

National Scheduled Tribe Finance & Development Corporation: A Defunct Corporation

Key words:- Scheduled Caste, Scheduled Tribes, National Scheduled Tribes Finance & Development Corporation (NSTFD), Socio-Economic Status (SES), Special Multi-Purpose Tribal Blocks (SMPTBs),

This research paper is an extraction of a major research project titled "The Role of National Scheduled Tribe Finance & Development Corporation in Socio Economic Status of Scheduled Tribes" sanctioned by U.G.C, New Delhi. First hand experiences are shared in this article. Some important documents of responsible agencies and institutions are used to carry forward the study.

A Historical Background - Scheduled Caste also known as Dalit and Scheduled Tribes are grouped historically as disadvantaged class. From the 1850 these communities were loosely referred as the Depressed Class. In important reforms like- Morley -Minto Reform, Montague- Chelmsford and the Simon Commission, the issue of reservation for the depressed class was introduced as roaring debate in states and central legislatures. The Government of India Act 1935 which came into force in 1937 first time used the term Scheduled Castes and made provision for the reservation. The Government of India Act 1936 contained a list or schedule of castes throughout the British provinces. After independence the constituent assembly continued the same definition and gave (via Article 341&342) responsibility to the president and governors of the states for the full listing of the scheduled caste and scheduled tribe. Complete listing was done via The Constitution (Scheduled Caste & Scheduled Tribe) Order 1950. The constitution of India provides various safeguards to the addressed class. To maintain equality and provide social safety net following Acts were passed-

- Untouchability Practices Act 1955
- SC &ST (Prevention and Atrocities Act) 1989
- The Employment of Manual Scavengers and Construction of Dry Latrine (Prohibition) Act 1993.

To ensure the effective implementation of various safeguards introduced by constitution, Article 338 provided a special officer called Commissioner for Sc & ST. After some time Article 338 was replaced by 65th Amendment of the constitution in 1990. First Commission for SC & ST was set up in 1992. In 2002 it was again amended to split the commission into two separate commissions for both the segments.

Development Strategy- General development programmes were executed to target the Backward Classes including STs in the First Five Year Plan (1951- 56). The Second Five Year Plan (1956-61) envisaged

welfare programmes of STs based on the understanding of their culture and traditions for their socio- economic uplift. Forty-three Special Multi-Purpose Tribal Blocks (SMPTBs) were created for about 25,000 people as against 65,000 in a normal Block. The Third Five Year Plan (1961-66) followed the approach of equity of opportunity and to bring about reduction in disparities. The Fourth Five Year Plan (1969-74) approach was to increase the standard of living of the STs. Special development projects in the agency areas of A.P, Bihar, M.P and Orissa States were set-up for targeted development of tribal areas besides combating political unrest and left wing extremism. The Fifth Five Year Plan (1974-78) marked a shift in the approach with the launching of Tribal Sub-Plan (TSP) for the comprehensive development of Tribal. The TSP stipulated that funds of the State and Centre should be quantified on the ST population proportion basis, with budgetary mechanisms for the welfare and development of STs. For implementing TSP strategy, Integrated Tribal Development Projects (ITDPs) were delineated in the tribal concentrated States. Special Central Assistance (SCA) to Tribal Sub Plan (TSP) and Grant-in- Aid under Article 275(1) of the Constitution were also initiated in this plan to provide additional funds to TSP implementing States for income generating activities, infrastructure development and administrative reinforcement. During Sixth Five Year Plan (1980-85) emphasis was on family-oriented economic activities rather than infrastructure development schemes. A 'Modified Area Development Approach' (MADA) was adopted for tribal concentrated pockets of 10,000 populations with at least half of them being STs. Primitive Tribal Groups were also given emphasis for their overall development. During the Seventh Five Year Plan (1985-90), there was substantial increase in the flow of funds. Two national level institutions Tribal Cooperative Marketing Development Federation (TRIFED) as an apex body for State Tribal Development Cooperative Corporations and National Scheduled Castes and Scheduled Tribes Finance and Development Corporation (NSFDC) were set up to provide remunerative price for the Forest and Agriculture Produce of tribals and credit support for employment generation and skill development. Eighth Five Year Plan (1992- 97) emphasized elimination of exploitation, land alienation, non-payment of minimum wages and restrictions on right to collect minor forest produce etc. besides the socio-economic uplift of STs. The Ninth Five Year Plan (1997-2002) approach envisaged advancement of STs through a process of i) Social Empowerment, ii) Economic Empowerment and iii) Social Justice for socio-economic development. An exclusive Ministry of Tribal Affairs was set-up in 1999 for a focused approach to the development and welfare of the tribal in the country. The Tenth Plan (2002-07) continued the approach of Ninth Plan of Social Empowerment through promotion of new educational development schemes, Economic Empowerment through employment-cum-income generation activities and Social Justice through elimination of all types of discrimination. These strategies have been supported by the ongoing schemes of Central, Centrally Sponsored by the Ministry of Tribal Affairs and other Central Ministries and Departments. There was substantial increase in the outlays for the STs Development for various schemes in this plan period with emphasis on education, minor irrigation and development of forest villages.

The population of Scheduled Tribes (STs) is 84.3 million (2001 Census) constituting 8.2% of the total population of the country. STs have their own distinctive culture. They are geographically isolated and their socio-economic condition is very low. More than half of the ST population is concentrated in the five States. They are Madhya Pradesh (14.51%), Maharashtra (10.2%), Orissa (9.7%), Gujarat (8.9%), and Rajasthan (8.4%). Among them 91.7% of STs live in rural areas and only 8.3% live in urban areas. About 45% of STs are cultivators and 40% are engaged as agricultural labourers. The socio-economic indicators of literacy (47%), IMR (84%), rural poverty (46%), urban poverty (35%) show the disparity and low level of development among them.

Need of the study -

To establish the justification of any institution or programme being run by the government in favour of disadvantaged class a regular evaluation is inevitable especially by the independent analyst. Agencies, government or NGOs never reveal true picture because they try to justify their existence as a productive unit. That's why they create data as per need of the project, institution and government. They do not collect real data. Latest report submitted by Tendulkar Committee on poverty estimation is the exact example of this doubt. Evaluation must be done time to time to observe that whether the benefits are reaching to the target group as it was envisaged or not. It is also necessary to point out the weaknesses so that they could be readdressed in time.

Research Question- Is National Scheduled Tribe Finance & Development Corporation a defunct corporation.

Research Hypothesis- National Scheduled Tribe Finance & Development Corporation is a defunct corporation.

Null Hypothesis- National Scheduled Tribe Finance & Development Corporation is not a defunct corporation.

Objective-

Main objective of the study is to assess the impact of Development Corporation on socioeconomic status of scheduled tribes especially during Tenth Five Year Plan. How effective the corporation is in removing the socio cultural divides and improving the standard of life in all respect of the target group.

Tools & Techniques - Bank plays significant role in liquidating the economic activities in such a way that it could be productive and useful for the society in general and the person concerned particular. Health of Bank and Beneficiary both is measured in the form of loan sanctioned, rate of interest charged, regular payment of instalment, recovery condition and finally the difference between amount sanctioned and amount recovered.

Research Methodology-

This is a qualitative-quantitative mix method that adopts post positivist approach. The study is designed to falsify the propositions derived by the general perception. The narrative method based on secondary data and descriptive statistics has been used for falsification. For analysis and conclusion researcher used PRM (Office level, Field level and Beneficiary level). Fifty beneficiaries were selected from the list provided by NSTFDC's regional office Hyderabad, A.P. who has taken loan for different purposes during Tenth Five Year Plan on random basis. In this paper we have used the status of loan as per February 2008.

Limitation of the study-

This study is applicable in a particular perspective only; A.P. is taken as a case. We are not interested in generalising the result or going to develop a general theory. The results are acceptable only in certain perspective.

NSTFDC: A Brief History-

To ensure the right of equal opportunity in all respect, as envisaged in the constitution, to the Scheduled Tribes the NSTFDC was set up as a result of bifurcation of NSC&STFDC in 2001. It is registered under The Companies Act 1956 as a non profit company and fully owned by central government works under Ministry of Tribal Affairs. This is an apex institution for promoting activities that enhance human resource and economic development efforts. It is managed by a board of directors.

Materials & Discussion-

TABLE 1

Amount in Rupees

S No	Item Particular	
1	Number of Beneficiaries	50
2	Total Amount Sanctioned	9243605
3	Total Amount to be recovered	13082884
4	Total Amount recovered	548700
5	Total Amount Waived	4749001
6	Total Balance (+ or -)	7785123
7	%age of loan recovered	4.19
8	%age of loan amount waived	36.29

Source- NSTFDC, Regional Office Hyderabad (Status as per Feb 2008)

Purposely tabulated by author (Dec, 2010) for detail please see complete table given in appendix.

Discussion-

50 beneficiaries were selected from various areas like Adilabad,Asifabad,Utnoor and Manchirial of Andhra Pradesh to whom loan was given in between 2002 to 2007 (10th five Year Plan).It is clear from the table that Rs 9243605 was distributed among 50 beneficiaries of various areas. After completion of the project they had to repay Rs 1382884 in regular instalments. Regularity in the payment of instalments is the primary condition of project success. But the data shows that only Rs 548700 was recovered which in only 4.19% of the actual repayment. The government waived Rs 7785823 for cheap popularity. I can say that 36.29% of total repayment has been waived. In such a way the amount recovered in accounting sense was 40.48%. Dead weight loss in accounting sense was 59.52%. But actual dead weight loss is 95.81%.

At this juncture of discussion I am bound to say that NSTFDC is a NON SYSTEMATIC TOTALLY FUTILE & DESTRUCTIVE CORPORATION.

Findings-

Table mentioned above shows very dark and disappointing picture of the whole scenario. During survey we experienced following

reasons why the so excellent and ambitious plan has no role to play in socio economic development of Scheduled Tribes.

Projects are not chosen on the basis of local needs and resources available.

Beneficiaries are selected on the basis of applications not through face to face interview.

No sufficient entrepreneurial training before giving economic assistance.

There was no complete address of beneficiary.

All officers/employees are engaged in data creation as per need of the government as well as to justify the heavy expenses being spent to run such agencies or institution. No one at any level is interested in knowing the ground reality.

National Channelizing Agency does not give priority to the location, need, ability and market availability while finalising the project for a particular area.

Repayment position is sufficient to conclude that the impact of NSTFDC on socio economic status of Scheduled Tribes is big zero. Hence the hypothesis is likely to be rejected.

Suggestions-

It is very clear from the survey experiences that Administrators/workers are not taking such a serious matter seriously. It is just because of non-accountability. If we are interested in ground reality of the achievements so in order to have the ground reality following precautions must be taken---Discussion should be on real problems (Which the focused group is really facing)

Real conversation with real people (Target group)

In real situations (In which they live)

In real language (What they use)

At real place (Where they live)

It is my humble submission that artificial set-up should be avoided. If anyone of the above is missing it would be difficult to achieve the target with ground reality. In this systematically mismanaged system to avoid inadequate allocation, to ensure perfect implementation of schemes, to raise the socio economic status of Scheduled Tribes in real sense there should be a single budget head, single agency and single window operating system, because technical procedure and multi-office functioning either delays or denies the welfare of STs. Responsibility and accountability must be fixed on each and everybody at all levels.

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