



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

UGC APPROVED JOURNAL NO. 48514

VOLUME - 8 | ISSUE - 9 | JUNE - 2019



IMPACT OF RURAL DEVELOPMENT PROGRAMMES IMPLEMENTED THROUGH PRIS ON RURAL HOUSEHOLDS IN KARNATAKA: EMPIRICAL EVIDENCES

Umesh S.Kalal (Ankushkar)

**Research Scholar, Department of Political Science,
Dravidian University Kuppam (A.P.).**

ABSTRACT:

Panchayat Raj is a type of Local Self Government. Panchayat Raj institutions are more than agencies of the State Government for Rural development. The main goal of Panchayat Raj is to mobilize people's enthusiasm and make use of manpower and other resources for Rural Development. The Panchayats are expected to play an important role in rural development in India, particularly after independence. This paper assess the impact of selected rural development programmes (REGP & SGSY) implemented through the panchayati raj institutions on rural households in terms of employment level, income level, expenditure level, savings level, assets possession and living standard of the sample beneficiaries in the study area between pre and Post - Scheme Period; and to suggest measures for policy changes for better implementation of rural development programmes implemented through the panchayati raj institutions in general and selected programmes in particular. This study is based on primary data. Simple statistical tools like averages, ratios, percentages, were employed for analysis of data. The main findings reveals that due to rural development peogrammes implemented through the PRIs the proportion of employment generation, income generation, average household expenditure, average household savings, asset creation, and living standard of the sample beneficiaries was found to be quite significant in post-scheme period as compared to the pre-scheme in the study area. The study suggests that the monitoring and evaluation activities need to be given more importance for improved performance under REGP& SGSY programmes. In order to develop a consistent system of monitoring the implementation of REGP & SGSY programmes at the panchayat level through field visits and physical verification of assets as well as progress of the beneficiaries towards income generation, a schedule of inspection of families by various levels of officers are a must.



KEYWORDS: Rural Development, Panchayat Raj Institutions, REGP& SGSY, Pre-Scheme, Post -Scheme, Employment Generation, Income Generation, Expenditure Pattern, Savings, Asset Creation, , Living Standard, Gadag taluk, Mundargi taluk.

1.INTRODUCTION:-

Panchayat Raj is a type of Local Self Government. Panchayat Raj institutions are more than agencies of the State

Government for Rural development. The main goal of Panchayat Raj is to mobilize people's enthusiasm and make use of manpower and other

resources for Rural Development. India is a land of villages. Chronic poverty is rampant among the agrarian population due to faulty policies

of the Government in power. It is difficult to find a solution unless the people of the respective village meet, discuss and sort out their problems. Thus to bring them together and make them involve in their problems by active participation, Panchayat Raj is the right forum. Various programmes for development of village through local participation, devolution or decentralization of power have given birth to Panchayat Raj system. Panchayat Raj institutions are the gross root units of Local Self Government and are considered as vehicles for Socio-Economic transformation of the rural society.

The Panchayats are expected to play an important role in rural development in India, particularly after independence (Kadam 2012; Thanikasalam and Saraswathy 2014). In the Indian context rural development assumes greater significance as 72.22 per cent of its population still live in rural areas (Chauhan 2014). Plan documents of both the central and state governments and various committees have emphasized the importance of these bodies in the polity. Five-year plans, specially the second five-year plan, laid special emphasis on the role of Panchayats in rural developments.

The role of Panchayati Raj institutions as instruments of rural reconstruction and development needs no emphasis. They have been reorganized with wider powers and financial resources not merely as institutions of political participation but institutions of social and economic development. Since the emphasis of rural development policies is bringing about people's participation in the development programmes, it is possible to achieve this through the leaders. The administrators are accepted to participate with missionary zeal in the life and development of the villages and these institutions are to be galvanized to become effective instruments of social and economic change. (Ramya 2014). Against this background in this paper an attempt has been made to analyse the impact of REGP & SGSY programmes implemented through the panchayat raj institutions on employment, income, expenditure, savings, assets creation and living standard of the sample beneficiaries in the study area between pre-scheme and post-scheme period.

2. OBJECTIVES OF THE STUDY

The objectives of the study are as follows;

- To assess the impact of selected rural development programmes (REGP & SGSY) implemented through the panchayati raj institutions on rural households in terms of employment level, income level, expenditure level, savings level, assets possession and living standard of the sample beneficiaries in the study area between pre and Post – Scheme Period; and
- To suggest measures for policy changes for better implementation of rural development programmes implemented through the panchayati raj institutions in general and selected programmes in particular.

3. HYPOTHESIS

The study aims at testing the following hypothesis;

- There has been a positive impact of rural development programmes implemented through the panchayati raj institutions on employment, income, assets and living standards of the beneficiaries.

3. Data Base and Methodology

The present study is mainly based on primary data. Multi-stage random sampling technique was adopted for collection of the primary data. The present study was carried out in two taluks of Gadag district namely, Gadag and Mundaragi. While Gadag taluk represents developed region, Mundaragi taluk represents the backward region. Gram panchayats were selected on the basis of implementation of the centrally sponsored and state sponsored rural development programmes particularly REGP & SGSY. On the basis of the above criteria one advanced gram panchayat (Hulkoti) and one backward gram panchayat (Kanaginahal) from Gadag taluk and one advanced gram panchayat (Dambal) and one backward gram panchayat (Korhalli) from Mundaragi taluk were selected. From each gram panchayat 50 sample beneficiaries who have obtained financial assistance and benefit under the selected schemes (25 beneficiaries from REGP; 25 beneficiaries from SGSY) were selected. Hence, total sample size of the

study was 200 beneficiaries. Simple statistical tools and techniques like averages, ratios, percentages, were employed for analysis of data.

4. RESULTS AND DISCUSSION

In this section an attempt has been made to assess the impact of rural development programmes implemented through the PRIs on rural households livelihood status using the primary data in Gadag district of Karnataka.

4.1. Employment Generation

Work or employment is a strongest tie of every human being. One cannot live without the work. Therefore, employment generation is a core objective of social oriented self-employment schemes like REGP & SGSY. The REGP & SGSY assistance to the rural poor is provided for setting up new activities or for expanding the existing activity. The income earning capacity of the loan beneficiaries of the REGP & SGSY is bound to increase and they are bound to get themselves fully engaged in their work. Their employment position therefore is expected to improve consequent to the rural development programmes implemented through the PRIs like REGP & SGSY. Hence the sample beneficiaries were approached for obtaining the information about the impact of REGP & SGSY loan on their employment position.

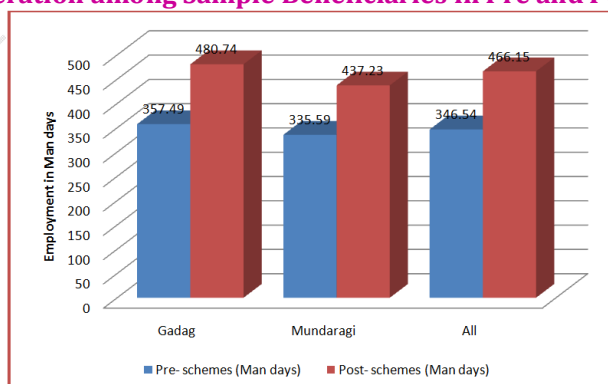
Table 1 provides the data on employment generation among sample beneficiaries in pre and post-schemes period. The data reveals that at the aggregate level the proportion of average household employment generation was found to be very high in post- schemes period comparatively with pre-schemes period. Across taluks the proportion of average household employment generation was found to be higher in Gadag taluk as compared to that of in Mundaragi taluk (Figure 1). This implies that the average number of days the sample beneficiaries could get the higher employment for their households, due to the financial and institutional support of the PRIs and the bank linkage.

Table 1
Employment Generation among Sample Beneficiaries in Pre and Post-Schemes Period

Taluks	Pre- schemes (Man days)	Post- schemes (Man days)	Incremental employment	Percentage increase
Gadag	357.49	480.74	123.28	34.77
Mundaragi	335.59	437.23	101.64	30.55
All	346.54	466.15	114.09	32.54

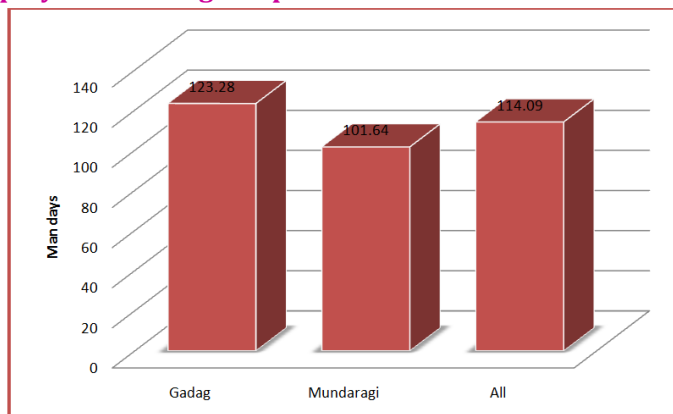
Source: Primary Survey.

Figure 1
Employment Generation among Sample Beneficiaries in Pre and Post-Schemes Period



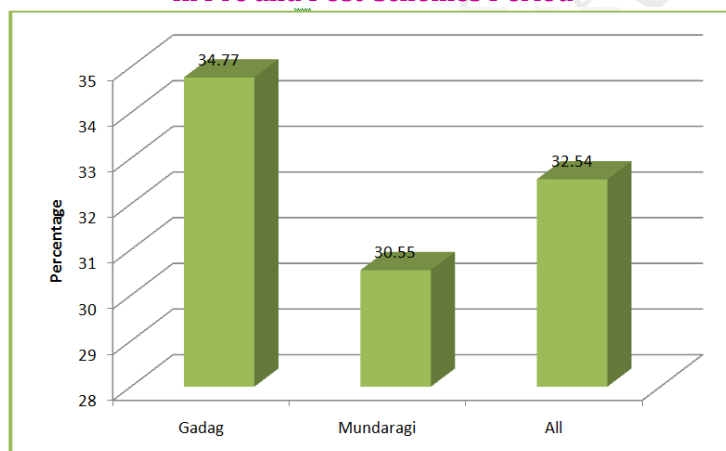
Source: Table 1

Figure 2
Incremental employment among Sample Beneficiaries in Pre and Post-Schemes Period



Source: Table 1

Figure 3
Percentage Employment Increase among Sample Beneficiaries in Pre and Post-Schemes Period



Source: Table 1

4.2. Income Generation

The income generation is an indicator of the success of beneficiaries. The basic philosophy behind the self-employment schemes is to generate reasonable income at least to meet out their basic needs, repayment of loan installments and to some extent to make reinvestments in their activities. The high level of employment generated in terms of persons and man-days have no meaning, if it does not create reasonable income to beneficiaries. That is why, employment and unemployment is measured rather by the income it fetches than the number of hours spent on the job. In order to know the income impact on sample beneficiaries, the income levels in pre and post-schemes periods have been collected. The data collected from the 200 sample beneficiaries indicates that there has been a positive impact of the loan in generating additional income consequent to the utilization of the financial assistance given by the bank.

Table 2 presents the data on income generation among sample beneficiaries in pre and post-schemes period. It is clear from the data that the average household income of the sample beneficiaries during post schemes is Rs.14,274.99 constituting 27.40 per cent. Across taluks the proportion of income

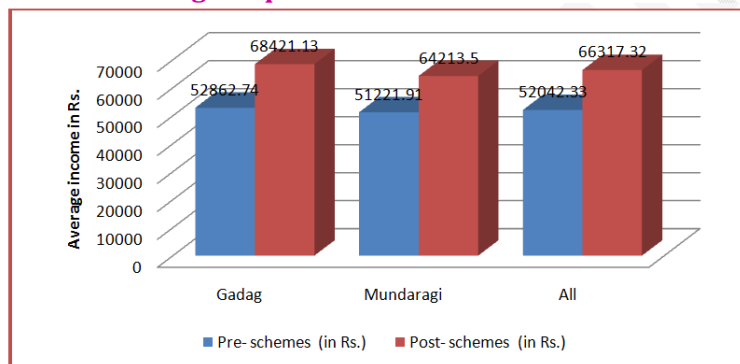
generation was found to be higher in Gadag taluk (29.43 per cent) as compared to that of in Mundaragi taluk(25.36 per cent) during post schemes period.

Table 2
Income Generation among Sample beneficiaries in Pre and Post-Schemes Period

Taluks	Pre- schemes (in Rs.)	Post- schemes (in Rs.)	Incremental Income	Percentage increase
Gadag	52862.74	68421.13	15558.39	29.43
Mundaragi	51221.91	64213.5	12991.59	25.36
All	52042.33	66317.32	14274.99	27.40

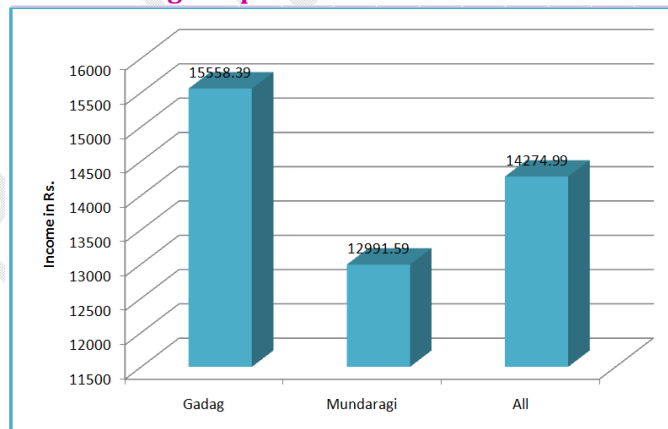
Source: Primary Survey.

Figure 4
Income Generation among Sample beneficiaries in Pre and Post-Schemes Period



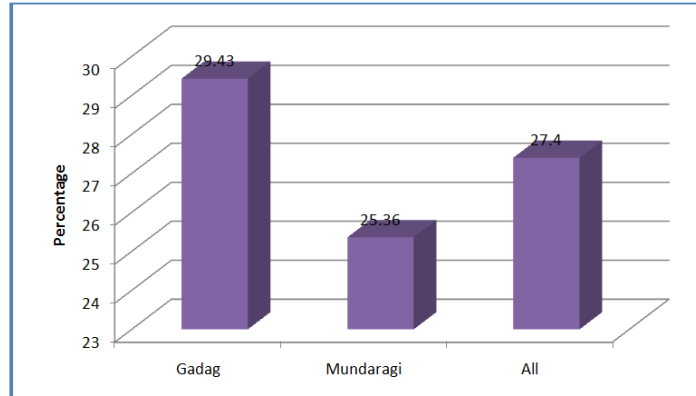
Source: Table 2

Figure 5
Incremental Income among Sample beneficiaries in Pre and Post-Schemes Period



Source: Table 2

Figure 6
Percentage Increase in Income among Sample beneficiaries in Pre and Post-Schemes Period



Source: Table 2

4.3. Average Household Expenditure

The expenditure pattern reveals the improvement of living standards of sample beneficiaries and their family. When the saving rate is increased, the sample beneficiaries actively participated in income –generating activities which resulted in earning more income with these the purchasing power of them increased. How the rural development programmes have influenced the expenditure pattern of the sample beneficiaries is discussed in the following tables.

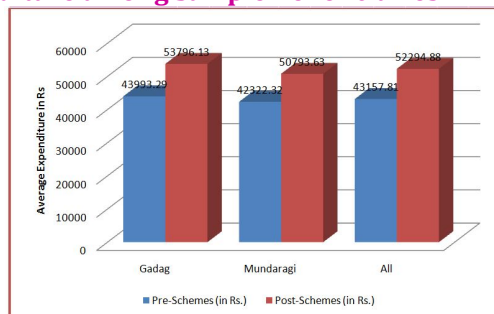
Table 3 presents the data on average household expenditure among sample beneficiaries in pre and post- schemes period. The data indicates that the expenditure incurred by the sample beneficiaries is comparatively very high in post-schemes period with the pre- schemes period. Across taluks the proportion of expenditure among sample beneficiaries was found to be higher in Gadag taluk (Rs. 53796.13) as compared to that of in Mundaragi taluk (Rs.50793.63) in post-schemes period

Table 3
Average Household Expenditure among Sample Beneficiaries in Pre and Post-schemes Period

Taluks	Pre-Schemes (in Rs.)	Post-Schemes (in Rs.)	Incremental expenditure	Percentage increase
Gadag	43993.29	53796.13	9802.84	22.28
Mundaragi	42322.32	50793.63	8471.31	20.02
All	43157.81	52294.88	9137.08	21.15

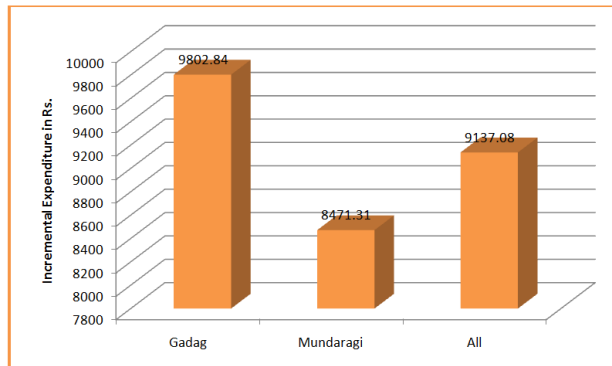
Source: Primary Survey.

Figure 7
Average Household Expenditure among Sample Beneficiaries in Pre and Post-schemes Period



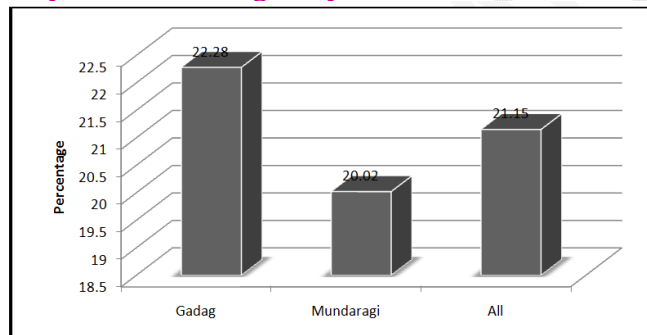
Source: Table 3

Figure 8
Incremental Expenditure among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 3

Figure 9
Percentage increase in Expenditure among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 3

4.4. Savings of Sample Beneficiaries

One of the main objectives of rural development programmes is to inculcate saving habits and to improve their economic well-being. This has given scope to the beneficiaries to generate savings in order to provide economic security to them. Besides, the more the savings at their disposal, the more their repayment capacity to repay the bank loans which, in turn would encourage them to raise fresh loans for further promotion of their income-generating activities. The impact of rural development programmes loans on rural savings has been highly encouraging as found out from the present study covering the 200 beneficiaries’ from 4 gram panchyats of Gadag Taluka.

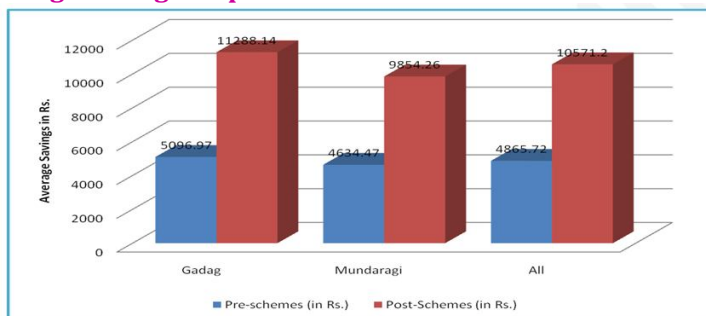
Table 4 presents the data on average household savings among sample beneficiaries in pre and post- schemes period. The data reveals that the average household savings by the sample beneficiaries is comparatively very high in post-schemes period with the pre- schemes period. Across taluks the proportion of average household savings was found to be quite significant in Gadag taluk (11288.14) as compared to that of in Mundaragi taluk (9854.26) during the post-schemes period.

Table 4
Savings among Sample Beneficiaries in Pre and Post-schemes Period

Taluks	Pre-schemes (in Rs.)	Post-Schemes (in Rs.)	Incremental savings	Percentage increase
Gadag	5096.97	11288.14	6191.17	121.47
Mundaragi	4634.47	9854.26	5219.79	112.63
All	4865.72	10571.20	5705.48	117.05

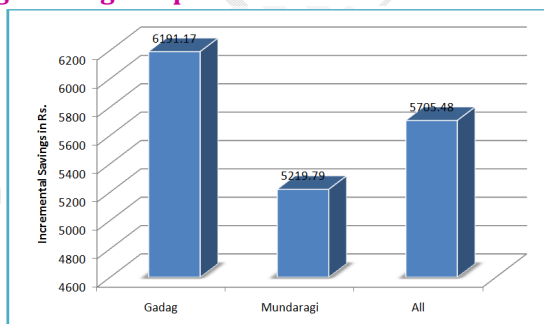
Source: Primary Survey.

Figure 10
Average Savings among Sample Beneficiaries in Pre and Post-schemes Period



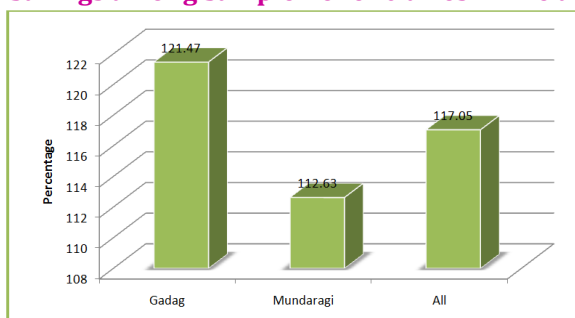
Source: Table 4

Figure 11
Incremental Savings among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 4

Figure 12
Percentage Increase in Savings among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 4

4.5. Assets Creation

The hard core of the rural poverty is constituted by the marginal farmers, agricultural labourers and rural artisans, possessing little or virtually no assets. Any development strategy which aims at improving the rural poor must aim at creating new productive assets for them. The philosophy underlying the PRIs originates from the imperative that the main attack on rural poverty has to be by endowing the rural poor households with productive assets, and or skills so that they are assured of income which raises them above the poverty line. The rural development programmes may also have an inter-alia impact in creating additional assets as a result of reinvestment of surplus derived from savings.

Asset creation is the means through which a person can earn his living. Therefore, the basic philosophy behind any self-employment scheme like REGP & SGSY is to provide sufficient productive asset to the beneficiaries through bank loan. The asset so created has to be maintained and put into productive use and create additional asset to meet the ultimate aim of the scheme. The nature and value of asset created by the activity will determine its productive / earning capacity. An attempt has been made to assess the economic impact in respect of asset creation by sample beneficiaries. The sample beneficiaries were asked about their knowledge on the benefits given as assets under rural development programmes.

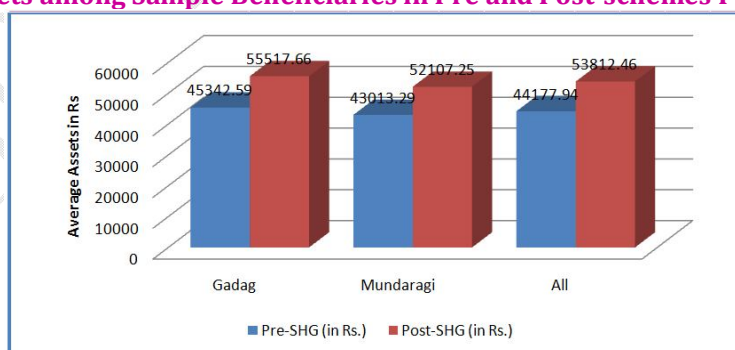
Table 5 presents the data on asset creation among sample beneficiaries in pre and post-schemes period. The data indicates that comparatively the asset creation in post-schemes period is the highest as against the pre- schemes period. Across taluks the proportion of asset creation rate among sample beneficiaries was found to be higher in Gadag taluk (55517.66) as compared to that of in Mundaragi taluk (52107.25) in post-schemes period.

Table 5
Assets among Sample Beneficiaries in Pre and Post-schemes Period

Taluks	Pre-SHG (in Rs.)	Post-SHG (in Rs.)	Incremental assets	Percentage increase
Gadag	45342.59	55517.66	10175.07	22.44
Mundaragi	43013.29	52107.25	9093.96	21.14
All	44177.94	53812.46	9634.52	21.79

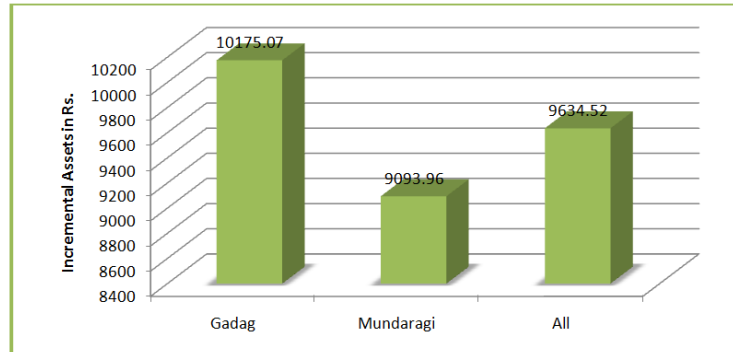
Source: Primary Survey.

Figure 13
Assets among Sample Beneficiaries in Pre and Post-schemes Period



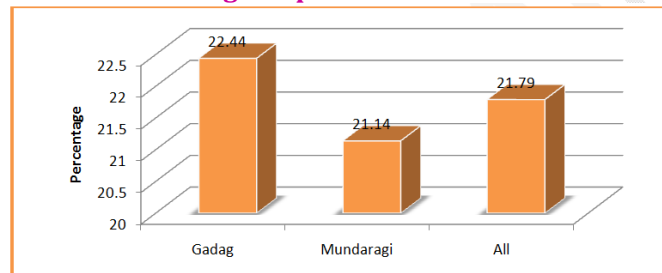
Source: Table 5

Figure 14
Incremental Assets among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 5

Figure 15
Percentage Increase in Assets among Sample Beneficiaries in Pre and Post-schemes Period



Source: Table 5

4.6. Improvement in Living Conditions Due to Rural Development Programmes

Improvement in income due to rural development programmes should also be accompanied by other indicators of development. The foremost of these is the improvement of living conditions of the persons covered by such programmes. Hence, information was sought from the 200 sample beneficiaries about the improvement in their living conditions consequent to the use of the REGP & SGSY loans by them.

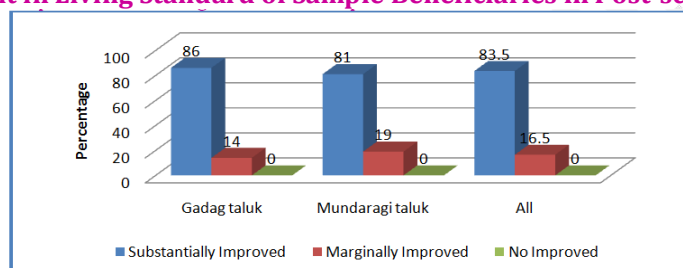
Table 6 presents the data on improvement in living standard of sample beneficiaries in post-schemes period. The data indicates that a majority of 83.5 percent sample beneficiaries have stated that REGP & SGSY schemes loans have substantially improved their living conditions in post- schemes period. While a minimum of 16.5 per cent sample beneficiaries have stated that REGP & SGSY schemes loans have marginally improved their living conditions in post- schemes period by providing them new source of income, better production and higher returns (Figure 16). None of the sample beneficiaries have stated that there is no improvement in their living conditions. Going by taluks the proportion of positive impact of rural development programmes on the living standard of sample beneficiaries was found to be higher in Gadag taluk as compared to that of in Mundaragi taluk in post- schemes period.

Table 6
Improvement in Living Standard of Sample Beneficiaries in Post-schemes Period

Response	Gadag taluk	Mundaragi taluk	All
Substantially Improved	86.0	81.0	83.5
Marginally Improved	14.0	19.0	16.5
No Improved	0.00	0.00	0.00
Total	100.00 (100)	100.00 (100)	100.00 (200)

Source: Primary Survey.

Figure 16
Improvement in Living Standard of Sample Beneficiaries in Post-schemes Period



Source: Table 6

4.7. Dependence of Private Money Lenders

The dependence on private Money Lenders at very high rate of interest has been reduced considerably. The opinion of sample beneficiaries was solicited to know whether or not they still depend on private money lenders for their financial requirements after obtaining and utilizing the loans under the REGP & SGSY. The responses are detailed in the following Table 7. The impact of rural development programmes have been much positive in reducing the dependence on private money lenders / finance companies after availing of REGP & SGSY loans as asserted by 87 percent of sample beneficiaries. However, the remaining 13 percent sample beneficiaries do depend upon private money lenders / finance companies even after availing of the loans under the REGP & SGSY. This situation is perhaps due to the inadequacy of the loan amount provided under the rural development programmes. Such cases need proper study and the causes leading to their dependence on private money lenders should be identified and remedial measures adopted by the government and banking institutions.

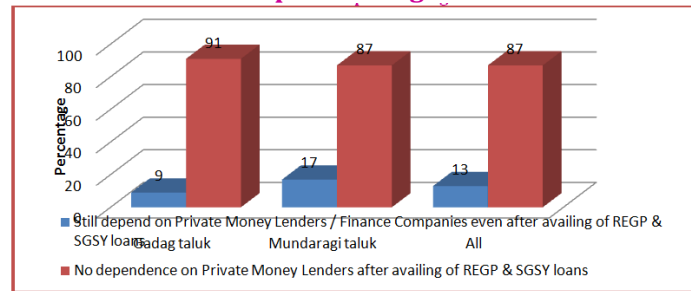
It is evident from the above analysis that the hypothesis, "There has been a positive impact of rural development programmes implemented through the panchayati raj institutions on employment, income, assets and living standards of the beneficiaries" is proved and therefore, it is accepted.

Table 7
Distribution of Sample Beneficiaries by Dependence on Private Money Lenders Even After Rural Development Programmes

Response	Gadag taluk	Mundaragi taluk	All
Still depend on Private Money Lenders / Finance Companies even after availing of REGP & SGSY loans	9.00	17.00	13.0
No dependence on Private Money Lenders after availing of REGP & SGSY loans	91.00	87.00	87.0
Total	100.00 (100)	100.00 (100)	100.00 (200)

Source: Primary Survey.

Figure 17
Distribution of Sample Beneficiaries by Dependence on Private Money Lenders Even After Rural Development Programmes



Source: Table 7

4.8. CONCLUSION & POLICY SUGGESTIONS

The implementation of rural development programmes through the Panchayat Raj Institutions has brought a radical change in the socioeconomic conditions of the rural households in the study area. The implementation of rural development programmes has affected even the social and political affairs of the people. In the economic sphere, these programmes have shaped an improvement in economic position of the rural households. As a result, most of the rural households have acquired an added income. Programmes like REGP & SGSY have produced various gainful activities for poor households to be placed above the poverty line.

The study has provided a good insight into the implementation and impact of REGP& SGSY programmes in Gadag and Mundaragi taluks of Gadag District. However, there are certain areas where further improvements are necessary. The following few suggestions will go a long way in improving the implementation of the REGP& SGSY programmes through the Panchayat Raj Institutions in general and its implementation in the study area in particular.

- The REGP& SGSY programmes have formulated and implemented well but no follow up measures are taken to evaluate the scheme can jeopardize the very purpose of the scheme. The follow up makes possible the necessary changes, such policies may become obsolete and redundant. Therefore, there should be a perfect tandem with planning, execution and control.
- Monitoring and evaluation activities need to be given more importance for improved performance under REGP& SGSY programmes. In order to develop a consistent system of monitoring the implementation of REGP & SGSY programmes at the panchayat level through field visits and physical verification of assets as well as progress of the beneficiaries towards income generation, a schedule of inspection of families by various levels of officers are a must.
- No minimum loan size should be fixed. The beneficiaries should be at liberty to decide the quantum of credit required based on their own ability, skill and nature of activities.
- Where it is required multiple credits in small doses should be provided in accordance with the absorptive capacity of the poor.
- The panchaya raj institutions and the banks should be fully involved in the formulation, implementing, monitoring and evaluating the scheme.
- The banks should expand their area of operation to subserved areas so as to cover more BPL families.
- The concepts of village banking and mobile banking should be introduced so that savings habit is promoted and the loan recovery rate improves.
- Though counseling occupies a paramount role in the successful implementation of schemes like REGP & SGSY, the study shows the absence of such a facility in the study area. Banks, DRDA and PRIs feel REGP& SGSY programmes as an additional burden. They are good in doing what the scheme conditions expect them to do and not beyond. Therefore, REGP& SGSY programmes should provide with counseling opportunity.

- Priority should be given in selection of the beneficiaries which are found to be the poorest of the poor.
- The amount of loan with subsidy is inadequate to obtain the costly assets. Hence the loan amount should be raised considerably to enable the beneficiaries not only to obtain the assets but also to arrange for the needed infrastructure which the beneficiary himself has to arrange for.
- The incidence of borrowing from private money lenders at exorbitant rate of interest is still affecting a small number of the beneficiaries of the REGP & SGSY programmes. This calls for additional accommodation from the banks to enable the beneficiaries to completely come out of the clutches of the private money lenders.
- It is observed that neither the Panchayat Development Officer nor the bank officials visit the activity places after their establishment under the scheme except for recovery of loan amount. The uneducated beneficiaries need timely guidance and motivation in solving problems, faced by them. Therefore, they have to pay periodic visits to the activity places and assess their current work status which not only motivates the beneficiaries but also streamlines the regular repayment of loan amount.
- A proper co-ordination between the agencies – Panchayat Raj Institutions and the Bank could lead to still better results in transforming the dormant rural society into a vibrant one. A few families who could not reap the benefits of the REGP & SGSY programmes should be properly educated and the needed information and consultancy be provided to them for a proper utilisation of the funds as in the case of other successful beneficiaries, so that the REGP & SGSY programmes could be one hundred percent successful in the rural areas.

REFERENCES

- Ahmed Raffect (1997): *Panchayat Raj in Karnataka*, Social Action, 23(40): 15-19.
- Aziz Abdul (2000): Democratic Decentralisation Experience of Karnataka, *Economic and Political Weekly*, 35(39): 4077-4080.
- Badhe G. S. (1967): Local Self Government in India, *Quarterly Journal of Local Self Government Institute*, 37(4): 32-38.
- Chauhan, A. (2014): Need of Rural Development in India for Nation Building, *Asian Mirror-International Journal of Research*, 1(1): 1-8.
- Desai Vasant (1991): *Panchayati Raj Power to the People*, Himalaya Publishing House, New Delhi.
- Desai Vasant (1988): *Rural Development*, Himalaya Publishing House, Mumbai.
- GoK (2015): *Gadag District at a Glance, 2015-16*, District Statistical office, Gadag.
- GoK (2017): *Karnataka at a Glance 2015-16*, Directorate of Economics and Statistics, Bangalore, Karnataka.
- Government of India (2003): Economic Division, Ministry of Finance, Economic Survey, 2003-04, New Delhi.
- Kadam, R.N. (2012): Role of Gram Panchayati in Rural Development: A Study of Uttur Village of Mudhol Taluka, Bagalkot District(Karnataka), *International Journal of Research in Finance & Marketing*, 2(10): 14-29.
- Tame Ramya (2014): Role of Panchayati Raj Institutions in Rural Development: The Study of a Tribal Village in Arunachal Pradesh, *An International Journal of Humanities and Social Sciences*, 1(3):503-521.
- Thanikasalam, S and S. Saraswathy (2014): Role of Gram Panchayat in Rural Development: A Study of Vagurani Village of Usilampatti Block of Madurai District(Tamil Nadu), *International Journal of Humanities and Social Science Invention*, 3(1): 49-56.



Umesh S.Kalal (Ankushkar)

Research Scholar, Department of Political Science, Dravidian University Kuppam (A.P.).

LBP PUBLICATION