

Integrated Rural Development Programmes in different States

*130. SHRI UTTAM RATHOD: Will the Minister of FINANCE be pleased to lay a statement showing:

(a) whether any targets have been fixed for the nationalised banks in the matter of assisting the implementation of integrated rural development programmes in different States, (State-wise);

(b) is it a fact that the targets could not be fulfilled due to non-availability of funds from the nationalised banks; and

(c) if so, steps being taken to remedy the situation and fulfill the programmes under the Integrated Rural Development Programme?

THE DEPUTY MINISTER IN THE MINISTRY OF FINANCE (SHRI JANARDHANA POOJARY): (a) to (c). A statement is laid on the Table of the House.

Statement

The objective of the Integrated Rural Development Programme, as laid down in the Sixth Five-Year Plan, is to provide assistance during the Plan period, by way of subsidy/institutional credit for specific income generating projects to 3000 families on an average in each block, identified from the bottom deciles of the rural population below the poverty line. The total institutional credit required for the programme for the Plan period has been assessed at Rs. 3000 crores. Against these broad parameters, public sector banks, in close co-operation with state-level agencies, are progressively providing increasing support by way of credit for the implementation of the Integrated Rural Development Programme. The progress of the programme is dependent on several factors, and availability of credit from the financial institutions is only one of them. Banks, on their part, have been including the needs of the programme in their credit plans, and availability of funds from them will not be a constraint in the implementation of the programme.

SHRI UTTAM RATHOD: As you are aware, we are trying to bring 50 per cent

of the people living below the poverty line, through this programme, above the poverty line. We have kept nearly Rs. 3,000 crores for this programme. But it has been felt that the nationalized banks do not extend credit facilities; and that is how this programme is hampered. I would like to know from the hon. Minister how far you have been able to fulfil this target in each State. If not, for each State give us the target.

SHRI JANARDHANA POOJARY: It is a national programme; and it is a productive programme also. And under this programme, it is proposed to assist about 3,000 families in each block during the Plan period, and a subsidy to the extent of Rs. 1500 crores has been provided, to assist the beneficiaries; and a sum of Rs. 3,000 crores is to flow from financial institutions, including the cooperative banks. Now, in the year 1979, when the programme was implemented, a sum of Rs. 148 crores had been given as assistance. In the year 1980-81, a sum of Rs. 207 crores has been provided, and it has been disbursed. In the year 1981-82 a sum of Rs. 470 crores has been provided, and disbursed.

State-wise figures have been asked for. So far as Maharashtra is concerned, I am giving the figure, because the Member hails from Maharashtra. The total term credit mobilized and disbursed in 1980-81, so far as Maharashtra is concerned, is Rs. 1437.92 lakhs. In 1981-82, Rs. 3423.15 lakhs have been disbursed, showing an increase of 138.1 per cent. And regarding other States, I beg to lay them on the Table of the House.

SHRI UTTAM RATHOD: Especially in the Marathwada region, we have found that the nationalized banks are reluctant to extend their share, as they want security. I have enquired; and wherever I have enquired, I have found that they have not been able to extend this particular facility, to the people living below the poverty line, even upto 10 per cent to 15 per cent. May I ask the hon. Minister to tell us whether he is prepared to do away with this security clause, and ask the nationalized banks to give their share to all the people who

live below the poverty line, and who are eligible to take the benefit of this programme?

SHRI JANARDHANA POOJARY: As a rule, so far as security is concerned, already norms have been relaxed. For loan upto Rs. 5000/- no security is required; and the amount has to be given on the hypothecation of the assets created after giving the assistance. So far as loan upto Rs. 1000/- is concerned, it could be given on the execution of the bank promissory note. So far as the immovable property to be charged is concerned, the only equitable mortgage is sufficient; and no registration is required, so far as charging of the property is concerned, in order to avoid higher cost to the borrower. So far as insisting of the security is concerned, so far as the small and marginal farmers are concerned, so far as priority sectors are concerned, already instructions have been issued to this effect. If there is any instance where the bank people have not followed the instructions, it could be brought to our notice and we will take action.

DR. KARAN SINGH: It is well-known that the developmental problems of the Himalayan region are qualitatively different from those in the rest of the country because of the topography and because of the scattered population. Would the hon. Minister be pleased to tell us whether, in working out the details of this integrated rural development programme particularly in the Himalayan areas, Jammu & Kashmir and Ladakh and the northern area of Uttar Pradesh, any special norms—you are, of course, aware of this; you come from the plains, but I am talking of the mountainous areas—procedures for this rural development programmes have been worked out to ensure that the people living in these mountainous areas are also able to get adequate benefit from this programme?

SHRI JANARDHANA POOJARY: So far as the people living in hill areas namely, tribal areas, are concerned, (*Interruptions*)... so far as weaker sections are concerned, whether they are living in tribal areas or hill areas, I may say that

this scheme has been extended over there and all the benefits under this scheme have also been extended. The percentage of total cost as subsidy for the small farmers is 25 and for the marginal farmer, it is 33.1. So far as tribals are concerned, 50 per cent of the total cost is provided.

DR. KARAN SINGH: That is not my question. Perhaps he has not understood it. May be the Minister could throw some light on this.

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): I would just like to add to what my hon. colleague has already mentioned that this is a scheme where there are various components. As my colleague has explained, the State Governments are to provide subsidy and the Central Government are also to provide subsidy and the institutions are to provide money—both cooperatives and others. Perhaps the difficult problem which the hon. member wants to emphasise is this. In these areas, even the operation of the banks cannot be done through normal regulations. One State, I know. There is not even the individual ownership of the property. Therefore, the normal banking rules and providing assistance through the normal banking system cannot be done. But in order to implement this programme effectively there, we are issuing instructions to the banking sector. In view of the peculiar socio-economic problems of these areas and also to build up the necessary infrastructure so that these benefits could be given and could be accrued to the persons belonging to this area, I do agree that special attention will be necessary which will not be on the pattern of the plains or other developed areas.

SHRI K. RAMAMURTHY: I would like to ask the hon. Minister about the I. R. D. P. scheme. It is very much planned to bring the people below the poverty line above the poverty line. The Minister has just now pointed out how much money the Government of India is giving as subsidy. Sir, I am constrained to bring forth my view. These subsidies are not actually reaching the needy persons. The Government is spending a lot of money and it is being implemented

through the State Governments. I am not objecting to it. But is it reaching the needy persons, is the Government of India having a check over the persons on whom this money is being spent by the State Governments? I would like to know this from the hon. Minister.

SHRI PRANAB MUKHERJEE: In fact this is the problem I discussed with the Chief Executives of the Banks when I had a meeting recently with them. We are also getting complaints and it is not merely a question of allocating money or talking in terms of figures. But we have also to ensure that the benefits accrue to the persons for whom these are meant. But at the same time the hon. Member would appreciate that we cannot do anything but accept their functioning through the State Governments. That is why we have suggested that rural development organisations consisting of the District Collectors and experts from various fields such as agriculture, finance, sericulture, animal husbandry should identify the schemes. But I do feel that there is a lacuna in this type of supporting infrastructure and we will have to look into it and to see that the scheme is effectively implemented. I do not rule out the possibility of lacunae in the implementation stage.

MR. SPEAKER: Shri G. Narasimha Reddy.

AN HON. MEMBER: Sir, this is a very important question.

MR. SPEAKER: Finished. No, no questions.

Shri G. Narasimha Reddy.

'Conversion of States' Over into Loans

*131. **SHRI G. NARASIMHA REDDY:** Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Central Government have received requests from States to convert their overdrafts into loans;

(b) if so, the names of the States which have made this request and whether their requests have been acceded to; and

(c) whether the same pattern will be followed into other cases also?

THE MINISTER OF FINANCE (SHRI PRANAB MUKHERJEE): (a) Yes, Sir.

(b) and (c). Requests were received from Assam, Gujarat, Karnataka, Kerala, Maharashtra, Madhya Pradesh, Manipur, Nagaland, Punjab, Tripura and West Bengal. The requests of these State Governments have been taken care of by the package of measures recently announced by Government for regulating overdrafts of States and for clearing their deficits as at the end of 1981-82.

SHRI G. NARASIMHA REDDY: Sir, as the time is short I will put both the supplementaries at one time only.

As we all know, each State Government has taken different types of overdrafts. By different types, I mean variations in the amount. For instance, West Bengal has taken more than Rs. 300 crores while my State, Andhra Pradesh has taken only Rs. 3 crores and odd. This is only an indication that one of the factors is, mismanagement by the State Governments of the State finances. That is one of the factors. So, Sir, by this decision the Government of India have given premium to the State Governments which have been very badly managing the State finances. So, I would like to know from the hon. Minister, whether they have taken this decision. Are they going to consider the other State Governments, comparing their population and the finances to give them extra amounts which he has already given to West Bengal and other States? That is the first, Secondly, because lot of imbalance has been created in this... (*Interruptions*).

MR. SPEAKER: You get the answer for this because there is no time.

SHRI PRANAB MUKHERJEE: In fact, when I made the statement on overdrafts, I appreciated the States which are following the fiscal discipline and I requested the States which are not resorting to fiscal discipline to come to the fiscal discipline line.