
Total	1 (100.0)	6 (100.0)	31 (100.0)	2 (100.0)	14 (100.0)	54 (100.0)
Rs. 3500 and below	1 (100.0)	—	13 (41.9)	1 (50.0)	2 (14.3)	17 (31.5)

Figures in the brackets are percentages of the column totals

5.9 Further analysis shows that cent per cent of the beneficiaries who obtained pumpsets, 16.7% of those of milch animal, 67.8% of goat, 50% of the secondary and 35.7% of the tertiary sector alone deserved assistance under IRDP. It thus clearly shows that judged by both criteria, even the selection of scheduled caste beneficiaries was grossly irregular. It seems to be surprising how the percentage of wrong selection in the case of scheduled caste families happened to be slightly higher than that of all the households.

Coverage of poor

5.10 Since the rationale of the programme was to assist poorest of the poor, it was required to assist, families with lowest per capita income first (below Rs. 175) and to select families sequentially from the succeeding classes. The Five Year Perspective Plan (1980–85) identified 39,000 households for assistance of which households of the two lowest income classes formed 69.7% (Table 5.5). The corresponding percentages for the blocks of Tanur, Perinthalmanna and Manjeri were 83.0, 65.1 and 70.0 respectively. The study however, shows that this group gets coverage only to the extent of one-tenth compared to the total target. The poorest

Table 5.4

Distribution of scheduled caste families according to pre–assistance per capita income groups and the type of assistance received

Income groups (Rs.)	Type of assistance					Blockwise distribution			Total
	Pumpsets	Milch animal	Goat	Secondary	Tertiary	Tanur	Perinthal manna	Manjeri	
0– 175	1 (100.0)	—	—	—	—	1 (12.5)	—	—	1 (1.9)
176– 350	—	--	2 (6.5)	—	2 (14.3)	1 (12 5)	1 (6.7)	2 (6.5)	4 (7.4)
351– 525	—	—	7 (22.6)	1 (50.0)	1 (7.1)	1 (12.5)	3 (20.0)	5 (16.1)	9 (16.6)
526– 700	—	1 (16.7)	12 (38.7)	—	2 (14.3)	3 (37.5)	5 (33.3)	7 (22.6)	15 (27.8)
701–1000	—	2 (33.3)	4 (12.9)	1 (50.0)	4 (28.6)	1 (12.5)	2 (13.3)	8 (25.8)	11 (20.4)
1001-1500		2 (33.3)	6 (19.4)	—	3 (21.4)	1 (12.5)	2 (13.3)	8 (25.8)	11 (20.4)
1501–2000	—	1 (16.7)	—	—	1 (7.1)	—	1 (6.7)	1 (3.2)	2 (3.7)
Above 2000	—	—	—	—	1 (7.1)	—	1 (6.7)	—	1 (1.9)
Total	1 (100.0)	6 (100.0)	31 (100.0)	2 (100 0)	14 (100.0)	8 (100.0)	15 (100.0)	31 (100.0)	54 (100.0)

Figures in brackets are percentages of the column totals.

of the poor were seen to have been by-passed in the selection partly by the under-estimation of the incomes of the relatively better off sections and partly due to the imperfections of the base line survey apart from other extraneous factors.

Table 5.5

Distribution of the proportion of families identified for assistance as per the Five Year Perspective Plan, according to per capita income groups

Block	Total number of families selected for 5 years	Percentage of families selected under the income group (Rs.)			
		0–175	176–350	351–525	526-700
Tanur	3000 (100.0)	30.4	52.6	11.6	5.4
Perinthalmanna	3000 (100.0)	40.1	25.0	26.1	8.8
Manjeri	3000 (100.0)	21.0	49.0	19.1	10.8
Total for the district	39,000 (100.0)	30.7	39.0	23.5	6.8

Source: Estimated from Annexure 1 of the *IRDP Five year Perspective Plan 1980-85 and Annual Plan 1981-82 and 1982-83*

Target group-wise classification

5.11 Further classification of the beneficiaries according to economic classes shows that cent percent of the small farmers, 58.3% of the small business, 55.1% of the agricultural labour, 52% of the non-agricultural labour, 61.8% of the marginal farmers and 40% of the self employed alone were eligible for assistance under the scheme. (Table 5.6). A comparison of the actual share of each group of the selected beneficiaries compared to their targetted share is constrained by the mis-classification observed in the grouping of many of the families. Most of the families grouped as agricultural labour households were seen to be non-agricultural labour households. There was also misclassification between self-employed and small business on the one hand and marginal farmers and agricultural and non-agricultural labourers on the other.

Procedure for identification

5.12 A base-line survey covering all families belonging to small farmers, marginal farmers, agricultural labourers, non-agricultural labourers and rural artisans in the blocks selected from non-special areas has been suggested for identification of beneficiaries[2]. In other blocks, where such a comprehensive survey has not been contemplated, the Growth Centre or cluster approach was suggested to be adopted

[2] Govt. of India, *Manual on Integrated Rural Development*, 1980 p. 4 (originally communicated vide letter No. Q 1422/36/78 A. I. (RD) dt. 7.8.1979.

Table 5.6

Distribution of beneficiaries according to the economic classification and pre-assistance income groups.

Per capita annual income groups (before the assistance) (Rs)	NAL		AL		SF		MF		SE		SB		Total	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
0— 175	—	—	—	—	3	30.0	4	7.3	1	3.3	—	—	8	3.5
176— 350	1	1.3	6	12.3	1	10.0	5	9.1	1	3.3	2	16.7	16	6.9
351— 525	17	22.7	6	12.3	4	40.0	13	23.6	6	20.0	3	25.0	49	21.2
526— 700	21	28.0	15	30.6	2	20.0	12	21.8	4	13.3	2	16.7	56	24.2
701—1000	19	25.3	12	24.5	—	—	12	21.8	4	13.3	1	8.3	48	20.8
1001—1500	12	16.0	5	10.2	—	—	5	9.1	8	26.7	2	16.7	32	13.9
1501—2000	5	6.7	3	6.1	—	—	4	7.3	2	6.7	—	—	14	6.1
above 2000	—	—	2	4.1	—	—	—	—	4	13.3	2	16.7	8	3.5
Total	75	100.0	49	100.0	10	100.0	55	100.0	30	100.0	12	100.0	231	100.0
Below Rs. 701	39	52.0	27	55.1	10	100.0	34	61.8	12	40.0	7	58.3	129	55.8

by selecting the beneficiaries from a group of adjacent villages[3]. In the Malappuram district, the base-line survey was conducted in three blocks, viz., Wandoor Malappuram and Kuttippuram, before March 1981. In the remaining 10 blocks on an average 5000 families were surveyed by following a process of elimination adopting a cluster approach. The detailed survey schedule was used only for the final survey of the households selected after a preliminary screening based on certain criteria like size of land holding, nature of the house (selecting only huts and thatched ones for the survey) etc. In the 10 blocks where this approach was adopted the actual number of families surveyed ranged from 4700 in Ponnani Block to 6000 in Andathode[4]. On the other hand, 21,533, 53043 and 16868 families respectively were surveyed in Malappuram, Wandoor and Kuttipuram blocks[5].

5.13 However, the survey was incomplete and inadequate in many respects. The wrong selection of households to the tune of roughly half the number of families assisted, was partly due to the imperfections of the survey. Since the basic goal of the programme is to assist the poorest of the poor to enable them to cross over the poverty line, the basis of choice is of utmost significance and the survey is the most crucial step for proper identification of the deserving households. The Village Extension Officers who were entrusted with the survey were not given proper training in survey techniques and methodology for the preparation of household plans. When the field level functionaries of the Development Blocks were deputed for an onerous task which requires skill and experience of high order, without properly training and motivating them, the base-line survey came out to be a sheer ritual. Since the base-line survey was conducted in hurry without necessary preparation within a rigid time limit, much of the required data were not collected. Even the collected data seem to suffer from gross inconsistencies. The main reason for such a predicament was the irrational decision of the Government of India to extend the programme covering the entire blocks in the country, without developing the necessary organisational, technical and institutional infrastructure. The strength and weaknesses of the delivery system was never looked into rationally before taking such a sweeping decision. The field level functionaries who were not either conversant or competent for the tremendous job of conducting the base-line survey and preparation of development plans for the beneficiary households shall not be blamed for the entire weaknesses of the programme. Morever most of the blocks have reported that they were under-staffed at the time of the survey.

Involvement of outside agencies

5.14 Given the built-in constraints of the programme the Government of India had directed the State Governments to involve scientific and technical institutions, panchayaths, voluntary organisations and the financing banks in the process of selection to ensure the choice of the right persons. However, in the district none of these agencies were directly involved for the conduct of the survey or for selection or

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3 *Ibid* p. 5. (vide circular No. M-11012/78-IRD-III dt. 20-2-1979)

4 The total number of families surveyed in each block classified according to annual per capita income classes is given in Annexure I (a) of *IRDP Five Year Perspective Plan 1980-85.*

5 *Ibid*

for the preparation of Block Plans. At best the list of selected persons was sent to the respective Panchayats for addition or deletion. It seems to be surprising why the State Government in spite of definite guidelines from Centre has not insisted on the involvement of panchayats and such agencies in the programme. Since evaluation sudies on the performance of different types of Rural Development Programmes have unambiguously demonstrated that identification of the poor if done in a local level camp (say in the village itself) with the active participation of all socio-economic and political groups, the selection will give the best results[6]. Apart from a social sanction for the programme, it ensures the co-operation and involvement of all interests which may contribute better to its success. Given the time limit such rural development camps would have been the ideal solution for selection of the beneficiaries. However, it is gratifying to note that the credit camps have been held in the district in recent years. But, so far it has not been tried at the village or even panchayat levels.

Banks and identification

5.15 Though the financing banks are also to be involved in the selection of the beneficiaries as per the instructions of the Centre, it has seldom been done. At present, the role of the bank is simply confined to financing or rejecting the schemes submitted by the Block Development Officers. Some of the banks, including the management of the South Malabar Gramin Bank, which is financing lionshare of the bank credit for IRDP in the district, pointed out that even if the submitted schemes are not viable or bankable, they are constrained to finance them due to fear of public criticism.

5.16 We, therefore, feel that better involvement of banks should be ensured for the selection for two reasons. First of all the viability of the schemes are to be verified before sending the proposal for ultimate delivery of credit, lest the programme will be reduced to a simple subsidy payment system which may become counter-productive, as in the case of a good percentage of the present lending. Second and more important, is the necessity to motivate the banker as well as to make him really involved in the programme which will certainly eliminate the present apathy of some of the banks for weaker section lending. It is indeed unfair to ask the banks to lend money to people whom they do not know, and have never been involved in identifying or selecting them. One should not forget the fact that the success of IRDP depends on the degree of co-ordination and the extent of involvement of different agencies like banks, Block development administration, panchayats, technical and scientific institutions and voluntary agencies.

Block Plans

5.17 Though the methodology prescribed for the preparation of the Block Plans have been followed apparently, it was seen to be far from satisfactory, since the whole exercise was done on the basis of incomplete information and imperfect documentation.

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6 Samuel Paul and Ashok Subramaniam, "Development Programmes for the poor—Do strategies make a difference"? *Economic and Political Weekly*, March 5, 1983.

One reason was the lack of training and experience of the block level functionaries and the other was the lack of involvement of technical and scientific institutions on the one hand and local bodies on the other.

Proportion of rejection

5.18 Since the household plans were not entirely viable and bankable, and that the banks were not involved in the selection, the proportion of rejections were higher in certain blocks. For instance the B. D. Os. of Ponnani and Tanur reported that 3.1% and 30% of the applications of these blocks were returned by the financing agencies under one pretext or the other. In many cases the Block officials were not fully convinced about the causes for rejection.

5.19 In the absence of blockwise or district wise data on rejection we have tried to collect the details from a few leading financing agencies. The South Malabar Gramin Bank which provides more than half the total credit for IRDP in the district reported that just 1% of the applications are rejected on an average due to non-viability of the schemes. On the other hand, the Main Branch of the Canara Bank (Lead Bank) reported that only 1.8% were rejected for want of working capital and due to higher income limits. At the same time 3.6% of the applicants did not report for availing the assistance. During 1983, 3,2% were rejected due to similar reasons while 9.4% did not report for availing the assistance.

5.20 What is more interesting is that the proportion of rejections are higher among commercial banks, especially the non-nationalised banks. The main reason for the larger rejection according to our understanding is the absence of active involvement of the financing agencies in the selection of beneficiaries. The resultant communication gap and lack of understanding between bureaucracy and the financing agencies reduced the co-ordination in the implementation of the project. Moreover it has been observed that the block officials normally recommend and formulate steriotyped schemes for the beneficiaries though almost a hundred different schemes are suggested under the programme.

Problems faced by Financing Banks

5.21 Inspite of clear instructions not to forward more than 25 applications to a bank at a time, some of the block officials have been found to be despatching 50 to 75 applications in a lot which invariables results in delay in the disbursement of assistance. Similarly, the IRDP component in the district Credit Plan shows bank-wise, branch-wise and scheme-wise break up, but it is seldom adhered to when forwarding the applications to the banks. While the more obliging banks like the Lead Bank, The South Malabar Gramin Bank, the State Bank of India and the State Bank of Travancore are taxed more, the less interested and evading agencies manage to escape with lower share than targets.

5.22 Another factor which requires attention is the failure of the banks to supply full scale of assistance recommended for a scheme. Here the bank officials clarify their position by pointing to the non-viability of the steriotyped schemes submitted to them. Banks are also sore about the cold attitude of the block level machinery in the matter of recovery of overdues.

Overdues position

5.23 In the absence of a regular reporting system especially in the absence of keeping separate, estimates for IRDP loans, it was not possible to know the recovery and overdues position separately for IRDP. However, we could collect the relevant information from some of the leading financing agencies which together advanced lionshare of the IRDP credit in the district. For instance, the South Malabar Gramin Bank which advances more than half the IRDP credit reported that the rate of recovery of IRDP lending of the Bank in the Malappuram district had fallen from 80% in 1982 to 62% in 1983. In the first quarter of 1984, it had fallen further to 52%. The corresponding rates of recovery of all lending for the respective periods were 77%, 72 and 69%. The total overdues of IRDP of the bank in the district amounted to Rs. 57.1 lakhs at the end of the first quarter of 1984. This extent of overdues arose from a total assistance of Rs. 240.1 lakhs advanced by the bank till the end of 1983[7].

5.24 However, the Main Branch of Canara Bank at Malappuram reported that the overdues position was around 30% for IRDP lending. In 1983 overdues to outstanding was only 12.5% for IRDP, compared to 18% for regular lending. In terms of overdues to demand, it was 26% for IRDP corresponding to 33% for regular lending[8].

5.25 It is worth reporting that the officials of both these banks expressed the feeling that the existing level of overdues is primarily due to the absence of any monitoring system in the banks, as they do not have any field staff. The remedy lies in developing a Lead Branch by each bank for every block or a couple of blocks and to appoint field staff only in such branches. The banks also felt that the recovery position could be improved if the blocks were to take up constant follow up actions.

Monitoring

5.26 The monitoring and follow up actions were undertaken more as a ritual to satisfy the obligations. The chief factor hindering the monitoring and follow up actions was the inadequacy of field staff both in the blocks as well as in the financing banks. For instance, during the period of our study there were only 67 VEOs in office including the provisional hands against 129 sanctioned posts[9]. Some of the blocks were having only 2 to 3 VEOs in office compared to 9 posts on an average. Naturally most of the blocks could not even distribute half the number of Vikas patrikas by March 1984. The monthly checks, physical verification and counterchecks no wonder remained in papers only.

5.27 The participating banks were also not seen to be fully equipped for monitoring and follow up programmes. Hence, as suggested above, it is advisable to confine IRDP lending to few selected branches which could be fully equipped for this purpose.

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[7] Source: Head Office, South Malabar Gramin Bank, Malappuram.

[8] Source: Canara Bank, Main Branch, Malappuram.

[9] Source: Lead Bank, Malappuram.

5.28 What is more surprising in the virtual absence of a reporting system which clearly indicates the number of schemes sanctioned, in each month, together with subsidies and loans, scheme-wise breakup, recovery and overdues position relating to each month with bank-wise and branch-wise details. The Lead Bank reported that there is no mechanism by which a copy of the minutes of the IRDP Block level Implementation Committee could be made available to them. There was also not much response to their suggestion that the recovery position should be discussed in this monthly meeting which is normally attended by all branch Managers of the area. It is also surprising to see that separate estimates of advances, recoveries and over-dues are not maintained by financing banks or their branches, even in spite of an IRDP component in the credit plan. Though the banks are expected to send a monthly statement to the Lead Bank in a prescribed proforma, it is seldom observed and the Lead Bank fails to get the necessary feed back from the financing banks.

Security impositions and interest charges

5.29 Notwithstanding the Reserve Bank of India's instructions to advance upto Rs. 5000 without any security cover including sureties, the South Malabar Gramin Bank, Co-operative Banks and the Private sector banks are generally insisting or co-obligants for issue of loans under IRDP. A few of the samples had reported that certain banks even insist on pledging collateral securities. We could not however verify the truth in this complaint.

5.30 Similarly the interest charges reported by the beneficiaries were seen to differ widely from 4% (for DIR only) to 18%. Most of the beneficiaries reported 10% interest only. But a few of the samples financed by the co-operative banks and private sector banks reported higher interest charges. However, the exact position could not be ascertained as the bank pass-books were not readly available for verification. It is thus necessary to ensure that none of the banks charge interest rates higher than the ones approved by the R.B.I.

Time lag and cost of availing the assistance

5.31 Though it was required to disburse credit in less than a months time, most of the beneficiaries have reported time lag between application to actual receipt of the assistance which ranged from one month to roughly 6 months. Table 5.7 shows that only 4.3% beneficiaries received the assistance in less than a months time. On the other hand in the case of 64.5% of the beneficiaries the minimum lag was 2 months. What is more significant is the fact that 40.3% of the beneficiaries had to wait for more than 4 months.

5.32 The time lag was seen to be relatively small for schemes like pumpsets, goat and secondary. For the other two schemes the lag is seen to be greater for majority of the cases.

5.33 Along with delay in the disbursal of credit the beneficiaries were found to be spending approximately Rs. 213 for availing credit like cost of transportation of the equipment or the animal and such other related costs. These costs also include im-puted costs for wages foregone and other similar costs. The average cost varied

Table 5.7

Distribution of sample households according to time lag from application to sanction and the average cost of availing credit.

Schemes	Below one month	1—2 months	2—3 months	3—4 months	Above 4 months	Total	Average cost of availing credit (Rs.)*
1	2	3	4	5	6	7	8
Pumpset	4 (12.9)	12 (38.7)	6 (19.4)	1 (3.2)	8 (25.8)	31 (100.0)	291
Milch animal	—	20 (32.4)	5 (8.1)	5 (8.1)	32 (51.6)	62 (100.0)	252
Goat	2 (3.6)	23 (41.1)	7 (12.5)	3 (5.4)	21 (37.5)	56 (100.0)	81
Secondary	1 (9.1)	3 (27.3)	4 (36.4)	1 (9.1)	2 (18.2)	11 (100.0)	112
Tertiary	3 (4.2)	14 (19.7)	15 (21.2)	9 (12.7)	30 (42.3)	71 (100.0)	263
Total	10 (4.3)	72 (31.2)	37 (16.0)	19 (8.2)	93 (40.3)	231 (100.0)	213

Figures in parenthesis are percentages of the totals given in column 7.
* Approximated to the nearest figure.

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from Rs. 81 for the goat scheme to Rs. 291 for the pumpsets. While the cost was equal to Rs. 112 for the sscondary sector, it was Rs. 252 and Rs. 263 respectively for the milch animal and the tertiary schemes. These costs along with other costs of utilisation of assistance like purchase of spares, accessories etc. naturally reduce the effective total assistance advanced to the beneficiaries.

Other pilferages

5.34 A few of the beneficiaries have informed that certain VEOs and other IRDP functionaries have collected or demanded commissions for sponsoring their names. However, in the absence of any reliable data we could not assess the impact of such factors on the extent of wrong selection. A few have complained that in spite of their definite preference for a particular assistance, that was denied to them. These two loosends of the identification procedure is to be properly looked into by the Government and the IRDP Implementation Committee.

5.35 It was also reported by a section of the beneficiaries, especially those of the milch animal scheme that the actual cost of the milch animal was much lower than the sactioned loan amount and the difference was shared by all concerned including the beneficiary. Such a tendency for over financing the milch animal scheme is evident, especially in the context of shortage of high breed milch animals. It has also resulted in undesirable increase in the price of milch animals. All these pilferages have invariably diluted the magnitude of real assistance reaching the beneficiaries. It is inferred from the available data that not more than 75% of the sanctioned assistance is effectively available for the beneficiaries for utilisation.

Provision of Infrastructure

5.36 Our discussions with the Project Officer and the agenda and minutes of the IRDP Implementation Committee have all convinced us that efforts were made by DRDA to provide infrastructural and related services. However, the built-in constraints in the working of the concerned departments and the hierarchial system of their functioning stood in the way of any remarkable co-ordination. The district level officers either cold shouldered the demands of DADA or were unable to cope up with the situation due to departmental rigidities. Hence we recommend a IRDP sub plan for all these departments which could enhance the flexibility and freedom of the local officers to respond to the demands of DRDA.

Intensive area approach

5.37 The provision of infrastructure is further constrained by the wide disbursal of beneficiaries in a block. Hence schemes requiring specific infrastr uctural facilities like marketing net work, service facilities, and energy are to be implemented under an intensive area approach so that the common facilities could be effectively provided.

□

CHAPTER 6

ECONOMIC IMPACT OF THE PROGRAMME

6.1 Since the objective of IRDP was to generate substantial income and employment to the beneficiaries on a sustained basis to enable them to cross over the poverty line, the degree of success of the programme has to be evaluated in terms of these two criteria. The income-employment generation of the different schemes are analysed separately to understand their relative impact. The change in net income and employment realised exclusively from the utilisation of assistance over a period of one year after the receipt of assistance is taken as the basis for evaluation of the economic impact of the programme. Hence the economic impact of second assistance received, one year after the first one was not considered.

Computation of net income

6.2 Incremental income net off all input costs were derived first. Net incremental income is arrived at by adding the values of all bye-products and deducting the repayment liability of the first year including the interest charges for the period. While estimating the benefits from milch animals, goat and work animal, dung and manure were included. Since the impact of such increase in dung is not likely to be felt on crop production concurrently, the value of dung at pre-assistance level of sales prices were added to the pre-assistance income as a proxy for the new farm income. Additional benefits like calves and off-springs are not accounted while computing the net income. They may be treated as an addition to asset rather than income per se. Similarly, depreciation for equipments or animals are also not provided while estimating net income. In order to isolate the impact of the programme, addition in income from all other sources after the receipt of assistance are ignored. Since we have employed the same pre-assistance level of prices to compute the net addition to income, discounting of the benefits derived in the first year was not necessary.

Income impact

6.3 It may be seen from table 6.1 that additional income generation has taken place only in respect of 62.3% of the beneficiaries. It is significant to note that the utilisation of assistance under the scheme has resulted in decline in per capita annual income for 29.5%. While the percentage of decline was more than 20% for 3.1% of the selected households, 5.6% and 20.8% of them had experienced decline in income to the tune of 10 to 20% and below 10% respectively. For 8.2% there was no change in income.

6.4 Rate of growth in per capita annual net income shows wide inter-household and inter-scheme variation as may be seen from tables 6.1 and 6.2. When 27.7% attained a net addition in income not exceeding 10%, 4.3% realised growth rate ranging from 50 to 100% and 1.7% secured a growth rate higher than 100%.

Table 6.1

Distribution of beneficiaries according to percentage change in net per capita annual income

Percentage change in net income	Percentage of beneficiaries					
	Pumpset	Milch animal	Goat	Secondary	Tertiary	Total
(–) 20—(–) 10	12.9[1]	12.9[2]	10.7[3]	—	2.8	8.7
(–) 10—0	6.5	19.4	46.4	—	11.3	20.8
No increase	3.2	8.1	8.9	—	11.3	8.2
1—5	6.5	14.5	19.6	—	16.9	14.7
5.1—10	6.5	19.4	8.9	9.1	12.7	13.0
10.1—15	9.6	8.1	1.8	72.7	11.3	9.5
15.1—20	3.2	4.8	1.8	9.1	5.6	5.2
20.1—30	9.7	6.5	1.8	9.1	8.5	6.5
30.1—50	12.9	4.8	—	—	15.5	7.4
50.1—100	16.1	1.6	—	—	4.2	4.3
above 100	12.9	—	—	—	—	1.7
Total	31 (100.0)	62 (100.0)	56 (100.0)	11 (100.0)	71 (100.0)	231 (100.0)

[1] 12.9% had incurred an income loss exceeding 20%, averaging 38%

[2] 3·2% had sustained a loss exceeding 20%

[3] 1.8% had sustained a loss exceeding 20%

6.5 Percentage change in net income according to annual per capita income groups shows that as a general phenomenon growth in net income was highest in three income classes from Rs. 351–525 to 701–1000. However, for goat, the rate of change was negative for all classes. The rise in average per capita income for all schemes except goat. ranged from 4.4% for Milch animal to 28.9% for pumpsets. The corresponding percentages for secondary and tertiary were 17.4% and 15.2%. But in the case of goat, there was an actual decline to the tune of 1.9%.

Table 6.2

Percentage increase in net income according to per capita annual income classes

Pre-assistance income class (Rs.)	Pumpset		Milch animal		Goat		Secondary		Tertiary	
	pp[1]	% rise	pp	% rise	pp	% rise	pp	% rise	pp	% rise
0— 175	131	45.0	—	—	—	—	—	—	165	121.2
176— 350	249	75.9	299	—6.0	291	—4.5	310	9.7	264	4.9
351— 525	440	58.9	467	9.4	457	—1.3	486	15.0	482	10.8
526— 700	618	16.8	610	6.4	619	—3.4	557	12.4	591	22.0
701—1000	868	7.6	869	7.4	875	—1.4	929	16.3	821	13.2
1001—1500	—	—	1234	—1.8	1145	—0.6	—	—	1199	15.4
1501—2000	—	—	1735	1.7	1679	—2.1	—	—	1712	1.4
above 2000	2211	8.1	—	—	—	—	—	—	2640	21.7
Total (average)	526	28.9	818	4.4	738	—1.9	513	17.4	992	15.2

pp[1] = Pre-assistance per capita annual income.

Estimation of additional employment

6.6 The question of generation of additional employment is a more complex phenomenon than the generation of additional income. As it was hazardous to estimate the level of employment of the selected households prior to the receipt of assistance, we were constrained to confine the analysis to additional employment generated by the scheme. Though it is generally presumed that a rise in income is accompanied by a corresponding rise in employment, it need not be universally true. For intance, we cannot attribute any addition in employment when a beneficiary generates additional income from one or two goats. Hence in our analysis we have assumed that no additional employment has been generated from the goat scheme. Similarly all households who have received milch animals have reported that, they were spending 3–4 hours a day for taking the animal for gracing or for collection of green fodder. Though this was essentially an engagement rather than an employment, we have included this for estimation of the additional employment generation. All data on employment are given in mandays. A manday is defined as equal to 7 man-hours for the purpose of the study.

6.7 It may also be noted at the outset that the evaluation of the pumpset scheme may not fully reveal the impact on income and employment since the reference period of one year is quite insufficient to assess the full economic benefits of irrigation.

Employment generation

6.8 Table 6.3 shows that for 37.7% of the beneficiaries, there was no net addition in employment. This includes 24.2% of the households who had received goats. The exact equality of the percentage of households experiencing income and employment increase is just a coincidence. While 17.3% had gained an increase in employment by less than 50 mandays. 15.6% and 19.1% of them secured additional employment to the extent of 50–100 mandays and 101–150 mandays, respectively. A small proportion of 5.2% each had benefitted from 151–200 mandays and above 201 mandays of employment. The average number of mandays generated was only 70.

Incremental employment per scheme

6.9 Scheme-wise classification shows that average employment generated by pumpset was 34 mandays, milch animal 103, secondary 79, and tertiary sector 110. The only scheme which has resulted in the generation of additional employment to all the beneficiaries is the secondary sector. The maximum employment generated was however, limited to 150 mandays. In pumpset scheme 80% of the beneficiaries could realise only less than 50 mandays leaving only 12·9% to benefit from 50–100 mandays. The milch animal scheme produced the maximum employment opportunities if gracing and collection of green fodder is to be treated as employment generation. The highest number of mandays (between 151–200) was achieved by 9.7% and 58.1% realised 101-150 mandays. In other words, two third of the beneficiaries of milch animal scheme were able to get an additional employment ranging from 101 to 200 mandays.

Table 6.3

Distribution of beneficiaries according to increase in employment

Number of mandays of addl. employment created	Pumpset	Milch animal	Goat	Secondary	Tertiary	Total
No increase	2 (6.5)	8 (12.9)	56 (100.0)	—	21 (29.6)	87 (37.7)
Upto 50	25 (80.1)	1 (1.6)	—	2 (18.2)	12 (16.9)	40 (17.3)
51—100	4 (12.9)	11 (17.7)	—	5 (45.5)	16 (22.5)	36 (15.6)
101—150	—	36 (58.1)	—	4 (36.4)	4 (5.6)	44 (19.1)
151—200	—	6 (9.7)	—	—	6 (8.5)	12 (5.2)
Above 200	—	—	—	—	12 (16.9)	12 (5.2)
Total number of beneficiaries	31 (100.0)	62 (100.0)	56 (100.0)	11 (100.0)	71 (100.0)	231 (100.0)
Average number of mandays created	34	103	0	79	110	70

Figures in brackets are percentages of the total beneficiaries selected for the respective schemes. The average of the mandays are rounded off to the nearest number.

Table 6.4

Distribution of beneficiaries according to additional employment generated by income groups

Pre-assistance income group (Rs)	Average additional employment in mandays				
	Pumpset	Milch animal	Goat	Secondary	Tertiary
0— 175	34	—	—	—	69
176— 350	47	17	—	43	43
351— 525	33	108	—	87	91
526— 700	30	109	—	80	80
701—1000	29	106	—	76	109
1001—1500	—	109	—	—	116
1501—2000	—	96	—	—	34
above 2000	29	—	—	—	141
Average for all families	34	103	—	79	110

The average number of mandays are rounded off to the nearest number.

6.10 The tertiary sector is seen to have created the maximum number of additional days of employment for any beneficiary. 16.9% of the beneficiaries who could gain more than 201 days of additional employment were the only households among all the schemes to cross the limit of 200 mandays.

6.11 Further analysis shows that broadly additional employment generated rose steadily as we move across the income groups till reaching the threshold level of Rs. 700 per capita per annum. However, the income class for which maximum employment has been realised differed for each scheme. Except for tertiary sector, it does not change much in response to income changes.

SCHEME-WISE ANALYSIS

a) Pumpsets

6.12 The study covered 31 beneficiaries of the pumpset scheme. As shown in table 6.1, 77.4% of them could gain an increse in net income from the utilisation of these pumpsets. The corresponding percentages for Tanur, Perinthalmanna, and Manjeri blocks were 91.7, 66.7 and 69.2 respectively.

6.13 It is also significant to note that percentage rise in additional income was much higher in the first four income classes below the poverty line compared to the remaining classes. The table 6.2 shows that the three lowest income groups below Rs. 525 had registered 45.0%, 75.9% and 58.9% rates of growth respectively. The corresponding percentages for the remaining classes were 16.7%, 7.6% and 8.1% respectively. It was also seen that Rs. 176–525 class shows the maximum rate of growth of income in respect of all blocks.

Size of holding and income growth

6 14 Much against the usual expectation, the size of holding and generation of additional income are not seen to be significantly related. One plausible explanation is that the total holding includes both paddy land and garden land—especially coconut gardens, arecanut gardens other tree crops and even non-cultivable areas. Hence we have tried to relate the size of paddy land and percentage rise in income which also did not show much significant relationship between the two. It shows that of the 13 households who had realised 20% or more increase in net income, 7 had a land holding of less than 100 cents and 4 had between 151 to 200 cents. One factor that is likely to distort this relationship is the delay in the utilisation of the pumpsets due to different reasons.

Additional employment

6.15 It was already shown in column 2 of table 6.3 that generation of additional employment happened in the case of 93.5% of the beneficiaries of which 80.1% of them had benefitted from less than 50 mandays of employment. The remaining 12.9% succeeded in generating 51–100 mandays. An examination of the magnitude of additional employment created according to pre- assistance income groups shows that maximum number of mandays have been generated by the income group of

Rs. 176—350. The average additional employment generated per beneficiary household was only 34 which is quite small compared to the potentialities of pumpset irrigation.

Improper utilisation

6.16 This low level of employment generation may partly be the result of wrong selection of beneficiaries. Some of the beneficiaries were interested only in availing the subsidy rather than fully utilising the irrigation potential for maximising the production of crops. This is evident from the fact that at least 9.7% (a few have not supplied the necessary detailes about repayment) have repaid the bank loan in lumpsum without waiting for the admissible instalments. Some of the beneficiaries who have not provided details about repayment are said to have repaid in lumpsum instalments of two or three. It is necessary to collect details about such instances of lumpsum repayments from the banks and the amount repaid in this manner should be recycled for further advancing to deserving beneficiaries.

6.17 This phenomenon is closely linked with the increasing tendency among rural households to use pumpsets for domestic purposes as part of a demonstration effect. It is possible that they may probably irrigate their 20 or 30 cents of homestead land along with the household use, without ever employing it for irrigating the paddy land or garden land. Hence it is suggested that better scrutiny may be made while sanctioning pumpsets. It is worth recalling that en official evaluation by a study team of the District Consultative Committee revealed that 53.3% of the beneficiaries in Andathode Block were not eligible for the assistance and for 80% of the beneficiaries there was no change in cropping pattern after the implementation of the scheme[1]. In our study also less than a third of the beneficiaries reported very marginal change in the cropping partern.

Current possession

6.18 Further examination of the utilisation of the pumpsets shows that except 2 households (6.4%) all the remaining households have reported that the pumpsets are still in use. Of these two one seems to be a proxy for his neighbour and the other had disposed of it.

Size of holdings and H. P. of pumpsets

6.19 There seems to be certain mis-match between the size of holding and the horse power of the supplied engines as may be seen from table 6.5. The only household with less than 50 cents was provided with a 2 H. P. pumpset. Similarly of the 13 households with less than 150 cents, 38.5% were 2 H. P. pumpsets, 15.4%, 2.5 H. P. pumpsets and 7.7% even 3 H. P. At the same time, 2 households with more than 351 cents were supplied with 2 H. P. pumpsets only. Table 6.5 shows that 40% of the supplied pumpsets were with 2 H. P. and 16.7% each with 1.5 H. P. and 3 H. P. and 13.3% each with 1 H. P. and 2 H. P. respectively.

[1] Evaluation Study Report on Implementation of Integrated Rural Development Programme in Andathode Block. pp 4-5.

Table 6.5

Distribution of households by the size of total land and HP of the motor supplied

Size of land (cents)	1 HP	1.5 HP	2 HP	2.5 HP	3HP	Total
0– 50	—	—	1 (8.3)	—	—	1 (3.3)
51–100	1 (25.0)	1 (20.0)	1 (8.3)	1 (25.0)	—	4 (13.3)
101–150	1 (25.0)	2 (40.0)	3 (25.0)	1 (25.0)	1 (20.0)	8 (26.7)
151–200	—	1 (20.0)	2 (16.7)	—	1 (20.0)	4 (13.3)
201–250	2 (50.0)	—	2 (16.7)	1 (25.0)	—	5 (16.7)
251–300	—	1 (20.0)	1 (8.3)	—	2 (40.0)	4 (13.3)
301–350	—	—	—	1 (25.0)	—	1 (3.3)
351–400	—	—	1 (8.3)	—	1 (20.0)	2 (6.7)
Above 400	—	—	1 (8.3)	—	—	1 (3.3)
Total	4 (13.3)	5 (16.7)	12 (40.0)	4 (13.3)	5 (16.7)	30 (100.0)*

* One was not available for verification. Figures in brackets are percentages of the column totals. Figures in the brackets of last column are percentages of the total number of pumpsets (30).

It is thus possible that many of these pumpsets might have remained partially unutilised due to the higher than required horse power, especially in view of the fact that potentially irrigated area normally may be much less than the total holdings. Hence it is necessary to lay down clear cut guidelines or thump rules regarding the appropriate H. P. of pumpsets corresponding to different sizes of potentially irrigated areas.

Delay in utilisation

6.20 Of the 31 pumpsets suppied, 9 (29%) were electrical motors and the remaining were diesel pumpsets. In the case of electrical pumpset, there was delay in the utilisation of the pumpsets for 55.6% beneficiaries, which ranged from 30 days to 760 days due to delay in getting electrical connection. Except the one household who reported 760 days (even on the date of survey the motor was lying unutilised) the delay for electrical connection ranged from 30 to 90 days only. The lag involved in availing of the assistance by the beneficiaries was maximum(above 4 months)in the case of 25.8% of the households followed by 19.4% who had waited upto 3 months. However 51.6% had to wait only for less than 2 months.

b) Milch Animal Scheme

6.21 It is seen that 40.4% of the 62 beneficiaries of the milch animals scheme did not experience any increase in net income (table 6.1). While 8.1% did not experience any change in the pre-assistance level of income 32.3% suffered an income loss ranging from less than 5% to more than 20%. Of the 32.3% who suffered net fall in income, 3.2% sustained a loss greater than 20%, 9,7% between 10 and 20% and 19.4% below 10%.

6.22 The percentage of additional income accrued to 59.6% of the beneficiaries ranged from less than 5% to 100%. Of the 33.9% who gained additional income below 10%, 14.5% had an income growth of less than 5% only. Just one eighth of the beneficiaries succeeded in attaining a rate higher than 20% of which half alone had a growth rate greater than 30%.

6.23 Of the 3 income classes below the poverty line (Rs. 176–700), the lowest income group (Rs. 176–350) experienced a decline in income by 6%. The other two classes realised 9.4% and 6.4% growth in per capita net income. The income group just above the poverty line (Rs. 701–1000) experienced a growth of 7.4% corresponding to the scheme average of 4.4%.

Size of holding and income generation

6.24 An examination of the relationship between the size of holdings and the percentage increase in income shows that they are not significantly related. For instance, of the 14 households who had suffered income losses due to the utilisation of the assistance 64.3% had holdings above 50 cents. The remaining 35.7% had holdings above 100 cents and 14.3% even above 200 cents. Similarly all the 7 beneficiaries who realised an increase in income by more than 20% had holdings below 50 cents and 42.9% even less than 20 cents.

Additional employment

6.25 Additional employment ranging from 46 to 183 mandays have been realised by 87.1% of the beneficiaries (Table 6.3). When 58.1% of them attained an employment generation ranging from 101 to 150 mandays. 9.7% secured over 151 mandays and 1.6% only less than 50 mandays. The maximum employment of 109 mandays have been attained by two income-groups Rs. 526–700 and Rs. 1001–1500, closely followed by (108 mandays) the income group of Rs. 351–525. The average number of mandays created was only 103. 46.2% of the beneficiaries in Tanur, 81.2% in Perinthalmanna and cent percent in Manjeri secured more than 101 mandays, compared to 67.8% at the aggregate level.

Average milk yield

6.26 Out of the 62 beneficiaries selected, 52 (83,9%) reported milk production during the reference period. This is composed of 76.9% of the household in Tanur, 87.9% in Perinthalmanna, and cent percent of the selected households in Manjeri Block (Table 6.6). The average milk production per animal of the milk producing households was 1069.2 litres which ranged from 748.8 litres in Tanur block to 1300.5

in Perinthalmanna block. If we take all the households who received milch animals(62) the average milk output per animal was only 896.8 litres which varied from 576 litres in Tanur Block to 1138.0 litres in Perinthalmanna block. The wide variations in milk yield per animal may be attributed to differences in age, breed, length of lactation period, feeding pattern, degree of awareness of scientific methods of cattle rearing and prior experience in the trade and time of disposal of the animal.

Table 6.6

Average milk production by the beneficiaries of milch animal scheme

Items	Tanur block	Perinthalmanna block	Manjeri block	All blocks
1 Total households covered by the study	26	32	4	62
2 Number of Beneficiaries reported milk production	20	28	4	52
3 Percentage of item 2 to item 1	76.9	87.9	100.0	83.9
4 Average milk production of milk producing households (litres)	748.8	1300.5	1052.5	1069.2
5 Average milk production of all households (litres)	576.0	1138.0	1052.5	896.8

6.27 Among the 6 households who did not report any milk production in Tanur block, 3 had disposed of the animals, of which only one alone utilised the proceeds for buying another cow. While one did not report the quantum of milk production 2 households reported that the animals died before the beginning of the lactation period. In Perinthalmanna block, two households disposed it, one did not report any milk yield and the last reported the death of the animal. Of the two disposals, one was for the purchase of a new animal.

Marketing outlets

6.28 Though the necessary infrastructural facilities for input supplies and marketing outlets are to be provided as part of the scheme, even the existing infrastructural facilities for milk marketing was not integrated while implementing the milch animal scheme. It would have been ideal to limit the large scale distribution of milch animals to centres where milk marketing societies already exist. However of the 66 registered milk marketing societies in the district, 23 were dormant.

Moreover, the District Milk Supplies Union was procuring milk only from 13 societies affiliated to it which were concentrated in the Wandoor-Nilambur belt[2]. Even by June 1983, 65 out of the 95 panchayats were not having any milk marketing societies. [3] It was thus seen in our analysis that only less than a third of the beneficiaries were selling milk to the societies which were paying an average rate of Rs. 2.80 per litre compared to the open market price of Rs. 3 to Rs. 3.50. It was alleged that the handling charges of these societies were prohibitively high. Another deplorable phenomenon is that while huge quantities of milk are being imported from Tamil Nadu into the district, even during the peak season milk is procured only during 5 days a week by the milk societies. Thus unless the milch animal scheme is integrated with the development or renewal of the marketing net-work, the scheme with all its potentialities may not succeed as a viable self-employment programme. Therefore, we suggest formation of milk marketing societies under the District Co-operative Milk Marketing Union, wherever, they do not exist to cater to the needs of IRDP beneficiaries and to revitalise the dormant ones, so as to provide the necessary marketing outlet for the existing and potential beneficiaries in selected centres or clusters.

6.29 It is the lack of this crucial infrastructural facility, along with inadequate veterinary facilities and acute shortage of green fodder, which stand in the way of the success of the milch animal scheme in the district[4]. It has been proved unambiguously in all parts of the country through the Operation Flood programmes—stages I and II as also by numerous voluntary agencies that two milch cows are sufficient to generate adequate supplementary income from self-employment to help a family to cross over the poverty line. But the hasty implementation of the programme without ensuring the much needed infrastructural facilities has led to the present predicament of the scheme, inspite of its proven potentialities and economic viability outside IRDP. Hence the basic problems confronting the scheme could be attributed chiefly to the weaknesses in the system of implementation of IRDP.

Disposals

6.30 At the time of the survey only 64.5% of the beneficiaries reported that they still have the animals received under the scheme. This includes 6 cases (9.7%) where, the old animals have been sold for the purchase of new animals (Table 6.7). However, we could not locate more than 50% of the milch animals on the field. Of the 35.5% of the animals reported to be not in hand, 9.7% had died and 27.4% was disposed. 9.7% of the beneficiaries had disposed the animals, within six months of the receipt of the assistance.

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2 Source: Credit Plan 1983-85 for Malappuram district, Canara Bank, 1983, p 106

3 *Ibid* The chilling plants of Nilambur and Muppini (both in Nilambur block) together have a capacity of 6000 litres only.

4 There were only 29 veterinary hospitals and 15 veterinary dispensaries in the district at the end of 1982-83. At the same time 54 panchayats were not having any veterinary facilities. 13 out of the 36 posts of veterinary surgeons were lying vacant along with similar vacant posts in respect of other categories of staff, see *Ibid* p. 107.

Table 6.7

Distribution of the milch animals according to current possession, disposals and death

Items relating to the first animal distributed	Tanur block	Perinthal-manna block	Manjeri block	Total
1 Total number of milch animals distributed	26	32	4	62
2 Number of animals died	2	3	1	6
a) Number died before lactation	1	2	—	3
b) Number died during lactation period	1	1	1	3
3 Percentage of animals died	7.7	9.4	25.0	9.7
4 Number of animals disposed	15	8	—	23
5 Number of animals disposed for buying new animals	4	2	—	6
6 Percentage of such sales for new purchase	15.4	6.3	—	9.7
7 Number of animals disposed for other purposes	11	6	—	17
8 Percentage of item 7 to total	42.3	18.8	—	27.4
9 Disposals after 6 months of lactation	3	3	—	6
10 Percentage of item 9 to total	11.5	9.4	—	9.7
11 Number of animals in hand at the time of survey*	12	25	3	40
12 Percentage of item 11 to total	46.2	78.1	75.0	64.5

* reported by the households

c) Goat Scheme

6.31 At the outset, the economic impact of the goat scheme appears to be quite insignificant. This is evidenced by the fact that a third (33.9%) of the beneficiaries alone could generate income from the goat scheme. It is also significant to note that none of these beneficiaries could produce an additional income by more than 20%. This may be observed from table 6.1 that 11 out of the 19 households (57.9%) who realised positive income growth had, realised, a nominal income growth of less than 5% only. In other words, it comes to 19.6% of the households who had received goats (56). The percentage of beneficiaries who had realised growth in income from 5.1% to 10%, 10.1 to 15% and 15.1% to 20% were 8.9, 1.8 and 3.6 respectively.

6.32 Block-wise break up shows that 10% of the beneficiaries in Tanur, 76.5% in Perinthalmanna, and 52.6% in Manjeri did not experience any increase in income. In fact 65% in Tanur, 58.8% in Perinthalmanna and 47.4% in Manjeri suffered a fall in income ranging upto 20%. Only 10% in Tanur, and 5.3% in Manjeri alone had attained a growth rate of over 10%.

6.33 Another interesting observation is that the percentage variation in income was negative for all pre-assistance income groups, which ranged from 0.61 for Rs. 1001–1500 class to 4.47 for Rs. 176–350. The average for all the beneficiaries was—1.9%.

6.34 Since rearing of goats did not involve any additional employment, worth its name, it is assumed that no additional employment has been generated as a result of the scheme since the objective was to provide the beneficiaries with assets rather than employment proper.

Scale of assistance

6.35 Thus, in general, the distribution of goats under the scheme does not appear to be an important source for creation of self-employment or income. The main reason for this failure was the very low scale of assistance given to the beneficiaries and the very low milk yield of the goats. Though 5 goats and a cage was the size of the recommended unit of assistance under the scheme, only one household (1.8%) was supplied with 5 goats, Table 6.8 shows that 25% of the beneficiaries were given only one goat each, 39.3% two goat each and 28.6% received 3 goats each. Just two beneficiaries (3.6%) received 4 goats and one each received (1.8%) 5 and 6 goats respectively. Even here the household which received 6 goats received two of them as the second assistance similarly the 6 goats received by the household really consisted of 3 adults and 3 children.

Table 6.8

Distribution of the beneficiaries according to the number of goats distributed

Number of goats distributed	Number of households assisted							
	Tanur		Perinthalmanna		Manjeri		Total	
	Number	%	Number	%	Number	%	Number	%
1. Goats	3	15.0	11	64.7	—	—	14	25.0
2. Goats	10	50.0	6	35.3	6	31.6	22	39.3
3. Goats	4	20.0	—	—	12	63.2	16	28.6
4. Goats	2[1]	10.0	—	—	—	—	2	3.6
5. Goats	1*	5.0	—	—	1	5.3	2	3.6
Totals	20	100.0	17	100.0	19	100.0	56	100.0

[1] Goats + 2 infants

* Actually supplied 6 goats. 4 originally in 2/82 and 2 in 1983.

6.36 Inter-block comparison shows that while none of the beneficiaries in Perinthalmanna received more than 2 goats, 35% in Tanur, 68.5% in Manjeri, secured more than 2 goats. Only 15% in Tanur and 5.3% in Manjeri were given more than 3 goats. Alternatively, the model value of the number of animals distributed was 2 in Tanur, one in Perinthalmanna and 3 in Manjeri. For the district as a whole it happens to be equal to 2.

6.37 In short, 96.4% of the beneficiaries were given only less than the recommended unit level of assistance for the goat scheme. It was claimed by block officials and banks that most of the beneficiaries were relectuant to accept more than 2 animals at a time. This may partly be attributed to the fact that larger proportion of the beneficiaries of the scheme were scheduled caste households and that most of the beneficiaries do not want to spend much time on them since their freedom to go for wage labour will be restricted if they were to possess more animals. This phenomenon is also confirmed by the data that 94.2% of the beneficiaries of the goat scheme belonged to agricultural and non-agricultural labour households. Under these circumstances it is not reasonable to expect a beneficiary with one or even two goats (which constituted 64.3%) generate enough income to cross over the poverty line. Of course we have not included the addition of assets in terms of the kids of the goats, originally supplied. When they are sold (in fact more than 20% have disposed one or more kids) the proceeds may accrue in the form of an income. If we include that also the picture will be slightly better. The chief gain of the scheme was net addition to assets rather than net addition to income as such. If the assets are properly maintained and utilised it will certainly increase future income.

Current position

6.38 The picture presented in the earlier paragraphs may be evidently misleading, as things have drastically changed by the time of the survey. For the benefit of comparison of all the schemes and standardisation of the reference period, impact on income and employment over the first one year of the utilisation of the assistance alone was considered in the analysis. However, it was observed that different households had disposed of the goats partly or entirely either during the first year after the receipt or immediately after that. Similarly 14.3% of the beneficiaries reported that the goats supplied have already died. Some of the beneficiaries who had the maximum benefit from the scheme during the first year were seen to have disposed them entirely, later on, thereby short-circuiting the income generation process.

6.39 It is a very sad commentary on the scheme that 26.8% of the beneficiaries alone were found to possess all the goats supplied to them. However, only in less than 18% of the cases we would physically verify the animals and the classification presented here is based on the information supplied by them. 35.7% of the beneficiaries have disposed the entire goats and 23.2% partly. What is more surprising is the fact that nobody had reported insurance cover for the died animals.

6.40 It is thus seen that the goat scheme has failed not only to generate adequate income for great majority, it has also failed to sustain the limited income generation due to disposals during the first year after the receipt of assistance and immediately thereafter.

d) Secondary Sector

6.41 Among the 11 households selected for the impact study from the secondary sector, 9 households were from the Tanur block and the remaining two were from the Manjeri block. All the beneficiaries in the Tanur block were engaged in handloom weaving belonging to the category of self-employed. On the other hand, the two beneficiaries selected from Majeri were women agricultural iabourers engaged in mat weaving as a supplementary occupation. While the beneficiaries of the handloom weaving were given a loan ranging from Rs. 1500 to 2000 for installation of handloom and a working capital loan of Rs. 1000 each, the two beneficiaries of mat weaving received only a working capital loan of Rs. 200 each, However, the gap between the capital assistance and the working capital assistance ranged from 12 to 30 months for all the 8 beneficiaries of handlooms who received the working capital assistance. While the gap for 75% was more than 18 months, for 25 % it was even more than 24 months. If the purpose was to assist the beneficiaries to increase income generation it was necessary to advance the working capital loan, immediately after the installation of the loom. One of the beneficiaries had received a sewing machine as second assistance. All except two beneficiaries of handlooms have closed their first account. The proportion of overdues in the case of these two was seen to be less than 10% only.

Income generation

6.42 It is the only sector in which all the beneficiaries have been able to secure net increase in income. Since the basic objective of IRDP was to create self-employment to generate higher income, secondary sector programmes have wide scope. However, the percentage of such schemes in the total number of schemes assisted is very small which clearly shows that proper attention has not been bestowed to translate the declared objectives into action programmes. Table 6.2 shows that per capita additional income generated in the first year after receipt of assistance varied from Rs. 30 to Rs. 151 resulting in an increase in net income between 9.7% to 16.3% in different income groups. However the per capita income generated for all households was Rs. 90 thanks to the higher income generated by the income group, Rs. 701–1000, which resulted in an average growth of 17.4% for all households.

6.43 Further classification of the households according to the percentage growth in net income (Table 6.1) revealed that the handloom weavers could realise a growth rate ranging from 5 to 20% only. While the beneficiaries reported that the scheme has improved their lot, especially in terms of improvement in productivity, all of them complained that they could not take full advantage of the scheme due to slackening demand for handloom cloths. So lack of adequate work is the chief constraint standing in the way of fuller utilisation of the productivity of handlooms supplied. At the same time both the households in the Manjeri block who received working capital assistance for mat weaving realised growth rates ranging from 15% to 25%.

Employment generation

6.44 It is also seen that all the beneficiaries of this sector had succeded in generating additional employment ranging from 43 mandays to 137 mandays. Table 6.3 shows that the average number of mandays created per household was 79. Maximum average number of mandays (87) had been realised by the per capita income group of Rs. 351–525. From mat weaving, the two households in Manjeri derived 97 and 107 mandays of additional employment. Table 6.4 shows that while 18.2% succeeded in getting only less than 50 days of additional employment the remaining households were able to secure 51 to 150 mandays of which 36.4% had additional employment above 100 mandays.

e) Tertiary Sector

6.45 Of the 71 beneficiaries assisted under the tertiary sector, 19 received work animals, 14 boat and net, 20 sewing machine, 8 petty shops, 7 cycles and 3 other schemes (see table 6.9). It is also significant to note that 31.6% of the receipients of work bullocks, all except one household receiving boats, 65% of the beneficiaries of sewing machine scheme, 50% and 43% of the receipients of petty shop and cycle were not eligible for assistance under the programme judged by their per capita annual income. Alternatively 77.5% of the entire sample selected from the tertiary sector did not qualify for assistance under IRDP.

Income effect

6.46 The distribution of the beneficiaries of each of the major schemes in the tertiary sector according to the percentage increase in income is given in table 6.10. The proportion of the beneficiaries who failed to realise any increase in net income ranged from 7.1% for boats and nets to 66.7% for others, compared to 25.4% for the sector as a whole. These percentages also include the proportion of the households who had suffered income losses. The proportion of such households who suffered income losses was highest for work bullock (31.6%) followed by those received cycle (14.3%) sewing machine (10%) and boat and net (7.1%). For the sector as a whole this was equal to 14.1%.

6.47 It is also significant to note that majority of the beneficiaries of the schemes of work animal, and sewing machine who realised positive income generation had attained only less than 10% growth in their per capita income. These percentages were 63.6 for work animal scheme, 56.3% for sewing machine and 50% for cycle. Higher rates of growth exceeding 100% were realised by boat and net (7.1%)

Table 6.9

Distribution of the beneficiaries of the Tertiary sector according to the type of assistance received

Pre assistance per capita income groups (Rs)	Work Animals	Boat and Net	Sewing machine	Petty shop	Cycle	Others	Total
0—175	—	—	1 (5.0)	—	1 (14.3)	—	2 (2.8)
176—350	3 (15.8)	—	1 (5.0)	1 (12.5)	—	—	5 (7.0)
351—525	5 (26.3)	—	2 (10.0)	2 (25.0)	1 (14.3)	1 (33.3)	9 (12.7)
526—700	5 (26.3)	1 (7.1)	3 (15.0)	1 (12.5)	2 (28.6)	1 (33.3)	15 (21.1)
701—1000	5 (26.3)	1 (7.1)	4 (20.0)	2 (25.0)	—	1 (33.3)	13 (18.3)
1001—1500	—	5 (35.7)	7 (35.0)	2 (25.0)	1 (14.3)	—	15 (21.1)
1501—2000	1 (5.3)	2 (14.3)	1 (5.0)	—	2 (28.6)	—	6 (8.5)
Above 2000	—	5 (35.7)	1 (5.0)	—	—	—	6 (8.5)
Total	19 (100.0)	14 (100.0)	20 (100.0)	8 (100.0)	7 (100.0)	3 (100.0)	71 (100.0)

Figures in brackets are percentages of the total given in the last row.

Table 6.10

Distribution of the beneficiaries of the Tertiary sector according to the percentage increase in income

Percentage increase in net per capita income	Work animal	Boat and Net	Sewing machine	Petty shop	Cycle	Others	Total
—20% to 10%	1 (5.3)	1 (7.1)	—	—	—	—	2 (2.8)
—10 to 0%	5 (26.3)	—	2 (10.0)	—	1 (14.3)	—	8 (11.3)
No increase	2 (10.5)	—	2 (10.0)	3 (37.5)	—	2 (66.7)	8 (11.3)
0—5%	4 (21.1)	—	4 (20.0)	1 (12.5)	3 (42.9)	—	12 (16.9)
5.1 to 10%	3 (15.8)	1 (7.1)	5 (25.0)	—	—	—	9 (12.7)
10.1—15%	2 (10.5)	1 (7.1)	2 (10.0)	2 (25.0)	—	1 (33.3)	8 (11.3)
15.1—20%	1 (5.3)	3 (21.4)	—	—	—	—	4 (5.6)
20.1—30%	1 (5.3)	2 (14.3)	—	1 (12.5)	1 (14.3)	—	6 (8.5)
30.1—50%	—	5 (35.7)	4 (20.0)	1 (12.5)	1 (14.3)	—	11 (15.5)
50.1—100%	—	—	—	—	1 (14.3)	—	1 (1.4)
Above 100%	—	1 (7.1)	1 (5.0)	—	—	—	2 (2.8)
Total	19 (100.0)	14 (100.0)	20 (100.0)	8 (100.0)	7 (100.0)	3 (100.0)	71 (100.0)

Figures in brackets are percentages of the totals given in the last row.

and sewing machine (5.0%) which together contributed to 2.8% of the total cases under the tertiary sector. Alternatively, 42.8% of the receipients of boat and net, 25%, 12.5% and 28 6% respectively of the beneficiaries of sewing machine, petty shop and cycle schemes had realised more than 30% growth in net per capita annual income. For the tertiary sector as a whole 19.7% alone could realise this rate of growth. It is also significant to note that none of the receipients of the work bullock could realise more than 30% growth in income.

Employment

6.48 It may be seen from table 6.11 that 29.6% of the beneficiaries of the sector did not realise any increase in employment. With the exception of sewing machines (10%) this proportion varied from 21.1% for work animal scheme to 66.7% for the others category. Similarly the proportion of the beneficiaries who realised less than 50 mandays of additional employment ranged from 10% for sewing machine to 28.6% for boat and net as against 18.3% for the sector as a whole. The highest proportion (21.1%) however, attained an emp loyment generation from 51 to 100 mandays, which varied from 14.3% for the cycle scheme to 42.1% for the work animal scheme.

6.49 While 5.6% of the beneficiaries of the tertiary sector realised 101-150 mandays of additional employment, 16.9% even realised 201-300 mandays of employment. The latter group consists of 35.7% of the beneficiaries of boats and nets and 30% and 12.5% each of sewing machine and petty shop schemes respectively.

6 50 Barring two exceptions, the per capita income and additional employment generated seems to have been positively related as is evidenced by table 6.12. The average number of days of employment increased from 69 mandays for the per capita annual income class of Rs. 176—350 to 141 for the class above Rs. 2000. This rising trend was clear only for the work animal scheme. While the average for the entire sector was estimated to be 110 mandays, it ranged from 30 mandays for others category to 144 days for sewing machine. The corresponding figures for work animal, boat and net petty shop and cycle schemes were 75, 112, 59 and 43 mandays respectively.

IMPACT ON REDUCTION OF POVERTY

6.51 Since the basic objective of IRDP was to assist the beneficiary households to enable them to cross over the poverty line, the working of the scheme has to be evaluated in terms of the proportion of the households who were able to cross over the poverty line exclusively by utilising the IRDP assistance. To examine this aspect, a transformation matrix model, is employed in which households are classified according to a two variate distribution taking their income prior to the receipt of assistance on the vertical and income after the utilisation of assistance on the horizontal scale. Two alternative transformation matrices based on total family income and per capita annual income are depicted in Tables 6.13 and 6.14.

Table 6.11

Distribution of the beneficiaries of the tertiary sector according to the additional employment generated (in mandays)

Additional employment in mandays	Work animal	Boat and Net	Sewing machine	Petty shop	Cycle	Others	Total
No increase	4 (21.1)	4 (28.6)	2 (10.0)	5 (62.5)	4 (57.1)	2 (66.7)	21 (29.6)
Below 51	5 (26.3)	4 (28.6)	2 (10.0)	1 (12.5)	1 (14.3)	—	13 (18.3)
51—100	8 (42.1)	—	5 (25.0)	—	1 (14.3)	1 (33.3)	15 (21.1)
101—150	2 (10.5)	—	1 (5.0)	1 (12.5)	—	—	4 (5.6)
151—200	—	1 (7.1)	4 (20.0)	—	1 (14.3)	—	6 (8.5)
201—250	—	—	3 (15.0)	—	—	—	3 (4.2)
251—300	—	5 (35.7)	3 (15.0)	1 (12.5)	—	—	9 (12.7)
Total	19 (100.0)	14 (100.0)	20 (100.0)	8 (100.0)	7 (100.0)	3 (100.0)	71 (100.0)

Figures in brackets are percentages of the totals given in the last row

Table 6.12

Distribution of beneficiary households in the Tertiary sector according to employment generated

Pre assistance per capita income group (Rs.)	Work Animal	Boat and Net	Sewing machine	Petty shop	Cycle	Others	Total
0– 175	—	—	137	—	—	—	69
176– 350	55	—	100	—	—	—	43
351– 525	45	—	151	—	200	90	91
526– 700	45	14	204	300	22	—	80
701–1000	67	300	160	73	—	—	109
1001–1500	—	135	149	12	30	—	116
1501–2000	100	22	—	—	—	—	34
Above 2000	—	160	43	—	—	—	141
Average	75	112.0	144.0	59	43	30	110

a) Aggregate Family Income criterion

6.52 The entries on the diagonal of Table 6.13 show that the aggregate family income of 158 households (68.4%) remained in the same income class even after utilisation of IRDP assistance for a year. While 55 households (23.8%) moved on to the higher income brackets, 18 households (7.8%) suffered income losses and were pushed down to lower income brackets.

Reduction in the number of poor

6.53 According to the aggregate family income criterion, 76 households consisting of 32.9% of the households covered by the impact study were identified as below the poverty line who are represented in the first three rows of table 6.13. Detailed schemewise breakup is given in table 6.15 (item No. 5). It is seen that 17 households forming 22.4% of the poor alone could cross over the poverty line as shown by the vertical column measuring Rs. 3501-5000 above the diagonal. In terms of the total number of beneficiaries covered by the study, the proportion of such households was as low as 7.4% only. But this positive effect is partly compensated by the fact that 8 households (3.5%) who were not originally poor, were pushed below the poverty line thanks to the utilisation of the assistance received under the scheme.

Scheme-wise position

6.54 While item 5 of table 6.15 shows that number of households below the poverty line, item number 6 shows the corresponding number who have crossed over the poverty line. It is seen that the proportion of poor varied from 21% in milch animal scheme to 61.3% in pumpset scheme. The respective figures for goat, secondary and tertiary sector schemes were 41.1%, 45.5% and 22.5%.

Proportion of the poor crossing over P. L.

6.55 The proportion of the poor who could cross over the poverty line differed widely from 4.4% in the case of goat scheme to 40% for the secondary sector, compared to 22.4% for the aggregate sample. While 21% of the poor who received pumpsets crossed over the poverty line, the corresponding percentages for milch animal and tertiary sector were 38.5 and 31.3 respectively.

6.56 On the other hand, as the proportion of total households, selected for the study, only 7.4% crossed over the poverty line. The corresponding proportion ranged from an insignificant level of 1.8% for goat scheme to 18.2% for the secondary sector. The percentages in respect of pumpset, milch animal and tertiary scheme were 12.9, 8.1 and 7.0 respectively.

Proportion of non-poor sliding below P.L.

6.57 It is also worth noting that the percentages of the non-poor households who slipped down the poverty line as a consequence of the utilisation of IRDP

Table 6.13

Transformation matrix in respect of Aggregate family income classes

Before IRDP assistance) Rs.)	After IRDP assistance Rs. 0– 1500	1501– 2500	2501– 3500	3501– 5000	5001– 7500	7501– 10000	10,001– 15000	15,001– 20,000	20001– 30,000	30,001– 50,000	Total
0– 1500	11	1	1	1	—	—	—	—	—	—	14 (6.1)
1501– 2500	2	9	6	3							20 (8.7)
2501– 3500		5	24	13							42 (18.2)
3501– 5000			8	45	12	1					66 (28.6)
5001– 7500				1	40	8					49 (21.2)
7501–10000						17	3				20 (8.7)
10001–15000						1	7	1			9 (3.9)
15001–20000							1	3	3		7 (3.0)
20001–30000									2	2	4 (1.7)
30001–50000										—	—
Total	13(5.6)	15(6.5)	39(16.9)	63(27.3)	52(22.5)	27(11.7)	11(4.8)	4(1.7)	5(2.2)	2(0.9)	231(100.0)

Figures in brackets are percentages of the total number of households.

Table 6.14

Transformation matrix in respect of per capita annual income classes

Before IRDP assistance (Rs.)	P. C. Income after IRDP assistance (Rs.)								
	0–175	176–350	351–525	526–700	701–1000	1001–1500	1501–2000	above 2000	Total
0– 175	4	4							8 (3.5)
176– 350		12	2	1	1				16 (6.9)
351– 525		2	25	16	5		1		49 (21.2)
526– 700			3	32	20	1			56 (24.2)
701–1000					36	12			48 (20.8)
1001–1500					2	25	5	1	33 (14.3)
1501–2000							11	2	13 (5.6)
Above 2000								8	8 (3.5)
Total	4 (1.7)	18 (7.8)	30 (13.0)	40 (21.2)	64 (27.7)	38 (16.5)	17 (7.4)	11 (4.8)	231 (100.0)

Figures in brackets are percentages of the total number of households.

Table 6.15

Proportion of the households experiencing shifts in income classes according to the aggregate family income criterion

	Items	Pumpset	Milch animals	Goat	Secondary	Tertiary	Total
1	Total number of house holds surveyed	31 (100.0)	62 (100.0)	56 (100.0)	11 (100.0)	71 (100.0)	231 (100.0)
2	No change in the pre-assistance income class (Nos.)	18 (58.1)	42 (67.7)	45 (80.4)	7 (63.6)	46 (64.8)	158 (68.4)
3	Moved up to higher income class (Nos.)	11 (35.5)	14 (22.6)	3 (5.4)	4 (36.4)	23 (32.4)	55 (23.8)
4	Slipped down to lower income class (Nos.)	2 (6.5)	6 (9.7)	8 (14.3)	—	2 (2.8)	18 (7.8)
5	No. of households below the poverty line of Rs. 3500 at pre-assistance income level	19 (61.3)	13 (21.0)	23 (41.1)	5 (45.5)	16 (22.5)	76 (32.9)
6	No. of households who crossed over the poverty line exclusively due to utilisation of IRDP assistance	4 (12.9)	5 (8.1)	1 (1.8)	2 (18.2)	5 (7.0)	17 (7.4)
7	No. of households slipped down the poverty line due to utilisation of IRDP assistance	—	4 (6.5)	3 (5.4)	—	1 (1.4)	8 (3.5)
8	Proportion of the poor who crossed over the poverty line (%)	21.0	38.5	4.4	40.0	31.3	22.4

Figures in brackets are percentages of the totals given in first row.

assistance was equal to 47.1% of the number of households who crossed over the poverty line. This proportion ranged from zero percent for pumpsets, and secondary schemes, 20% for tertiary, to 80% for the milch animal scheme. However, the goal scheme resulted in a most ridiculous situation wherein 3 households were pushed down the poverty line corresponding to the one household who managed to cross over the poverty line.

b) Per capita annual income criterion

6.58 It is seen that 153 households forming 66.2% of the total households covered by the study continued to remain in the same old income classes. On the other hand, 30.7% moved up to higher income brackets in which 4.3% even crossed more than a single income bracket. At the same time, 3% of the households moved down to lower income brackets as a consequence of the utilisation of the assistance.

Reduction in the proportion of poor

6.59 Out of the 129 households (55.8% of the total) below the poverty line, 28 (12.1%) households consisting 21.7% of the poor alone could cross over the poverty line (column 6, Table 6.16). It is also significant to note that according to this classification based on per capita annual income, none of the not poor households slipped below the poverty line.

Inter-scheme variation

6.60 The table also brings out considerable inter scheme variation in respect of the proportion of the poor on the one hand and the proportion of the poor who succeeded in crossing over the poverty line on the other. Though the proportion of the poor was only 55.8% for the aggregate sample, it ranged from 42.3% for the tertiary sector to 80.6% for the pumpset scheme (item 5). On the other hand, the proportion of the households who crossed over the poverty line, ranged from zero for secondary sector to 22.6% for the pumpset scheme as against 12.1% for all the schemes. The corresponding proportions were 11.3% for milch animal, 5.4% for the goat and 15.5% for the tertiary sectors.

6.61 While none of the poor in the secondary sector could cross over the poverty line, 36.7% in the tertiary sector succeed in it compared to 21.7% for the total sample (item 8). The corresponding percentages for the pumpset, milch animal and goat schemes were 28.0%, 22.6% and 8.6% respectively.

Block-wise position

6.62 Block-wise distribution of households below poverty line and the proportion of those who crossed over the poverty line are shown in table 6.17. Of the 129 households identified as poor 55 (42.6) were from Tanur block, 40 (31.0%) from Perinthalmanna and 34 (26.4%) from the Manjeri block.

6.63 The proportion of the poor who crossed over the poverty line varied from 16.4% in Tanur Block, to 32.4% in Manjeri. The corresponding percentage in Perinthalmanna was 20%.

Table 6.16

Distribution of the house holds experiencing shifts in income-classes according to per capita annual income criterion

	Items	Schemes					
		Pumpset	Milch animal	Goat	Secondary	Tertiary	Total
1	Total number of households surveyed	31 (100.0)	62 (100.0)	56 (100.0)	11 (100.0)	71 (100.0)	231 (100.0)
2	Number of households with no change in pre–assistance income class	14 (45.2)	43 (69.4)	50 (89.3)	5 (45.5)	41 (57.8)	153 (66.2)
3	Number of households moved up to higher income class	17 (54.8)	16 (25.8)	3 (5.4)	6 (54.5)	29 (40.9)	71 (30.7)
4	No.of households slipped down to lower income classes	—	3 (4.8)	3 (5.4)	—	1 (1.4)	7 (3.0)
5	No. of households below the poverty line of Rs. 701 per capita per annum at pre-assistance income level	25 (80.6)	31 (50.0)	35 (62.5)	8 (72.7)	30 (42.3)	129 (55.8)
6	No. of households who crossed over the poverty line due to utilisation of IRDP assistance	7 (22.6)	7 (11.3)	3 (5.4)	—	11 (15.5)	28 (12.1)
7	No. of households slipped below the poverty line due to utilisation of IRDP assistance	—	—	—	—	—	—
8	Proportion of the poor who crossed over the poverty line (%)	28.0	22.6	8.6	0	36.7	21.7

Figures in brackets are percentages of the totals given in first row

Table 6.17

Scheme-wise and blockwise distribution of the households below the poverty line and those crossed over the poverty line*

Scheme	Total number of families assisted	Number of Families below the poverty line before the assistance				Number of families crossed over the poverty line due to IRDP assistance			
		Tanur	Perinthal-manna	Manjeri	Total	Tanur	Perinthal-manna	Manjeri	Total
1	2	3	4	5	6	7	8	9	10
Pumpset	31	11	4	10	25 (80.7)	3 (27.3)	1 (25.0)	3 (30.0)	7 (28.0)
Milch animal	62	14	16	1	31 (50.0)	1 (7.1)	5 (31.3)	1 (100.0)	7 (22.6)
Goat	56	16	8	11	35 (62.5)	2 (12.5)	1 (12.5)	0 (0.0)	3 (8.6)
Secondary	11	7	—	1	8 (72.7)	0 (0.0)	—	0 (0.0)	0 (0.0)
Tertiary	71	7	12	11	30 (42.3)	3 (42.9)	1 (8.3)	7 (63.6)	11 (36.7)
Total	231	55	40	34	129 (55.8)	9 (16.4)	8 (20.0)	11 (32.4)	28* (21.7)

Figures in the brackets of column (6) are percentages of total given in col. (2)
Figures in the brackets of columns 7 to 10 are the percentages of the corresponding columns from 3 to 6
* according to per capita annual income criterion

Table 6.18

Distribution of the households below poverty line and those crossed over the poverty line according to target group classification*

Scheme	—target group categories						
	NAL	AL	SF	MF	SE	SB	Total
Pumpset	—	—	2	3	—	2	7
Milch animal	2	2	1	1	1	—	7
Goat	1	1	—	1	—	—	3
Secondary	—	—	—	—	—	—	—
Tertiary	3	4	—	3	1	—	11
Total	6 (15.4)	7 (25.9)	3 (30.0)	8 (23.5)	2 (16.7)	2 (28.6)	28 (21.7)
Total households below Rs. 700 per capita annual income	39	27	10	34	12	7	129

* According to per capita aunual income criterion

Figures in brackets are percentages of the households below poverty line given in the last row.

Target group-wise position

6.64 The target group-wise position of the poor and the proportion of those who could cross over the poverty-line is given in table 6.18. The largest number of people below poverty line were under the NAL (39), AL (27) and MF (34) categories. Correspondingly, 15.4%, 25.9% and 23.5% of these categories succeeded in crossing over the poverty line.

Proportion of SC families

6.65 Out of the 54 scheduled caste families selected for the study 29 (53.7%) families were below the poverty line according to the per capita annual income criterion. Of this, 21 (72.4%) were from the goat scheme and 5 (17.2%) from the tertiary sector. All other schemes had one case each only.

6.66 Table 6.19 shows that only 4 (13.8%) out of the 29 poor households succeeded in crossing over the poverty line, While only 7.4% of the scheduled caste beneficiaries could cross over the poverty line 12.1% of all households succeeded in it. Schemewise position shows that 9.5% of the poor in the goat scheme and 40% of the poor in the tertiary sector alone could cross over the poverty line.

Table 6.19

Distribution of the scheduled caste beneficiaries who have crossed over the poverty line

Scheme	No. of households below P. L.	No. of households crossed over P. L.	% of (3) to (2)
Pumpset	1	—	0
Milch animal	1	—	0
Goat	21	2	9.5
Secondary	1	—	0
Tertiary	5	2	40
Total	29 (53.7%)	4 (7.4%)	13.8%

Figures in brackets are percentages of the total number of scheduled caste beneficiaries.

Repayment scheduling and poverty alleviation

6.67 Though 62.3% of the selected households including more than two-third of the poor had realised net increase in per capita income, only 12.1% could cross over the poverty line. This was mainly due to the burden of repayment liability and interest charges due for the first year. If the repayment liability could be spread over a slightly longer period reducing the repayment burden in the first year by about one third, all households with per capita annual incomes of Rs. 600 and above would have succeeded in crossing over the poverty line. The number of such households were 22 constituting 9.5% of the total samples. If these households are taken along with 28 households who had actually crossed over, their proportion would have gone up to 38.8% (50 households) of poor and 21.7% of the total samples. Hence there is a strong case for extending the period of repayment and lightening the annual repayment liability for generation of enough surplus for the beneficiaries to enable them to cross over the poverty line.

CONCLUSION

6.68 Though 7.4% of the households (22.4% of the poor) according to the family income criterion and 12.1% according to per capita annual income (21.7% of the poor) criterion crossed over the poverty line by the end of the first year, little over one-third of them slipped below the poverty line by the time of the survey in early 1984. Such a predicament was the consequence of indiscrete disposals by the beneficiaries, which short-circuited the income-generation process.

6.69 Thus findings of the foregoing analysis are,

1) 22.4% of the poor defined by the aggregate family income criterion and 21.7% of the poor defined by the per capita annual income criterion could cross over the poverty line by the end of the first year after receipt of assistance.

2) A third of the poor who had crossed over the poverty line slipped below the poverty line during subsequent months as a result of disposal of the assets received under IRDP. Thus it is evident from the foregoing discussion that working of IRDP in the district has succeeded in general to satisfy the basic objectives of the programme, only to a very limited extent.

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CHAPTER 7

Summary, Conclusions and Recommendations

Summary and Conclusions

7.1 A concurrent evaluation and impact study of the Integrated Rural Development Programme implemented in the Malappuram District has been attempted by collecting primary data from 231 households selected at random from the blocks of Tanur, Perinthalmanna and Manjeri. This was supplemented by information collected from 7 Block Officers who had responded to the mailed questionnaire as also from a few of the banking institutions. The aggregate district and block level data relating to targets and achievements were also employed for the analysis.

Progress of the programme

7.2 The number of families assisted under IRDP was 36391 in the district, till the end of March 1983, which was 12.5% more than the target. Of this, 8600 were scheduled caste families which accounted for 23.6% of the total.

7.3 The aggregate amount of subsidies paid was Rs. 282.65 lakhs compared to the target of Rs. 363.94 lakhs constituting only 77.7% of the latter. Total subsidy paid to the SC/ST families was equal to Rs. 48.69 lakhs which formed only 66.25% of the corresponding target of Rs. 73.49 lakhs.

7.4 The programme has thus degenerated into a subsidy disbursal system with a single target of the number of families to be assisted with utter disregard to other aspects like preparation of viable schemes and provision of substantial assistance to help generate adequate incremental income to cross over the poverty line. This phenomenon is evident from the fact that inspite of assisting 12.5% beneficiaries in excess of the target, the corresponding subsidy fell short by 22.3% resulting in 31% decline in average assistance per family.

Proportion of SC/ST

7.5 As a result of 12.2% shortfall in the number of SC/ST families assisted till March 1984 corresponding to 12.5% increase in total number of households assisted, the proportion of SC/ST families assisted declined from the targetted level of 30.3% to 23.6% registering a shortfall of 22%.

7.6 As a consequence of the fall in the aggregate subsidy to Rs. 48.69 lakhs, registering a decline of 33.75%, the share of subsidy paid to SC/ST families came down to 17.23% against the target of 20.19%.

7.7 Moreover, the average subsidy paid to SC/ST beneficiaries during the same period also declined from the targetted level of Rs. 750.5 to Rs. 566.2 showing a shortfall of 24.6%. It thus shows that the SC/ST households did not receive as much coverage as was required.

Preparation of Block Plans

7.8 Though the District Rural Development Agency had apparently tried to follow the prescribed methodology for the preparation of Block Plans, it came out to be a ritual due to their hasty preparation by ill-trained and inexperienced field staff working under severe constraints. This was the outcome of the irrational policy of the Government of India to extend the programme to all the 5011 blocks in the country by a single stroke without developing the necessary institutional, organisational and infrastructural framework appropriate for its efficient implementation. Moreover, the involvement of the scientific and technical institutions and other outside agencies was not ensured for the purpose.

Identification of beneficiaries

7.9 The process of identification was imperfect as it was made on inadequate information. The base-line survey turned out to be a formality and the data collected was incomplete, imperfect and quite often inconsistent. This not only led to gross under-estimation of the incomes of the relatively better off sections, but exclusion of some of the really deserving households with larger family size. When we checked up with the members of the local population in many centres, it was known that some of the well deserving households have been left out from the survey.

Extent of wrong selection

7.10 The multiplicity of guidelines for identification of the poor had created confusion in the minds of field level functionaries. Though households with an annual per capita income of less than Rs. 700 are to be selected according to the Guidelines for the preparation of Block-Plans, generally as a matter of practice and convention, Block officials were instructed to follow a simple thump rule of aggregate family income with a ceiling of Rs. 3500 per annum. This naturally resulted in the exemption of poor households with relatively higher family size, and selection of richer households with smaller family size.

7.11 Thus, according to the aggregate family income criterion, selection of 67.1% of the beneficiary samples was irregular. The proportion of beneficiaries not eligible for assistance ranged from 38.7% in pumpset scheme to 79% in milch animal scheme. The corresponding percentages for goat, secondary and tertiary schemes wers 59.0%, 54.5% and 77.5% respectively.

7.12 Alternatively, according to the per capita annual income criterion, the selection of 44.2% of the beneficiaries was improper, which ranged from 19.4% for the pumpset scheme to 57.8% for the tertiary sector schemes. The corresponding figures for milch animal, goat and secondary sector schemes were 50%, 37.5% and 27.3% respectively.

Coverage of the poorest of the poor

7.13 Since the rationale of the programme was to adopt an Anthyodaya approach it was required to assist the poorest of the poor first. According to the Block Plans and the Five Year Perspective Plans, 69.7% of the families identified for assistance belonged to the lowest income classes of below Rs. 350 per capita per annum and the entire families selected during 1981–82 (the reference period of the study) would have been from this group. However, this group received a scanty coverage of just 10.4% of the samples, selected for the impact study. At the same time 32.4% of the beneficiary samples had pre-assistance per capita income greater than Rs. 1000. All these facts show that the Anthyodaya approach has not been followed in the selection of beneficiaries from the list of identified households.

Involvement of Panchayats

7.14 The role of the Panchayats in the selection of beneficiaries was limited to the scrutiny of the list of selected households submitted by the Village Extension Officers for addition or deletion. However in the recent credit camps they are more actively involved.

Banks and selection

7 15 Though selection is to be jointly done by the financing institutions and the village level functionaries of the block administration, banks were seldom involved in the selection process, which had quite often resulted in wrong selection apart from developing a feeling of apathy among some of the bankers. The co-operation and response of the banks would have been far better, if the banks were appropriately involved in the selection of beneficiaries.

Average assistance extended

7.16 Not only was the targetted assistance per family much lower than the scale of unit assistance recommended for IRDP, but the actual assistance extended was also much lower than the targetted level. As against the target of Rs. 1125.25 subsidy per beneficiary, the actual subsidy paid till March 1984 was only Rs. 776.7, which was 31% lower than the target. Thus the average assistance advanced per beneficiary works out to Rs. 2330 compared to the target of Rs. 3376.

7.17 However, the average assistance obtained by the households selected for the study was only Rs. 2912.3, which ranged from Rs. 1136.8 for goat scheme, to Rs. 4134.9 in the case of pumpsets. The corresponding figures for milch animal, secondary and tertiary schemes were Rs. 4106.6, Rs. 2213.6 and Rs. 2886.0, respectively.

7.18 It is thus seen that the average assistance (including second assistance) extended per beneficiary family was quite inadequate for generating adequate income on a sustained basis to enable them to cross over the poverty line. It is also worth mentioning that 23.4% of the beneficiaries covered by the field study alone received second assistance. All these 54 families received an average assistance of

Rs. 4634.73 compared to Rs. 2386.81 only received by the remaining households. So in general, the objective of extending substantial assistance to the beneficiaries sufficient enough to generate adequate incremental income and employment has not been realised.

Range of assistance

7.19 The range of variation in the total assistance advanced per family happens to be very wide. While 42% of the beneficiary households received a total assistance (including second assistance) not exceeding Rs. 2000, 30.3% could not get more than Rs. 1000. A small percentage of 5.2 did not even get more than Rs. 500. At the same time 14.7% managed to get more than Rs. 5000 of which 2.6% secured even more than Rs. 7500.

7.20 Goat Scheme and the tertiary sector schemes were the two important sectors where the relative scale of assistance was lower. For instance, those who could not obtain more than Rs. 2000 included, 89.3% of the beneficiaries of the Goat Scheme, and 56.3% of those of the tertiary sector. It thus shows that majority of the selected households received relatively lower scale of assistance than was envisaged under the scheme.

Impact on Income generatian

7.21 Of the 62.3 %beneficiaries who had realised incremental per capita income from the utilisation of IRDP assistance, only 34.6% attained an increase of more than 10%. While roughly one-fifth realised a growth of more than 20%, only 13.4% could attain more than 30% rise in net income. A small proportion of 6% had even realised growth rates higher than 50%. At the same time 29·5% experienced a fall in their income.

7.22 It is also significant to note that none of the receipients of goat or secondary sector assistance could realise more than 30% increase in income. However, 41.9% of the beneficiaries of the pumpset schemes, 6.4 of that of milch animal and 19.7% of those of the tertiary sector scheme succeeded in attaining more than 30% growth in net income.

7.23 It was seen that 158 (68.4%) households remained in the same old aggregate income class even after the utilisation of the assistance. While 55 households (23.8%) moved on to higher income brackets, 6 households (2.6%) moved beyond the next income class. At the same time 18 households (7.8%) suffered income losses and were pushed down to lower income brackets.

7.24 On the other hand, 153 households (66.2%) remained in the same per capita annual income class after the assistance compared to 30.7% who had moved up to higher income brackets, in which 4.3% even crossed more than a single bracket. Only 3% of the households slipped down to lower income brackets.

Impact on poverty alleviation

7.25 According to the aggregate family income criterion, 76 households consisting of 32.9% of the total alone were below the poverty line prior to the IRDP assistance. It is seen that 17 households accounting for 22.4% of this poor could cross over the poverty line, exclusively as a result of the utilisation of IRDP assistance. The percentage of such households to total sample was only 7.4%. But this was partly offset by the fall of 8 households (3.5%) below the poverty line who were above the threshold level prior to the assistance.

7.26 Alternatively, according to the per capita annual income criterion, 129 households consisting of 55·8% of the total sample were below the poverty line and 28 families forming 21.7% of the poor succeeded in crossing over the poverty line. The proportion of such households to total sample was 12.1%. Compared to this, 53.7% of the 54 scheduled caste families were below the poverty line and only 4 out of the 29 poor households (13.8%) succeeded in crossing over the poverty line. In other words as against 12.1% of all households who could cross over the poverty line, only 7.4% of the scheduled caste families succeeded in it. However, by the time of the study more than one third had already slipped below the poverty line again.

Repayment

7.27 The available evidence show that overdues position is worsening. The recovery ratio has fallen from roughly 80% in 1981–82 to around 65% by 1983–84. The financial institutions have reported that this magnitude of overdues is mainly due to their own inability to monitor for want of field staff.

Proportion of land based activities

7.28 The proportion of land–based activities has been continuously declining both in terms of the number of beneficiaries as well as the amount of subsidy adjusted. While the proportion of beneficiaries declined from 50.1% in 1980-81 to 13% in 1983–84, the proportion of subsidy declined from 51.6% to 13.8%. If we include milch animals also under land-based activities, the corresponding proportions declined from 75.4% and 79.3% respectively to 45.3% and 58.2%.

Proportion of SC/ST beneficiaries

7.29 Though 30% of the beneficiaries (originally 20%) are to be SC/ST families, the coverage of SC/ST families was only 23.6% as on 31st March 1984. Over the four years their proportion in the number of families assisted each year had gone up from 15.9% in 1980-81 to 33.5% in 1983-84. However, in few of the blocks, their proportion is still lower and they complain about the non-availability of adequate number of SC/ST families belonging to the target groups.

7.30 Though SC/ST beneficiaries are to be given 30% of the subsidy also, the proportion as on 31st March 1984 was only 17.2%. Over the four year period this proportion has continuously moved upward from 11.5% to 25.1% on an year to year basis.

Relative assistance to SC/ST

7.31 At the aggregate level, the progressive totals for the first four years show that SC/ST beneficiaries have received just two-third of the average subsidy given to their non-SC/ST counterparts. Except in Manjeri block, where the SC/ST families had received 6.9% subsidy more than others, in all other blocks the proportion of subsidy received by them was less than non SC/ST beneficiaries. In Perinthalmanna Block the proportion was 98.6%. There were 5 other blocks with higher proportion than the district average. On the other hand, in the blocks of Andathode, Kondotti, and Thirurangadi, the average subsidy received by SC/ST beneficiaries was even less than half of the subsidy paid to others.

7.32 The field data on the other hand show that SC/ST beneficiaries received only 52% of the average subsidy paid to non SC/ST beneficiaries.

Banks and IRDP lending

7.33 Though the instructions of the Reserve Bank of India have been generally observed by the banking institutions, some of the private sector banks, co-operative banks and the Regional Rural Bank were seen to be insisting on co-obligants for the advance of loans below Rs. 5000. Some are alleged to have insisted on collateral securities. A few have reported rates of interest higher than 10%. However, we could not verify the correct position due to non-availability of pass-books for verification.

Co-ordination with banks

7.34 Inspite of the rather smooth working of the Co-ordination System it still remains wanting in many respects. The feed-back system between banks and the Lead Bank on the hand, Block Level Implementation Committee and the Lead Bank on the other appears to be very loose. Though there is an IRDP sub-plan in the District Credit Plan, there is no separate reporting in respect of IRDP lending.

Co-ordination with other programmes

7.35 The success of IRDP depends on the co-ordination between its implementation and implementation of other programmes relating to supporting, infrastructure and marketing facilities. Inspite of the best efforts by the Protect Officer, much remains to be done in this field. Unless the Project Officer has more autonomy and status he may not be able to bring about the necessary co-ordination. The typical example is the delay in energisation of pumpsets and difficulty in orginising and reviving milk marketing societies.

Recommendations

7.36(1) It is suggested to have a comprehensive base-line survey both to eliminate the imperfections of the earlier survey as well as to identify the potential beneficiaries for the 7th Five Year Plan which proposes to assist 900 families per block annually.

7.37(2) The fixation of targets of families to be assisted in each block should be proportionate to the population of the target group in the block, instead of a uniform number like 600. A minimum and maximum range may be fixed if necessary. This rule may be applied for SC/ST coverage as well.

7.38(3) In order to ensure ready response from departments providing infrastructural services, it is proposed to have an IRDP sub-plan for all such departments. The IRDP sup–plan has to be drawn up in consultation with the DRDA and the IRDP Implementation Committee. This sub–plan will enable the district officers to enjoy much more autonomy for provision of the required infrastructure without waiting for long. It should in effect be an action plan to complement the credit plan.

7.39(4) It is necessary to review the whole cases where repayment has been done in lumpsum or in a period of 6 months. Such cases are clear instances of misuse of the funds of the scheme and specific legal provision may be introduced for the recovery of subsidy with interest from such persons along with disciplinary action against the concerned officers, if they are found to be guilty.

7.40(5) It should be made obligatory for the banks to maintain separate accounts for IRDP lending.

7.41(6) Monthly/quarterly report from the Banks relating to the progress in IRDP lending should be insisted upon.

7.42(7) The multiplicity of programmes and agencies in weaker section lending results in seepage of funds as the same family avails assistance from different sources. So it is necessary to bring about proper integration of these parallel programmes and to introduce some sort of a single delivery system to avoid unnecessary duplication. A single pass-book system may also be introduced for all types of weaker section lending.

7.43(8) It is also long-overdue to update the poverty line inview of the steep rise in prices. This will be necessary to identify the required number of families especially in the context of manifold increase proposed in the outlay on IRDP for the 7th Plan period.

7.44(9) It is suggested to revive the purchase committees in all blocks to ensure proper utilisation of the credit.

7.45(10) It is also suggested to select the beneficiaries based on an area approach so as to provide them with common infrastructural facilities like input supply, marketing, community amenities etc. For instance starting of a new lift irrigation scheme and distribution of pumpsets in the area.

7.46(11) There is an urgent need to diversify the projects/schemes under IRDP. Industries and tertiary sector programmes are to be given greater importance in future. Rather than selecting individual household plans, a group or cluster concept may be tried on an increasing scale. Though these may be more difficult to plan and implement than the present steriotyped schemes, they have much better potentialities as self-employment programmes which are ideally suited as a poverty alleviation programme.

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7.47(12) Though 62.3% of the selected households realised increase in net income, only 12.1% of them could cross over the poverty line due to the burden of loan repayment in the first year. Hence it is suggested to lengthen the period of repayment and to bring down the repayment liability during the first year to enable the beneficiaries to generate enough surplus to make the schemes financially viable.

7.48(13) In order to ensure selecton of the right families, it is also suggested to hold the credit camps at the village levels. This will facilitate the involvement of all local interests which could enhance the credibility of the programme.

7.49(14) As the efficiency of the block administration is reduced by the lack of adequate field staff, the blocks are to be provided with necessary staff for the implementation of the programme.

7.50(15) It is also necessary to accord the field staff adequate training to implement and monitor the programme.

7.51(16) In view of the difficulties of the banking Institutions to provide field staff to all financing branches, a Lead Branch approach may be adopted by developing one Lead Branch of a bank in a block or two fully equipped with field staff.

7.52(17) Under the Block Level and District Level Implementation Committees, Vigilance Committees may be constituted for supervision and monitoring of the programme with the active involvement of all socio-political interests.

7.53 The present study has brought to light some of the major weaknesses involved in the implementation of the IRD Programme in the Malappuram district. An important weakness of the programme is that it implicitly presumes that lack of finance is the most important factor which prevents people from crossing over the poverty line. This presumption is far from reality. Lack of marketing facilities seems to be the most crucial constraint for many of the schemes especially like milch animal and secondary sector schemes. Inspite of their vast potentialities and their success outside IRDP, these schemes have not succeeded in the district due to marketing constraints. Hence it is necessary to give much more attention for the provision of infrastructure and supporting services if the programme has to be successful.

7.54 Thus there is tremendous scope for improvement in respect of all major areas of the implementation of the programme. It is highly imperative to take all precautions to ensure that the deserving households alone are assisted under the programme. It is also essential to advance adequate and timely financial assistance to help the beneficiaries to remain permanently above the poverty line. A slight change in the style of its implementation and a positive change in the attitude of all those involved in the planning, implementation and monitoring of the programme are necessary prerequisites for any remarkable improvement in the success of the programme.