

**EVALUATION OF RURAL INDUSTRIES PROJECTS, 1968**

**1. The Study**

This study was undertaken at the instance of the Rural Industries Planning Committee of the Planning Commission set up by the Government of India in 1962. The eight Rural Industries Projects from amongst those proposed and set up as per the recommendations of the Committee were taken up for Evaluation Study. The study throws light on the working of these projects and problems faced in their implementation.

**2. Objectives**

- i) To enquire into the planning process.
- ii) To examine the administrative arrangements affecting the implementation of the projects.
- iii) To enquire into the facilities provided for the development of rural industries.
- iv) To enquire into utilisation of facilities in rural areas; and
- v) To enquire into the impact of rural industries projects in the project area.

**3. Sample Size/Criteria for Selection of Sample**

The eight Rural Industries Projects for which case studies had been prepared were purposively selected for the Study on the basis of their location.

There were four criteria according to which the Rural Industries Projects were located, viz.

1. Where agricultural conditions were favourable and considerable agricultural effort was being organised but at the same time there was heavy pressure of population.

2. Where agriculture was undertaken mainly under unirrigated conditions and there was considerable need for additional employment.

3. Where there was considerable under-employment because of unfavourable natural conditions and lack of development of potential resources and

4. Tribal and other backward areas.

Accordingly, the following eight projects two from each location category were selected for the purpose of the study.

#### **First Category**

- (1) Nawadah (Bihar)
- (2) Sangamner (Maharashtra)

#### **Second Category**

- (3) Kazhikode (Kerala)
- (4) Anantpur (Andhra Pradesh)

#### **Third Category**

- (5) Churu (Rajasthan)
- (6) Mahasu (Himachal Pradesh)

#### **Fourth Category**

- (7) Panchmahal (Gujarat)
- (8) Tarikhet (Uttar Pradesh)

#### **4. Reference Period**

The study was conducted in June, 1966 and the record data was collected for the years 1962-63 to 1965-66.

#### **5. Major Findings**

1. It was found that there was hardly any integration of the rural industries programme with the block and the district programmes. The main source of funds under the programme was the project funds. It was only in a few cases that these were supplemented by the funds of the Industries Department.

2. By and large, the workers employed in the industries were drawn from the project area. A good number of industries were based on raw material other than local. Instances were also found where the major part of raw materials were obtained from outside the project area.

3. It was mentioned that the progress of the programme mainly depended on the energy, zeal and enthusiasm of the project officer and the project staff. Generally speaking, the project staff was found to be well-qualified. Frequent turnover of project staff had an adverse effect on the functioning of the projects.

4. In some projects no problems were reported in securing financial support, whereas in others delays were reported in getting loans. These delays were attributed to procedural difficulties. Cases of lack of guidance from **the project staff and** corruption were also reported. The terms and conditions on which credit was available differed among the projects and within the same project conditions seemed to vary from one source to another.

5. Difficulties of water supply had been reported from most of the project areas. With the exception of two projects, one each in Himachal Pradesh and Gujarat shortage of electricity were reported quite often.

6. In three out of the eight projects there were no 'Common Facility Centres.' In the areas where such centres did exist the same did not seem to have been planned on the consideration of actual requirements. Utilisation of facilities provided by the Common Facility Centres' were found to be quite poor.

7. Training facilities were found to be available in all the industries projects and trainees were granted stipends which differed not only from project to project but also for different trades in the same project. Most of the trainees felt that the period of training was too short to equip them for useful skilled work. The , trainees further desired that instructors conducting the training courses should be better qualified. In three projects the trainees mainly found employment in the trades for which they were trained.

8. By and large, it can be said that there was preference for the individual form of enterprise. Next in order of importance came the partnership with the cooperative form of enterprise ranking third. Cooperatives were found only in four of the eight projects under study.

## **6. Major Suggestions**

1. Before a programme for the development of rural industries is formulated, it is advisable to carry out a survey of the project area.

2. After a survey of the project area is carried out and a general idea obtained about the industries which could be set up in the project area, the next logical step is to give wide publicity to the opportunities the selected project area offered for the development of specific industries.

3. The criteria that have been reported in the selection of entrepreneurs are past experience, technical know how and financial ability. A broad distinction, however, has to be drawn between desirability and feasibility.

4. The State Trading Corporation may look into the export possibilities of tanned leather and pencils and render whatever help is possible in extending the market for the goods.

5. Frequent transfers of the project staff are, by and large, not conducive to an efficient functioning of the project administration, because in addition to the academic and technical competence of the officers, an excellent rapport is required between the officers on the one hand and the entrepreneurs, trainees, workers, etc. on the other.

6. The procedures for the grant of loans should be streamlined so as to eliminate delay in sanctioning & obtaining of loans.

7. Procedures should be evolved for the speedy procurement of the imported raw materials .

8. The possibility Of helping the industries in securing local and international markets should be carefully examined and the necessary help rendered.