

CHAPTER - 2
IMPLEMENTATION OF THE
DRI SCHEME

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2.01 Introduction

An attempt has been made here to examine some of the most critical qualitative aspects pertaining to the implementation of the DRI scheme, on the basis of a survey of beneficiaries under the scheme as well as of some non-beneficiaries. The main object of this exercise has been to test the following hypothesis.

" The scheme has been implemented efficiently at the Institutional level, strictly in accordance with the policy, and the norms prescribed, and has benefitted the target groups only, in meeting their total credit needs. "

2.02 In order to test the above hypothesis, the following points of investigation have been identified.

- (1) Profile of beneficiaries to find out if the benefits under the scheme have really gone to the eligible target groups only;
- (2) Amount of loan sought by the beneficiaries and the loan actually sanctioned and disbursed by the financing institutions, to ascertain the adequacy of the loan advanced or otherwise;
- (3) Waiting time between the loan applications and their sanction and disbursement of the loan amounts, to find out the operational efficiency of the scheme;

- (4) The flow of subsidy benefits to find out if this facility has really helped the DRI beneficiaries at the right time;
- (5) The position of the level of gross income of the non-beneficiary families to find out whether they can fall within the purview of the income norm fixed under the scheme.

2.03 Another important object of this exercise has been to understand the factors that have inhibited a section of the community belonging to the eligible target groups in availing of the benefits of this scheme. The rationale of this object is that once the inhibiting factors are identified properly it will be possible in future policy formulation and the implementation of the scheme to introduce such measures that may enable even weakest amongst the weaker sections of the eligible target groups to benefit under the scheme.

2.04 For the purpose of the above analysis, data and information were collected through a field survey for which a sample of 653 beneficiaries and 399 non-beneficiaries was drawn. The methodology of drawing the sample has already been explained in Chapter 1. The beneficiaries were drawn both from the urban as well as the rural sectors, and the points of investigation identified above to test the hypothesis have been examined and analysed separately for the urban and the rural beneficiaries and non-beneficiaries.

Profile of Urban Beneficiaries

2.05 Size of the sample

The analysis of beneficiaries' profile in this section relates to the urban sector. A total number of 190 beneficiaries engaged in five different occupations/activities were covered in the urban sector¹. They represent 29 per cent of the total sample in the study. A large majority of the 190 beneficiaries selected were those engaged in the vending clothing activity, since the response of these beneficiaries was quite encouraging (Table 2-1).

Table 2-1

Sample Size of Urban Beneficiaries

Occupations/Activities	Number of beneficiaries		
	Total	Males	Females
Tailoring	18 (10)	7 (39)	11 (61)
Vending Cloth	128 (67)	77 (60)	51 (40)
Vending Glasswares	5 (3)	5	Nil
Vending Fruits & Vegetables	6 (3)	6	Nil
Miscellaneous Activities	33 (17)	30	3
Total Five Activities	190 (100)	125 (66)	65 (34)
(Figures in brackets indicate percentage to total)			

1. The word urban sector/urban activities/urban areas is used synonymously in this study.

2.06 Sex Composition

Vending cloth as well as tailoring are popular activities among the females in Gujarat where participation of females has been rightly reflected. The fact that over 34 per cent of the beneficiaries were females is a pointer to the financing institutions that they can encourage financing to a large number of females in these two activities.

2.07 Another activity which can be considered for financing is vending fruits and vegetables. Even at present, a large number of females in Gujarat maintain their families by engaging in this activity. Finance for the activity is generally provided by local money lenders, relatives and traders. Due to non-availability of some beneficiaries as well as rejection of some sample for technical reasons, only 6 out of 32 vendors selected could be interviewed. (Appendix - Table 2-1).

2.08 Caste Composition

Analysis of category-wise data presented in Table 2-2 reveals that 34 per cent of beneficiaries belonged to scheduled castes and physically handicapped; 24 per cent were from economically backward class and the remaining 41 per cent were from other castes.

Table 2-2
Sample of Urban Beneficiaries - Category-wise

Category	Number of Beneficiaries	Per cent to total
Scheduled Castes	56	29.5
Scheduled Castes and Physically Handicapped	9	5
Scheduled Tribes	Nil	Nil
Economically backward class	47	24.5
Bakshi Punch	20	10.5
Harijans	3	1.5
Others	55	29
Total	190	100

2.09 The financing institutions have advanced loans mainly for the vending cloth activity in the urban sector. Thus, out of 190 beneficiaries, 128 had availed of loans for vending cloth activity. The insignificant coverage of harijans in the sample only reflects the fact that very few of them were considered for the loans by the financing institutions for this activity. Non-inclusion of scheduled tribes in any of the activities covered under the urban sector may be attributed to the fact that they hardly reside in the townships (Appendix - Table 2-2).

2.10 Size of Family

Most of the respondents interviewed had large families with the number of members ranging between 4 to 12. Data given in Table 2-3 reveals that 80 per cent has been covered in this family size range. Activity-wise data presented in Appendix - Table 2-3 indicates that some beneficiaries under tailoring, vending cloth and miscellaneous group of activities had even larger families, the number of members ranging between 8 to 12. They represented over 22 per cent of the total sample.

Table 2-3
Family Size of Urban Beneficiaries

Range (Family - Size) Persons	Number of Beneficiaries	Per cent to total
1 to 3	39	20
4 to 7	105	56
8 to 12	42	22
Above 12	4	2
Total	190	100

2.11 Generally, in most of the poor families there are two earning members to support the family. The field survey, however, reveals that prior to the disbursement of loans, there was none other than the beneficiaries to support the family and the entire burden was on him. An interesting observation was that during the post-disbursement period, the beneficiaries covered under the

activities such as tailoring, vending cloth and vending fruits & vegetables had associated their wives with the occupation they pursued on a full or part time basis.

2.12 Age Composition

The majority of respondent beneficiaries almost 47 per cent of the total sample were in the age group of 16 to 25. Table 2-4 reveals that the next higher age groups covered under the study, were 26 to 35, and 36 to 45 years, respectively. These three age-groups together covered 85 per cent of the total sample.

Table 2-4

Classification of Urban Beneficiaries
according to Age-Groups

Age Groups (Years)	Number of Beneficiaries	Per cent to total
16 to 25	89	47
26 to 35	43	23
36 to 45	30	15.8
46 to 55	26	13.15
Over 55	2	1.05
Total	190	100

2.13 It is interesting to note that persons upto 55 years and above were also considered for loans in the urban sector. Among the five activities covered in this sector, vending cloth is important one and it can be seen from

Appendix - Table 2-4 that about 90 per cent of the total beneficiaries covered under this category were from the age groups 16 to 25, 26 to 35, and 36 to 45 years, respectively. However, the overall picture that emerges from the data is that beneficiaries beyond the age of 55 years formed only 1 per cent of the total sample.

2.14 Educational Status

Analysis of data on the educational status of the beneficiaries reveals that quite a large number of them were illiterate (41 per cent) and needed financial assistance most. Data given in Table 2-5, indicates that another 46 per cent of the beneficiaries who were advanced loans had educational level upto primary standard. Only 26 out of 190 beneficiaries reported a level of education beyond the primary standard.

Table 2-5

Educational Status of Urban Beneficiaries

Educational Pattern	Number of Beneficiaries covered	Per cent to total
Illiterate	78	41
Below Primary	41	22
Primary	45	24
Higher Secondary	12	6
Technical level	8	4
Vocational Training	4	2
Graduate	2	1
Total	190	100

2.15 As is evident from the Table, 12 beneficiaries had educational level upto Higher Secondary, 4 beneficiaries had availed of vocational training and 2 beneficiaries were graduates. However, together these beneficiaries represented only 13 per cent of the total sample covered under the urban sector. Activity-wise analysis of data given in Appendix - Table 2-5 reveals that under vending glasswares activity, 4 out of 5 beneficiaries covered had a better educational status, followed by miscellaneous group of activities where 7 out of 33 beneficiaries had some sort of formal education. In the most important activity, namely, 'vending cloth' covered in the urban sector where a large sample of 128 beneficiaries were interviewed, only 9 beneficiaries had a better educational status.

2.16 Occupational Pattern

Occupational pattern of beneficiaries, prior to the disbursement of loans is given in Table 2-6. Data reveals that 27 out of 190 beneficiaries were virtually unemployed; some 15 beneficiaries worked as labourers; some 38 beneficiaries worked as shop assistants, in the trade which they did not like it. Another 49 (26 per cent) were part-time casual workers. Some 20 per cent of the total sample were housewives who are now gainfully employed.

Table 2-6
Occupational Status of Urban Beneficiaries

Previous Occupational Status	Number of Beneficiaries	Per cent to total
Unemployed	27	14
Labourers	15	8
Shop assistants	38	20
Part-time workers (Casual workers)	49	26
Hawkers	22	12
Housewives	39	20
Total	190	100

2.17 From the data provided in Appendix - Table 2-6, it is clear that most of the housewives covered were from the vending cloth activity and although they were operating from their own residences by displaying goods on the verandha, they were categorised under vending cloth activity by the financing institutions. Similarly, 11 women beneficiaries were covered from tailoring activity; the sewing machine provided by the financing institutions enabled them to conduct their business from home. Our field survey reveals that some women beneficiaries from among 39 selected in this sector were widows and the bank loan helped them to use their talents and earn their livelihood by pursuing productive economic activity.

2.18 Asset Position

Data provided in Table 2-7 indicates the low asset position of the beneficiaries. About 4 per cent of the beneficiaries had to live on the pavements and out of 190 beneficiaries, 127 had no abode of their own and were residing in rented houses. Although some 56, out of 190 beneficiaries (29 per cent of the total sample) lived in pucca and semi-pucca houses, the condition of these houses was very poor. Some 45 beneficiaries used their own tools and equipments, sheds and wheel lorries in their occupations. Although, they owned the additional assets, the condition of these items was not at all satisfactory. Our field survey reveals that all these persons who owned some other assets referred to above, had lived in houses covered either by tarpaulin, or asbestos, on the road side, whose value measured in monetary terms was not very high. Activity-wise data presented in Appendix - Table 2-7 indicates that 13 out of 22 beneficiaries who owned lorries for their occupation were from vending cloth activity.

Table 2-7Asset Position of Urban Beneficiaries
(Pre-DRI Loan Period)

Nature of Assets	Number of Beneficiaries	Per cent to total
Rented Houses	127	67
Semi-Pucca Houses	46	24
Pucca Houses	10	5
Pavement Dwellers	7	4
Total	190	100
Tools & Equipment	4	9
Sheds	27	60
Wheel Lorries	14	31
	45	100
Percentage to total sample	24	-

1 out of 6 beneficiaries was from vending fruits and vegetables activity. Further, it may be mentioned that these 45, out of 190 beneficiaries though held assets other than dwellings, they represented only 24 per cent of the total sample.

2.19 Indebtedness

The level of indebtedness of urban beneficiaries given in Table 2-8 indicates that only 23 per cent of the total sample had no financial liability whatsoever prior to the availment of the DRI loan. However, 77 per cent of the total sample had financial liabilities in the

range between Rs.101 and over Rs.3001 per family in the urban sector. Our field survey reveals that they borrowed these amounts from trader-cum-money lenders/relatives/friends either residing in their areas/villages or neighbouring areas/villages. It is interesting to note that among the vending cloth activity which covered a large number of beneficiaries (103 out of 128), almost 81 per cent of the total sample reported that they borrowed money either to discharge social obligations or business or for consumption purposes (Appendix - Table 2-8).

Table 2-8

Liability Position of Urban Beneficiaries

Amount of Debt	Number of Beneficiaries	Per cent to total
Upto Rs.100	50	26
Between Rs.101 and Rs.500	35	18.5
Between Rs.501 and Rs.1000	44	23
Between Rs.1001 and Rs.2000	3	1.5
Between Rs.2001 and Rs.3000	8	4
Over Rs.3001	7	4
No Liabilities	43	23
Total	190	100

2.20 A disconcerting feature that emerged from discussions with the beneficiaries was that none of them disclosed their financial liabilities to the financing institutions nor the financing institutions made special efforts to gather this information, except that they verified their liabilities with the other financing agencies to avoid double financing under the scheme.

2.21 Gross Family Income (Prior to Loan)

Low income position of beneficiaries prior to loan presented in Table 2-9, is an indication of abject poverty in which they were living in urban areas. Our survey results indicate that 9 out of 190 beneficiaries who would not have been eligible for financial assistance under the scheme on the basis of income criterion have been given loans by the financing institutions.

Table 2-9

Level of Gross Family Income (Urban Beneficiaries)

Level of Gross Family Income per annum (Range)	Number of Beneficiaries	Per cent to total
Rs. 501 to Rs.1000	20	10.5
Rs.1001 to Rs.1500	19	10
Rs.1501 to Rs.2000	11	5.5
Rs.2001 to Rs.2500	27	14
Rs.2501 to Rs.3000	104	55
Above Rs.3001	9	5
Total	190	100

2.22 The twenty beneficiaries belonging to the lowest income group reported that they were having monthly average income in the range of Rs.40 to Rs.80 only. They formed almost 11 per cent of the total sample. In the higher bracket of income range, almost 55 per cent of total sample (104 out of 190), were having monthly average income of Rs.200 to Rs.250 per beneficiary. Coverage of eligible beneficiaries (almost 95 per cent) in the urban sector has been amply proved that the financing institutions adhered to the income eligibility norm fixed under the scheme. Activity-wise analysis of data provided in Appendix - Table 2-9 reveals certain important characteristics of income position of certain beneficiaries in various occupations selected by the study.

2.23 Among the two activities, namely, vending cloth, 10 per cent of the beneficiaries were having low average monthly income in the range of Rs.40 to Rs.80 per beneficiary. Similarly, 12 per cent of the total sample of beneficiaries covered under miscellaneous group of activities were having average monthly income in the range of Rs.40 to Rs.80 per beneficiary. In view of this, 20 out of 190 total beneficiaries selected in the urban sector were having lowest income per month which, lower in some cases of beneficiaries is even than the poverty line, defined by the Planning Commission. Another 19 of the total 190 beneficiaries have been covered in the income range of Rs.1001 to

to Rs.2000 per annum, and if their monthly income position is examined vis-a-vis the average size of the family which is 4 to 7 where large number of beneficiaries have been covered even the average monthly income in the range of Rs.52 to Rs.105 is insufficient. Therefore, the judicious selection of certain beneficiaries below the poverty line by the financing institutions reflects the right coverage of beneficiaries under the study.

Loan Amount Sought, Sanctioned and Disbursed

2.24 Quantum of Loan Applied

Our field survey reveals that none of the beneficiaries interviewed have been advanced loans under the scheme by the financing institutions according to their requirements in the urban sector. Data presented in Table 2-10 indicates that 127 out of 190 beneficiaries applied for loan amounts in the range of Rs.1001 and over Rs.6000. They represent 66 per cent of the total sample. During the survey, the beneficiaries indicated that they applied for higher loan amounts on account of rising prices, larger turnover and higher income that can be obtained by higher loan amounts, and they also required the higher loans to meet their consumption needs. None of these reasons were acceptable to the financing institutions. They advanced on an average loan amount under tailoring activity - Rs.900 per beneficiary for purchase of sewing machine;

Table 2-10Loan Requirements of Beneficiaries in Urban Areas

Range of amount applied	Number of Beneficiaries	Per cent to total
Rs. 500 to Rs.1000	63	34
Rs.1001 to Rs.2000	40	21
Rs.2001 to Rs.3000	12	6
Rs.3001 to Rs.4000	40	21
Rs.4001 to Rs.5000	7	4
Rs.5001 to Rs.6000	14	7
Over Rs.6000	14	7
Total	190	100

under vending cloth activity - Rs.950 per beneficiary for purchase of readymade garments; under vending glasswares - Rs.750 per beneficiary for purchases of cutlery and glasswares; under vending fruits and vegetables - Rs.600 per beneficiary for purchases of cycle lorry (four wheeler) and raw vegetables including fruits, and under miscellaneous group - Rs.1000 per beneficiary to purchase raw materials, equipments, tools and ready goods, etc. As against the reasons provided by the beneficiaries, referred to earlier the financing institutions indicated that the beneficiaries were not ready at the time sanctioning the loans for a higher loan amounts. Activity-wise analysis of data provided in Appendix - Table 2-10 indicates that under tailoring activity, the beneficiaries were not at all happy since some of them required the higher loans to purchase good quality machine of a recognised brand (with



selective motor and stand), and they complained that they could not purchase raw materials and tools to conduct stitching of clothes etc., within Rs.900 advanced to them; under vending cloth activity, many alleged that the amount of Rs.950 was insufficient as they could not purchase variety of garments and also garments of higher quality to do their business. Similarly, the beneficiaries under miscellaneous group of activities complained that in this trade certain equipments as well as the raw materials, were costing higher and the cost of certain items required by them were more than the usual type of goods; hence the higher loan amounts would have helped them to manage within the bank loan rather than to resort to private money lender for other sources of finance.

2.25 Loan Amount Sanctioned/Disbursed

Of the total 190 beneficiaries, only 8 per cent have been sanctioned and disbursed loan amounts in the higher range category of Rs.901 and above but certainly not exceeding Rs.2500 per beneficiary by the financing institutions. It can be seen from the Table 2 11 that 13 per cent (25 out of 190) beneficiaries have been sanctioned loans in the lowest range category of Rs.100 to Rs.300 who were the real sufferers under the scheme in the urban sector. Some beneficiaries have been covered in the amount range of Rs.301 and upto Rs.1500. Therefore,

on an average, though the amount sanctioned, according to the financing institutions, was justified, they have not taken into consideration the difficulties faced by these beneficiaries, particularly in regard to the operational expenses which they were required to meet after the disbursements of the loans.

Table 2-11

Range of Loan Amount Sanctioned
and Disbursed in Urban Sector

Amount Range	Number of Beneficiaries	Per cent to total
Rs. 100 to Rs. 300	25	13
Rs. 301 to Rs. 600	66	35
Rs. 601 to Rs. 900	84	44
Rs. 901 to Rs.1500	12	6
Rs.1501 to Rs.2500	3	2
Total	190	100

(The loans sanctioned and disbursed were the same as per the records verified)

2.26 Activity-wise analysis of data on loan amounts sanctioned is given in Appendix - Table 2-11 which indicates that 4 out of 18 beneficiaries under tailoring; 55 out of 128 under vending cloth, 1 out of 5 under vending glasswares, 2 out of 6 under vending fruits and vegetables, and 13 out of 33 under miscellaneous group of activities were the beneficiaries who have been given loan amounts far below their requirements. They

represented nearly 40 per of the total sample covered in the urban sector and had their requirement for the loan amounts been adequately met by the financing institutions, their net income earning capacity under the DRI scheme would have been certainly higher.

2.27 Waiting Time in Loan Applied and Sanctioned

In the urban sector the time lag involved between the loans applied by the beneficiaries and the loans sanctioned by the financing institutions is examined in Table 2-12. It can be observed that some 23 per cent of

Table 2-12
Waiting Time in Loan Sanctioned
in Urban Sector

Lag Period (Days)	Number of Beneficiaries	Per cent to total
Same day	6	3
1 to 7	55	29
8 to 15	43	23
16 to 30	49	26
31 to 45	25	13
46 to 60	2	1
61 to 90	none	none
91 to 120	3	2
121 to 180	5	3
181 to 360	1	negligible
361 to 720	1	negligible
Over 720 days	none	none
Total	190	100

the total sample (43 out of 190) had to wait for a fortnight to get their loans sanctioned from the date of their applications. Further, some 40 per cent of the total sample were required to wait to get their loans sanctioned over a fortnight and upto two months from their date of applications. Inordinate delay occurred between the loan applied by the beneficiaries and the loan sanctioned by the financing institutions in respect of ten beneficiaries who were required to wait over 3 months to 2 years to get their loan sanctioned. Activity-wise data presented in Appendix - Table 2-12 indicates that 16 out of 18 under tailoring; 121 out of 128 under vending cloth, all from vending glasswares; 5 out of 6 under vending fruits and vegetables; all from miscellaneous group of activities, respectively, were sanctioned loans within a period of three months. Some 8 beneficiaries from vending cloth activity, however, experienced inordinate delay in this respect.

2.28 Waiting Time Between Loan Sanctioned and Loan Disbursed

In the urban sector the financing institutions disbursed loans on the same day to almost 99 per cent (188 out of 190) beneficiaries which can be seen from Table 2-13. Only in cases of 2 beneficiaries the time involved was a week from the day of the loan sanctioned. Thus, the data provided in Appendix - Table 2-13 in

Table 2-13

Time Involved in Loan Amounts
Disbursed in Urban Sector

Period (Days)	Number of Beneficiaries	Per cent to total
Same day	188	99
1 to 7	2	1
Total	190	100

respect of different activities, it can be seen that these 2 beneficiaries were one each from vending glasswares and vending fruits and vegetables activities respectively. It may, however, be clarified that though, the different dates were involved for the loans sanctioned for various beneficiaries under different activities, the loans disbursed were on the same day of their date/s of loans sanctioned. It does not necessarily mean here that all the beneficiaries under different activities were sanctioned and disbursed the loans on one particular date only.

The Flow of Subsidy

2.29 Subsidy Element

Receipient were only 43 per cent (82 out of the total 190 beneficiaries) in the urban sector who have been sanctioned and disbursed the subsidy by the state government between Rs.500 to Rs.750 per beneficiary. Data given in Table 2-14 reveals that 27 per cent of the total sample

Table 2-14Grant of Subsidy to Urban Beneficiaries

Heads		Number of Beneficiaries	Per cent to total
1. Eligible And Amount Received Rs.750 per beneficiary	..	60	31
2. Eligible And Amount Received Rs.500 per beneficiary	..	22	12
3. Applied And Rejected	..	52	27
4. Not Eligible	..	56	30
5. Total	..	190	100

though, were not eligible for it had applied it to the state government through the financing institutions. Their cases for the subsidy were outrightly rejected. Some 30 per cent were not eligible and they did not apply for it. Data given in Appendix Table 2-14 indicates that out of the total 190 beneficiaries covered in the five selected activities, there were 48 out of 128 from vending cloth; 7 out of 18 from tailoring; 1 out of 5 from glasswares; 5 out of 6 from vending fruits and vegetables; and 21 out of 33 from miscellaneous group of activities received the subsidy from the state government, and most of them were eligible for it. However, our field survey reveals that the subsidy was released to the financing institutions directly, and it was released during the terminal year of the loan. Further, it was gathered from the beneficiaries

that the differentiations in the amount of subsidy created discontent amongst them (Statement II).

Profile of Rural Beneficiaries

2.30 Size of the Sample

In the foregoing paragraphs, we have examined the beneficiaries' profile in the urban sector. The rural sector which had a large sample of 463 beneficiaries and represented 71 per cent of the total sample, had also covered more number of activities/occupations, than the urban sector as mentioned in Table 2-15. Data indicate

Table 2-15
Activity-wise Beneficiaries in Rural Sector

Activity Number	Activities/Occupations	Number of Beneficiaries	Per cent to total
I	Agriculture (Farming)	41	9
II	Handloom Weaving	45	10
III	Fishery	50	11
IV	Dairy	62	14
V	Sheep-Rearing	25	5
VI	Basket Weaving	15	3
VII	Leather Work	22	4
VIII	Vending Cutlery	12	2
IX	Pan-Bidi Shop	15	3
X	Retail Trade	33	7
XI	Pumpsets (Farming)	27	6
XII	Cycle Rickshaw Pulling	31	7
XIII	Camel Cart Pulling	45	10
XIV	Bullocks (Farming)	40	9
Total		463	100

that the size of the sample in the fourteen activities in the rural sector ranged between 62 - the highest under dairying and the lowest - 12 under vending cutlery, among all the activities selected for the purpose of the study. Most popular activities in this sector are: agriculture (including farming under pumpsets and bullocks) which together had the largest sample of 108 out of 463 beneficiaries, dairying 62, and fishery 50 beneficiaries, respectively, (out of the total they represented almost 14 per cent and 11 per cent respectively among all the activities total sample covered.) Apart from these traditional activities, the new activities included in this sector - to mention a few are, leather work, pan-bidi shop, cycle rickshaw pulling, and vending cutlery, which are hitherto neglected sectors but for which the bank finance was not available before, were also included under the DRI scheme. Activity-wise data provided in Appendix - Table 2-15 indicates that of the total sample originally selected (646 beneficiaries) 72 per cent were interviewed during our field survey. Of all the fourteen activities, to mention a few the largest number of beneficiaries were interviewed from fishery (90 per cent); followed by bullocks (farming) (87 per cent); dairying (83 per cent), respectively.

2.31 Sex Composition

In the rural sector, participation of women beneficiaries was hardly 6 per cent (28 out of 463 beneficiaries) of the total sample. Dairying, handloom weaving, basket weaving, and retail trade are the most popular activities, in the rural Gujarat.

2.32 Women's participation in these activities in greater numbers was reflected. From Table 2-16, it can be seen that they represented under dairying 19 per cent

Table 2-16
Activity-wise Participation of
Rural Female Beneficiaries

Activity Number	Activities	Males	Females	Total
I	Agriculture (Farming)	40	1	41
II	Handloom Weaving	40	5	45
III	Fishery	50	Nil	50
IV	Dairy	50	12	62
V	Sheep-Rearing	25	Nil	25
VI	Basket Weaving	11	4	15
VII	Leather Work	20	2	22
VIII	Vending Cutlery	11	1	12
IX	Pan-Bidi Shop	15	Nil	15
X	Retail Trade	30	3	33
XI	Pumpsets (Farming)	27	Nil	27
XII	Cycle Rickshaw Pulling	31	Nil	31
XIII	Camel Cart Pulling	45	Nil	45
XIV	Bullocks (Farming)	40	Nil	40
Total		435	28	463

of the total sample covered under this activity; 11 per cent under handloom weaving; 26 per cent under basket weaving; and 9 per cent under retail trade activity, respectively. Thus, our field survey has confirmed that the women's involvement in these activities can be encouraged by the financing institutions under the DRI scheme.

2.33 Caste Composition

Analysis of data from Table 2-17, reveals that scheduled castes and physically handicapped, scheduled castes together represented just over 23 per cent of the

Table 2-17

Category-wise Rural Beneficiaries

Serial Numbers	Heads	Number Beneficiaries	Per cent to total
1.	Scheduled Castes	69	14.90
2.	Scheduled Castes and Physically Handicapped	38	8.21
3.	Scheduled Tribes	57	12.31
4.	Economically Backward Class	42	9.07
5.	Harijans	67	14.47
6.	Bakshi Punch	31	6.70
7.	Rabaris	62	13.39
8.	Patels	27	5.83
9.	Thakores	23	4.97
10.	Others	47	10.15
Total		463	100

total sample. With harijans who also form a part of the scheduled castes community, though shown separately in this Table, almost together represented 38 per cent of the total sample. Harijans representation in the total sample selected in the urban sector was almost negligible, whereas in the rural sector they represented, separately shown in the above Table, almost 15 per cent of the total sample. Another category of beneficiaries who need financial assistance most from the banking sector are scheduled tribes, who have been represented, 67 out of 463 beneficiaries, just over 12 per cent of the total sample covered. They formed the third largest group next to harijans, among the group of beneficiaries referred to above. Activity-wise data presented in Appendix - Table 2-16 indicates that the representation of the beneficiaries from scheduled castes and scheduled tribes was more from activities namely, agriculture (31 out of 41), handloom weaving (30 out of 45), fishery (45 out of 50), leather work (13 out of 22) beneficiaries, respectively. That these beneficiaries were particularly selected from the backward regions and the tribal belts in Gujarat by the financing agencies is the most important characteristic feature of this sector.

2.34 Size of Family

Large size of families, as it was observed in the urban sector, was also revealed in this sector, which is the characteristic feature of poverty. In the family size range of 4 to 7, as many as 187 out of 463 beneficiaries (Table 2-18) which formed 40 per cent of the total sample were represented.

Table 2-18

Family Size of Rural Beneficiaries

Range of Family Size	Number of Beneficiaries	Per cent to total
1 to 3	72	15.55
4 to 7	187	40.39
8 to 12	110	23.76
Above 12	94	20.30
Total	463	100

2.35 Next family size range was 8 to 12, and in this range, together with the 12 and above range, the percentage represented was 44 of the total. Beneficiaries who had small family size accounted for only 15 per cent of the total. Activity-wise data given in Appendix - Table 2-17 reveals that the large families were particularly observed in activities such as pumpsets (27 out of 27), cycle rickshaw pulling (30 out of 31); sheep-rearing (23 out of 25), fishery (44 out of 50); handloom weaving

(36 out of 45), and agriculture (26 out of 41) beneficiaries, respectively covered under this sector.

2.36 Age Composition

Age group composition in the rural sector has differed slightly from the urban sector where beneficiaries were given loans even at an early age of 16. In this sector, the financing agencies considered the minimum age as 20 for advancing the loans. Although the size of sample differed in respect of age-groups in these two sectors, data presented in Table 2-19 indicates, that quite a sizeable number of beneficiaries were covered in the age group of 20 to 25 years i.e. 127 out of 463 which constitute 28 per cent of the total sample. Coverage of beneficiaries in the age groups of 26 to 45 years was equally large which represented (together) 56 per cent of the total. Most interesting characteristic feature of the beneficiaries covered in this sector was that the beneficiaries covered, beyond 55 years of age, formed 6 per cent whereas in the urban sector they were only one per cent of the total sample. Activity-wise data in Appendix - Table 2-18 indicates that the distribution of beneficiaries in different age groups, though, was in favour of age groups which ranged between 20 to 25 years and 36 to 45 years, in activities such as agriculture (5 out of 41), sheep-rearing (5 out of 25), camel cart

pulling (5 out of 45), handloom weaving (3 out of 45) had covered beneficiaries whose age was beyond 55 years.

Table 2-19
Classification of Rural Beneficiaries
According to Age-Group

Age Group	Number of Beneficiaries	Per cent to total
20 to 25	127	27.43
26 to 35	131	28.29
36 to 45	130	28.08
46 to 55	47	10.15
Above 55 years	28	6.05
Total	463	100

2.37 Educational Status

Literacy level in the rural sector was quite low since as many as 178 out of 463 which represented 38 per cent of the total sample were illiterate. There were very few beneficiaries in rural sector who had technical or vocational education as in the urban sector. Only 5 per cent of the total sample (i.e. 24 out of 463 beneficiaries) indicated this which can be seen from Table 2-20. However, the revealing feature in this sector was that 84 out of 463 had practical training unlike in the urban sector. Activity-wise data in Appendix - Table 2-19 indicates that the beneficiaries who were selected had practical training were highest from activities - to mention a few - such as

Table 2-20
Education/Status of Rural Beneficiaries

Level of Education	Number of Beneficiaries	Per cent to total
Illiterate	178	38.44
Below primary	49	10.58
Primary level	69	14.90
Higher Secondary	52	11.23
Graduate	7	1.53
Technical Education	6	1.29
Vocational Training	18	3.98
Practical Training	84	18.77
Total	463	100

15 out of 33 from retail trade; 20 out of 62 from dairying; 15 out of 45 from handloom weaving, and 13 out of 41 from agriculture, respectively. The highest level of illiteracy was reflected in certain activities - such as 25 out of 25 beneficiaries under sheep-rearing; 25 out of 50 beneficiaries under fishery; 23 out of 41 under agriculture; 18 out of 45 under camel cart, and 15 out of 31 under cycle rickshaw pulling activity, respectively.

2.38 Occupational Pattern

Low level of education and high level of illiteracy was reflected in the low occupational status of the beneficiaries selected in the rural sector. Nearly 33 per cent of the total sample were unemployed on account of their low level of education, and or perhaps due to lack of

economic activities in the rural areas. Data in Table 2-21 indicate that though almost 22 per cent of the total sample were owner cultivators, quite a large number of beneficiaries - 45 per cent had occupations which were of low status. Of these 45 per cent; some 11 per cent had seasonal jobs and about 4 per cent were housewives.

Table 2-21
Distribution of Occupational
Pattern of Rural Beneficiaries

Occupational Pattern	Number of Beneficiaries	Per cent to total
Unemployed	151	32.61
Owner Cultivators	101	21.81
Labourers	59	12.75
Agricultural Labourers	33	7.12
Landless Labourers	30	6.47
Casual Workers (Part-time)	53	11.44
Hawkers	4	0.66
Housewives	17	3.67
Shop Assistants	15	3.27
Total	463	100

2.39 Activity-wise data indicates in Appendix - Table 2-20 that apart from the traditional activities, namely, agriculture, pumpsets (farming), bullocks (farming) and handloom weaving, some 15 beneficiaries worked as shop assistants prior to the availment of the DRI loan, to earn their livelihood. Of these 15 beneficiaries, 9 were from

retail trade and 6 were from cycle rickshaw pulling activity, respectively. Further, of the 151 reported unemployed, to mention a few - the highest were from fishery activity (35 out of 50), followed by cycle rickshaw pulling (22 out of 45), and from handloom weaving activity (15 out of 45), respectively. Tribals covered under fishery activity were displaced persons who were rehabilitated by the State Government by providing loans through Tribal Development Corporation. Similarly, after their displacement, harijans from the handloom weaving activity were provided loans through the State Bank of Saurashtra under the rehabilitation scheme.

2.40 Asset Position

Beneficiaries low asset position is indicated in Table 2-22. Our field survey reveals that nearly 44 per cent were living in huts. Another 26 per cent of the total sample lived in kutchha houses. Only 58 out of 463 rural beneficiaries had semi-pucca and pucca houses, however, these were made of mud mixed with cement and these were in dilapidated conditions. Thus, 382 out of 463 beneficiaries lived in a relatively better housing conditions, however, in terms of value they hardly command substantial price. Most important observation revealed during our field survey was that nearly 81 of the total 463 beneficiaries had no abode/shelter of their own. They

either shared a room in the rented chawl or lived on the farms under a tree, with thatched roofs. Besides, 89 out of 463 beneficiaries indicated that they had other assets (in addition to dwellings) which were used in their occupation. However, the value of these assets was not very substantial.

2.41 From Table 2-22 it can be further seen that some 23 per cent out of the total 89 beneficiaries possessed

Table 2-22
Type of Assets held by the Rural Beneficiaries

<u>Assets owned</u>	<u>Number of</u> <u>Beneficiaries</u>	<u>Per cent</u> <u>to total</u>
Huts	203	43.86
Kutchha houses	121	26.13
Semi-pucca houses	27	5.85
Pucca houses	31	6.69
No abode of own	81	17.47
Sub-Total (A)	<u>463</u>	<u>100</u>
<u>Other Assets owned</u>		
<u>(Nature of assets)</u>		
Bullocks	14	16
Cart/Hand lorries	7	8
Tools and equipments	20	23
<u>Lands</u>		
Less than 1 Acre	21	24
Less than 2 Acres	15	16
Less than 3 Acres	12	13
Sub-Total (B)	<u>89</u>	<u>100</u>
Total (A + B)	552	

tools and equipments; some 16 per cent owned bullocks. Although some 53 per cent possessed lands, these were of marginal types without irrigation facilities and in terms of value, these lands would not have fetched higher prices. Thus, 89 beneficiaries (19 per cent) indicated that they held other assets than the dwellings.

2.42 Activity-wise data in Appendix - Table 2-21 indicates that out of these 89 beneficiaries, most of them were from the farming sector. From agriculture - 25 beneficiaries responded, from pumpsets - 29 beneficiaries responded, from bullocks (farming) - 18 beneficiaries responded. Thus, 81 per cent of the total sample of respondent was from farming sector, whereas the remaining 19 per cent was from handloom weaving, basket weaving, leather work, vending cutlery and camel cart, respectively.

2.43 Indebtedness

Extent and magnitude of financial liabilities among rural beneficiaries was relatively less as compared to the urban sector. Prior to the availment of the DRI loans, the financial liability was only upto Rs.50 in case of 53 beneficiaries in rural sector, while 50 beneficiaries had financial debt upto Rs.100 in urban sector. It can be seen from the Table 2-23 that another 37 rural beneficiaries had financial debt between Rs.51

and Rs.100, whereas in the urban sector 35 beneficiaries had debt between Rs.101 and Rs.500, respectively. Rural beneficiaries indebtedness was more to the local money lenders than to the friends/relatives as it was in the case of urban beneficiaries. These debts were incurred by them for consumption purposes as well as to meet the expenses on social obligations such as marriage/s of son/daughter and also to meet the funeral expenses, etc.

Table 2-23

Liabilities of Rural Beneficiaries

Position of Liabilities	Number of Beneficiaries	Per cent to total
Upto Rs.50	53	11.45
Between Rs. 51 and Rs. 100	37	8.00
Between Rs.101 and Rs. 200	53	11.45
Between Rs.201 and Rs. 300	57	12.34
Between Rs.301 and Rs. 400	33	7.12
Between Rs.401 and Rs. 500	42	9.07
Between Rs.501 and Rs. 600	47	10.15
Between Rs.601 and Rs. 700	21	4.53
Between Rs.701 and Rs. 800	49	10.58
Between Rs.801 and Rs. 900	15	3.23
Between Rs.901 and Rs.1000	10	2.15
Above Rs.1001 but upto Rs.2000	46	9.93
Total	463	100

2.44 Activity-wise data in Appendix - Table 2-22 indicates that, in all the fourteen activities selected, all the beneficiaries had small or large financial liabilities as compared to the urban sector in which 43 beneficiaries had no financial liabilities prior to the DRI loan. It may be pointed out that 12 out of 41 under agriculture; 9 out of 40 under bullocks (farming) and 7 out of 27 beneficiaries under pumpsets (farming) were having higher financial liabilities in the range of Rs.1001 and above, and all these were from the farming activities in the rural sector.

2.45 Gross Family Income
(Position prior to Loan)

Abject poverty and financial liabilities of rural beneficiaries got manifested in low level of family income since as many as 353 out of 463 beneficiaries (i.e. 76 per cent) had the gross income per family in the range of Rs.1001 to Rs.2000 per annum. Another 21 per cent had quite a low level of gross income position and only 3 per cent had family income per annum above Rs.2001 to Rs.3000 per annum per family (Table 2-24). In this 3 per cent, only one per cent i.e. 5 beneficiaries had level of income above Rs.3001.

Table 2-24Level of Gross Family Income of
Rural Beneficiaries

Income Range per annum	Number of Beneficiaries	Per cent to total
Rs. 500 to Rs.1000	97	21
Rs.1001 to Rs.2000	353	76
Rs.2001 to Rs.3000	8	2
Above Rs.3001	5	1
Total	463	100

2.46 Although the financing institutions had violated the income criteria laid down under the scheme in respect of 5 beneficiaries, they indicated that it was done inadvertently and were not actually aware of it till it was pointed out by our field survey.

2.47 Activity-wise data in Appendix - Table 2-23 indicates that under agriculture-15 out of 41 (36 per cent); camel cart pulling - 15 out of 45 (33 per cent); bullock (farming) - 15 out of 40 (37 per cent) beneficiaries, respectively, were having low level of income.

Loan Amount Sought, Sanctioned And Disbursed2.48 Quantum of Loan Applied

On an average the quantum of loan advanced in the rural sector by the financing institutions was relatively higher than in the urban sector. This was in cases of certain activities only owing to the particular nature

of activities selected in this sector. Activity-wise loans advanced in this sector under agriculture was, on an average, Rs.500 per beneficiary; under handloom weaving Rs.1700; under fishery Rs.500 (group loan for 5 persons);

Table 2-25

Rural Beneficiaries Demand for Loan

Quantum of Loan	Number of Beneficiaries	Per cent to total
Rs. 500 to Rs.1000	91	20.00
Rs.1001 to Rs.2000	129	27.80
Rs.2001 to Rs.3000	124	27.33
Rs.3001 to Rs.4000	48	10.30
Rs.4001 to Rs.5000	48	10.30
Rs.5001 to Rs.6000	17	3.20
Rs.6001 and above	6	1.07
Total	463	100

under dairy Rs.2000 (for one animal only); under sheep rearing Rs.3000 (for unit of 25 sheeps); under basket weaving Rs.500; under leather work Rs.500; under vending cutlery Rs.750; under pan bidi shop Rs.800; under retail trade Rs.600; under pumpsets (farming) Rs.2500; under cycle rickshaw pulling Rs.1000; under camel cart pulling Rs.3000 (for a camel and cart); under bullocks (farming) Rs.1500 (for unit of two animals), respectively.

For certain types of activities, the loans disbursed by the financing institutions could have been treated as term loans. However, these were categorised as working capital

loans by them. The loans phased by the financing institutions, were largely for 12 months and only in a very few cases of beneficiaries, for 24 months period.

2.49 Analysis of data in respect of fourteen activities given in Table 2-25 indicates that 119 out of 463 beneficiaries (25 per cent) required the quantum of loan higher between Rs.3001 to Rs.400 (48 beneficiaries); between Rs.4001 to Rs.5000 (48 beneficiaries); between Rs.5001 to Rs.6000 (17 beneficiaries); and over Rs.6001 (6 beneficiaries) respectively. In some cases of beneficiaries, the loans required by them were not only for production purposes but it included demand for consumption also. However, the financing institutions granted loans for production purposes only. None of the beneficiaries was granted 'composite loan' under this study. Our field survey reveals that the average loan disbursed by the financing agencies under different activities did not appear to be adequate in respect of certain activities, especially in respect of loan for dairying where higher loan was demanded for purchase of two milch cows/buffaloes which was not acceptable to the financing institutions. Similarly, under handloom weaving; retail trade; vending glasswares and also for other activities in the rural sector, the demand for higher loans was made by the beneficiaries.

2.50 Activity-wise data in Appendix - Table 2-24 indicates that under dairy 42 out of 62 beneficiaries (nearly 68 per

cent) demanded higher loan for purchase of two milch animals in view of erosion of income during the dry period of the first animal. Similarly, under handloom weaving activity 31 out of 45 (almost 69 per cent) indicated that the higher quantum of loan would have enabled them to have large turnover and higher income; under retail trade 29 out of 31 (almost 88 per cent) indicated demand for higher loan to have larger turnover. In the rural sector, our survey reveals that none of the beneficiaries was consulted by financing agencies while granting the loans, which affected the needs of a particular activity or a beneficiary.

2.51 Loan Amount Sanctioned and Disbursed

Analysis of data in Table 2-26 indicates that though, quite a large number of beneficiaries i.e. 315 out of 463 (69 per cent) were sanctioned and disbursed loans by the financing institutions in the range of Rs.901 upto Rs.3000,

Table 2-26

Range of Loan Amount Sanctioned to Beneficiaries

Loan Amount Sanctioned	Number of Beneficiaries	Per cent to total
Rs.100 to Rs.300	22	4
Rs.301 to Rs.600	34	7
Rs.601 to Rs.900	91	20
Rs.901 but upto Rs.3000	315	69
Total	463	100

Note : There was absolutely no difference between the loan sanctioned and disbursed by the financing institutions.

it helped to meet their immediate requirements only. Especially, 31 per cent of the total sample who received the loans in the extremely lower ranges of Rs.100 to Rs.300; Rs.301 to Rs.600 and Rs.601 to Rs.900 respectively, per beneficiary were utterly dissatisfied.

2.52 Activity-wise analysis of data given in Appendix - Table 2-25 reveals that the higher loans were given to some beneficiaries under certain activities. It may be mentioned that 55 out of 62 under dairy; 41 out of 45 under handloom weaving; 22 out of 50 under fishery, received relatively higher loan amounts from the financing institutions. Further, it may be pointed out that 22 out of 463 beneficiaries were given loans in the lowest range of Rs.100 to Rs.300 per beneficiary. Out of this 22 beneficiaries - 7 were from agriculture; 1 was from handloom weaving; 2 were from basket weaving; 3 were from leather works; 3 were from vending cutlery; 1 was from pan bidi shop; 5 were from retail trade, respectively. These were the real sufferers under the scheme.

2.53 Waiting Time in Loan Applied And Sanctioned

In the rural sector, the time lag involved between the loans applied by the beneficiaries and the loans sanctioned by the financing institutions can be seen from Table 2-27. Data reveals that only 24 per cent of the total sample were sanctioned loans on the same day of

Table 2-27

Waiting Time in Loan Sanctioned
in Rural Sector

Lag Period (Days)	Number of Beneficiaries	Per cent to total
Same day	112	24
Within 1 to 7 days	68	15
7 days	32	7
15 days	37	8
21 days	18	4
28 days	50	11
35 days	23	5
42 days	30	6
49 days	13	3
360 days	80	17
Total	463	100

their applications whereas 76 per cent of the total sample had to wait for a longer duration to get their loans sanctioned. It may be pointed out that some 17 per cent of the total sample had to wait to get their loans sanctioned even upto one year from the date of their applications and this delay was an indicative of low level of operational efficiency in regard to the sanctioning of the loans in the rural sector. Activity-wise data presented in Appendix - Table 2-26 reveals that the most sufferers were from handloom weaving (10 out of 45); pan bidi shop (5 out of 15); retail trade (9 out of 33); pumpset (farming) (11 out of 27); camel cart (15 out of 45), and bullocks (farming) (10 out of 40 beneficiaries), respectively. They were not sanctioned

loans even upto one year from the date of their applications.

2.54 Waiting Time Between Loan Sanctioned and Loan Disbursed

In the urban sector, the financing institutions had disbursed loans to 99 per cent of the beneficiaries on the same day of their sanction as referred to earlier in para 2.28 of this Chapter, whereas in the rural sector the operational efficiency in regard to the disbursements of the loans to the beneficiaries, as it was in the case of the sanctioning of the loans, was also quite low. Data given in Table 2-28 indicates that only 35 per cent of the total sample were disbursed the loans on the day of their sanction in this sector. It may be pointed out that some

Table 2-28

Time Involved in Loan Amounts Disbursal
in Rural Sector

<u>Period (Days)</u>	<u>Number of Beneficiaries</u>	<u>Per cent to total</u>
Same day	35	7
Within 7 days	46	10
7 days	56	12
15 days	59	13
21 days	54	12
28 days	41	9
42 days	78	17
42 to 360 days	94	20
Total	463	100

17 per cent of the total sample were required to wait to get their loans for 6 weeks. Another 20 per cent of the total sample faced inordinate delay in regard to their disbursements of loans since they had to wait for a over 6 weeks and upto one year. Activity-wise data presented in Appendix - Table 2-27 reveals that the real sufferers were from the activities, namely agriculture - 9 out of 41; handloom weaving - 11 out of 45; dairy - 25 out of 62; leather work - 7 out of 22; pan bidi shop - 5 out of 15; cycle rickshaw pulling - 9 out of 31; camel cart pulling - 9 out of 45; and bullocks (farming) - 7 out of 40 beneficiaries respectively. All these beneficiaries from the different activities had to suffer for a longer period to get their loans from the financing institutions.

The Flow of Subsidy

2.55 Subsidy Element

Data given in Table 2-29 reveals that 161 (nearly 35 per cent) out of 463 beneficiaries received the subsidy in the sum of Rs.750 per beneficiary from the State Government. However, it was released at the end of the terminal year of the loan. Further, 95 out of 463 beneficiaries (almost 21 per cent) received the subsidy of Rs.500 per beneficiary, which was also released late at the end of the terminal period of the loan. Of the 463, 103 beneficiaries though were not at all eligible for it, they applied for it through the financing institutions and were rejected. The remaining about 22 per cent of the total sample were not eligible for the subsidy from the state government.

Table 2-29Grant of Subsidy to Rural Beneficiaries

Heads	Number of Beneficiaries	Per cent to total
Eligible and Received Rs.750 per Beneficiary	161	34.77
Eligible and Received Rs.500 per Beneficiary	95	20.61
Applied for and Rejected	103	22.68
Not Eligible	104	22.04
Total	463	100

Activity-wise analysis of data provided in Appendix - Table 2-28 indicates that the beneficiaries covered under farming activities largely benefitted from the grant of the subsidy. From Agriculture - 25 out of 41; from pumpsets (farming) - 27 out of 27; and from bullocks (farming) - 14 out of 40 beneficiaries, respectively. To mention a few - other activities where recipients of the subsidy were also large include handloom weaving - 36 out of 45; fishery - 33 out of 50; basket weaving 15 out of 15; retail trade 17 out of 22, respectively.

Profile of Non-Beneficiaries2.56 Size of the Sample (Urban Sector)

Analysis of non-beneficiaries profile relate here to urban sector and rural sector which together have a sample of 399 non-beneficiaries. In the urban sector in all five

activities were covered representing 24 per cent of the total sample. The selection of non-beneficiaries was also done from the same activities which were selected for the beneficiaries profile. The activity-wise sample was purposively selected. Data given in Table 2-30 indicates that 29 per cent of the total sample was from vending fruits & vegetables, followed by miscellaneous group - 28 per cent, and 24 per cent from tailoring, respectively. It may, however, be mentioned that during the survey, we could collect only limited information on the profile of non-beneficiaries for technical reasons.

Table 2 -30

Sample Size of Urban Non-Beneficiaries

Activity Number	Names of the Activities	Sample Size	Per cent to total
1.	Tailoring	23	24
2.	Vending Cloth	8	8
3.	Vending Glasswares	10	11
4.	Vending Fruits and Vegetables	28	29
5.	Miscellaneous Group	27	28
6.	Total	96	100

Nonetheless, the most relevant information required from the point of view of this study was covered.

2.57 Size of Family

Data presented in Table 2-31 indicates that the non-beneficiaries had large size families, in the range of 7 to 9 (26 per cent), and upto 10 (39 per cent) respectively. They together represented 65 per cent of the total sample.

Table 2-31

Family Size of Urban of Non-Beneficiaries

Size of Family	(I) Tailor- ing	(II) Vending Cloth	(III) Vending Glass- wares	(IV) Vending Fruits and Vegeta- bles	(V) Misce- llaneous Group	(VI) Total Urban House- holds
1 to 3	3	Nil	1	8	6	17 (18)
4 to 6	8	2	Nil	2	5	17 (18)
7 to 9	9	2	Nil	3	11	25 (26)
Upto 10	4	4	9	15	5	37 (39)
Total	23	8	10	28	27	96 (100)

(Figures in brackets indicate percentages to the total)

The large size of families upto 10 was particularly observed among the five activities selected in the vending fruits and vegetables (15 out of 28), vending glasswares (9 out of 10), and vending cloth (4 out of 8) non-beneficiaries respectively.

2.58 Asset Position

Analysis of data given in Table 2-32 indicates that almost 33 per cent had no assets of their own, and they lived on the pavements. Only 4 out of 96 non-beneficiaries

Table 2-32

Asset Position of Urban Non-Beneficiaries

Acti- vity Number	Names of Activities	Assets Possessed					Total
		No Assets (No Acco- mmodat- ion	Huts	Kutchha House	Semi- Pucca House	Tools and Equip- ments	
1	Tailoring	5	6	7	5	Nil	23
2	Vending Cloth	1	Nil	4	3	Nil	8
3	Vending Glasswares	5	2	2	1	Nil	10
4	Vending Fruits & Vegetables	12	2	8	4	2	28
5	Miscella- neous Group	9	12	2	2	2	27
Total		32 (33)	22 (23)	23 (24)	15 (16)	4 (4)	96

(Figures in brackets indicate percentages to the total)

had tools and equipments, however, the condition of these assets was not at all satisfactory. Those who did not have shelter, they shared the accommodation with their friends

or relatives. Although 22 out of 96 beneficiaries lived in huts, the condition of the structure was dilapidated. Of the total sample of 96 non-beneficiaries, about 40 per cent had assets worth mentioning. The condition of kutchha and semi-pucca houses was though, not altogether satisfactory, being located in the urban areas, they could fetch better price.

2.59 Gross Family Income Position of Urban Non-Beneficiaries

The level of gross income of the urban non-beneficiaries presented in Table 2-33 indicates that 74 per cent of total sample were earnings in the range of Rs.3001

Table 2-33

Level of Gross Income per Annum
Per Family

Income Range (Rs.)	Tailoring	Vending Cloth	Vending Glass-ware	Vending Fruits and Vegetables	Miscellaneous Group	Total
Rs.1000 to Rs.2000	2	1	Nil	4	1	8 (9)
Rs.2001 to Rs.3000	1	1	4	3	7	16 (17)
Rs.3001 to Rs.4000	10	5	5	18	12	50 (52)
Rs.4001 to Rs.5000	10	1	1	3	7	22 (22)
Total	23	8	10	28	27	96

(Figures in brackets indicate percentages to the total)

to Rs.5000 per annum per family. Thus, out of these 74 per cent, 52 per cent had level of gross income in the range of Rs.3001 to Rs.4000 and another 22 per cent had the level of gross income in the range of Rs.4001 to Rs.5000 per annum per family. Only 26 per cent of the total sample were in the income range of Rs.1000 to Rs.3000 per annum per family. The rise in the level of family income can be attributed to the increase in the wages in the recent years. Our survey, however, reveals that though, the incomes of the non-beneficiaries have gone up, their level of poverty was quite appalling. The point of investigation on the level of gross income position has amply proved that quite a large number of non-beneficiaries (72 out of 96 interviewed) indicated that in the urban areas the level of income of many has risen in recent years.

2.60 Occupational Pattern

During our survey the efforts were made to select non-beneficiaries who desired to pursue the occupation/activities selected by the beneficiaries under the study. It may be mentioned that it was rather difficult to get the large number of sample for the activities chosen by us particularly during the time of our visits in the areas/villages. The distribution of sample given in Table 2-34 indicates that 23 out of 96 non-beneficiaries, though pursued different occupations at the time of the

Table 2-34

Occupational Pattern of Urban
Non-Beneficiaries

Activities	Casual Agri- cult- ural Labou- rers	Shop Assi- -stants Lorry Assi- stants	Casual Work- ers	Unem- ployed	Petty Busi- ness	Total
1. Tailoring	1	11	2	7	2	23 (23.95)
2. Vending Cloth	Nil	3	Nil	Nil	5	8 (8.33)
3. Vending Glasswares	Nil	3	1	1	5	10 (10.41)
4. Vending Fruits & Vegetables	1	12	3	1	11	28 (29.16)
5. Miscell- aneous Group	Nil	7	6	Nil	14	27 (28.12)
6. Total	2 (2.0)	36 (37.5)	12 (12.5)	9 (9.4)	37 (38.3)	96 (100.00)

(Figures in brackets indicate percentages
to the total)

survey, they desired to use their talents and to pursue tailoring activities, if they could get a sewing machine with the assistance of bank loan. 8 non-beneficiaries also indicated to conduct vending cloth profession to become independent in their business. Most interesting observation revealed was that 9 out of 96 non-beneficiaries interviewed were jobless. They had no financial assistance from any source or they could not get employment. Thus, it may be remarked that 9 non-beneficiaries were almost helpless due to the absence of any economic activity worthwhile for them to pursue in the areas they lived. It can be seen from Table 2 34 that out of these 9 beneficiaries, 7 desired to pursue tailoring activity and 2 wanted to conduct their own business of vending cloth and vending glasswares activities, respectively.

2.61 Quantum of Loan Amount Required by Urban Non-Beneficiaries

Our field survey reveals that most of the non-beneficiaries opined that they required higher loan amounts to conduct their business. Of the total sample of 96 non-beneficiaries interviewed, it can be seen from Table 2 35 that 56 per cent indicated preference for higher loan amounts in the range of Rs.3001 to Rs.4000 (21 out of 96); in the range of Rs.4001 to Rs.5000 (4 out of 96); in the range of Rs.5001 to Rs.6000 (19 out of 96) non-beneficiaries, respectively. As a matter of fact, 10 out of 96 non-

Table 2-35Higher Quantum of Loan Requirement

<u>Loan Amount (Range)</u>	<u>Tailor- ing</u>	<u>Vending Cloth</u>	<u>Vending Glass- wares</u>	<u>Vending Fruits and Veget- ables</u>	<u>Misce- llane- ous Group</u>	<u>Total</u>
Rs.1000 to Rs.2000	15	Nil	1	4	3	23 (23.95)
Rs.2001 to Rs.3000	8	Nil	3	8	Nil	19 (19.79)
Rs.3001 to Rs.4000	Nil	4	4	12	1	21 (21.87)
Rs.4001 to Rs.5000	Nil	3	Nil	Nil	1	4 (4.16)
Rs.5001 to Rs.6000	Nil	1	2	4	12	19 (19.79)
Rs.6001 and Above	Nil	Nil	Nil	Nil	10	10 (10.41)

(Figures in brackets indicate percentages to the total)

beneficiaries indicated that they required even higher loan in the income range of Rs.6001 and above. Our field survey reveals that the majority of them required higher quantum of loans to increase their overall income position than before by increasing the turnover of their activities/business they pursued. According to some non-beneficiaries the cost of inputs/items has gone up considerably in recent years, due to the rise in the level of prices, and they can purchase these items required by them only by paying higher prices and therefore, they required higher quantum of loans from the banks.

Profile of Rural Non-Beneficiaries

2.62 Size of the Sample

Of the total 399 non-beneficiaries interviewed, the large number of them were from the rural sector, representing almost 76 per cent of the total sample. From Table 2-36 it can be seen that out of 303 non-beneficiaries covered, it

Table 2-36

Sample Size of Rural Non-Beneficiaries

Activity Number	Names of the Activities	Size of Sample	Per cent to total
1.	Agriculture	33	11
2.	Handloom Weaving	32	10
3.	Fishery	23	8
4.	Dairy	49	16
5.	Sheep-Rearing	21	7
6.	Basket Weaving	9	3
7.	Leather Work	26	9
8.	Vending Cutlery	9	3
9.	Pan Bidi Shop	7	2
10.	Retail Trade	18	6
11.	Pumpsets	24	8
12.	Cycle Rickshaw Pulling	14	5
13.	Camel Cart Pulling	27	9
14.	Bullocks (farming)	11	3
15.	Fourteen Activities	303	100

may be mentioned that the largest were from dairy (49 out of 303 whose response was encouraging), followed by agriculture (33 out of 303 for which being the traditional activity, the response was overwhelming) and handloom weaving (32 out of 303 for which the response was also encouraging due to traditional crafts being pursued still in the villages. All these are very popular activities

in Gujarat. It may be mentioned that the financing institutions have an ample scope to finance for the above mentioned activities due to existing workmanship available as well as the interest shown by the people in the villages.

2.63 Size of Family

It can be seen from Table 2-37 that in the rural sector also, the non-beneficiaries had also large families.

Table 2-37

Family Size of Rural Non-Beneficiaries

Activities	Sample Size	Family Size	Per cent to total
1. Agriculture	33	4 to 7	17
2. Handloom Weaving	32	8 to 10	10
3. Fishery	23	Upto 10	8
4. Dairy	49	Upto 10	16
5. Pumpsets (farming)	24	Upto 10	8
Sub-Total	161		53
6. Leather Work	26)	1 to 3	9
7. Sheep-Rearing	21)		7
8. Vending Cutlery	9)		3
9. Pan Bidi Shop	7)		2
10. Cycle Rickshaw Pulling	14)		5
11. Camel Cart Pulling	27)		9
12. Bullocks (farming)	11)		3
13. Basket Weaving	9)		3
14. Retail Trade	18)		6
	142		47
Total Sample	303		100

Of the total sample interviewed, 53 per cent had family size in the range of 1 to 10. It may be pointed out that especially under fishery, dairy and pumpsets, the size of the family was as large as 10 members. It may be observed that amongst the fourteen activities selected, only under nine activities, they had small family size of 1 to 3 members.

2.64 Asset Position

Distribution of asset position of non-beneficiaries, according to our survey presented in Table 2 38 indicates that 12 per cent had no assets whatsoever of their own and they were living either on the farms of other persons or with their relatives and friends. Although 108 out of 303 beneficiaries were living in huts, the value of the shelter was not much since they were thatched huts covered either by grass or bamboo sticks. Some 26 per cent of the total indicated they had kutchha houses, however, the conditions of these houses was dilapidated. Some 18 per cent of the total sample lived in semi-pucca houses, and the condition of these houses was better since they had plastered it with mud and cement. Since the houses were old, being located in rural areas, in terms of monetary value, they would not fetch handsome price. 8 per cent of the total sample indicated that they possessed tools and equipments which they required

Table 2-38

Level of Assets of Rural Non-Beneficiaries

Acti- vity Number	Activities	Assets Held					Total
		No Assets (No Acco- modat- ion	Huts	Kut- chha House	Semi- Pucca House	Tools and Equip- ments	
1.	Agriculture	2	19	10	1	1	33
2.	Handloom Weaving	Nil	2	6	23	1	32
3.	Fishery	Nil	15	5	3	Nil	23
4.	Dairy	9	19	6	9	6	49
5.	Sheep-Rearing	18	1	Nil	1	1	21
6.	Basket Weaving	Nil	6	3	Nil	Nil	9
7.	Leather Work	Nil	6	12	2	6	26
8.	Vending Cutlery	Nil	3	3	3	Nil	9
9.	Pan-Bidi Shop	Nil	Nil	4	3	Nil	7
10.	Retail Trade	8	Nil	9	1	Nil	18
11.	Pumpsets (farming)	Nil	8	9	3	4	24
12.	Cycle Rickshaw (farming)	Nil	6	6	2	Nil	14
13.	Camel Cart Pulling	Nil	19	2	2	4	27
14.	Bullocks (farming)	4	4	3	Nil	Nil	11
15.	Total	41 (13)	108 (36)	78 (26)	53 (18)	23 (8)	303 (100)

(Figures in brackets indicate percentages to the total)

to pursue their activities. These 13 per cent, however, had no abode of their own and shared accommodation with their relatives. Our field survey reveals that the value of assets held by the non-beneficiaries was not at all substantial and they were living in almost abject poverty.

Table 2-39

Gross Income Earnings Per Annum Per Family

Range of Gross Income	Agri-culture	Hand-loom Weaving	Fish-ery	Dairy	Sheep-Rearing	Basket Weaving	Lea-ther Work	Vend-ing Cut-ler-y	Pan Bidi Shop	Retail Trade	Pump-set (farm-ing)	Cycle Rickshaw Pulling	Camel Cart Pulling	Bull-ocks (farm-ing)	Total
1. Rs.1000 to Rs.2000	3	Nil	3	7	5	2	Nil	3	2	Nil	5	5	Nil	2	39 (13.0)
2. Rs.2001 to Rs.3000	4	1	5	3	7	2	12	1	1	1	7	5	15	Nil	64 (22.0)
3. Rs.3001 to Rs.4000	9	12	9	22	6	4	8	4	Nil	71	8	Nil	7	9	109 (34.0)
4. Rs.4001 to Rs.5000	15	19	6	17	3	1	6	1	4	6	4	4	5	Nil	91 (31.0)
5. Total	33	32	23	49	21	9	26	9	7	8	24	14	27	11	303

2.65 Gross Income Position of
Rural Non-Beneficiaries

Data given in Table 2:39 reveals that the level of gross income of rural families have gone up in recent years. Since 91 per cent of the total sample had indicated their income in the range of Rs.4001 to Rs.5000 per annum per family. The low range of income of Rs.1000 to Rs.2000 per annum per family, on the other hand, was indicated by only 13 per cent of the total sample. Therefore, it can be interpreted from the policy point of view that due to rise in the level of incomes of rural non-beneficiaries, on account of the overall rise in the general price level, it would be worthwhile to enhance the income limit presently fixed under the scheme, otherwise, quite a large number non-beneficiaries may fall out of the purview of the DRI scheme. Our field survey further reveals that the higher income in the rural areas was on account of rise in the wage rate. However, in actual effect, the increased wages had whatsoever, no real benefit in monetary terms, due to erosion of their income on account of overall rise in the price level. Our observation was that they lived still in the abject poverty despite the rise in their income levels in recent years. Furthermore, most of the rural non-beneficiaries had large size of families, and the members of these families were non-earnings as most of them were children in the age group of 3 to 6 and 9 to 12, respectively, in most of the case of the non-beneficiaries interviewed.

2.66 Occupational Pattern

Data given in Table 2-40 reveals the occupational pattern of the non-beneficiaries interviewed. Most striking observation has been that 27 per cent of the total

Table 2-40Occupational Pattern of Non-Beneficiaries

Activities	Casual Labour-ers-cum Shop Assist-ants	Agricu- ltural Labour-ers	Unemplo- yed	Total
1. Agriculture	11	13	9	33
2. Handloom Weaving	6	13	13	32
3. Fishery	Nil	21	2	23
4. Dairy	22	10	17	49
5. Sheep Rearing	2	9	10	21
6. Basket Weaving	Nil	5	4	9
7. Leather Work	10	16	Nil	26
8. Vending Cutlery	5	4	Nil	9
9. Pan Bidi Shop	Nil	5	2	7
10. Retail Trade	5	11	2	18
11. Pumpsets (farming)	16	7	1	24
12. Cycle Rickshaw Pulling	2	3	9	14
13. Camel Cart Pulling	11	4	12	27
14. Bullocks (farming)	2	9	Nil	11
15. Total	92 (30)	130 (43)	81 (27)	303 (100)

(Figures in brackets indicate percentages to the total)

Table 2-41

Level of Loan Amount Required

Amount Required (Range)	Agri- cult- ure	Hand- loom weav- ing	Fish- ery	Dairy	Sheep- Rear- ing	Basket Weav- ing	Lea- ther Work	Vend- ing Cut- lery	Pan Bidi Shop	Retail Trade	Pump sets (farm- ing)	Cycle Rick- shaw Pull- ing	Camel Cart Pull- ing	Bull- ocks (farm- ing)	Total
Rs. 1000 to Rs. 2000	15	Nil	Nil	Nil	Nil	5	6	Nil	Nil	2	3	Nil	Nil	2	33
Rs. 2001 to Rs. 3000	3	Nil	Nil	Nil	12	3	10	4	Nil	2	13	Nil	Nil	9	56
Rs. 3001 to Rs. 4000	5	Nil	Nil	40	9	1	10	5	Nil	3	4	Nil	4	Nil	81
Rs. 4001 to Rs. 5000	2	Nil	Nil	7	Nil	Nil	Nil	Nil	Nil	7	4	Nil	7	Nil	27
Rs. 5001 to Rs. 6000	3	22	3	2	Nil	Nil	Nil	Nil	6	2	Nil	10	13	Nil	61
Rs. 6001 and above	5	10	20	Nil	Nil	Nil	Nil	Nil	1	2	Nil	4	3	Nil	45
Total	33	32	23	49	21	9	26	9	7	18	24	14	27	- 11	303

sample interviewed reported that they were unemployed due to non-availability of economic activities in their villages. Our field survey reveals that they possessed skill and knowledge to pursue particular activity. However, the bank finance was denied to most of them. About 30 per cent of the total sample indicated that they were casual labourers cum shop assistants. Another 43 per cent of the total sample interviewed were agricultural labourers, and making their living seasonally only.

2.67 Quantum of Loan Required by Rural Non-Beneficiaries

Analysis of data given in Table 2-41 reveals that quite a large number of non-beneficiaries have indicated their preference for the higher quantum of loan amounts. 45 out of 303 non-beneficiaries indicated that the quantum of loans required by them to pursue the economic activities was in the range of Rs.6001 and above. This means that they required the 'composite loan' under the scheme due to the rise in the input costs, for instance, a boat and nets under fishery activity costs around Rs.10,000. Similarly, the cost of a quality breed camel, and the sturdy cart has been costing around Rs.6000. In respect of handloom weaving activity, the raw materials costs (colour and threads) as well as nylon/cotton fibre costs have gone up five-fold in the recent years. Analysis of data further indicates that 10 out of 14 non-beneficiaries interviewed under pumpsets

(farming) activity desired the quantum of loan in the range of Rs.5001 to Rs.6000, since they desired to instal electrical pumpsets. These 10 farmers interviewed had no pumpsets of their own and were presently irrigating their lands with the irrigation provided by the neighbouring farmers. Further, 6 out of 7 non-beneficiaries interviewed indicated that they required higher loans in the range of Rs.5001 to Rs.6000 since they wanted to decorate their pan-bidi shops as well as to use quality materials to attract the customers. Thus, the overall impression gathered has been that, by and large, the non-beneficiaries desired higher quantum of loans under the DRI scheme.

Other Related Aspects of the Implementation of the Scheme

2.68 Opinion Survey

In order to gather impressions/awareness/difficulties of the beneficiaries as well as non-beneficiaries on the other related aspects of the implementation of the DRI scheme, efforts were made to collect the information by the direct personal investigation method/interrogation method/discussions as referred to earlier in Chapter 1, with a view to ascertaining whether further improvements, if any, can be brought about in the implementation of the scheme in future. The beneficiaries as well as non-beneficiaries, both in the urban as well as in the rural

sectors, were interviewed to obtain their view points though, not all of them responded to all the queries or points included in the questionnaire. Further, an opinion survey of the officials of banks and state government bodies and related organisations was also carried out.

2.69 Views of the Beneficiaries

1. Sources of Information And Difficulties faced by Respondents

Almost 81 per cent of the total sample of 455 who participated indicated that they came to know about the facilities offered to them under the DRI scheme from Gram Sevaks. However, none of these beneficiaries interviewed were aware of the details of the scheme. Of these 81 per cent, about 22 per cent had approached the local bank manager/talati/block development officer to get the detailed information on the scheme, but no one was helpful to them in explaining the terms and conditions required under this scheme. Nearly 19 per cent stated that they approached the local project office of the Tribal Development Corporation (TDC) and also the Social Welfare Department of the State Government. The officials of these agencies simply asked them to fill in the form which was provided to them without explaining any provisions of the scheme. The applications forms, they got it filled in either through Gram sevaks or from the local post-master residing in their areas/villages. About 9 per cent of these

19 per cent referred to above indicated that they approached the bank managers directly and though initially, the response from them was not encouraging, it was only after frequent visits that they could succeed in getting the loan applications. Thereafter, again by constant persuasion only, their loans were sanctioned and disbursed. Of these 81 per cent, about 10 per cent reported that the bank officials had visited their areas and they persuaded them to take the loans under this scheme. Since the bank officials were interested themselves they had no difficulty whatsoever in applying for a loan. They indicated in this regard that the commercial banks sanctioned and disbursed the loans promptly, however, without consulting any of them on the quantum of loan required to pursue an activity.

2. Incentive

Almost 58 per cent of the total sample of 385 who participated indicated that the lower rate of interest at 4 per cent per annum offered under the DRI scheme was the major incentive which prompted them to apply for a loan. About 28 per cent, however, reported that the enhancement of their income was the major factor for obtaining the loan. Nearly 14 per cent mentioned that they were previously unemployed and the bank loan provided them the necessary incentive to pursue the economic activity independently.

3. Subsidy Aspect

Of the total sample, only 231 beneficiaries participated in this enquiry. About 78 per cent mentioned that the subsidy should be granted to all the people who were having low income position. Nearly 22 per cent, however, stated that quantum of the subsidy should be increased, and that it should be released to them directly and not through the banks. Almost 11 per cent of this 22 per cent opined that it should be synchronised with the disbursement of the loans.

4. Consumption Loan

About 90 per cent of the total sample of 488 who participated indicated that they required consumption loan also since they were economically poor due to the non-availability of jobs in the areas/villages they resided. However, about 12 per cent of the sample indicated that they would rather prefer adequate production loan to have higher turn over to increase their earning capacities, than the consumption loan. Incidentally, almost 25 per cent of this 12 per cent indicated that they would be willing to pay even higher rate of interest if they were to be considered for the higher quantum of loans.

5. Vocational Training

Of the 390 who participated, 49 per cent indicated that the vocational training should be given to them

either by the Banks/State Government, and this would help them to become good entrepreneurs. The rest did not participate, perhaps, they did not understand the full implications of this questionnaire or they might have felt that it was not necessary since under farming, sheep-rearing, camel cart, rickshaw pulling activities no training was necessary.

6. Post DRI Loan Facilities

Of the 148 who participated, 29 per cent indicated that many had no facilities to buy inputs in their areas of scheme operation; 33 per cent reported that there were no adequate marketing facilities to sell their goods/products; the remaining 38 per cent stated that there were lack of servicing as well as infrastructure facilities which impeded their business activities.

7. Use of Local Language

Of the 312 who participated, 82 per cent suggested that the application forms should be printed in local languages. Of these 82 per cent, about 59 per cent further indicated that information on the DRI scheme should be printed in the local languages and it should be circulated in a leaflet form to the block development offices. The remaining 18 per cent opined that the publicity in the medias such as radios or the local cinema houses should be given which will be of informative/educational nature to the DRI beneficiaries.

8. Attitudinal Change

Of the total 205 beneficiaries who participated, 85 per cent revealed that, by and large, the attitude of the bank staff, was not conducive towards them. They felt that they were not treated as a customer by the local managers. Of these 85 per cent, about 38 per cent opined that they did not even receive proper treatment by the local branch managers when approached for the loan under the scheme. It may be pointed out that 12 per cent of this 38 per cent revealed that the bank staff showed utter callousness towards them, and it was only the pressure that was brought to bear upon them helped them to get the loans sanctioned.

2.70 View Points of Non-Beneficiaries

At the outset it may be mentioned that although 399 non-beneficiaries were finally selected during the study, in this opinion survey not all of them participated.

1. Lack of knowledge about the Scheme

Of the 399 non-beneficiaries, only 305 were interviewed. Of this 305 non-beneficiaries, 59 per cent reported that they were aware of the DRI scheme, however, they had no knowledge about the provisions of the scheme. Further, 25 per cent reported that though, they had approached the bank officials as well as the local block development officers, they were informed that the information on the

DRI scheme was not available with them in local languages, except in English. Only 16 per cent of the total sample stated that they were fully aware of the details of the scheme since they had discussions with the local field officers who had visited their areas.

2. Attitude of Bank Officials

Of the 399 non-beneficiaries, 299 only were interviewed. Of this 299, about 71 per cent reported that the local branch managers in their areas were least concerned to render any credit assistance to them and/or when approached, they did not give them even the loan applications. Almost 11 per cent out of these 71 per cent informed that though, some branch managers were prepared to grant loan facility under the scheme, they insisted on the 'income certificate' from the local block development officers as a pre-condition for the loan. Further, 18 per cent out of these 71 per cent stated that they were informed by the local managers that they had no instructions from their Head-offices to issue loans under the scheme, and hence their cases were summarily rejected.

3. Delay in Sanctioning of Loans

Of the total 399 non-beneficiaries, only 255 were interviewed. Of this 255, 26 per cent indicated that they had applied for loans since they came to know about the facility offered to them at a concessional rate of interest

at 4 per cent per annum through their friends in the neighbouring areas/villages. However, their loans were not sanctioned by the local managers on the plea that their target had been fulfilled, and that their Head-offices had strictly informed them not to sanction any loans to DRI beneficiaries till further orders. Further, 19 per cent of these 255 non-beneficiaries revealed that though their loans were sanctioned, the local branch managers did not disburse the loans since according to them, they were not eligible for the subsidy from the State Government. The remaining 55 per cent of these 255 non-beneficiaries stated that the local managers insisted that they would sanction loans only if their applications are sponsored by the Social Welfare Department of the State Government.

4. Lack of Marketing Avenues

Of the 355 non-beneficiaries, 155 were interviewed. Of this 155, nearly 64 per cent revealed that they had applied to the project office of the Tribal Development Corporation (TDC) for a loan to purchase milch cows, however, their applications were rejected on the ground that there were no marketing facilities for milk. According to these beneficiaries, though, they desired the loans for other purposes than dairying in view of the milk marketing problem, their requests were turned down by the project office (TDC) on the ground that they had no money to sanction further loans under any activity under the scheme.

The remaining 36 per cent of these 155 indicated that the project officials though, accepted their loan applications for sheep-rearing activity, they have not heard of it (till the date of this survey), and no reason has yet been assigned to them for not granting the loans so far.

5. Lack of Security And Reluctance

Of the 305 non-beneficiaries who participated in this enquiry, 108 were interviewed. Of this 108, 43 per cent of the total sample indicated that they had applied for fishery loans but the local bank branch officials rejected their loan applications on the plea that they had already financed enough beneficiaries under fishery activity in the areas of scheme operations. Of these 43 per cent, almost 18 per cent stated further that though they had showed their willingness for other type of activities than the fishery, the local bank managers were reluctant to grant them loans since subsidy was not available for activities other than fisher, from the State Government, the remaining 57 per cent reported that the local managers were reluctant to entertain their request for loan since they were having no security to tender to the bank, and their social status in the community was very low.

6. Low Rate of Interest

Of the 399 beneficiaries, only 295 were interviewed. Of this 295, almost 58 per cent were of the opinion that the

concessional rate of interest should be continued under the scheme and this has attracted them to apply for the loans and this was the major motivating factor for them. However, nearly 42 per cent indicated that they were prompted to apply for the loans under the scheme since they were unemployed. Further, about 9 per cent of this 42 per cent stated that they had large families to maintain and the loans from other sources were not available to them due to their lower status in the community, and the local bank managers were also reluctant to consider their cases on account of their illiteracy.

Opinion Survey of Officials

2.71 Officials View Point

A survey of 103 out of 113 officials chosen for the study as referred to earlier in Chapter 1, was carried out, to assess the qualitative improvement that may be required to execute the DRI scheme more effectively. The results analysed are given in the subsequent paragraphs.

1. The Revision of Income Criteria

The revision of income criteria was opined by 78 per cent of the total sample of officials interviewed. They indicated that the present income norm has become out-dated since it was fixed some-time during the year 1978. In view of the overall rise in the price level it is imperative that we should look into this aspect seriously. According to them, large number of families would become ineligible

under the DRI scheme, if the revision does not take place with immediate effect. However, the remaining 22 per cent strongly opposed the idea of revision of income criteria, on the plea that there are many families which are, at present below the poverty line, both in the urban as well as in the rural areas which can be included under this scheme.

2. Revision of Credit Limits

It was also opined by almost 89 per cent the total sample who felt that there is an urgent need to enhance the present credit limits to a higher level due to the overall rise in the prices which has increased the input costs at all levels. However, they did not specifically indicate the level of increase for the working as well as for the term loan. The remaining 11 per cent were however, totally against the revision of credit limits as they thought that the credit absorption capacity for the beneficiaries has been very low, in this scheme and therefore, the present limits were adequate.

3. Revision of Interest Rate Policy

On the aspect of the revision in the concessional rate of interest being presently charged at 4 per cent per annum to the beneficiaries, almost 75 per cent of the total sample felt that it should be revised upwards to a

level of 10 per cent per annum to match it with the IRD programme, which is also implemented for the poorer sections of the society. Another 15 per cent however, disfavoured the revision on the ground that the higher interest cost will entail heavily on the beneficiaries since their income generative capacity is very low under the scheme. The remaining 10 per cent remained neutral on this question by not replying to our questionnaire and also refrained from participating in our enquiry by saying that it is 'a policy variable', and our opinion matters less on the aspect.

4. Subsidy Aspect

In regard to the subsidy granted under the scheme, almost 52 per cent of the sample opined that it should be scrapped forthwith. According to them, the beneficiaries wanted to avail of the loans to get the subsidy only. They further opined that the subsidy has created discontent amongst the beneficiaries since there are variations in the grant of the quantum of the subsidy. They also expressed the view that the beneficiaries feel that they need not repay the loan since the outstandings can be adjusted against the subsidy wherever it is released by the State Government. However, 38 per cent of the total sample felt that it should be granted and the delay in releasing the subsidy was causing disharmony between the banker and the customer relationships.

According to them, this has affected the overall lending programme under the scheme. Remaining 10 per cent of the sample however, were also in the favour of disbursing the subsidy and opined that it should be disbursed, irrespective of categories of beneficiaries. Particularly they felt that the higher quantum of subsidy at Rs.750 per beneficiary to the tribals was causing unpleasantness since other categories were given Rs.500 only by the State Government.

5. Motivation Aspect

As many as 55 per cent of the total sample interviewed indicated that the beneficiaries were unmotivated and needed training prior to their taking up of an economic activity. According to them, they should be imparted training in regarding to the objectives with which this scheme has been implemented for them and the role they are expected to play to make the implementation of the scheme effective. Further, 13 per cent opined that in addition to make them familiar on the technical as well as on the non-technical aspects of the activities which they have selected to pursue it under the scheme. The remaining 32 per cent stated that the State Government should not only impart vocational training to the beneficiaries, prior to sponsoring of their loan applications but also make them familiar with the conditions required under the scheme. Of these 32 per cent some 16 per cent mentioned that only eligible persons applications should be forwarded to the financing

institutions. They also opined that the State Government should also look after the other interests of these beneficiaries particularly during post - credit sanctioned period since the credit was only one input which has been needed to bring them above the poverty line.

6. Guarantee Cover

About 88 per cent of the total sample indicated that there should not be any variation in the guarantee cover provided for the small loans by the Deposit Insurance and Credit Guarantee Corporation (DICGC). According to them, that the cover should be extended upto 90 per cent of their total lending under the scheme, and it should be fixed permanently since this scheme is likely to continue in future also. Only 12 per cent of the sample did not express their view point by not participating in our enquiry.

7. Other Issues of Implementation

Of the total sample of 103 officials covered, about 5 per cent felt that the financing institutions should not be asked to fulfil the financial target and the government should properly appraise the loan applications prior to forwarding it to the banks; some 12 per cent of the total sample felt that the poor recovery performance under the scheme was on account of less co-operation rendered by the

State Government; some 32 per cent of the sample opined that this scheme should be merged with the IRD programme as the differentiation in the interest rate policy was causing discontent; some 21 per cent of the total sample expressed their view that they were not in a position to earn anything in this scheme in view of the low interest rate charged and the high administrative and supervision cost involved in the execution of the scheme. They felt that the maintenance of a large number of small accounts, spread over remote areas in the far distant places has been quite expensive from the banks' point of view. Therefore, they stated that this scheme should be implemented through the State Corporations/State Boards/Voluntary Agencies which are specifically formed for the purpose. The commercial banks should provide consortium finance to these bodies/Corporations/Boards, to implement this scheme. The remaining 30 per cent of the total sample indicated that the scheme can be strengthened further provided the 'package deal approach' is offered to the beneficiaries by the financing institutions, and other infrastructure facilities are provided by the State Government. They strongly objected to lending which has been presently practised. According to them, the overall efficacy of the DRI scheme has been mainly affected since the scheme has not been implemented in an integrated manner.

Main Findings and Policy Implications

I. Urban Activities

1. Profile of Urban Beneficiaries

The analysis of the beneficiary profile reveals that out of the total sample covered, 46 per cent belonged to the category of scheduled castes, physically handicapped, harijans and bakshi punch community. Nearly 95 per cent of the total sample covered had their level of income per family within Rs 3000 per annum. Besides, most of the beneficiaries selected were illiterate (41 per cent) and had a low asset base prior to the DRI loan. The financial assistance was thus aimed at facilitating this poorest of the poor in pursuing not only a productive economic activity but also in helping thereby generate income therefrom. The overall aim was to enhance their pre-loan income and asset levels.

Our hypothesis that the implementation of the scheme has benefited the target groups only, has been sustained under the study. The financing institutions disbursed loans to the eligible target groups only.

2. Loan Amounts Sought, Sanctioned And Disbursed

The size of the loan sought by the urban beneficiaries reveal that the majority of them were denied required

quantum of loans by the financing institutions. Since their total credit needs were not met fully, they were compelled to borrow from the local money lenders, friends, or from other sources by paying a higher rate of interest. This may be viewed as having perhaps, diluted the optimal effect of the DRI scheme.

Our hypothesis has been that the implementation of the scheme at the institutional level has been done in such a manner that the total credit needs of the beneficiaries have been met fully. The hypothesis has been rejected since the full credit needs of the beneficiaries were not met fully by the financing institutions.

3. Waiting Time for the Loans Sanctioned and Disbursed

The waiting time involved between the receipt of the loan applications by the financing institutions and the time taken for the loan sanction ranged from a fortnight to two months which was, by and large, unreasonable. Our field survey reveals that the financing institutions adopted a group loaning method in a majority of the cases. In view of the small size of the loans, and the simple procedural frame provided under the scheme, this period is not at all justified. However, in the majority of the cases the loans disbursed from the date of sanction have been prompt. The hypothesis that the scheme has been implemented efficiently at the institutional level, has been rejected so far as the operational efficiency in sanctioning of the loans is concerned, and has been accepted in regard to the operational efficiency in the disbursement of loans. Thus, it can be finally concluded that the hypothesis can be only partially sustained.

4. Grant of the Subsidy (Point of Investigation)

The financing institutions forwarded the loan applications for the availment of subsidy to the state government without any loss of time. Most of the eligible beneficiaries received the subsidy. However, the subsidy was not disbursed efficiently. Our field survey reveals that in the majority of cases the subsidy was received at the end of the terminal period rather than at the time of disbursement of loans. It may be remarked that if the beneficiaries had received the subsidy promptly at the time of the loan disbursal it would have helped them to augment their credit availability and would have thus refrained them from borrowing from the local money lenders/friends.

The point of investigation reveals that though, the eligible beneficiaries were granted the subsidy by the state government, it was not released timely by them which adversely affected the operational efficiency of the scheme in this regard.

II. Rural Activities

5. Profile of Rural Beneficiaries

With regard to the disbursement of loans for the rural activities, the study reveals that the financing

institutions have strictly adhered to the norms prescribed under the DRI scheme as (i) 57 per cent of the total sample covered the category of scheduled castes, physically handicapped, scheduled tribes, harijans and bakshi punch community, (ii) the loans were disbursed to low income groups only since 97 per cent of the total sample of beneficiaries selected were from the rural areas whose level of gross income per annum per family was within the limit prescribed at Rs 2000 under the scheme, (iii) by and large, the loans were disbursed to deserving persons as the data reveals that nearly 39 per cent of the total sample were unemployed, and the majority of beneficiaries covered had low asset base. It may be pointed out that 18 per cent of the total sample selected had no abode of their own, and 44 per cent lived in huts. Our field survey further reveals that the conditions of the assets held by the beneficiaries covered was not at all satisfactory. All these persons covered by the financing institutions deserved financial assistance from the institutional sources. Our hypothesis that the implementation of the scheme, has benefited the target groups only has been sustained since the financing institutions sanctioned and disbursed loans under the scheme to the eligible beneficiaries only.

6. Loan Amounts Sought, Sanctioned
and Disbursed

An examination of the data on the question of loan applied for by the beneficiaries indicated that they wanted higher loan amounts to pursue their economic activities. About 25 per cent of the total sample of the beneficiaries had applied for loans in the range of between Rs 3001 and over Rs 6001. The financing institutions disbursed loans which were insufficient from the point of view of the beneficiaries. This inadequacy of loans resulted in lower generation of net income and in the majority of the cases of beneficiaries they had to resort to borrowings from the local money lenders, friends and relatives. Data indicates that 31 per cent of the total sample covered were sanctioned and disbursed loans within the range of Rs 100 to Rs 900 per beneficiary. It may be further pointed that none of the beneficiaries covered by the study was disbursed 'composite loan' by the financing institutions. Our hypothesis that the implementation of the scheme has been done at the institutional level in such a manner that the total credit needs of the beneficiaries have been met fully, has been rejected since the total credit requirements of the beneficiaries were not met by the financing institutions under the scheme.

7. Waiting Time for the Loans
Sanctioned and Disbursed

Data reveals that 69 per cent of the total sample had to wait for over a week and upto one and half month to get their loans sanctioned from the date of their applications. Furthermore, 82 per cent of the total beneficiaries had to wait beyond a period of one week and upto one year to get the loans disbursed from the financing institutions. It may, therefore, be remarked that the financing institutions, by and large, were not prompt in sanctioning as well as disbursing the loans to the beneficiaries under the study. Our hypothesis that the scheme has been implemented efficiently at the institutional level, has been finally rejected since the operational efficiency in regard to the sanctioning and the disbursement of the loans of the financing institutions was very poor in the rural sector.

8. Grant of the Subsidy (Point of Investigation)

The field survey reveals that almost all the eligible beneficiaries engaged in rural activities (55 per cent of the total sample) received the subsidy promptly from the State Government. The only disquieting feature about the subsidy was that it was not synchronised with the disbursement of loans. The survey reveals that

most of the beneficiaries received the subsidy at the end of the terminal period of the loan. The non-availability of the subsidy in time has reduced the availability of adequate supportive finance to the beneficiaries.

9. Non-Beneficiaries Profile
in Urban and Rural Sectors
(Point of Investigation)

(i) Our field survey reveals that the level of gross income per annum per family in the urban as well as the rural areas have gone up. In urban areas 72 per cent and in the rural areas 65 per cent of their respective total samples indicated that their earnings was in the income range of Rs 3001 to Rs 5000 per annum per family.

(ii) The size of the families in the urban as well as in the rural areas were quite large. Our field survey reveals that in the urban areas 64 per cent of the total sample and in the rural areas 32 per cent of the total sample had size of family in the range of 7 to 10.

(iii) In view of the rise in the general level of prices, though the level of incomes have improved both in the urban and in the rural areas, the overall living conditions of the non-beneficiaries have not improved substantially which was reflected in their low asset

position. Most of the non-beneficiaries interviewed had low asset position, both in the urban as well as in the rural sectors. It may be mentioned that 32 per cent of 96 beneficiaries in the urban areas and 41 out of 303 beneficiaries had no dwellings of their own. Although others lived in huts, kutchha houses and semi-pucca houses the conditions of these houses was very poor.

(iv) The occupational pattern of the non-beneficiaries indicated that both in urban as well as in the rural sectors there were some unemployed persons (9 out of 96 in the urban sector and 81 out of 303 in the rural sector). Furthermore, our field survey reveals that though many possessed skilled and knowledge about the cottage and handloom industries, lack of economic activities and the constraints of finance prevented them to pursue economic activities independently.

(v) During our field survey the non-beneficiaries were asked to indicate their preferences in regard to the quantum of loans required by them. For this purpose, a questionnaire was framed according to the different sizes of loan amounts required. Most of them indicated for the higher quantum of loans. The requirements for

the higher loans was on account of rise in the input costs. They also indicated that the higher loans would enable them to have higher turnover and thereby higher level of income.